

Legendstrategy 栢濬國際

Stock Code 股份代號 8160



2012

Annual Report 年報

Legend Strategy International Holdings Group Company Limited
栢濬國際集團控股有限公司
(a company incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

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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聯交所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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本報告所載與栢濬國際集團控股有限公司（「本公司」）相關的資料乃根據香港聯合交易所有限公司創業板證券上市規則提供，本公司各董事（「董事」）就本報告共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就其所深知及深信，1. 本報告所載的資料於所有重大方向上均屬準確、完整及並無誤導成份；2. 本報告並無遺漏任何其他事項而導致任何聲明有所誤導；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 公司資料

DIRECTORS

Executive Directors

Mr. Fong, Man Kelvin

Mr. Wong, William

(formerly named "Mr. Wong, Hiu Fan William")

(redesignated to non-executive Director on 31 March 2012 and resigned on 28 December 2012)

Ms. Fong, Nga Peggy

(appointed on 28 December 2012)

Non-executive Directors

Mr. De Weyer, Daniel Ludovicus Joannes

Mr. Wong, William (redesignated from executive Director on 31 March 2012 and resigned on 28 December 2012)

Independent non-executive Directors

Mr. Tam, Kwok Ming Banny

Dr. Wong, Hak Kun Jerry

Mr. Tsoi, Wing Sum

Mr. Wong, Sui Chi Frankie (appointed on 28 December 2012)

COMPANY SECRETARY

Mr. Kam, Tik Lun (CPA, ACCA, LL.M (ICFL))

COMPLIANCE OFFICER

Mr. Fong, Man Kelvin (appointed on 31 March 2012)

AUTHORISED REPRESENTATIVES

Mr. Fong, Man Kelvin (appointed on 31 March 2012)

Mr. Kam, Tik Lun

AUDIT COMMITTEE

Mr. Tam, Kwok Ming Banny (resigned as Chairman on 28 December 2012)

Dr. Wong, Hak Kun Jerry

Mr. Tsoi, Wing Sum

Mr. Wong, Sui Chi Frankie (appointed as Chairman on 28 December 2012)

董事

執行董事

方文先生

黃樟淩先生

(前名黃曉帆先生)

(於二零一二年三月三十一日調任為

非執行董事並於二零一二年十二月二十八日辭任)

巫曼因女士

(於二零一二年十二月二十八日獲委任)

非執行董事

戴偉仁先生

黃樟淩先生(於二零一二年三月三十一日

自執行董事調任後

於二零一二年十二月二十八日辭任)

獨立非執行董事

譚國明先生

黃克勤博士

蔡榮森先生

黃瑞熾先生(於二零一二年十二月二十八日獲委任)

公司秘書

金迪倫先生(CPA, ACCA, LL.M (ICFL))

合規主任

方文先生(於二零一二年三月三十一日獲委任)

授權代表

方文先生(於二零一二年三月三十一日獲委任)

金迪倫先生

審核委員會

譚國明先生(於二零一二年十二月二十八日辭任主席)

黃克勤博士

蔡榮森先生

黃瑞熾先生(於二零一二年十二月二十八日獲委任為主席)



Corporate information

公司資料

NOMINATION COMMITTEE

Mr. Tam, Kwok Ming Banny (resigned as Chairman on 28 December 2012)
Dr. Wong, Hak Kun Jerry
Mr. Tsoi, Wing Sum
Mr. Wong, William (resigned on 28 December 2012)

Mr. De Weyer, Daniel Ludovicus Joannes
Mr. Wong, Sui Chi Frankie (appointed as Chairman on 28 December 2012)

REMUNERATION COMMITTEE

Mr. Tam, Kwok Ming Banny (resigned as Chairman on 28 December 2012)
Dr. Wong, Hak Kun Jerry
Mr. Tsoi, Wing Sum
Mr. Wong, William (resigned on 28 December 2012)

Mr. De Weyer, Daniel Ludovicus Joannes
Mr. Wong, Sui Chi Frankie (appointed as Chairman on 28 December 2012)

PRINCIPAL BANKERS

The PRC

Industrial Bank Co., Ltd.
Industrial and Commercial Bank of China

Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Ltd.

COMPLIANCE ADVISER

Quam Capital Limited

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

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

提名委員會

譚國明先生(於二零一二年十二月二十八日
辭任主席)
黃克勤博士
蔡榮森先生
黃樟淦先生(於二零一二年十二月二十八日
辭任)
戴偉仁先生
黃瑞熾先生(於二零一二年十二月二十八日
獲委任為主席)

薪酬委員會

譚國明先生(於二零一二年十二月二十八日
辭任主席)
黃克勤博士
蔡榮森先生
黃樟淦先生(於二零一二年十二月二十八日
辭任)
戴偉仁先生
黃瑞熾先生(於二零一二年十二月二十八日
獲委任為主席)

主要往來銀行

中國

興業銀行
中國工商銀行

香港

香港上海滙豐銀行有限公司
星展銀行(香港)有限公司

合規顧問

華富嘉洛企業融資有限公司

核數師

羅兵咸永道會計師事務所
執業會計師

註冊辦事處

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1303, 13th Floor
Tai Tung Building
8 Fleming Road
Wanchai
Hong Kong

HEADQUARTERS

Room 811-812, West Building
Haian Towers
Commercial and Cultural Centre
Nanshan District
Shenzhen
The PRC

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
18th Floor, Fook Lee Commercial Centre
Town Place
33 Lockhart Road
Wanchai
Hong Kong

COMPANY'S WEBSITE

www.legendstrategy.com
www.welcomeinn.com.cn

STOCK CODE

08160

香港主要營業地點

香港
灣仔
菲林明道8號
大同大廈
13樓，1303室

總部

中國
深圳
南山區
商業文化中心區
海岸城
西座寫字樓811-812室

於開曼群島的主要股份過戶及登記處

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

香港股份過戶登記分處

聯合證券登記有限公司
香港
灣仔
洛克道33號
中央廣場
福利商業中心18樓

公司網站

www.legendstrategy.com
www.welcomeinn.com.cn

股份代號

08160



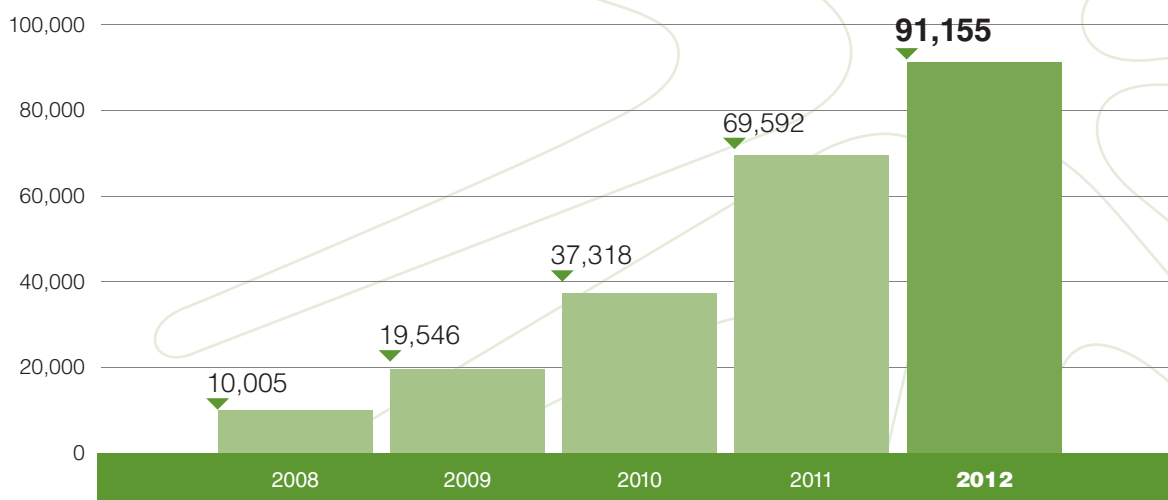
Financial Highlights

財務摘要

BUSINESS REVIEW

業務回顧

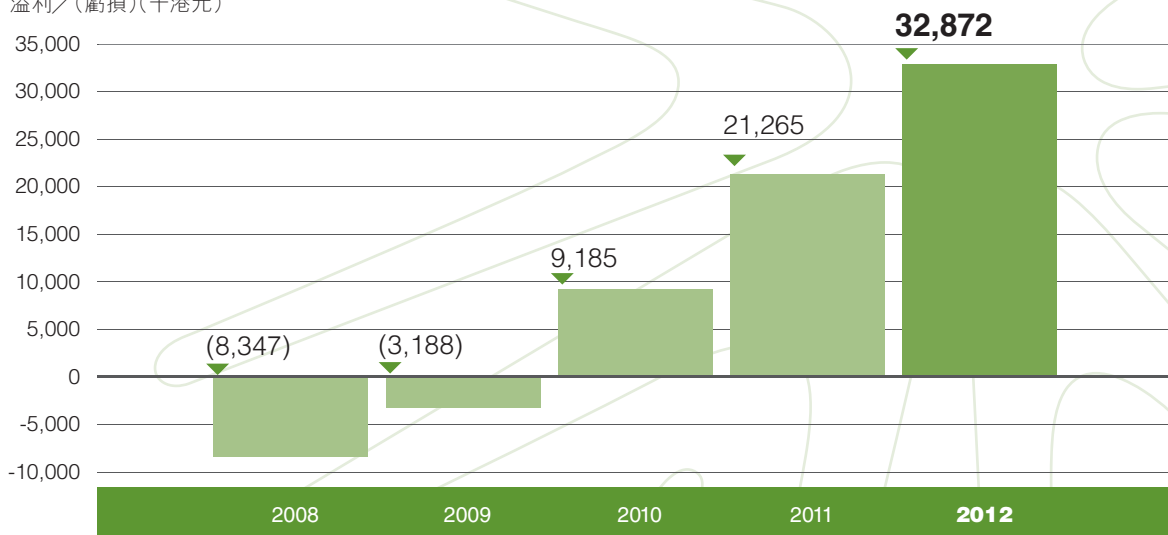
Revenue (HK\$'000)
收益 (千港元)



PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS

權益持有人應佔溢利/(虧損)

Profit/(Loss) (HK\$'000)
溢利/(虧損) (千港元)



FINANCIAL HIGHLIGHTS

財務摘要

| | | Year ended 31st December 截至十二月三十一日止年度 | | | |
|--|----------------------|--|------------------|-----------------|--------------------------------|
| | | 2012 二零一二年 | 2011 二零一一年 | 2010 二零一零年 | 2009 二零零九年 |
| Operating Performance | 經營業務表現 | | | | |
| Revenue | 收益 | 91,155,199 | 69,592,354 | 37,317,993 | 19,545,963 |
| Operating profit/(loss) | 營運溢利/(虧損) | 44,748,676 | 31,509,005 | 13,606,109 | (3,307,288) |
| Profit/(loss) attributable to: | 以下人士應佔 | | | | |
| | 溢利/(虧損)： | | | | |
| Equity holders of Company | 本公司權益持有人 | 32,871,668 | 21,264,683 | 9,185,202 | (3,187,896) |
| Non-controlling interest | 非控制性權益 | — | — | 364,329 | (288,923) |
| Net cash generated from/ (used in) operating activities | 經營業務所得/ (所用)之現金淨額 | 28,756,392 | (6,296,456) | 15,055,682 | 7,580,732 |
| Earnings/(loss) per share — basic | 每股盈利/(虧損) — 基本 | HK18.26 cents 港仙 | HK13.63 cents 港仙 | HK6.80 cents 港仙 | (HK2.36 cents 港仙) [#] |
| Financial Position | 財務狀況 | | | | |
| Borrowing | 借貸 | 30,706,458 | 1,690,842 | — | — |
| Net current assets/(liabilities) | 流動資產/(負債)淨值 | 58,179,343 | 31,899,447 | (8,676,685) | (41,678,403) |
| Shareholders' equity | 股東權益 | 119,065,005 | 85,541,414 | 15,285,116 | (14,557,729) |
| Net assets/(liabilities) per share | 每股資產/(負債)淨值 | HK66 cents 港仙 | HK55 cents 港仙 | HK11 cents 港仙 | (HK9 cent 港仙) |
| Capital expenditure | 資本開支 | 15,564,155 | 10,933,888 | 171,694 | 564,433 |
| Key Ratios and Data | 主要比率及數據 | | | | |
| Profit margin | 邊際溢利 | 36.06% | 30.6% | 25.6% | N/A 不適用 |
| Current ratio | 流動比率 | 3.49 times 倍 | 2.87 times 倍 | 0.35 times 倍 | 0.01 times 倍 |
| Return on equity | 股本回報 | 27.6% | 24.9% | 62.5% | N/A 不適用 |

[#] The weighted average number of shares used to calculate the basic loss per share for the year ended 31 December 2009 includes the issued share capital of the Company of 135,000,001 shares and assuming the 135,000,001 shares were in issue on 1 January 2009.

[#] 截至二零零九年十二月三十一日止年度，用於計算每股基本虧損之加權平均股數包括本公司已發行股本135,000,001股股份，並假設該135,000,001股股份於二零零九年一月一日已發行。

Chairman's statement 主席報告

On behalf of the Board of Directors of Legend Strategy International Holdings Group Company Limited (the "Group"), I am very honored to announce that our Group has completed a truly remarkable year in terms of both financial and operating performance for the year ended 31 December 2012.

BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged in operating budget boutique hotels, providing hotel consultancy services and hotel management services in the PRC.

During the past financial year, our team has worked extremely hard to achieve many of the set targets in operation standards and financial return. The Group recorded a net profit of HK\$32,871,668 for the year ended 31 December 2012 compared with a net profit of HK\$21,264,683 for the same period of last financial year, representing a significant increase of 54.58%. The net profit was mainly due to the recognition of revenues generated from the provision of hotel consultancy services and hotel management services in 2012, and also the improvement of performance from the hotel operations in the second half of year 2012.

In 2012, apart from focusing on maximising financial return for our shareholders and investors, major effort has also been spent in strengthening our organization structure. The re-structuring is not only crucial for our foreseeable rapid future expansion in our hotel network, it is also important to the continuous improvement in our service standards. As a result, our management team is more robust with an increased capability to take on the challenges ahead. The group has always regarded human resources as one of our most important assets, and we will continue to invest in our people in terms of training and recruitment to improve our overall management efficiency and effectiveness.

本人謹代表枋濬國際集團控股有限公司（「本集團」）董事會很榮幸地宣佈，本集團截至二零一二年十二月三十一日止年度在財務及營運上的表現都相當傑出。

業務及財務回顧

本集團主要於中國從事經營經濟精品酒店及提供酒店顧問與酒店管理服務。

於上個財政年度，我們的團隊非常努力地達成經營標準及財務回報的既定目標。截至二零一二年十二月三十一日止年度，本集團錄得淨溢利32,871,668港元，而上一財政年度同期則為淨溢利21,264,683港元，大幅增長54.58%。錄得淨溢利主要乃由於確認二零一二年來自提供酒店顧問服務及酒店管理服務之收入，以及二零一二年下半年酒店經營表現改善所致。

於二零一二年，除集中精力將我們股東及投資者的財務回報最大化外，我們亦非常努力強化我們的組織架構。此組織重建不僅對我們酒店網絡在可預見的將來快速擴張至關重要，而且是不斷提高我們服務水平重要因素。因此，我們的管理團隊已變得更加強大，從而迎接未來的挑戰。本集團一直將人力資源視為我們最重要的資產之一，我們將繼續投放資源在人力培訓及招聘的工作，從而提升我們的整體管理效能及效率。

OUTLOOK

The prolonged unresolved sovereign debt crisis in Europe and the slow and uneven recovery of the US economy had a negative influence on China's economic growth. The recent QE3 measures launched by the US Federal Reserve are likely to induce asset inflation, and the "financial cliff", if unresolved by the US Congress, would cause even greater uncertainty to the world's economic recovery. Under these circumstances, China's economic situation would likely be affected in the coming year.

In the light of a likely economic downturn, the low cost hotel accommodation sector will be relatively less affected hence the Group's revenue would be expected to remain stable or increase. In addition, the overall income will be improved upon completion of the five new leased and operated hotels in Guangdong Province in the coming months. For the past few years, the Group has successfully adopted a capital-light growth strategy, that is by capitalizing on our skill and experience in hotel design and management to provide hotel consultancy services to hotel investors. In order to ensure more steady flow of revenue and secure sustainable growth in the future, the group will concentrate more on looking for multiple locations and sources of funds to expand our leased and operated hotel network in the coming years.

The Directors are optimistic about the future development of the Group's business and will continue to implement the well-established business strategies as well as explore other business opportunities in order to enhance the Company's value and to bring outstanding return to shareholders.

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.

Fong, Man Kelvin
Chairman and Executive Director

12 March 2013

展望

歐洲主權債務危機持續未能獲得解決及美國經濟復甦緩慢及不均衡，均對中國經濟增長造成負面影響。最近美國聯邦儲備委員會推行之第三輪量化寬鬆政策很可能會導致資產價格上漲，而如果美國國會未能解決「財政懸崖」之問題，將為全球經濟復甦加添更多不明朗因素。在此情況下，在未來一年中國之經濟狀況可能會受到影響。

鑒於經濟或會低迷，低成本的酒店住宿行業受到的影響相對較少，因此，預期本集團的收益將保持穩定或有所增加。此外，未來數月位於廣東省的五家新建租賃經營酒店完工後，整體收入將會上揚。在過去的幾年裡，本集團已成功採用一套輕資本投入的增長策略，即是透過充分利用我們酒店設計及管理方面的技能及經驗，向酒店投資者提供酒店諮詢服務。為保證獲得更多的穩定收益及未來的持續增長，於未來數年本集團將更加專注尋找多個地段及資金資源擴展我們的租賃經營酒店網絡。

董事對本集團未來業務發展持樂觀態度，將繼續實施完善的業務策略，以及探尋其他業務商機，提升本公司之價值並為股東帶來豐厚回報。

致謝

最後，本人藉此機會謹向各董事、管理團隊及員工致以衷心謝意，感謝他們對本集團之忠誠及所作之寶貴貢獻。同時，本人謹此感謝我們股東及業務夥伴對本集團之不懈支持和信任。

主席兼執行董事
方文

二零一三年三月十二日



Management discussion and analysis

管理層討論及分析

BUSINESS AND OPERATIONAL REVIEW

The Group is principally engaged in budget hotel operations and provision of hotel consultancy services in the PRC.

Hotel Operation

For the financial year ended 31 December 2012, the Group has five leased-and-operated hotels and two managed hotels under operation. The Group had confirmed five new hotel locations and entered into the leasing agreements with landlords in 2012. All the five new leased-and-operated hotels are located in Guangdong province, which are currently under construction and renovation. The Group expects these five new hotels will commence operation in 2013.

The Group continues to focus its strategy on delivering values to budget-conscious hotel guests, such values included stylish design, cleanliness, comfort, friendly service, geographical convenience and safety. The Group develops its hotel through leasing part of existing commercial buildings and converting them into hotel accommodations. This strategy can help the Group not only open up a wider choice in selecting potential sites for new hotels but also substantially reduces the lead time and startup cost for hotel conversion when compared to a normal green field hotel project.

Future Development and Outlook for Hotel Operation

In August 2012, the Group confirmed a location in the North of Xiachong Fairground, Daya Bay district, Huizhou City, Guangdong Province, the PRC, to develop its sixth leased-and-operated hotel (the "Xiachong Hotel"). The leasing period is ten years which started from September 2012. The renovation work for Xiachong Hotel has started in the fourth quarter of 2012 and is expected to finish refurbishment in second quarter of 2013 with the commencement of operation in the second half of 2013.

In July 2012, the Group confirmed a location in the Huicheng district, Huizhou City, Guangdong Province, the PRC, to develop its seventh leased-and-operated hotel (the "Huizhou Binjiang Hotel"). The leasing period is ten years which started from December 2012, the renovation work for Huizhou Binjiang Hotel started in December 2012 and it is expected that the Huizhou Binjiang Hotel can commence operation in the second half of 2013.

業務及營運回顧

本集團主要於中國經營經濟酒店及提供酒店顧問服務。

酒店營運

截至二零一二年十二月三十一日止財政年度，本集團擁有五家營運中的租賃經營酒店及兩家營運中的管理酒店。本集團已確認五家新酒店的位置並於二零一二年與地主簽訂租賃協議。五家新建租賃經營酒店均位於廣東省，目前正處於建設裝修階段。本集團預期該五家新建酒店將於二零一三年開業。

本集團主力為賓客提供以經濟價格為上的具價值酒店服務，包括時尚設計、整潔舒適的房間、友善服務以及方便安全的環境。本集團以租賃現存的商業樓宇部分樓層然後改建成酒店住房以發展其酒店業務。此策略有助於本集團之發展，不但為新酒店挑選有潛力的位置帶來更多選擇，同時相比以發展土地建設酒店而言，改建酒店之項目更能大幅縮短開業籌備時間及節省開業成本。

未來發展及酒店營運的前景

於二零一二年八月，本集團確定將於中國廣東省惠州市大亞灣霞涌區北側發展其第六家租賃經營酒店（「霞涌酒店」）。租期為自二零一二年九月起計十年。霞涌酒店的裝修工程已於二零一二年第四季度開始，預期於二零一三年第二季度完工，並將於二零一三年下半年開業。

於二零一二年七月，本集團確定將於中國廣東省惠州市惠城區發展其第七家租賃經營酒店（「惠州濱江酒店」）。租期為自二零一二年十二月起計十年，惠州濱江酒店的裝修工程已於二零一二年十二月開始，預期將於二零一三年下半年開業。

In March 2012, the Group had identified two locations in Meilin, Futian district and Shekou, Nanshan district respectively in Shenzhen City, Guangdong Province, the PRC, the Group successfully entered into the leasing agreements with landlords in February 2013, to develop its eighth and ninth leased-and-operated hotels (the “Meilin Hotel” and the “Shekou Hotel” respectively). The leasing period for both locations is ten years starting from March 2013. It is expected the renovation work will start in March 2013 and complete in the third quarter of 2013.

In December 2012, the Group confirmed a location in Changping district, Dongguan City, Guangdong Province, the PRC to develop its tenth leased-and-operated hotel (the “Changping Hotel”). The Group expects refurbishment work to be completed in third quarter of 2013 and the Changping Hotel to commence operation within 2013.

The Group plans to continue to expand its network in the PRC with focus on the Southern PRC, in particular, the Guangdong Province in the next two to three years. The Directors believe that the continuous growth of the demand of budget boutique hotels in the PRC will provide business opportunities to the Group to expand its businesses across these cities.

Hotel Consultancy Services

For the financial year ended 31 December 2012, the Group had entered into twenty hotel consultancy agreements with five investors for the provision of hotel consultancy services. These investors are independent third parties who are not connected with the Group other than entering into the hotel consultancy agreements with the Group.

Subject to the negotiations with individual hotel investors, the principal terms of the hotel consultancy agreements are generally similar. Pursuant to the hotel consultancy agreements, the Group provides to the hotel investors the following services:

- (i) site selection through detailed studies on the traffic flow etc.;
- (ii) site assessment and feasibility analysis;
- (iii) preparing ISO 9001: 2008 operating procedures and quality manual;
- (iv) hotel interior design; and
- (v) construction contractor selection.

於二零一二年三月，本集團已分別於中國廣東省深圳市福田區梅林及南山區蛇口挑選出兩個地段，並於二零一三年二月成功與地主訂立租賃協議以發展其第八及第九家租賃經營酒店（分別為「梅林酒店」及「蛇口酒店」）。租期均為自二零一三年三月起計十年，預期酒店裝修工程將於二零一三年三月開始並將於二零一三年第三季度完工。

於二零一二年十二月，本集團確定將於中國廣東省東莞市常平區發展其第十家租賃經營酒店（「常平酒店」）。本集團預期翻新工程將於二零一三年第三季度完成，且常平酒店將於二零一三年期間開業。

本集團計劃於未來兩至三年擴大其中國的業務網絡，主要針對華南地區，特別是廣東省。董事相信，隨著中國經濟精品酒店需求持續增長，將為本集團於該等城市擴展業務提供契機。

酒店顧問服務

截至二零一二年十二月三十一日止財政年度，本集團已就提供酒店顧問服務與五名投資者訂立二十項酒店顧問協議。此等投資者均為獨立第三方，除簽訂酒店顧問協議以外，與本集團概無任何關連。

根據與個別酒店投資者的協商，酒店顧問協議的主要條款大致相同。根據酒店顧問協議，本集團為酒店投資者提供的服務如下：

- (i) 通過仔細的交通流量等研究進行選址分析；
- (ii) 選址的評估及可行性分析；
- (iii) 根據ISO 9001：2008標準的指引準備經營程序及質量手冊；
- (iv) 酒店的室內設計；及
- (v) 挑選工程承建商。



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Outlook for Hotel Consultancy Services

The Group is currently implementing a branding strategy to refresh and streamline its brands to better appeal to its target market segments and to serve as a platform for its expansion into the consultancy business. The Directors believe that the successful track record of the Group's hotels is one of the reasons that attract hotel investors.

FINANCIAL REVIEW

The Group has a remarkable growth for the year ended 31 December 2012 and is pleased to announce a profit attributable to owners of the Company of approximately HK\$32.87 million, representing a year-on-year increase of approximately HK\$11.61 million or 54.58% compared to approximately HK\$21.26 million for year ended 31 December 2011 (the "Last Year").

Revenue

The Group's growth momentum is carried forward from Last Year to the year ended 31 December 2012. The Group reported a total revenue of approximately HK\$91.16 million (2011: approximately HK\$69.59 million) and recorded a year-on-year increase of approximately HK\$21.57 million or 30.98% from the Last Year.

Revenue mainly came from the hotel consultancy services of approximately HK\$58.19 million, representing approximately 63.83% of total revenue. It increased approximately 37.88% or HK\$15.99 million from approximately HK\$42.20 million in the Last Year.

The following table shows the key information of each of the Group's leased-and-operated hotels for the years ended 31 December 2012 and 2011:

酒店顧問服務的前景

目前，本集團為更能迎合目標市場分部及作為擴展至顧問業務之平台而推行更新及精簡品牌之品牌策略。董事相信，本集團成功的往績記錄是吸引酒店投資者的因素之一。

財務回顧

本集團於截至二零一二年十二月三十一日止年度錄得顯著增長並謹此欣然宣佈，本公司擁有人應佔溢利由截至二零一一年十二月三十一日止年度（「上年度」）約21,260,000港元，按年增長約11,610,000港元至約32,870,000港元，升幅達54.58%。

收入

本集團上年度的增長勢頭延續至截至二零一二年十二月三十一日止年度。本集團錄得總收入約91,160,000港元（二零一一年：約69,590,000港元），較上年度按年增長約21,570,000港元，升幅達30.98%。

主要源於酒店顧問服務的收入為約58,190,000港元，約佔總收入的63.83%。該收入較上年度的42,200,000港元增長約37.88%或15,990,000港元。

下表載列本集團截至二零一二年及二零一一年十二月三十一日止年度各租賃經營酒店的主要資料：

| | | Year ended 31 December 截至十二月三十一日止年度 | | |
|--|-----------------------------|--|---------------|--|
| | | 2012 二零一二年 | 2011 二零一一年 | % change 百分比變動 |
| Total | 總計 | | | |
| Total available room nights | 總可出租客房晚數 | 146,749 | 150,035 | -2.2% |
| Occupancy | 入住率 | 79.61% | 80.2% | -0.6% |
| ARR (RMB)* | 平均房租 (人民幣)* | 185.2 | 180.6 | 2.5% |
| RevPAR (RMB) [Ⓔ] | 平均每間客房收入 (人民幣) [Ⓔ] | 147.4 | 144.8 | 1.8% |
| * ARR: the average room revenue of all hotels divided by the total occupied room nights | | | | * 平均房租：酒店的客房收入除以酒店的總出租客房晚數 |
| [Ⓔ] RevPAR: the average room revenue of all hotels divided by the total available room nights | | | | [Ⓔ] 平均每間客房收入：酒店的客房收入除以酒店的總可出租客房晚數 |

Operating Costs

The total operating costs increased by HK\$8.32 million, or approximately 21.86%, from HK\$38.08 million for the Last Year to HK\$46.41 million for the year ended 31 December 2012.

The following table shows the total operating costs for the years ended 31 December 2012 and 2011:

| | | Year ended 31 December | | |
|---|------------|------------------------|------------|----------|
| | | 截至十二月三十一日止年度 | | |
| | | 2012 | 2011 | % change |
| | | 二零一二年 | 二零一一年 | 百分比變動 |
| | | HK\$ | HK\$ | |
| | | 港元 | 港元 | |
| Operating lease expenses | 營運租約開支 | 11,584,821 | 9,984,386 | 16.0% |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 7,959,800 | 7,091,127 | 12.3% |
| Employee benefit expenses | 僱員福利開支 | 9,845,335 | 7,092,137 | 38.8% |
| Utilities | 公用設施 | 1,893,741 | 1,732,733 | 9.3% |
| Other operating expenses | 其他營運開支 | 15,122,826 | 12,182,966 | 24.1% |
| | | 46,406,523 | 38,083,349 | 21.86% |

Liquidity, Financial Resources and Capital Structure

The Group generally finances its daily operations from internally generated cash flows. As at 31 December 2012, the Group had bank balances and cash of approximately HK\$27.88 million (2011: approximately HK\$16.15 million).

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt. The gearing ratio for the year ended 31 December 2012 is 2.32% (2011: Nil. The Group was in net cash position).

Significant Changes to Financial Position

The debtors' turnover days for the financial year ended 31 December 2012 was 193 days (2011: 147 days).

經營成本

截至二零一二年十二月三十一日止年度，總營運成本由上年度的38,080,000港元，上升8,320,000港元至46,410,000港元，升幅約21.86%。

截至二零一二年及二零一一年十二月三十一日止年度的總營運成本載列如下：

流動資金、財務資源及資本架構

本集團一般以內部產生的現金流量作為日常經營業務之資金。於二零一二年十二月三十一日，本集團的銀行結餘及現金約為27,880,000港元（二零一一年：約16,150,000港元）。

資產負債比率定義為負債淨額（按借款總額（包括綜合財務狀況表中所示的流動及非流動負債）減現金及現金等價物計算）除以資產總額（即綜合財務狀況表中所示的權益總額加負債淨額），截至二零一二年十二月三十一日止年度，資產負債比率為2.32%（二零一一年：無，本集團處於淨現金狀況）。

財務狀況之重大變動

截至二零一二年十二月三十一日止財政年度之應收賬款周轉期為193天（二零一一年：147天）。

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For hotel operations, the majority of the customers of the Group pay by cash upon hotel room checkout. As a result, the trade debtors balance was immaterial compared with the revenue. The Group expects the customer payment pattern to be consistent in the future.

For hotel consultancy services, the trade debtors balance was HKD48,478,635 as of 31 December 2012. During the first quarter of 2013, the Group received subsequent settlement of approximately HKD11,933,594 from those trade debtors. The remaining trade debtors balance is expected to be fully settled in 2013 based on the revised repayment schedule.

For hotel management services, the payment term is quarterly settlement after the end of every quarter. Approximately 44% of the outstanding trade debtors balance for the management services as at 31 December 2012 were settled in the first quarter of 2013 subsequently.

In the view that all customers had settled their outstanding trade receivables partially or substantially during the year 2012 or the first quarter of 2013 subsequently, the Directors were confident on the recoverability of the remaining outstanding trade debtors balances.

Capital Structure

On 12 October 2012, the Company completed the placing of convertible notes in an aggregate principal amount of HK\$30.6 million. The convertible notes bear interest at a rate of 5% per annum, payable annually in arrears. The convertible notes shall mature on the second anniversary of the date of issue. Assuming the exercise in full of the conversion rights attaching to the convertible notes at the initial conversion price of HK\$0.85 (subject to adjustment) per share, an aggregate of 36,000,000 shares will be issued, representing approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the conversion shares. Save for the issue of the convertible notes, there was no material change in the capital structure of the Group during the year ended 31 December 2012.

The total number of the issued shares of the Company was 180,000,001 as at 31 December 2012.

Foreign Exchange Exposure

The Group considers that fluctuations in exchange rates do not impose a significant risk to the Group since the Group's operations are principally in the PRC and Hong Kong, and majority of the assets and liabilities of the Group were denominated in Renminbi and Hong Kong dollars. As at 31 December 2012, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

就酒店業務而言，本集團大部分客戶在結賬酒店房間時以現金支付。因此，貿易應收賬款結餘較收益而言甚微。本集團預期，日後之客戶付款方式將會一致。

就酒店顧問服務而言，截至二零一二年十二月三十一日之貿易應收賬款結餘為48,478,635港元。於二零一三年第一季度，本集團隨後自該等貿易應收賬款收取結算款項約11,933,594港元。餘下貿易應付賬款結餘預期將根據經修訂預付計劃於二零一三年內全數付清。

就酒店管理服務而言，有關付款將於每個季度末之後按季結算。於二零一二年十二月三十一日，餘下管理服務之貿易應收賬款結餘約44%並已於隨後之二零一三年第一季度付清。

鑒於二零一二年度及隨後於二零一三年第一季度，所有客戶已結算彼等之部份或大部份未支付貿易應收賬款，董事對餘下未償還貿易應收賬款結餘之可收回性持有信心。

資本架構

於二零一二年十月十二日，本公司完成配售本金總額為30,600,000港元之可換股票據。可換股票據按年利率5%計息，按年支付。可換股票據將於發行日期後兩周年到期。假設可換股票據所附帶之轉換權按初步轉換價每股轉換股份0.85港元(可予調整)獲悉數行使，將予發行合共36,000,000股股份，相當於本公司現有已發行股本約20%及經發行轉換股份擴大後之本公司已發行股本約16.67%。除發行可換股票據外，於截至二零一二年十二月三十一日止年度，本集團之資本架構並無重大變化。

於二零一二年十二月三十一日，本公司之已發行股本總數為180,000,001股。

外匯風險

由於本集團之業務主要在中國及香港且本集團之絕大部分資產及負債均以人民幣及港元計值，故本集團認為滙率波動不會令本集團面臨重大風險。於二零一二年十二月三十一日，本集團概無因外匯合約、利息、貨幣掉期或其他金融衍生工具而面臨任何重大風險。

Significant Investment

On 17 October 2012, the Group entered into a non-legal binding memorandum of understanding (the "MOU") with a vendor pursuant to which the Group intended to purchase 100% of the issued share capital of Spacial Interior Design Company Limited which is principally engaged in the business of interior decoration and design. The consideration of this possible acquisition is approximately HK\$60 million. Pursuant to the MOU, in consideration of the exclusivity period of six months given after the date of MOU, the Group paid HK\$10 million deposit to the vendor on 17 October 2012. Pursuant to the board meeting held on 21 February 2013, the Group decided not to proceed with the acquisition and the deposit has been collected by the Group in March 2013. Except for this possible acquisition, there was no significant investment made by the Group during the year (2011: HK\$12 million).

Material Acquisitions or Disposals

For the year ended 31 December 2012, there were no material acquisitions or disposal of subsidiaries and affiliated companies by the Group.

Charges on Assets

As at 31 December 2012, the Group did not have any charges on its assets.

Contingent Liabilities

As at 31 December 2012, the Group did not have any material contingent liabilities.

Employees and Remuneration Policies

The Group had 128 (2011: 100) employees as at 31 December 2012. The Group's remuneration practices are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee.

The emoluments of the Directors are determined by the Remuneration Committee, with reference to their respective contribution of time, effort and expertise on the Company's matters.

Dividends

The Directors do not recommend payment of any dividend in respect of the year ended 31 December 2012.

No arrangement under which a shareholder has waived or agreed to receive any dividends during the year ended 31 December 2012.

重大投資

於二零一二年十月十七日，本集團與賣方訂立無法律約束力之諒解備忘錄（「諒解備忘錄」），據此，本公司有意收購間室內設計有限公司100%已發行股本，而間室內設計有限公司主要從事室內裝修及設計業務。意欲收購之代價將約為60,000,000港元。根據諒解備忘錄，考慮到賣方給予諒解備忘錄日期後六個月之獨家期間，本集團於二零一二年十月十七日向賣方支付按金10,000,000港元。根據於二零一三年二月二十一日舉行的董事會會議，本集團決定不再進行收購事項，且本集團已於二零一三年三月將按金收回。除此可能收購事項外，本集團於年內概無進行任何重大投資（二零一一年：12,000,000港元）。

重大收購或出售

截至二零一二年十二月三十一日止年度，本集團概無就本集團之附屬公司及聯營公司進行重大收購或出售。

資產抵押

於二零一二年十二月三十一日，本集團並無任何資產抵押。

或然負債

於二零一二年十二月三十一日，本集團並無任何重大或然負債。

僱員及薪酬政策

於二零一二年十二月三十一日，本集團有128名（二零一一年：100名）僱員。本集團的薪酬常規符合現行市場慣例，並根據個別僱員的表現、資歷及經驗而釐定。

董事之薪酬乃由薪酬委員會經參考彼等各自參與本公司事務的時間、貢獻及技術水平釐定。

股息

董事不建議派付截至二零一二年十二月三十一日止年度之任何股息。

截至二零一二年十二月三十一日止年度內，並無任何安排據此股東已放棄或同意收取任何股息。



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OUTLOOK

Notwithstanding the credit crisis in Europe cannot be extinguished and the recovery of economy of the United States of America is still in doubt, the global economic prospect seemed to be much less optimistic, all these factors may interfere the pace of economy growth of the PRC, however, exactly due to the global economy step into the stage of recession, the domestic demands of budget boutique hotels are huge due to the customers become more cost conservative, rendering an opportunity for the Group to sustain remarkable growth in this year. The Group remains optimistic towards the Group's development and the prospects of the budget hotel business in the domestic PRC market.

In the future, the Group shall continue to expand the number of leased-and-operated hotels, and is also actively seeking for investment and engaging in asset-light and cost effective business opportunities in providing hotel consultancy services, as well as providing hotel management services with a view to grow its brand recognition and revenues to create value for the shareholders. The Directors believe that our two segments can be the two-prong growth engine which will help to strengthen the Group's market positioning and revenues without requiring substantial capital expenditures or incurring significant costs.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a summary of the actual progress of the Group compared with the business objectives set out in the Company's prospectus dated 30 June 2011 (the "Prospectus") for the period from 1 January 2012 to 31 December 2012 (the "Review Period").

Continue to expand the Group's leased-and-operated hotel portfolio with focus on the Southern PRC

Business objectives for the Review Period

- Commencing conversion of the Heyuan Hotel
- Commencing operation of the Fujian Hotel

Actual operation progress up to 31 December 2012

- The Group has changed the location of the 6th leased-and-operated hotel from Heyuan to Huizhou City, Guangdong Province, the PRC, which is expected to commence operation in the second half of 2013
- The Fujian Hotel has commenced operation since November 2011

展望

儘管歐洲信貸危機未能平息以及美國的經濟復甦前景仍然不明朗，全球經濟前景似乎更不樂觀，該等因素均將影響中國經濟的增長步伐，然而，正由於全球經濟進入衰退階段，客戶在控制成本方面轉趨保守，國內市場對經濟精品酒店的需求巨大，為本集團在本年度維持顯著增長提供契機。本集團對於中國國內市場經濟精品酒店的發展及前景仍然樂觀。

日後，本集團將繼續擴張多間租賃經營酒店，以及積極尋求投資及涉足輕資產及符合成本效益之業務機會（例如提供酒店顧問服務及酒店管理服務），旨在增強本集團的品牌知名度以及收入，從而為股東締造價值。董事相信，這兩項業務分部可成為有助提升本集團市場地位及收入，而毋須投入大量資本開支或承擔重大成本的兩個增長泉源。

業務目標與實際業務進度之比較

下文載列本集團於二零一二年一月一日至二零一二年十二月三十一日期間（「回顧期間」）之實際業務進度與本公司日期為二零一一年六月三十日的招股章程（「招股章程」）所載業務目標之概要。

針對中國華南地區持續擴展本集團租賃經營酒店業務的版圖

| 回顧期間的業務目標 | 截至二零一二年十二月三十一日止的實際業務進度 |
|-------------|---|
| — 開始河源酒店的改建 | — 本集團已將第六間租賃經營酒店選址由河源更改為中國廣東省惠州市，預期將於二零一三年下半年開業 |
| — 福建酒店開業 | — 福建酒店已於二零一一年十一月開業 |

Continue to expand the hotel consultancy business

Business objectives for the Review Period

- Entering into two hotel consultancy agreements
- Participating in tradeshows, exhibitions and special public relation activities to identify potential hotel investors

Actual operation progress up to 31 December 2012

- The Group has entered into 20 hotel consultancy agreements during the Review Period
- The Group has joined several exhibitions in the PRC and contacted few potential hotel investors

持續發展酒店顧問業務

回顧期間的業務目標

- 訂立兩份酒店顧問協議
- 參與展銷會、展覽及特色的公開活動以及尋找具潛力的酒店投資者

截至二零一二年十二月三十一日止的實際業務進度

- 本集團於回顧期間訂立20份酒店顧問協議
- 本集團已參加中國數個展銷會，並與若干潛在酒店投資者進行接洽

Expand the business by offering hotel management services

Business objectives for the Review Period

- Entering into two hotel management agreements

Actual operation progress up to 31 December 2012

- The Group had set up a new office in the PRC which focus the hotel management services. The Group entered two hotel management agreements in 2012

拓展業務至提供酒店管理服務

回顧期間的業務目標

- 訂立兩份酒店管理協議

截至二零一二年十二月三十一日止的實際業務進度

- 本集團已於中國設立一處新辦事處，專門提供酒店管理服務。本集團於二零一二年簽訂兩份酒店管理協議

Continue to enhance the awareness of the brand name

Business objectives for the Review Period

- Launching marketing campaign
- Upgrading the internet booking system and the front desk booking system

Actual operation progress up to 31 December 2012

- The Group has established a marketing department in October 2011 and set a marketing plan, including promotions and advertising
- The Group has improved the internet booking system and the front desk booking system in November 2011

持續加強品牌的知名度

回顧期間的業務目標

- 推出市場推廣活動
- 提升網上預訂系統及前臺預定系統

截至二零一二年十二月三十一日止的實際業務進度

- 本集團已於二零一一年十月成立市場推廣部，並擬定推廣計劃，包括優惠推廣及廣告
- 本集團已於二零一一年十一月提升網上預訂系統及前台預訂系統



Management discussion and analysis

管理層討論及分析

| Business objectives for the Review Period | Actual operation progress up to 31 December 2012 | 回顧期間的業務目標 | 截至二零一二年十二月三十一日止的實際業務進度 |
|---|---|------------|-----------------------------------|
| – Promoting the membership programme | – Number of members increased compared 31 December 2011 | – 推廣會籍計劃 | – 會員人數相比二零一一年十二月三十一日有所上升 |
| – Improving design quality | – The Group has expanded its design team to improve the hotel design quality and the floor plan design process. | – 繼續改善設計質素 | – 本集團已擴充其設計團隊，以改善酒店設計質素及建築平面圖設計程序 |

| | | Planned use of proceeds as stated in the Prospectus | Actual use of proceeds until 31 December 2012 |
|---|--------------------------------|---|---|
| | | 招股章程所載所得款項的擬定用途 | 截至二零一二年十二月三十一日止的所得款項實際用途 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Continue to expand the Group's leased-and-operated hotel portfolio with focus on the Southern PRC | 針對中國華南地區 持續擴展本集團租賃經營酒店業務的版圖 | 36,660,000 | 36,660,000 |
| Continue to expand the hotel consultancy business | 持續發展酒店顧問業務 | 80,000 | 80,000 |
| Expand the business by offering hotel management services | 擴大酒店管理服務業務 | 1,400,000 | 1,400,000 |
| Continue to enhance the awareness of the brand name | 持續加強品牌知名度 | 340,000 | 340,000 |

Corporate governance report

企業管治報告

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 December 2012. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices.

The Company has complied with the code provisions in the code of corporate governance practice (the “Code of Corporate Governance”) and corporate governance report (the “Corporate Governance Report”) as set out in Appendix 15 to the GEM Listing Rule throughout the year. The Board of the Company will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are 3 board committees, namely audit committee, remuneration committee and nomination committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

DIRECTORS’ SECURITIES TRANSACTIONS

The Group had adopted Rules 5.48 to Rules 5.67 of the GEM Listing Rules (the “Model Code”) as its own code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings. There was a sale of shares of the Company (the “Shares”) by Mr. De Weyer, Daniel Ludovicus Joannes (“Mr. De Weyer”), who is the non-executive director of the Company, on 11 April 2012 which constituted dealing in shares within the “black-out period” by a director of the Company contrary to Rule 5.56 of the GEM Listing Rules. The Company has an established system whereby the directors of the Company are required to first notify the chairman of the Board in writing and receive a dated written acknowledgement from the Chairman, before dealing in the Shares. The Company also maintains a written record of the notifications and acknowledgements in accordance with the GEM Listing Rules. However, the sale of Shares

根據創業板上市規則第18.44條，董事會欣然呈列截至二零一二年十二月三十一日止年度之企業管治報告。此報告著重闡述本公司之主要企業管治常規。

企業管治常規

本公司致力推行高水準之企業管治，以保障股東權益，並盡力維持高水準的商業操守及企業管治常規。

本年度，本公司已遵守創業板上市規則附錄15所載企業管治常規守則（「企業管治守則」）之守則條文及企業管治報告（「企業管治報告」）。本公司董事會繼續不時檢討及更新該等慣例，以確保符合法律及商業準則。

企業管治架構

董事會主要負責制定本集團之策略、監督表現及管理風險。同時，董事會亦有責任提升本集團企業管治常規效力。在董事會之下，有三個董事委員會，即審核委員會、薪酬委員會及提名委員會。所有該等委員會均根據彼等各自之職權範圍履行其各自職責，並協助董事會監管高級管理層之若干職責。

董事進行證券交易

本集團已採納創業板上市規則第5.48至5.67條（「標準守則」）作為其有關董事進行證券交易的操守守則，其條款不遜於規定的買賣準則。本公司的一名非執行董事戴偉仁先生（「戴偉仁先生」）於二零一二年四月十一日出售本公司股份（「股份」），構成本公司一名董事於「禁售期」內買賣股份，觸犯創業板上市規則第5.56條。本公司已建立一套制度，據此，本公司董事須於買賣股份前，事先以書面方式知會董事會主席，並接獲主席發出的註明日期的確認書。本公司亦根據創業板上市規則，存置通知書及確認書的書面記錄。然而，戴偉仁先生出售股份並無事先以書面方式知會主席，而主席亦無向戴偉仁先生發出確認書。戴偉仁先生已表示，

Corporate governance report 企業管治報告

by Mr. De Weyer had not been first notified in writing to the Chairman and no written acknowledgement had been issued by the Chairman to Mr. De Weyer. Mr. De Weyer has stated that the sale of Shares on 11 April 2012 was a complete administrative oversight on his part and that he notified the Company upon realizing the mistake.

Having made specific enquiry with all the Directors, save for the aforesaid, the Directors of the Company had complied with the required standard of dealings and the code of conduct for directors' securities transactions during the year ended 31 December 2012.

BOARD OF DIRECTORS

At present, the Board of the Company comprises seven members as follows:

Executive Directors

Mr. Fong, Man Kelvin (*Chairman*)

Ms. Fong, Nga Peggy (appointed on 28 December 2012)

Non-executive Director

Mr. De Weyer, Daniel Ludovicus Joannes

Independent non-executive Directors

Mr. Tam, Kwok Ming Banny

Mr. Tsoi, Wing Sum

Dr. Wong, Hak Kun Jerry

Mr. Wong, Sui Chi Frankie

(appointed on 28 December 2012)

Biographical details of the Directors are set out in the section of "Biographical Details of Directors and Senior Management" on pages 31 to 34.

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board is accountable to shareholders for the strategic development of the Group with the goal of maximizing long-term shareholder value, while balancing broader stakeholder interests.

The Board meets regularly on a quarterly basis. Apart from the regular board meetings of the year, the Board also meets on other occasions when a Board-level decision on a particular matter is required. All

於二零一二年四月十一日進行的股份出售完全是其行政疏忽，並已於發現犯錯時即時知會本公司。

經向全體董事作出具體查詢後，除上文所述者外，本公司董事於截至二零一二年十二月三十一日止年度內均已遵守規定的買賣準則及董事進行證券交易的操守守則。

董事會

目前，本公司董事會包括以下七名成員：

執行董事

方文先生 (*主席*)

巫曼因女士 (於二零一二年十二月二十八日獲委任)

非執行董事

戴偉仁先生

獨立非執行董事

譚國明先生

蔡榮森先生

黃克勤博士

黃瑞熾先生 (於二零一二年十二月二十八日獲委任)

董事履歷詳情載於第31至34頁之「董事及高級管理層之履歷詳情」一節。

董事會負責領導及監控本公司，彼等共同負責透過指揮及監督本集團之事宜，以推動本集團邁向成功。董事會對股東負責，為本集團制定策略發展計劃，以將股東長遠價值最大化為目標，同時平衡各權益持有人的利益。

董事會按季定期舉行會議。除年內之董事會例會外，董事會亦會就須由董事會層面作出決定的特別事項於其他時候舉行會議。全體董事均

Directors are provided with details of agenda items for decisions making with reasonable notice. Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors of the Company, at the expense of the Company. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

All Directors assume the responsibilities to the shareholders of the Company for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates shareholders on the operations and financial position of the Group through quarterly, half yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

The Company has four independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the GEM Listing Rules. Each of the independent non-executive Director has made an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

According to the Company's articles of association, newly appointed Directors shall hold office until the next following general meeting and shall be eligible for re-election at that meeting. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The posts of Chairman and Chief Executive Officer are separated to ensure a clear division between the Chairman's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Company's business. The separation ensures a balance of power and authority so that power is not concentrated in any one individual.

獲合理通知以獲得對各項議程作出決策之詳細資料。董事均可獲得公司秘書提供之意見及服務，公司秘書負責確保董事會程序獲得遵守及就合規事宜向董事會提供意見。董事亦可於有需要時獲提供獨立專業意見，以履行彼等作為本公司董事之義務，而費用則由本公司支付。倘董事被視為於建議交易或討論事項中涉及利益衝突或擁有重大利益，則不得計入該次會議之法定人數，並須就相關決議案放棄投票表決。

全體董事就本公司穩健發展與成就向本公司股東負責。彼等知悉彼等應以誠信態度及以本公司最佳利益履行職務。

董事會有責任保存完備之會計記錄，以便董事監察本公司整體財務狀況。董事會透過季度、中期及全年業績公佈以及根據有關規則及規例之規定就其他事項適時刊發公佈，從而向股東提供本集團之最新營運及財務狀況資料。

本公司擁有四名獨立非執行董事，根據創業板上市規則，至少一名獨立非執行董事擁有適當之財務管理專長。每名獨立非執行董事已根據創業板上市規則第5.09條就其獨立身份作出年度確認。本公司認為，所有獨立非執行董事均符合創業板上市規則第5.09條所載獨立身份指引，且根據指引條款屬獨立人士。

根據本公司之組織章程細則，最近獲委任之董事將任職直至下屆股東大會為止，並於該大會上合資格膺選連任。每名董事(包括擁有特定任期之董事)須至少每三年輪值退任一次。

主席及行政總裁

將主席與行政總裁之職務劃分以確保主席管理董事會之責任與行政總裁管理本公司業務之責任得到清晰分工。該劃分確保權力及授權分佈均衡，令權力不會集中於任何個人。



Corporate governance report 企業管治報告

Mr. Fong Man, Kelvin as a Chairman of the Group, plays a leading role and is responsible for effective running of the Board and responsibility of overall management, business development and implementation of the Group's strategy determined by the Board in achieving its overall commercial objectives. Mr. William Wong resigned as the chief executive officer of the Group since 31 March 2012, the Company is in process of identifying suitable candidate with appropriate experience as its chief executive officer. The Board considers that this structure will not impair the balance of power and authority of the Board. It currently comprises two Executive Directors, one Non-Executive Director (the "NED") and four independent Non-Executive Directors (the "INED(s)"), with INEDs representing 57% of the Board, which is higher than the Best Practices. Such a high percentage of INEDs in the Board could ensure their views carry significant weight and it reflects a strong independent element in the composition of the Board. At present, the Board also believe that under the leadership of Mr. Fong Man, Kelvin as the Chairman, the Board's decision could be made effectively and it is beneficial to the management and development of the Group's businesses.

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the period under review.

NON-EXECUTIVE DIRECTORS

Under the Code Provision A.4.1, all the non-executive directors should be appointed for a specific term, subject to re-election. Each of the independent non-executive Directors and the non-executive Directors has entered into a service contract with the Company for an initial term of three year commencing from appointment subject to termination in certain circumstance as stimulated in the relevant service contracts. At each annual general meeting, one third of the Directors for the time being (of if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

方文先生為本集團之主席，擔當領導角色，負責董事會之有效運作及整體管理、業務發展及執行董事會為本集團釐定之策略，以達成整體商業目標。黃樟誤先生於二零一二年三月三十一日辭任本集團行政總裁之職務。本公司現正物色具有適當經驗之合適人選擔任本公司行政總裁。董事會認為此架構將不會損害董事會與本公司管理層間之權力及權責平衡。董事會目前由兩名執行董事、一名非執行董事（「非執行董事」）及四名獨立非執行董事（「獨立非執行董事」）組成，獨立非執行董事人數佔董事會57%，較最佳常規所建議為高。獨立非執行董事佔董事會人數的大多數可確保彼等之意見具重大影響力，並反映董事會成員擁有相當之獨立元素。目前，董事會亦相信在方文先生作為主席之領導下，董事會能有效地作出決策，對本集團之業務管理及發展均為有利。

於整個回顧期間，本公司一直遵守創業板上市規則附錄15載列之企業管治常規守則所載之守則條文。

非執行董事

根據守則條文第A.4.1條，所有非執行董事之委任應有指定任期，並須接受重選。各獨立非執行董事及非執行董事已與本公司訂立服務合約，自委任起初步為期三年，惟可於有關服務合約所訂明之若干情況下予以終止。在每屆股東週年大會上，當時三分之一的董事（若其人數並非三的倍數，則以當時最接近但不少於三分之一的人數）將輪值退任，惟各董事須至少每三年一次在股東週年大會上輪值退任。任何獲委任填補臨時空缺的董事的任期須直至彼獲委任後本公司首屆股東大會並於該會上重選而現有董事會中任何增任董事的任期須直至本公司下屆股東週年大會為止，隨後符合資格可膺選連任。

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

Regular board meetings should be held at least four times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

The attendance record of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meetings and Nomination Committee meetings during the year ended 31 December 2012 is set out in the following table:

會議次數及董事出席記錄

每年須至少舉行四次常規董事會會議，大概每個季度舉行一次，以審閱及批准財務及經營表現，考慮及批准本公司的整體策略及政策。

各董事於截至二零一二年十二月三十一日止年度出席董事會會議、審核委員會會議、薪酬委員會會議及提名委員會會議之記錄載於下表：

| Name of Directors 董事名稱 | | Audit Committee | | Remuneration | Nomination |
|---|--|--|--|--|--|
| | | Board Meetings | Meetings | Committee | Committee |
| | | 董事會會議 | 審核委員會會議 | 薪酬委員會會議 | 提名委員會會議 |
| | | (attendance/ total no. of meetings held) | (attendance/ total no. of meetings held) | (attendance/ total no. of meetings held) | (attendance/ total no. of meetings held) |
| | | (出席次數/ 會議總次數) | (出席次數/ 會議總次數) | (出席次數/ 會議總次數) | (出席次數/ 會議總次數) |
| Executive Directors | | 執行董事 | | | |
| Mr. Fong, Man Kelvin | 方文先生 | 8/8 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Mr. Wong, William (resigned to non-executive Director on 31 March 2012) | 黃樟湜先生 (於二零一二年三月三十一日調任為 非執行董事) | 2/2 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Ms. Fong Nga Peggy (appointed on 28 December 2012) | 巫曼因女士 (於二零一二年十二月二十八日獲委任) | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Non-executive Directors | | 非執行董事 | | | |
| Mr. De Weyer, Daniel Ludovicus Joannes | 戴偉仁先生 | 8/8 | N/A 不適用 | 1/1 | 0/1 |
| Mr. Wong, William (resigned from executive Director on 31 March 2012 and resigned on 28 December 2012) | 黃樟湜先生 (於二零一二年三月三十一日自 執行董事調任並 於二零一二年十二月二十八日辭任) | 4/6 | N/A 不適用 | 1/1 | 0/1 |
| Independent Non-executive Directors | | 獨立非執行董事 | | | |
| Mr. Tam, Kwok Ming Banny | 譚國明先生 | 7/8 | 4/4 | 1/1 | 1/1 |
| Mr. Tsoi, Wing Sum | 蔡榮森先生 | 8/8 | 4/4 | 1/1 | 1/1 |
| Dr. Wong, Hak Kun Jerry | 黃克勤博士 | 8/8 | 4/4 | 1/1 | 1/1 |
| Mr. Wong, Sui Chi Frankie (appointed on 28 December 2012) | 黃瑞熾先生 (於二零一二年十二月二十八日獲委任) | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |



Corporate governance report

企業管治報告

REMUNERATION COMMITTEE

A remuneration committee was set up on 22 June 2011 to oversee the remuneration policy and structure for all Directors and senior management.

The remuneration committee comprises one non-executive Director and four independent non-executive Directors, namely Mr. De Weyer Daniel Ludovicus Joannes, Mr. Tsoi Wing Sum, Dr. Wong Hak Kun Jerry and Mr. Tam, Kwok Ming Banny and is chaired by Mr. Wong, Sui Chi, Frankie.

The terms of reference of the Remuneration Committee are aligned with the provisions set out in the Code of Corporate Governance. The role of the Remuneration Committee is to recommend to the Board a framework for remunerating the Directors and key executives and to determine specific remuneration packages for them. They are provided with sufficient resources by the Company to discharge its duties.

The written terms of reference of the Remuneration committee which have been revised effective on 28 March 2012 to comply with the new requirements set out in the revised code provisions are posted on the GEM website and the Company's website.

In 2012 the Remuneration Committee has reviewed and made recommendation to the Board on the remuneration policy and structure of the Company, and determined the remuneration packages of the Directors and senior management. Details of the Directors' remuneration are set out in note 10 (b) to the consolidated financial statements.

In addition, pursuant to the Code Provision B.1.5, the annual remuneration of the member of the senior management by band for the year ended 31 December 2012 is set out below:

HK\$Nil to HK\$1,000,000

零港元至1,000,000港元

10

8

NOMINATION COMMITTEE

The Board is empowered under the Company's articles of association to appoint any person as a director to fill a casual vacancy on or as an additional member of the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are based on the assessment of their professional qualifications and experience, character and integrity.

薪酬委員會

薪酬委員會於二零一一年六月二十二日成立，以監察全體董事及高級管理層之薪酬政策及架構。

薪酬委員會由一名非執行董事及四名獨立非執行董事組成，即戴偉仁先生、蔡榮森先生、黃克勤博士及譚國明先生，主席為黃瑞熾先生。

薪酬委員會之職權範圍與企業管治守則所載之條文相符一致。薪酬委員會之角色為就董事及主要行政人員之薪酬框架向董事會提供建議，並釐定彼等之特定薪酬組合。彼等獲本公司提供足夠資源以履行其職責。

薪酬委員會之書面職權範圍已經修訂，並於二零一二年三月二十八日生效，以遵守創業板網站及本公司網站刊載之經修訂守則條文所載之新規定。

於二零一二年，薪酬委員會已就本公司薪酬政策及架構進行審閱並向董事會提供建議，且釐定董事及高級管理人員之薪酬組合。有關董事薪酬之詳情載於綜合財務報表附註10(b)。

此外，根據守則條文B.1.5，截至二零一二年十二月三十一日止年度已向高級管理人員支付之薪酬按薪酬等級載列如下：

2012
二零一二年

2011
二零一一年

提名委員會

董事會根據本公司之組織章程細則有權委任任何人士擔任董事，以填補臨時空缺或作為董事會新加入成員。董事會將獲建議合資格候選人以供考慮，而董事會主要根據彼等之專業資格及經驗、品行及道德作為評選準則。

The Company has established a nomination committee on 22 June 2011 for making recommendations to the Board on appointment of Directors and succession planning for the Directors. The terms of reference of the nomination committee are aligned with the provisions set out in the Code of Corporate Governance.

The nomination committee comprises one non-executive Director and four independent non-executive Directors, namely Mr. De Weyer Daniel Ludovicus Joannes, Mr. Tsoi Wing Sum, Dr. Wong Hak Kun Jerry and Mr. Tam, Kwok Ming Banny and is chaired by Mr. Wong, Sui Chi Frankie.

The written terms of reference of the nomination committee which have been revised effective on 28 March 2012 to comply with the new requirements set out in the revised code provisions are posted on the GEM website and the Company's website.

AUDIT COMMITTEE

The Company has established an Audit Committee on 22 June 2011 with written terms of reference that set out the authorities and duties of the Audit Committee adopted by the Board. The audit committee comprises the four independent non-executive Directors and headed by Mr. Wong, Sui Chi Frankie who has appropriate professional qualifications and experience in financial matters. The terms of reference of the Audit Committee are aligned with the provisions set out in the Code of Corporate Governance. The audit committee performs, amongst others, the following functions:

- ensure that co-operation is given by the Company's management to the external auditors where applicable;
- review the Group's quarterly, half yearly and annual results announcements and the financial statements prior to their recommendations to the Board for approval; and
- review the Group's financial reporting process and internal control system.

The Audit Committee has reviewed the consolidated financial statements, including the accounting principles and practices adopted by the Group, which was of the opinion that such reports were prepared in accordance with the applicable accounting standard and requirements. The Audit Committee has also discussed with the Group's independent auditors and considers the system of the internal control of the Group to be effective and that the Group had adopted the necessary control mechanisms to its financial, operational, statutory compliance and risk management functions.

本公司於二零一一年六月二十二日成立提名委員會，就委任董事及董事繼任人選規劃方面向董事會提供建議。提名委員會之職權範圍與企業管治守則所載之條文相符一致。

提名委員會由一名非執行董事及四名獨立非執行董事組成，即戴偉仁先生、蔡榮森先生、黃克勤博士及譚國明先生，主席為黃瑞熾先生。

提名委員會之書面職權範圍已經修訂，並於二零一二年三月二十八日生效，以遵守創業板網站及本公司網站刊載之經修訂守則條文所載之新規定。

審核委員會

本公司已於二零一一年六月二十二日成立審核委員會，其書面職權範圍載有董事會所採納之審核委員會之權力及職責。審核委員會包括四名獨立非執行董事，主席為黃瑞熾先生，彼於財務事宜方面擁有適當之專業資格及經驗。審核委員會之職權範圍與企業管治守則所載之條文相符一致。審核委員會履行(其中包括)以下職能：

- 確保本公司管理層在適當時與外聘核數師合作；
- 在向董事會提呈推薦意見以供批准前審閱本集團季度、中期及全年業績公佈及財務報表；及
- 審閱本集團財務申報程序及內部監控制度。

審核委員會已審閱綜合財務報表(包括本集團所採納之會計政策及慣例)，認為該等報告已根據適用之會計準則及規定編製。審核委員會亦與本集團之獨立核數師進行討論，並認為本集團之內部監控系統具有效力，且本集團已於財務、經營、法定合規及風險管理職能方面採納所需之監控機制。



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The written terms of reference of the audit committee which have been revised effective on 28 March 2012 to comply with the new requirement set out in the revised code provision are posted on the GEM website and the Company's website.

INTERNAL CONTROLS

The audit committee reviews the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management of the Company (collectively "internal controls").

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard the interests of the Company's shareholders and the Group's assets, and to manage risks. The Board also acknowledges that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

EXTERNAL AUDITOR AND AUDITORS' REMUNERATION

The statement of the external auditor of the Company on their reporting responsibilities and opinion on the Group's financial statements for the year ended 31 December 2012 is set out in the section headed "Independent Auditor's Report" in this annual report.

The audit committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

During the year ended 31 December 2012, the Group has incurred an aggregate fee of approximately HK\$1,320,000 to the external auditor.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial year which gives a true and fair view. In preparing the financial statements, appropriate accounting policies and standard are selected and applied consistently.

審核委員會之書面職權範圍已經修訂，並於二零一二年三月二十八日生效，以遵守創業板網站及本公司網站刊載之經修訂守則條文所載之新規定。

內部監控

審核委員會審閱本公司的內部財務監控、營運及合規監控，以及本公司管理層設立之風險管理政策及系統（統稱「內部監控」）之充分性。

董事會負責整體之內部監控架構，並完全知悉需要於本集團內設有內部監控系統，以保障本公司股東之權益及本集團資產以及管理風險。董事會亦確認，並無具成本效益又可排除所有錯誤及違規情況之內部監控系統。系統旨在管理不能達到業務目標之風險而非排除該等風險，且僅能為防止重大失實陳述或損失提供合理而非絕對之保證。

外聘核數師及核數師酬金

本公司外聘核數師有關其申報責任的聲明及對於本集團截至二零一二年十二月三十一日止年度的財務報表的意見，載於本年報「獨立核數師報告」一節。

本公司之審核委員會負責考慮外聘核數師之委任及審查外聘核數師進行之任何非核數工作，包括有關非核數工作會否對本公司構成任何潛在重大不利影響。

於截至二零一二年十二月三十一日止年度內，本集團已向外聘核數師支付費用共約1,320,000港元。

董事對財務報表應負的責任

董事須負責就各財政年度編製真實兼公平地反映意見之財務報表。在編製財務報表時，董事選擇及貫徹地應用適當之會計政策及準則。

COMPANY SECRETARY

Mr. Kam Tik Lun (“Mr. Kam”), the Company Secretary, is accessible by all Directors for advice and services with a view of ensuring that Board procedures are followed. He assists the Chairman of the Board and its committees in preparing agendas for meetings and in preparing and disseminating Board papers to the Directors and Board Committee members in a timely and comprehensive manner. The Company Secretary is also directly responsible for the overall corporate governance and compliance with the continuing obligations of the GEM Listing Rules, Companies Ordinance and the SFO, including timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification of Directors’ dealings in securities of the Group is made. Mr. Kam’s qualification has been set out under the section “Directors and Senior Management Biographies”

As at 31 December 2012, a written confirmation had been received by the Company from Mr. Kam to confirm he took not less than 15 hours of relevant professional training during the year under reviewed. The Company is of the view that Mr. Kam complies with Rule 5.15 of the GEM Listing Rule.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public.

The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.legendstrategy.com) has provided an effective communication platform to the public and the shareholders.

CONTINUING PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has continuously provided relevant training materials to the Directors. Directors participated in courses relating to roles, functions and duties of a listed company director or further enhancement of their professional development by the way of attending training courses or reading relevant materials. All Directors had provided the Company their training records for the year under review. The Directors and officers are indemnified under a directors’ and officers’ liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

CONSTITUTIONAL DOCUMENTS

During the year under review, there is no change in the Company’s constitutional documents.

公司秘書

所有董事均可取得公司秘書金迪倫先生（「金先生」）的意見及服務以確保遵守董事會程序。公司秘書協助董事會主席及其委員會籌備會議議程並及時和全面地編製董事會文件以向董事及董事委員會成員派發。公司秘書亦直接負責整體企業管治及確保創業板《上市規則》、《公司條例》及《證券及期貨條例》的持續責任獲得遵守：包括及時向市場發出公告及有關本集團的資料並確保就董事買賣本集團證券作出適當的通知等。金先生之資歷載於「董事及高級管理層之履歷詳情」一節。

於二零一二年十二月三十一日，本公司已接獲金先生有關確認其截至本回顧年度止已進行不少於15小時的相關專業培訓的書面確認。本公司認為金先生遵守創業板上市規則第5.15條。

投資者關係

本公司相信，維持高透明度是提升投資者關係的關鍵，本公司致力保持向其股東及投資大眾公開及適時披露公司資料的政策。

本公司透過其年度、中期及季度報告向其股東更新其最新業務發展和財務表現。本公司的公司網站 (www.legendstrategy.com) 已為公眾人士及股東提供一個有效的溝通平台。

持續專業發展

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等之知識及技能。本公司向董事持續提供有關培訓材料。董事透過參加培訓課程或閱讀有關材料，參與與上市公司董事之角色、職能及職責或進一步提升彼等專業發展相關之課程。全體董事已向本公司提供彼等於回顧年度之培訓記錄。董事及高級職員於擔任本公司董事及高級職員期間，因彼等履行職責而引致之任何責任均受到董事及高級職員責任保險之彌償。惟倘證實董事及高級職員存在任何欺詐、失職或失信行為，則彼等將不獲彌償。

組織章程文件

於回顧年度期間，本公司之組織章程文件並無作出更改。

Corporate governance report

企業管治報告

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. Procedure for demanding a poll has been included in circulars accompanying notice convening a general meeting and such procedure has been read out by the chairman of the general meeting. The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its shareholders. The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the GEM Listing Rules. The information provided shall be reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). At Annual General Meeting in 2012 a separate resolution was proposed by the Chairman in respect of each separate issue, including re-election of directors.

At the annual general meeting held on 10 May 2012 (the "2012 AGM"), the executive director and Chairman of the Board, the chairmen of the audit, remuneration and nomination committees and representatives from the auditor of the Company, PricewaterhouseCoopers, were present to attend to questions from shareholders. There were two general meetings held during the year ended 31 December 2012 and the attendances of the Directors are set out below:

與股東之溝通

與股東的溝通旨在向本公司股東提供有關本公司的詳細資料，使彼等能在知情情況下行使彼等身為股東的權利。

本公司使用多種溝通工具，以確保其股東得悉主要業務活動的最新資料。其包括股東週年大會、年度報告、各項通告、公告及通函。要求以投票方式表決的程序已包括在隨附召開股東大會通告的全部通函，並已由股東大會主席讀出有關程序。本公司的股東週年大會及其他股東大會是本公司與股東溝通的首要平台。本公司應按照創業版上市規則的規定適時向股東提供在股東大會上提呈的決議案的相關資料，所提供的應是合理所需的資料，以便股東能夠就提呈的決議案作出有根據的決定。於二零一二年舉行之股東週年大會上，主席就每項獨立的事宜（包括重選董事）分別提出決議案。

於二零一二年五月十日舉行的股東週年大會（「二零一二年股東週年大會」）執行董事及董事會主席、審核委員會、薪酬委員會及提名委員會主席以及本公司核數師羅兵咸永道會計師事務所之代表，均出席準備回答股東之提問。截至二零一二年十二月三十一日止年度內共舉行兩次股東大會，董事的出席率載列如下：

General Meeting 股東大會

Executive directors:

Mr. Fong, Man Kelvin (*Chairman*)
Mr. Wong, William (*Chief Executive Officer*)
(redesignated to non-executive Director on 31 March 2012)
Ms. Fong, Nga Peggy (appointed on 28 December 2012)

Non-executive director:

Mr. De Weyer, Daniel Ludovicus Joannes

Independent non-executive directors:

Mr. Tam, Kwok Ming Banny
Mr. Tsoi, Wing Sum
Dr. Wong, Hak Kun Jerry
Mr. Wong, Sui Chi Frankie (appointed on 28 December 2012)

執行董事：

方文先生 (主席) 1/2
黃樟淦先生 (行政總裁) 1/2
(於二零一二年三月三十一日調任為非執行董事)
巫曼因女士 (於二零一二年十二月二十八日獲委任) N/A 不適用

非執行董事：

戴偉仁先生 2/2

獨立非執行董事：

譚國明先生 2/2
蔡榮森先生 2/2
黃克勤博士 1/2
黃瑞熾先生 (於二零一二年十二月二十八日獲委任) N/A 不適用

Under Code Provision A.6.7, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other unavoidable business engagement, one independent non-executive director and one non-executive director were unable to attend the Company's extraordinary general meeting held on 27 December 2012. However, at the said meeting, there were non-executive Director and more than half of independent non-executive Directors present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders are requested to follow article 58 of the Articles of Association of the Company, general meetings shall be convened on the written requisition of any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

根據守則條文第A.6.7條，獨立非執行董事應出席股東大會及公正了解股東之意見。由於其他要務在身，一位獨立非執行董事及一位非執行董事並未出席本公司於二零一二年十二月二十七日舉行之股東特別大會。然而，上述會議中，非執行董事及超過半數之獨立非執行董事出席股東大會並公正了解本公司股東之意見。

股東召開股東特別大會的程序

開曼群島公司法(二零一二年修訂本)並無條文批准股東於股東大會上提呈新決議案。然而，股東須遵守本公司組織章程細則第58條細則，即任何一位或以上於提請要求當日持有不少於本公司繳足股本(賦予權利在本公司股東大會投票)十分之一的股東，可隨時向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的事項，且須於提請該要求後兩(2)個月內舉行。倘提請後二十一(21)日內董事會未有召開大會，則提請要求的人士可自行以相同方式召開大會，而本公司須向提請要求的人士補償因董事會未有召開大會而產生的所有合理開支。



Corporate governance report

企業管治報告

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

The provisions for a shareholder to propose a person for election as a director of the Company are laid down in Article 85 of the Company's Articles of Association. No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The minimum length of the period during which such notices are given shall be at least seven (7) days and the period for lodgement of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. Detailed procedures for shareholders to propose a person for election as a Director are available on the Company's website.

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Company, for the attention of company secretary, by email: alankam@legendstrategy.com, fax: (852) 3563 5830, or mail to Room 1303, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the GEM Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public to make rational and informed decisions.

CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

股東提名人選參選為董事的程序

有關股東提名人選參選為本公司董事的規定載列於本公司組織章程細則第85條。概無任何人士(除該人士為行將於股東大會上退任的董事外)合資格在任何股東大會上獲委任為董事,除非該人士為董事會所推薦或由有權出席會議及於會上投票的一名股東(並非為該被提名人士)以其所簽署的書面通知提名,被提名人士亦須簽署通知以表明願意接受委任,有關通知須送交本公司總辦事處或註冊處。提交通知的期間必須不少於七(7)天,提交通知的期間由選舉董事的股東大會的通告發送後開始,至該股東大會舉行日期前七(7)天結束。股東提名候選董事的程序詳情於本公司網站刊載。

向董事會發出查詢的程序

股東可透過以下方式將書面查詢發送給本公司(註明公司秘書為收件人):發電郵至 alankam@legendstrategy.com, 或傳真至(852) 3563 5830, 或郵寄至香港灣仔菲林明道8號大同大廈1303室。

資料披露

本公司根據創業版上市規則披露資料,及根據有關法律及法規向公眾定期刊發報告及公告。本公司盡力確保準時披露資料,而有關資料公正準確、真實及完整,務求使股東、投資者及公眾能做出合理知情決定。

總結

本公司堅信良好的企業管治可保證資源之有效分配及保障股東權益。高級管理層將繼續致力維持、加強及提升本集團之企業管治水平及質素。

Biographical details of directors and senior management 董事及高級管理層之履歷詳情

EXECUTIVE DIRECTORS

Mr. Fong, Man Kelvin (方文), aged 50, is the chairman of the Company and was appointed as an executive Director on 23 February 2011. He is responsible for the daily operation of the Group and overall strategic planning and management of the Group. He is also actively involved in designing hotels, including both the leased-and-operated hotels and hotels under the hotel consultancy agreements, for developing the Group's business. Mr. Fong holds the degree of bachelor of arts in architecture from the University of Lincoln, the degree of master of science in architecture from the University College London and the degree of master of business administration from the University of Sheffield in the United Kingdom. Mr. Fong also obtained his postgraduate diploma in architecture from the University College London in the United Kingdom. Mr. Fong is the spouse of Ms. Wong Pit Lai Vera, the marketing manager of the Group and the brother of Ms. Fong, Nga Peggy, the executive director.

Mr. Wong, William (黃樟淩), aged 41, (formerly named "Mr. Wong, Hiu Fan William (黃曉帆)"), was the chief executive officer of the Company until 31 March 2012. He was appointed as an executive Director on 23 February 2011 and redesignated to non-executive Director on 31 March 2012. He was responsible for daily operation of the Group, investor relations and overseeing the corporate development of the Group. He also plays an important role in identifying strategic partners and developing the Group's business. He obtained the bachelor of science in finance from the City University of Hong Kong. Mr. Wong resigned as non-executive Director on 28 December 2012.

Ms. Fong, Nga Peggy (巫曼因), aged 48, was appointed as an executive director on 28 December 2012, is a sister of Mr. Fong Man, Kelvin, the Chairman of the Board and an executive director of the Company. She was awarded a bachelor's degree of arts (honours) in Accountancy by The University of Kent at Canterbury, the United Kingdom. Ms. Fong is a certified public accountant of Illinois, the United States of America. Ms. Fong has over 18 years of finance and accounting experience, working with international accounting firm. From 2000 to 2006, she was appointed as the financial controller of Office Maintenance Service Co. Ltd, a company engaged in engineering and construction business and she was responsible for financial and corporate management.

執行董事

方文先生，50歲，為本公司的主席。彼於二零一一年二月二十三日獲委任為執行董事，負責本集團的日常營運及本集團的整體策略規劃及管理。彼亦積極參與酒店的設計工作(包括本集團租賃經營的酒店及接受本集團酒店顧問服務的酒店)以促進本集團的業務發展。方先生獲得英國林肯大學的文學(建築學)學士學位、英國倫敦大學大學學院的建築學碩士學位、英國謝菲爾德大學的工商管理碩士學位以及英國倫敦大學大學學院建築學深造文憑。方先生為本集團市場經理黃勺庭女士的配偶及為執行董事巫曼因女士的兄長。

黃樟淩先生，41歲(原名黃曉帆)，為本公司的行政總裁至二零一二年三月三十一日。彼於二零一一年二月二十三日獲委任為執行董事且於二零一二年三月三十一日調任為非執行董事。彼負責本集團日常營運、本集團與投資者的關係建立及監督本公司的發展。彼亦於發展策略伙伴及發展本集團業務等方面擔當重要的角色。彼獲授香港城市大學金融學理學學士學位。黃先生於二零一二年十二月二十八日辭任非執行董事。

巫曼因女士，48歲，於二零一二年十二月二十八日獲委任為執行董事，為董事會主席兼本公司執行董事方文先生的妹妹，獲英國坎特伯里肯特大學頒授會計學文學士(榮譽)學位。巫女士為美國伊利諾斯州會計師公會會員。巫女士曾就職於國際會計師行，擁有逾18年財務及會計經驗。自二零零零年至二零零六年，彼獲委任為Office Maintenance Service Co. Ltd(從事工程及建築業務)的財務總監，負責財務及公司管理。

Biographical details of directors and senior management 董事及高級管理層之履歷詳情

NON-EXECUTIVE DIRECTOR

Mr. De Weyer, Daniel Ludovicus Joannes (戴偉仁), aged 57, was appointed as a non-executive Director on 22 June 2011. Mr. De Weyer obtained his diploma for the academic degree of licentiate in applied economics at the Universitaire Faculteiten Sint-Ignatius Antwerpen in Antwerp, Belgium and the dealing certificate from International Capital Markets Association foundation, Montreux, Switzerland. Mr. De Weyer worked for a premier European Bankassurance group with assignments in Bahrain, Los Angeles and New York. He has also worked in various positions for an industry owned cooperative SWIFT Asia-Pacific where he held positions including Regional Head of sales, Senior Manager Market infrastructures and Partner Relations, and currently Global Client Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tam, Kwok Ming Banny (譚國明), aged 50, was appointed as an independent non-executive Director on 22 June 2011. Mr. Tam was awarded the post-experience certificate in accountancy from Hong Kong Polytechnic University. Mr. Tam is a practising certified public accountant in Hong Kong and an associate of the Association of Chartered Certified Accountants. Currently Mr. Tam is a sole practitioner of YATA, a certified public accounting firm. Mr. Tam is an independent non-executive director of Inner Mongolia Yitai Coal Company Limited, a company listed on the Shanghai Stock Exchange and China 3D Digital Entertainment Limited, a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong.

Dr. Wong, Hak Kun Jerry (黃克勤), aged 57, was appointed as an independent non-executive Director on 22 June 2011. Dr. Wong obtained his master of business administration in international management from Royal Melbourne Institute of Technology in Australia and doctorate in business administration from the Bulacan State University in the Republic of the Philippines. Dr. Wong also holds a bachelor's degree in theology from the Alliance Bible Seminary and a master's degree of Christian Ministry from the Alliance Bible Seminary. Dr. Wong has also been the chairman of Happy Tree Social Services, a charity organisation, which aims at providing social services to the disadvantaged minorities over the world.

非執行董事

戴偉仁先生，57歲，於二零一一年六月二十二日獲委任為非執行董事。戴先生獲授比利時安特衛普Universitaire Faculteiten Sint-Ignatius Antwerpen文憑以取得應用經濟學位，及取得瑞士蒙特勒國際資本市場協會的交易證書。戴先生曾於一間領先的歐洲銀行保險集團任職，並於巴林、洛杉磯及紐約等地處理業務。彼亦於環球銀行金融電信協會亞太區擔任不同的職位，當中包括區域銷售總管、高級市場基礎設施及夥伴關係經理，以及目前擔任全球客戶理事。

獨立非執行董事

譚國明先生，50歲，於二零一一年六月二十二日獲委任為獨立非執行董事。譚先生獲香港理工大學頒發會計進修證書。譚先生為香港執業註冊會計師及特許公認會計師公會會員。目前，譚先生成為註冊會計師事務所YATA的獨資經營者。譚先生為於上海證券交易所上市的內蒙古伊泰煤炭股份有限公司及於香港聯交所創業板上市的中國3D數碼娛樂有限公司之獨立非執行董事。

黃克勤博士，57歲，於二零一一年六月二十二日獲委任為獨立非執行董事。黃博士獲澳洲墨爾本皇家理工學院頒授工商管理學(國際管理)碩士學位及取得菲律賓共和國比立勤國立大學工商管理博士學位。黃博士亦取得建道神學院的神學學士學位及基督教事工碩士學位。黃博士亦曾擔任開心樹社會服務的主席，開心樹社會服務是一慈善機構，致力為世界各地弱勢社群提供社會服務。

Mr. Tsoi, Wing Sum (蔡榮森), aged 40, was appointed as an independent non-executive Director on 22 June 2011. Mr. Tsoi obtained his bachelor's degree in pharmacy from the University of the State of New York. He also obtained a master's degree in business administration from the University of London. He currently works in AstraZeneca Hong Kong Limited, a multi-national pharmaceutical company and now serves as an associate sales manager.

Mr. Wong, Sui Chi Frankie (黃瑞熾), aged 44, was appointed as an independent non-executive director on 28 December 2012. Mr. Wong was awarded a bachelor's degree in Accountancy by the City University of Hong Kong. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Frankie Wong has over 15 years of finance and accounting experience, including but not limited to, financial management, corporate management and auditing, serving in international accounting firm, manufacturing and retailing companies, listed property development company, securities and futures brokerage company and shipping company. He is currently the financial controller of Shine Vision Investments Limited, a company engaged in wholesale and retailing of eyewear products in the People's Republic of China and the South-east Asia, who is responsible for planning and directing the finance and accounting functions, providing financial analysis and budgets to the management and other corporate administrative functions.

SENIOR MANAGEMENT

Ms. He An Ying (何岸英), aged 44, is the administrative manager and human resources manager of the Group. Ms. He joined the Group in December 2005 and is responsible for overseeing the application of various licences required for the operation of the Group, liaising with the relevant government authorities for inspection, purchasing of materials for the operation of the Group's hotels. Ms. He completed the ISO 9001: 2000 Internal Quality Auditor Course organised by 康達信管理顧問有限公司 (Kaugdaxin Management Consulting Company Limited*)

Mr. Zhang Guo Xing (張國星), aged 34, is the finance manager of the Group. Mr. Zhang joined the Group in July 2007 and is responsible for overseeing the finance department of the Group. Mr. Zhang studied industrial management and obtained a bachelor's degree in engineering from Hunan University in the PRC. He also obtained a qualification certificate of Speciality and Technology in Accounting of intermediate level issued by 中華人民共和國人事部 (Ministry of Personnel*).

蔡榮森先生，40歲，於二零一一年六月二十二日獲委任為獨立非執行董事。蔡先生獲授紐約州立大學藥劑學學士學位，彼亦取得倫敦大學工商管理碩士學位。彼目前於一間跨國製藥公司阿斯利康香港有限公司任職，現職為副銷售經理。

黃瑞熾先生，44歲，於二零一二年十二月二十八日獲委任為獨立非執行董事。黃先生獲香港城市大學頒發會計學學士學位。黃先生為香港會計師公會以及英格蘭及威爾斯特許會計師公會會員。黃先生擁有逾15年財務及會計經驗，包括但不限於財務管理、公司管理及審計，曾就職於國際會計師行、製造業及零售業公司、上市房地產發展公司、證券及期貨經紀公司及航運公司。彼目前為Shine Vision Investments Limited (在中華人民共和國及東南亞從事眼鏡產品批發及零售業務)之財務總監，負責規劃及指揮財務及會計運作、向管理層及公司其他行政部門提供財務分析及預算。

高級管理層

何岸英女士，44歲，為本集團的行政經理及人力資源經理。何女士於二零零五年十二月加盟本集團，負責監督本集團業務經營所需各許可證的申請、為安排各項檢查而與相關的政府機關聯絡，以及採購本集團酒店營運所需的物資。何女士完成由康達信管理顧問有限公司開辦的ISO 9001: 2000內部質量審核員課程。

張國星先生，34歲，為本集團的財務經理。張先生於二零零七年七月加盟本集團，負責監管本集團的財務部。張先生主修工業管理，並取得中國湖南大學工程學學士學位。彼亦獲得由中華人民共和國人事部發出的會計專業及技術資歷證書(中級程度)。

Biographical details of directors and senior management 董事及高級管理層之履歷詳情

Ms. Li Yu Zhen (李玉珍), aged 50, is a senior district manager of the Group. Ms. Li joined the Group in January 2006 and is responsible for supervision of hotel operation, hotel room sales and customer relations. Ms. Li obtained several awards in the hotel industry, including the Advanced Worker Award (先進工作者) by the aforesaid companies, for her outstanding performance.

Ms. Wong Pit Lai Vera (黃勺庭), aged 41, was appointed as the marketing manager of the Group in June 2011. Ms. Wong joined the Group since February 2011 as the director of Yuelai Inn. Ms. Wong obtained her bachelor degree in clothing from Hong Kong Polytechnic University and her master of science degree in management (business) from Hong Kong Polytechnic University. She is the spouse of Mr. Fong Man, Kelvin, the chairman of the Company.

Ms. Yeung Yin Mei (楊燕媚), aged 37, was appointed as financial controller on April 2012. She is responsible for the financial management for the Group. Ms Yeung graduated from the Chinese University of Hong Kong, Faculty of Professional Accountancy, she also obtained a master degree in corporate governance from the Hong Kong Polytechnic University, and a postgraduate diploma in investment management from the HKU School of Professional and Continuing Education. Ms Yeung is a current member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Secretaries. Ms Yeung has almost 15 years of financial management experience in different Hong Kong enterprises as well as multinational corporations. Her expertise includes financial budgeting and analysis, capital management, taxation and internal cost control.

COMPANY SECRETARY

Mr. Kam, Tik Lun (金迪倫), aged 37, was appointed as the company secretary of the Company on 14 March 2011. Mr. Kam is responsible for the company secretarial functions of the Group. Mr. Kam is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Kam obtained a bachelor's degree in commerce from the Concordia University, Canada, a postgraduate diploma in international corporate and financial law from the University of Wolverhampton, United Kingdom and a master of laws in international corporate and financial law from the University of Wolverhampton, United Kingdom. Mr. Kam is an independent non-executive director of China 3D Digital Entertainment Limited and Unlimited Creativity Holdings Limited, both companies are listed on GEM board of Hong Kong Stock Exchange.

李玉珍女士，50歲，為本集團的高級區域經理。李女士於二零零六年一月加盟本集團，負責監督酒店的營運、酒店房間之銷售及客戶關係。由於表現卓越，李女士獲上述公司頒發酒店業的若干獎項，當中包括先進工作者。

黃勺庭女士，41歲，於二零一一年六月獲委任為本集團的市場經理。黃女士自二零一一年二月加入本集團擔任悅來客棧董事。黃女士分別取得香港理工大學製衣學學士學位及管理(商業)理學碩士學位。彼為本公司主席方文先生的配偶。

楊燕媚女士，37歲，於二零一二年四月獲委任為財務總監，負責本集團之財務管理事務。楊女士畢業於香港中文大學專業會計系，亦獲自香港理工大學頒發企業管治碩士學位，及獲香港大學專業進修學院頒發投資管理研究生文憑。楊女士現為香港會計師公會、英國特許公認會計師公會及香港特許秘書公會會員。楊女士在多間香港企業及跨國公司積累近15年的財務管理經驗。其專長包括財務預算及分析、資本管理、稅務及內部成本控制。

公司秘書

金迪倫先生，37歲，於二零一一年三月十四日獲委任為本公司的公司秘書。金先生負責本集團的公司秘書職務。金先生為香港會計師公會及特許公認會計師公會成員。金先生分別獲得加拿大康考迪亞大學商業學士學位、英國沃爾沃漢普敦大學國際企業及金融法律深造文憑以及英國沃爾沃漢普敦大學國際企業及金融法律碩士學位。金先生是於香港聯交所創業板上市之中國3D數碼娛樂有限公司及無限創意控股有限公司之獨立非執行董事。

Report of the Directors

董事會報告

The directors have pleasure in submitting their report together with the audited consolidated financial statements of the Company, and its subsidiaries (collectively the "Group") for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in operating budget hip hotels and providing hotel consultancy services in the PRC. There was no significant change in its activities during the year.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by business segments is set out in Note 5 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated financial statements on pages 46 of this annual report.

The directors do not recommend payment of any dividend in respect of the year ended 31 December 2012.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 14 to the consolidated financial statements.

PROPERTIES

The Group did not own any major property or property interests as at 31 December 2012.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in Note 20 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2012, the Company's reserves available for distribution to shareholders comprising share premium account plus retained earnings, amounted to approximately HK\$84.99 million.

董事欣然呈報其報告以及本公司及其附屬公司(統稱「本集團」)截至二零一二年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股，而附屬公司主要於中國從事經營經濟精品酒店及提供酒店顧問服務。於本年度，主要業務並無任何重大變動。

分部資料

本集團年內按業務分部劃分之業績分析載於綜合財務報表附註5。

業績及分派

本集團截至二零一二年十二月三十一日止年度的業績載於本年報第46頁之綜合財務報表。

董事不建議派付截至二零一二年十二月三十一日止年度之任何股息。

物業、廠房及設備

本集團之物業、廠房及設備於年內的變動詳情載於綜合財務報表附註14。

物業

於二零一二年十二月三十一日，本集團並無任何主要物業或物業權益。

股本

本公司股本於年內的變動詳情載於綜合財務報表附註20。

可供分派儲備

於二零一二年十二月三十一日，本公司可供分派予股東之儲備包括股份溢價賬加保留盈利，約為84,990,000港元。



Report of the Directors

董事會報告

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in Note 22 to the consolidated financial statements and in the consolidated statement of changes in the equity on page 113 respectively.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The Group's customers can be categorised into two types, namely hotel guests and hotel investors under the hotel consultancy.

For the financial year ended 31 December 2012, the Group's five largest customers in aggregate accounted for approximately 63.8% (2011: 54.4%) of the total sales and the Group's largest customer accounted for approximately 16.3% (2011: 28.7%) of total sales.

The main suppliers of the Group comprise of suppliers of disposable amenities, cleaning products and laundry services. For the financial year ended 31 December 2012, the Group's five largest suppliers in aggregate accounted for approximately 86.8% (2011: 78.45%) of the total purchases and purchases from the largest supplier accounted for approximately 30.7% (2011: 28.9%) of total purchases.

None of the Directors, their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers during the financial year ended 31 December 2012.

BANK LOANS AND OTHER BORROWINGS

The Group did not have any outstanding bank loans as at 31 December 2012 (2011: Nil). Details of borrowings of the Group during the year are set out in Note 26 to the consolidated financial statements.

INTEREST CAPITALISED

The Group had capitalised interest of HK\$54,324 during the year ended 31 December 2012.

儲備

本公司及本集團之儲備於年內的變動詳情分別載於綜合報務報表附註22及第113頁之綜合權益變動表。

優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向現有股東提呈發售新股。

主要客戶及供應商

本集團的客戶可分為兩類，即為酒店賓客及酒店顧問協議項下之酒店投資者。

截至二零一二年十二月三十一日止財政年度，本集團五大客戶合共佔銷售總額約63.8%（二零一一年：54.4%），而本集團最大客戶則佔銷售總額約16.3%（二零一一年：28.7%）。

本集團主要的供應商包括提供一次性消耗品、清潔用品及洗衣服務的供應商。截至二零一二年十二月三十一日止財政年度，本集團五大供應商合共佔採購總額約86.8%（二零一一年：78.45%），而向最大供應商的採購則佔採購總額約30.7%（二零一一年：28.9%）。

截至二零一二年十二月三十一日止財政年度，概無董事、彼等之聯繫人士或任何本公司股東（據董事所深知，擁有本公司已發行股本5%以上者）於本集團的五大客戶及供應商擁有任何權益。

銀行借貸及其他借款

於二零一二年十二月三十一日，本集團並無任何未償還銀行借貸（二零一一年：無）。有關本集團於年內之借款詳情載於合併財務報表附註26。

利息資本化

截至二零一二年十二月三十一日止年度內，本集團擁有資本化利息54,324港元。

GROUP FINANCIAL SUMMARY

A summary of the results of the Group for year ended 31 December 2012 is set out on page 132 of the annual report.

DIRECTORS

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

Executive directors:

Mr. Fong, Man Kelvin (*Chairman*)

Mr. Wong, William (*Chief Executive Officer*)

(*redesignated to non-executive Director on 31 March 2012*)

Ms. Fong, Nga Peggy (*appointed on 28 December 2012*)

Non-executive directors:

Mr. De Weyer, Daniel Ludovicus Joannes

Mr. Wong, William

(*redesignated from executive Director on 31 March 2012
and resigned on 28 December 2012*)

Independent non-executive directors:

Mr. Tam, Kwok Ming Banny

Mr. Tsoi, Wing Sum

Dr. Wong, Hak Kun Jerry

Mr. Wong, Sui Chi Frankie (*appointed on 28 December 2012*)

Mr. Wong William has resigned as a non-executive Director of the Company with effect from 28 December 2012 due to pursue his other career opportunities. Mr. Wong William has confirmed that he has no disagreement with the Board and he is not aware of any matter regarding his resignation that needs to be brought to the attention of the shareholders of the Company. The Board would like to express its sincere gratitude to Mr. Wong William for his valuable contributions to the Company during his tenure of office.

The terms of office of each director are subject to retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 31 to 34 of the annual report.

本集團財務概要

本集團截至二零一二年十二月三十一日止年度的業績概要載於本年報第132頁。

董事

於年內直至本報告日期，本公司之董事如下：

執行董事：

方文先生 (主席)

黃樟淦先生 (行政總裁)

(於二零一二年三月三十一日

調任非執行董事)

巫曼因女士 (於二零一二年十二月二十八日
獲委任)

非執行董事：

戴偉仁先生

黃樟淦先生

(於二零一二年三月三十一日自執行董事調任
並於二零一二年十二月二十八日辭任)

獨立非執行董事：

譚國明先生

蔡榮森先生

黃克勤博士

黃瑞熾先生 (於二零一二年十二月二十八日
獲委任)

黃樟淦先生已辭任本公司非執行董事，以尋求其他事務發展機會，辭任自二零一二年十二月二十八日起生效。黃樟淦先生確認彼與董事會並無任何分歧，亦無有關其辭任之任何事宜需要本公司股東垂注。董事會謹此感謝黃樟淦先生在任期內對本公司之寶貴貢獻。

每名董事須根據本公司組織章程細則輪席退任。

董事及高級管理層之履歷詳情

本公司董事及本集團高級管理層之履歷詳情載於本年報第31至34頁。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

No director 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.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors of the Company and the five highest paid individuals of the Group are set out in Note 10 to the consolidated financial statements, respectively.

DIRECTORS AND CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

No director or controlling shareholder had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2012.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors, namely Mr. Tam, Kwok Ming Banny, Mr. Tsoi, Wing Sum, Mr. Wong, Sui Chi Frankie and Dr. Wong, Hak Kun Jerry, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the independent non-executive directors remained independent.

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立不得由本公司於一年內終止時免付賠償(法定賠償除外)之服務合約。

董事薪酬及五名最高薪酬人士

本公司董事之薪酬及本集團五名最高薪酬人士之詳情乃分別載於綜合財務報表附註10。

董事及控股股東於重大合約之權益

於截至二零一二年十二月三十一日止年度內，董事或控股股東概無於本公司或其任何附屬公司所訂立之任何有關本集團業務之重要合約中直接或間接擁有重大權益。

確認獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事(即譚國明先生、蔡榮森先生、黃瑞熾先生及黃克勤博士)各自就其獨立性根據創業板上市規則第5.09條做出之年度確認，而本公司認為獨立非執行董事仍為獨立。

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 31 December 2012, the interests or short positions of the Directors in the shares ("Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares of the Company

| Name 名稱 | Capacity 身份 | Number of shares 股份數目 | Percentage of shareholding 股權百分比 |
|---|---------------------------|--------------------------|-------------------------------------|
| Mr. Fong, Man Kelvin (Note 1) 方文先生(附註1) | Beneficial Owner 實益擁有人 | 102,576,466 | 56.99% |
| Mr. De Weyer, Daniel Ludovicus Joannes (Note 2) 戴偉仁先生(附註2) | Beneficial Owner 實益擁有人 | 10,382,655 | 5.77% |

Notes:

- Ms. Wong Pit Lai, Vera is the spouse of Mr. Fong. Therefore, Ms. Wong Pit Lai Vera is deemed to be interested in the 102,576,466 shares in which Mr. Fong is interested for the purpose of the SFO.
- Ms. Makoto Nishimura is the spouse of Mr. De Weyer, Daniel Ludovicus Joannes. Therefore, Ms. Makoto Nishimura is deemed to be interested in the 10,382,655 shares in which Mr. De Weyer, Daniel Ludovicus Joannes is interested for the purpose of the SFO.

董事及主要行政人員於本公司股份、相關股份及債權證之權益及淡倉

於二零一二年十二月三十一日，董事於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份(「股份」)、相關股份及債權證內擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉)，或倘有規定，根據證券及期貨條例第352條須記入該條所述的登記冊，或倘有規定，根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益或淡倉如下：

於本公司股份的好倉

附註：

- 黃勺庭女士為方先生的配偶。因此，根據證券及期貨條例，黃勺庭女士被視為於方先生擁有權益的102,576,466股股份中擁有權益。
- 西村真女士為戴偉仁先生的配偶。因此，根據證券及期貨條例，西村真女士被視為於戴偉仁先生擁有權益的10,382,655股股份中擁有權益。



Report of the Directors 董事會報告

During the year ended 31 December 2012, there were no debt securities issued by the Group at any time. Save as disclosed herein, as at 31 December 2012, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

For the year ended 31 December 2012, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in shares of the Company

| Name 名稱 | Capacity 身份 | Number of shares 股份數目 | Percentage of shareholding 股權百分比 |
|--|---------------------------|---|-------------------------------------|
| Mr. Qiu Dai Lun (Note 1) 邱代倫先生(附註 1) | Beneficial Owner 實益擁有人 | 10,800,000 | 6.0% |
| Note: | | 附註： | |
| 1. Ms. Cheng Xiaomin is the spouse of Mr. Qiu Dai Lun. Therefore, Ms. Cheng Xiaomin is deemed to be interested in the 10,800,000 shares in which Mr. Qiu Dai Lun is interested for the purpose of the SFO. | | 1. 程曉敏女士為邱代倫先生的配偶。因此，根據證券及期貨條例，程曉敏女士被視為於邱代倫先生擁有權益的10,800,000股股份中擁有權益。 | |

於截至二零一二年十二月三十一日止年度，本集團於任何時間均無發行任何債務證券。除本文所披露者外，於二零一二年十二月三十一日，概無董事或本公司主要行政人員或其聯繫人士於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債權證內擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何權益及淡倉(包括根據證券及期貨條例的條文彼等擁有或被視作擁有的權益或淡倉)；或倘有規定，根據證券及期貨條例第352條須記錄於該條所述的登記冊的任何權益及淡倉，或倘有規定，根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的任何權益及淡倉。

主要股東及其他人士於本公司股份、相關股份及債權證之權益及淡倉

就董事所知，截至二零一二年十二月三十一日止年度，以下人士(並非本公司董事或主要行政人員)於股份或相關股份中擁有及被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉；或彼等直接或間接在附有可在任何情況下於本集團任何成員公司的股東大會上投票的權利的任何類別股本的面值中擁有5%或以上的權益：

於本公司股份的好倉

During the year ended 31 December 2012, there were no debt securities issued by the Group at any time. Save as disclosed above, as at 31 December 2012, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the year ended 31 December 2012, the directors are not aware of any business or interest of the directors, the management of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

PURCHASE, REDEMPTION OR SALE OF SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this report, the Company has maintained the sufficient public float under the GEM Listing Rules.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2012, the Group had 128 employees. Remunerations of the Group's employees are determined in accordance with the terms of government policies and by reference to market level and the performance, qualifications and experience of employees. Discretionary bonuses are paid to few employees as recognition of and reward for their contribution to the corporate development. Other benefits include contributions to retirement schemes, medical schemes, unemployment insurance schemes and housing allowances.

於截至二零一二年十二月三十一日止年度，本集團於任何時間均無發行任何債務證券。除上文所披露者外，於二零一二年十二月三十一日，董事並不知悉有任何其他人士（除本公司董事及主要行政人員外）於股份或相關股份中擁有及被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉；或彼等直接或間接在附有可在任何情況下於本集團任何其他成員公司的股東大會上投票的權利的任何類別股本的面值中擁有5%或以上的權益或涉及有關股本的購股權。

董事於競爭業務之權益

截至二零一二年十二月三十一日止年度，董事概不知悉董事、本公司管理層及彼等各自的聯繫人士（定義見創業板上市規則）之任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉任何該等人士已經或可能與本集團出現任何其他利益衝突。

購買、贖回或出售證券

本公司或其任何附屬公司於本年度並無購買、贖回或出售本公司任何上市證券。

公眾持股量

根據本公司可查閱的公開資料，以及董事於本報告刊發前之最後實際可行日期所知，本公司已根據創業板上市規則維持充足之公眾持股量。

僱員及薪酬政策

於二零一二年十二月三十一日，本集團擁有128名僱員。本集團僱員的薪酬根據政府政策條款及參考市場水平與僱員表現、資歷及經驗釐定；部分僱員亦可獲發花紅，以表揚及獎勵其對公司發展所做出的貢獻。其他福利包括退休計劃、醫療計劃及失業保險計劃供款以及房屋津貼。



Report of the Directors

董事會報告

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under reviewed.

CONNECTED TRANSACTIONS

There were no connected transactions or continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules which are subject to the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules.

INTEREST OF THE COMPLIANCE ADVISER

At 31 December 2012, except for the agreement entered into between the Company and Quam Capital Limited, the Company's compliance adviser on 27 June 2011, neither the Company's compliance adviser nor its directors, employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as notified by the Company's compliance adviser.

SHARE OPTION SCHEME

The Company has a share option scheme ("Scheme") which was adopted pursuant to a resolution of the sole shareholder passed on 22 June 2011 and adopted by a resolution of the Board on 22 June 2011. The purpose of the Scheme is to attract, retain and motivate talented participants to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

The Scheme became effective on 22 June 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from the adoption of the Scheme, the principal terms of which were summarized in the paragraph headed "Share Option Scheme" in Appendix V to the Company's prospectus dated 30 June 2011 (the "Prospectus").

管理合約

於回顧年度內，本公司概無訂立或訂有任何有關管理與經營本公司全部或任何重大部分業務之合約。

關連交易

本公司概無任何創業板上市規則第20章下須遵循創業板上市規則下任何呈報、公告或獨立股東批准規定之任何關連交易或持續關連交易。

合規顧問的權益

據本公司合規顧問告知，於二零一二年十二月三十一日，除於二零一一年六月二十七日本公司與華富嘉洛企業融資有限公司(本公司之合規顧問)訂立之協議外，本公司之合規顧問或其董事、僱員或聯繫人士概無於本公司或本集團任何成員公司之股本中擁有任何權益(包括可認購有關證券的購股權或權利)。

購股權計劃

本公司設有一項根據唯一股東於二零一一年六月二十二日通過的決議案而採納及董事會於二零一一年六月二十二日透過決議案而採納之購股權計劃(「該計劃」)。該計劃的目的是吸引、挽留及激勵有能力的參與者，為本集團的未來發展及擴展而奮鬥。該計劃可鼓勵參與者為達成本集團的目標而作出其最佳的表現，讓參與者分享本公司因其努力及貢獻而取得的成果。

該計劃由二零一一年六月二十二日起生效，除非取消或修訂，否則該計劃將由採納日期起計十年內有效。該計劃的主要條款概要載於本公司日期為二零一一年六月三十日的招股章程(「招股章程」)附錄五「購股權計劃」一段內。

| Category | Date of grant | Exercisable period | Exercise price per share | As at 31 December 2011 於二零一一年十二月三十一日 | Number of share options 購股權數目 | | | | As at 31 December 2012 於二零一二年十二月三十一日 |
|-----------------|---------------------------------|--|-----------------------------|---|--|---|---|--|---|
| | | | | | Options granted during the period 於期內授出的購股權 | Options exercised during the period 於期內獲行使的購股權 | Options lapsed during the period 於期內失效的購股權 | Options cancelled during the period 於期內註銷的購股權 | |
| Employees 僱員 | 21 February 2012 二零一二年二月二十一日 | 21 February 2012 to 20 February 2014 二零一二年二月二十一日至二零一四年二月二十日 | 1.33 每股行使價 HK\$ 港元 | – | 900,000 | – | – | – | 900,000 |
| | | | | – | 900,000 | – | – | – | 900,000 |

PENSION SCHEMES

As of 31 December 2012, the Group had no forfeited contributions available to redeem its contributions to the pension scheme in future years (2011: nil)

AUDITOR

The financial statements for the year ended 31 December 2012 have been audited by PricewaterhouseCoopers and a resolution for the re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting. PricewaterhouseCoopers was the auditor of the Company since 13 July 2010.

PUBLICATION OF INFORMATION ON WEBSITES

This annual report is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.legendstrategy.com.

By order of the Board

Fong Man, Kelvin
Chairman

12 March 2013

退休計劃

截至二零一二年十二月三十一日，本集團概無沒收供款可視為未來數年的退休計劃供款（二零一一年：無）。

核數師

截至二零一二年十二月三十一日止年度之財務報表已由羅兵咸永道會計師事務所審核，而本公司將於應屆股東週年大會上提呈重新委任羅兵咸永道會計師事務所為本公司核數師的決議案。自二零一零年七月十三日以來，羅兵咸永道會計師事務所一直為本公司核數師。

於網站刊發資料

本年報可於聯交所網站 www.hkex.com.hk 及本公司網站 www.legendstrategy.com 瀏覽。

承董事會命

主席
方文

二零一三年三月十二日



Independent auditor's report 獨立核數師報告

TO THE SHAREHOLDERS OF LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Legend Strategy International Holdings Group Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 46 to 131, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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.

獨立核數師報告

致枋濟國際集團控股有限公司股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第46至131頁之枋濟國際集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一二年十二月三十一日之綜合和公司財務狀況表與截至該日止年度的綜合全面收益表、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附註解釋資料。

董事就綜合財務報表須承擔的 責任

貴公司董事須負責根據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》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，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

我們的責任是根據我們的審計對該等綜合財務報表作出意見，僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

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 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 12 March 2013

審計涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一二年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一三年三月十二日



Consolidated statement of comprehensive income

綜合全面收益表

For the year ended 31 December 2012
截至二零一二年十二月三十一日止年度

| | | Note | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|-------------------------|------|-----------------------------|-----------------------------|
| | | 附註 | | |
| Revenue | 收益 | 5 | 91,155,199 | 69,592,354 |
| Operating lease expenses | 營運租約開支 | | (11,584,821) | (9,984,386) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 14 | (7,959,800) | (7,091,127) |
| Employee benefit expenses | 僱員福利開支 | 7 | (9,845,335) | (7,092,137) |
| Utilities | 公用設施 | | (1,893,741) | (1,732,733) |
| Other operating expenses | 其他營運開支 | 6 | (15,122,826) | (12,182,966) |
| Operating profit | 營運溢利 | | 44,748,676 | 31,509,005 |
| Finance income | 融資收入 | | 76,231 | 60,539 |
| Finance cost | 融資成本 | | (1,077,099) | (204,312) |
| Finance cost — net | 融資成本 — 淨額 | 8 | (1,000,868) | (143,773) |
| Share of results of jointly controlled entities | 分佔共同控制實體業績 | | (20,870) | (2,513,199) |
| Profit before income tax | 除所得稅前溢利 | | 43,726,938 | 28,852,033 |
| Income tax expense | 所得稅開支 | 9 | (10,855,270) | (7,587,350) |
| Profit for the year | 年內溢利 | | 32,871,668 | 21,264,683 |
| Other comprehensive income: | 其他綜合收入： | | | |
| Currency translation differences | 貨幣匯兌差額 | | 249,923 | 562,711 |
| Fair value changes on available-for-sale financial assets | 可供出售金融資產 公平值之變動 | | 178,000 | — |
| Total comprehensive income for the year | 年內綜合收入總額 | | 33,299,591 | 21,827,394 |
| Profit attributable to: | 下列人士應佔溢利： | | | |
| Equity holders of the Company | 本公司權益持有人 | | 32,871,668 | 21,264,683 |
| Total comprehensive income attributable to: | 下列人士應佔綜合收入總額： | | | |
| Equity holders of the Company | 本公司權益持有人 | | 33,299,591 | 21,827,394 |
| Earnings per share for profit attributable to the equity holders of the Company during the year | 年內本公司權益持有人 應佔溢利的每股盈利 | | | |
| — Basic (Hong Kong cents) | — 基本(港仙) | 11 | 18.26 | 13.63 |
| — Diluted (Hong Kong cents) | — 攤薄(港仙) | 11 | 17.97 | 13.63 |

The notes on pages 54 to 131 are an integral part of these consolidated financial statements.

第54至131頁的附註為本綜合財務報表的組成部分。

Consolidated statement of financial position

綜合財務狀況表

As at 31 December 2012
於二零一二年十二月三十一日

| | | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|------------|-----------------------------|-----------------------------|-----------------------------|
| | Note 附註 | | | |
| ASSETS | | 資產 | | |
| Non-current assets | | 非流動資產 | | |
| Property, plant and equipment | 14 | 物業、廠房及設備 | 36,746,467 | 28,994,945 |
| Prepayment and deposits | 15 | 預付款項及按金 | 24,450,000 | 5,000,000 |
| Rental deposits | 15 | 租賃按金 | 1,497,017 | 1,212,228 |
| Prepaid operating lease | 17 | 預繳營運租約 | 10,998,264 | 11,722,821 |
| Interests in jointly controlled entities | 18 | 於共同控制實體之權益 | 19,492,931 | 9,503,801 |
| Deferred income tax assets | 27 | 遞延所得稅資產 | 1,452,223 | 1,788,265 |
| | | | 94,636,902 | 58,222,060 |
| Current assets | | 流動資產 | | |
| Trade and other receivables | 15 | 應收貿易及其他賬款 | 52,481,410 | 32,773,728 |
| Available-for-sale financial assets | 16 | 可供出售金融資產 | 1,162,000 | — |
| Cash and cash equivalents | 19 | 現金及現金等價物 | 27,880,476 | 16,150,556 |
| | | | 81,523,886 | 48,924,284 |
| Total assets | | 資產總額 | 176,160,788 | 107,146,344 |
| EQUITY | | 權益 | | |
| Capital and reserves attributable to the equity holders of the Company | | 本公司權益持有人 應佔資本及儲備 | | |
| Share capital | 20 | 股本 | 1,800,001 | 1,800,001 |
| Reserves | 22 | 儲備 | 117,265,004 | 83,741,413 |
| Total equity | | 權益總額 | 119,065,005 | 85,541,414 |

Consolidated statement of financial position

綜合財務狀況表

As at 31 December 2012
於二零一二年十二月三十一日

| | | Note | 2012 | 2011 |
|--|------------------|------|--------------------|-------------|
| | | 附註 | 二零一二年 | 二零一一年 |
| | | | HK\$ | HK\$ |
| | | | 港元 | 港元 |
| LIABILITIES | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Provision for asset retirement | 報廢資產復原撥備 | 23 | 3,457,087 | 3,278,455 |
| Finance lease liabilities | 融資租賃負債 | 24 | 889,153 | 1,301,638 |
| Convertible notes — debt component | 可換股票據 — 債項部分 | 26 | 29,405,000 | — |
| | | | 33,751,240 | 4,580,093 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 應付貿易及其他賬款 | 25 | 9,064,789 | 8,217,551 |
| Amount due to a director | 應付董事款項 | 34 | — | 582,031 |
| Current income tax liabilities | 當期所得稅負債 | | 13,035,449 | 7,836,051 |
| Finance lease liabilities | 融資租賃負債 | 24 | 412,305 | 389,204 |
| Financial derivatives | 金融衍生工具 | 26 | 832,000 | — |
| | | | 23,344,543 | 17,024,837 |
| Total liabilities | 負債總額 | | 57,095,783 | 21,604,930 |
| Total equity and liabilities | 權益及負債總額 | | 176,160,788 | 107,146,344 |
| Net current assets | 淨流動資產 | | 58,179,343 | 31,899,447 |
| Total assets less current liabilities | 資產總額減流動負債 | | 152,816,245 | 90,121,507 |

The consolidated financial statements on pages 46 to 131 were approved by the Board of Directors on 12 March 2013 and were signed on its behalf.

載於第46至131頁的綜合財務報表已於二零一三年三月十二日獲董事會批准，並由下列董事代表簽署。

Fong, Man Kelvin

方文
Director
董事

Fong, Nga Peggy

巫曼因
Director
董事

The notes on pages 54 to 131 are an integral part of these consolidated financial statements.

第54至131頁的附註為本綜合財務報表的組成部分。

Statement of financial position

財務狀況表

As at 31 December 2012
於二零一二年十二月三十一日

| | | Note | 2012 | 2011 |
|---|------------------------|------|-------------------|------------|
| | | 附註 | 二零一二年 | 二零一一年 |
| | | | HK\$ | HK\$ |
| | | | 港元 | 港元 |
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Interests in subsidiaries | 於一間附屬公司之投資 | 28 | 37,507,647 | 37,507,647 |
| Current assets | 流動資產 | | | |
| Other receivables | 其他應收款項 | 15 | 794,902 | 1,758,689 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 28 | 29,152,653 | — |
| Available-for-sale financial assets | 可供出售金融資產 | 16 | 1,162,000 | — |
| | | | 31,109,555 | 1,758,689 |
| Total assets | 資產總額 | | 68,617,202 | 39,266,336 |
| EQUITY | 權益 | | | |
| Capital and reserves attributable to the equity holders of the Company | 本公司權益持有人應佔資本及儲備 | | | |
| Share capital | 股本 | 20 | 1,800,001 | 1,800,001 |
| Reserves | 儲備 | 22 | 35,767,301 | 36,821,435 |
| Total equity | 權益總額 | | 37,567,302 | 38,621,436 |
| LIABILITIES | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Convertible notes — debt component | 可換股票據 — 債項部分 | 26 | 29,405,000 | — |

Statement of financial position

財務狀況表

As at 31 December 2012
於二零一二年十二月三十一日

| | | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|------------------|----|-----------------------------|-----------------------------|
| Current liabilities | 流動負債 | | | |
| Amount due to a subsidiary | 應付一間附屬公司款項 | 28 | 636,900 | 636,900 |
| Accruals | 應計項目 | 25 | 176,000 | 8,000 |
| Financial derivatives | 金融衍生工具 | 26 | 832,000 | — |
| | | | 1,644,900 | 644,900 |
| Total liabilities | 負債總額 | | 31,049,900 | 644,900 |
| Total equity and liabilities | 權益及負債總額 | | 68,617,202 | 39,266,336 |
| Net current assets | 淨流動資產 | | 29,464,655 | 1,113,789 |
| Total assets less current liabilities | 資產總額減流動負債 | | 66,972,302 | 38,621,436 |

The financial statements on pages 46 to 131 were approved by the Board of Directors on 12 March 2013 and were signed on its behalf.

第46至131頁的財務報表已於二零一三年三月十二日獲董事會批准，並由下列董事代表簽署。

Fong, Man Kelvin

方文
Director
董事

Fong, Nga Peggy

巫曼因
Director
董事

The notes on pages 54 to 131 are an integral part of these consolidated financial statements.

第54至131頁的附註為本綜合財務報表的組成部分。

Consolidated statement of changes in equity

綜合權益變動表

For the year ended 31 December 2012
截至二零一二年十二月三十一日止年度

| | | Attributable to equity holders of the Company 本公司權益持有人應佔 | | | |
|--|---------------------------------|--|---|---|---------------------------|
| | | Share capital 股本 (Note 20) (附註20) HK\$ 港元 | Share premium 股份溢價 (Note 22) (附註22) HK\$ 港元 | Reserves 儲備 (Note 22) (附註22) HK\$ 港元 | Total 總額 HK\$ 港元 |
| Balance at 1 January 2011 | 於二零一一年一月一日結餘 | — | — | 15,285,116 | 15,285,116 |
| Profit for the year | 年內溢利 | — | — | 21,264,683 | 21,264,683 |
| Other comprehensive income: Currency translation differences | 其他綜合收入： 貨幣匯兌差額 | — | — | 562,711 | 562,711 |
| Total comprehensive income for the year | 年內綜合收入總額 | — | — | 21,827,394 | 21,827,394 |
| Total contributions by and distributions to owners of the company recognised directly in equity | 直接於權益確認的 本公司擁有人出資總額 及應佔分派 | | | | |
| Share swap pursuant to group reorganisation | 根據集團重組互換股份 | 1,350,001 | — | 8,598,659 | 9,948,660 |
| Issuance of shares upon placing, net of share issuing expenses | 於配售時發行股份 (扣除股份發行費用) | 450,000 | 38,030,244 | — | 38,480,244 |
| | | 1,800,001 | 38,030,244 | 8,598,659 | 48,428,904 |
| Balance at 31 December 2011 | 於二零一一年 十二月三十一日結餘 | 1,800,001 | 38,030,244 | 45,711,169 | 85,541,414 |
| Balance at 1 January 2012 | 於二零一二年一月一日結餘 | 1,800,001 | 38,030,244 | 45,711,169 | 85,541,414 |
| Profit for the year | 年內溢利 | — | — | 32,871,668 | 32,871,668 |
| Other comprehensive income: Currency translation differences | 其他綜合收入： 貨幣匯兌差額 | — | — | 249,923 | 249,923 |
| Fair value changes on available-for-sale financial assets | 可供出售金融資產 公平值變動 | — | — | 178,000 | 178,000 |
| Total comprehensive income for the year | 年內綜合收入總額 | — | — | 33,299,591 | 33,299,591 |
| Total contributions by and distributions to owners of the company recognised directly in equity | 直接於權益確認的 本公司擁有人出資總額 及應佔分派 | | | | |
| Employee share option benefit | 僱員購股權福利 | — | — | 224,000 | 224,000 |
| Balance at 31 December 2012 | 於二零一二年 十二月三十一日結餘 | 1,800,001 | 38,030,244 | 79,234,760 | 119,065,005 |

The notes on pages 54 to 131 are an integral part of these consolidated financial statements.

第54至131頁的附註為本綜合財務報表的組成部分。

Consolidated statement of cash flows

綜合現金流量表

For the year ended 31 December 2012
截至二零一二年十二月三十一日止年度

| | | Note 附註 | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|-------------------------|------------|-----------------------------|-----------------------------|
| Cash flows from operating activities | 經營活動產生的現金流量 | | | |
| Cash generated from/(used in) operations | 經營產生/(所用)的現金 | 30 | 34,065,763 | (2,010,402) |
| Hong Kong profits tax paid | 已支付香港利得稅 | | (1,709,007) | (491,660) |
| PRC income tax paid | 已支付中國所得稅 | | (3,600,364) | (3,794,394) |
| Net cash generated from/(used in) operating activities | 經營活動產生/(所用)的現金淨額 | | 28,756,392 | (6,296,456) |
| Cash flows from investing activities | 投資活動產生的現金流量 | | | |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | | (15,509,830) | (10,933,888) |
| Increase in loan to jointly controlled entities | 提供予共同控制實體之貸款增加 | | (10,010,000) | (12,017,000) |
| Increase in prepayment for property, plant and equipment | 物業、廠房及設備之預付款項增加 | | (9,450,000) | (5,000,000) |
| Increase in deposit for an acquisition of business | 收購業務之按金增加 | | (10,000,000) | — |
| Interest received | 已收利息 | | 3,713 | 580 |
| Increase in available-for-sale financial assets | 可供出售金融資產增加 | | (984,000) | — |
| Net cash used in investing activities | 投資活動所用現金淨額 | | (45,950,117) | (27,950,308) |
| Cash flows from financing activities | 融資活動產生的現金流量 | | | |
| Net proceeds from issuance of convertible notes | 發行可換股債券所得款項淨額 | 26 | 29,682,000 | — |
| Capital injection to a subsidiary by shareholders | 股東向一間附屬公司注資 | | — | 9,990,000 |
| Proceeds from issuance of shares upon placing, net of share issuing expenses | 於配售後發行股份之所得款項(扣除股份發行費用) | | — | 38,480,244 |
| Net inception of finance lease liabilities | 融資租賃負債淨額 | | — | 1,636,471 |
| Repayment of finance lease liabilities | 融資租賃負債之預付款項 | | (470,388) | — |
| Interest paid for convertible notes | 已付可換股票據之利息 | | (335,000) | — |
| Net cash generated from financing activities | 融資活動所得的現金淨額 | | 28,876,612 | 50,106,715 |

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|--------------|-----------------------------|-----------------------------|
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 11,682,887 | 15,859,951 |
| Cash and cash equivalents at beginning of the year | 年初的現金及現金等價物 | 16,150,556 | 263,590 |
| Exchange gains on cash and cash equivalents | 現金及現金等價物匯兌收益 | 47,033 | 27,015 |
| Cash and cash equivalents at end of the year | 年終的現金及現金等價物 | 27,880,476 | 16,150,556 |

Note
附註

19

The notes on pages 54 to 131 are an integral part of these consolidated financial statements.

第54至131頁的附註為本綜合財務報表的組成部分。



Notes to the consolidated financial statements

綜合財務報表附註

1 GENERAL INFORMATION

Legend Strategy International Holdings Group Company Limited (the “Company”) was incorporated in the Cayman Islands on 23 February 2011 as an exempted company with limited liability under the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company’s shares were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited on 15 July 2011.

The Company is an investment holding company and its subsidiaries are principally engaged in the budget hotel operations and provision of hotel consultancy services in the People’s Republic of China (the “PRC”).

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 12 March 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial derivatives, which are carried at fair value.

1 一般資料

枋濬國際集團控股有限公司(「本公司」)於二零一一年二月二十三日根據開曼群島公司法第22章(一九六一年第三號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限責任公司。公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司股份於二零一一年七月十五日於香港聯合交易所有限公司創業板上市。

本公司為一間投資控股公司，其附屬公司主要於中華人民共和國(「中國」)從事經營經濟型酒店及提供酒店顧問服務。

除非另有說明，否則本綜合財務報表均以港元呈列。本綜合財務報表已於二零一三年三月十二日獲董事會批准刊發。

2 主要會計政策概要

2.1 編製基準

編製此等綜合財務報表時所採用之主要會計政策載列如下。除非另有說明外，該等會計政策均被一致地應用於所有列示之年度。

本公司之綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則按歷史成本常規法編製。以公平值入賬的可供出售資產及金融衍生工具經重新估值而予以修訂。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) *New, revised and amended standards and interpretations to existing standards effective in 2012*

The Group has adopted the following amended standards that have been issued and are effective for the financial periods commencing on 1 January 2012:

| | |
|------------------------|---|
| HKFRS 7 (Amendment) | Financial instruments: Disclosures, on transfer of financial assets |
| HKFRS 1 (Amendment) | First time adoption, on hyperinflation and fixed dates |
| HKAS 12 (Amendment) | Income taxes, on deferred tax |

The adoption of the amended standards did not have material effect on how the results and financial positions for the current or prior accounting periods have been prepared and presented.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

編製符合香港財務報告準則的綜合財務報表需要使用若干關鍵會計估算，同時需要管理層在應用本集團會計政策過程中行使其判斷。當中涉及高度判斷、複雜之範疇、或對綜合財務報表而言屬重大影響之假設及估算，在附註4中披露。

(a) *於二零一二年生效之對現有準則之新訂、經修訂及經修改準則及詮釋*

本集團已採納下列已頒佈且於自二零一二年一月一日起開始之財政期間生效之經修改準則：

| | |
|--------------------------|--------------------------------|
| 香港財務報告 準則第7號 (修訂本) | 金融工具： 轉讓金融 資產的披露 |
| 香港財務報告 準則第1號 (修訂本) | 首次採納， 有關惡性 通貨膨脹 及固定日期 |
| 香港會計準則 第12號 (修訂本) | 所得稅， 有關遞延 稅項 |

採納經修訂的準則並無對當前或過往會計期間編製及呈列的業績及財務狀況構成重大影響。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (b) *New, revised and amended standards and interpretations to existing standards that have been published but are not yet effective*

The following new, revised and amended standards and interpretations to existing standards have been published and are mandatory for the financial periods beginning on or after 1 January 2013, but the Group has not early adopted them:

| | |
|----------------------------------|---|
| Amendment to HKAS 1 | Financial statements presentation regarding other comprehensive income ¹ |
| Amendment to HKAS 19 | Employee benefits ² |
| HKAS 27 (revised 2011) | Separate financial statements ² |
| HKAS 28 (revised 2011) | Associates and joint ventures ² |
| Amendment to HKAS 32 | Financial instruments: Presentation on asset and liability offsetting ³ |
| Amendment to HKFRS 1 | First time adoption, on government loans ² |
| Amendment to HKFRS 7 | Financial instruments: Disclosures on asset and liability offsetting ² |
| HKFRS 9 | Financial instruments ⁴ |
| HKFRS 7 and HKFRS 9 (Amendments) | Mandatory effective date and transition disclosures ⁴ |

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- (b) *已頒佈但尚未生效之對現有準則之新訂、經修訂及經修改準則及詮釋*

下列對現有準則之新訂、經修訂及經修改準則及詮釋已頒佈，且須於二零一三年一月一日或之後開始之財政期間強制使用，但本集團並無提早採納：

| | |
|-------------------------------|--------------------------------|
| 香港會計準則第1號 (修訂本) | 財務報表的呈列，有關其他綜合收入 ¹ |
| 香港會計準則第19號 (修訂本) | 僱員福利 ² |
| 香港會計準則第27號 (二零一一年經修訂) | 獨立財務報表 ² |
| 香港會計準則第28號 (二零一一年經修訂) | 聯營公司及合資公司 ² |
| 香港會計準則第32號 (修訂本) | 金融工具：有關呈列資產及負債之抵銷 ³ |
| 香港財務報告準則第1號 (修訂本) | 首次採納，有關政府貸款 ² |
| 香港財務報告準則第7號 (修訂本) | 金融工具：披露資產及負債之抵銷 ² |
| 香港財務報告準則第9號 | 金融工具 ⁴ |
| 香港財務報告準則第7號及香港財務報告準則第9號 (修訂本) | 強制生效日期及過渡披露 ⁴ |

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) *New, revised and amended standards and interpretations to existing standards that have been published but are not yet effective (Continued)*

| | |
|-----------------------------------|---|
| HKFRS 10 | Consolidated financial statements ² |
| HKFRS 11 | Joint arrangements ² |
| HKFRS 12 | Disclosure of interests in other entities ² |
| HKFRS 13 | Fair value measurement ² |
| Amendment to HKFRSs 10, 11 and 12 | Transition guidance ² |
| HK(IFRIC) — Int 20 | Stripping costs in the production phase of a surface mine ² |
| Annual improvements 2011 | Annual improvements in the 2009-2011 financial reporting cycle ² |

Note:

- ¹ Effective for financial periods beginning on or after 1 July 2012
- ² Effective for financial periods beginning on or after 1 January 2013
- ³ Effective for financial periods beginning on or after 1 January 2014
- ⁴ Effective for financial periods beginning on or after 1 January 2015

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) *已頒佈但尚未生效之對現有準則之新訂、經修訂及經修改準則及詮釋 (續)*

| | |
|--|-------------------------------------|
| 香港財務報告準則第10號 | 綜合財務報表 ² |
| 香港財務報告準則第11號 | 共同安排 ² |
| 香港財務報告準則第12號 | 披露於其他實體之權益 ² |
| 香港財務報告準則第13號 | 公平值計量 ² |
| 香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號 (修訂本) | 過渡指引 ² |
| 香港(國際財務報告詮釋委員會) — 詮釋第20號 | 露天礦場生產階段之剝採成本 ² |
| 二零一一年年度改進 | 二零零九年至二零一一年財務報告週期之年度改進 ² |

附註：

- ¹ 於二零一二年七月一日或之後開始之財政期間生效
- ² 於二零一三年一月一日或之後開始之財政期間生效
- ³ 於二零一四年一月一日或之後開始之財政期間生效
- ⁴ 於二零一五年一月一日或之後開始之財政期間生效

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (b) *New, revised and amended standards and interpretations to existing standards that have been published but are not yet effective (Continued)*

The Group will apply these new, revised and amended standards and interpretations to existing standards in the period of initial application. The Group has assessed the impact of the adoption of HKFRS 10 and concluded that the adoption of this new standard does not have a material impact on the Group's consolidated financial statements. The Group is currently assessing the impact of the adoption of the other new, revised and amended standards and interpretations to existing standards and is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise from circumstances where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- (b) *已頒佈但尚未生效之對現有準則之新訂、經修訂及經修改準則及詮釋 (續)*

本集團將於首次採納期間採用該等對現有準則之新訂、經修訂及經修改準則及詮釋。本集團已評估採納香港財務報告準則第10號之影響，並確定該新準則的採納對本集團的綜合財務報表不會產生重大影響。本集團現時正評估採納其他對現有準則之新訂、經修訂及經修改準則、詮釋之影響，惟目前尚未確定該等準則是否會對其經營業績及財務狀況造成重大影響。

並無其他尚未生效之香港財務報告準則或香港(國際財務報告詮釋委員會)的詮釋預期將對本集團產生重大影響。

2.2 附屬公司

2.2.1 合併賬目

附屬公司是指本集團有權控制其財務及經營政策的所有實體(包括特別用途實體)，一般附帶逾半數投票權的股權。在評估本集團能否控制另一實體時，會考慮現時是否存在可行使或可兌換的潛在投票權及其影響。倘本集團擁有的投票權不超過50%但能夠以實質控制權控制財務及經營政策時，本集團亦會評估現有控制權。

實質控制權可於擁有的投票權不超過50%但能夠以實質控制權控制財務及經營政策的情況下產生。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 合併賬目 (續)

附屬公司於控制權轉移到本集團的該日起全面合併，並於喪失控制權日起終止合併。

集團內公司間的交易、結餘、收入及開支於本集團旗下公司相互交易時予以對銷。於資產中確認的公司間交易所產生的溢利及虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的會計政策一致。

2.2.2 獨立財務報表

於附屬公司之投資乃以成本減減值的方法入賬。成本亦包括投資應佔之直接費用。本公司將附屬公司之業績按股息及應收款項入賬。

倘投資附屬公司所產生的股息超過附屬公司於派息期間的全面收入總額或獨立財務報表內的投資賬面值超過於綜合財務報表投資對象的資產淨值(包括商譽)賬面值，則在收取有關投資所得股息時即須對此等投資進行減值測試。



Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Interests in jointly controlled entities

The Group recognises its investment in jointly controlled entities under the equity method of accounting where interests in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the post-acquisition of profits or losses and movements in other comprehensive income in the profit or loss and in other comprehensive income respectively. When the Group's share of losses in jointly controlled entities equals or exceeds its interests in the jointly controlled entities (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entities), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entities.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's executive directors who make strategic decisions.

2 主要會計政策概要 (續)

2.3 於共同控制實體的權益

倘於共同控制實體的權益初步在綜合財務狀況表按成本確認，並於其後就確認本集團應佔收購後之損益及於損益表的其他全面收益變動及其他全面收益而作出調整，則本集團按權益會計法確認其於共同控制實體的投資。當本集團應佔共同控制實體的虧損等於或超出其於該共同控制實體之權益時（包括任何實際上構成本集團於共同控制實體投資淨值其中部分之長遠權益），本集團不會確認進一步虧損，當其產生責任或代表該共同控制實體付款時另當別論。

本集團與其共同控制實體之間交易而產生之未變現收益在本集團於共同控制實體之權益範圍內對銷。未變現虧損亦予以對銷，而交易提供證據證明所轉讓之資產出現減值則作別論。

2.4 分部報告

經營分部的呈報方式與向主要營運決策者匯報所使用的內部報告一致。主要營運決策者為作出策略性決定之本集團執行董事，其負責分配資源並且評核營運分部的表現。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company in 2011 was Renminbi ("RMB"). During the year, upon issuance of convertible notes (Note 26), the functional currency of the Company has been changed from RMB to Hong Kong Dollars ("HK\$") since the Company has changed its activities from a sole investment holding company to a company which is also engaged in treasury functions in Hong Kong. The change of functional currency which is made due to change in underlying events and conditions as mentioned above is accounted for prospectively. The consolidated financial statements is presented in HK\$.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance cost-net'. All other foreign exchange gains and losses are presented in the income statement within 'other operating expenses'.

2 主要會計政策概要 (續)

2.5 外幣換算

(a) 功能及呈列貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。於二零一一年，本公司的功能貨幣為人民幣（「人民幣」）。年內，本公司於發行可換股票據後（附註26），已由從事單一投資控股公司轉為同時在香港負責財務功能之公司，本公司之功能貨幣由人民幣轉為港幣。變換功能貨幣乃由於上述事件及條件發生變化所致，按未來會計法入賬。綜合財務報表按港元列值。

(b) 交易及結餘

外幣交易採用項目重新計量的交易或估值日期的匯率換算為功能貨幣。因結算該等交易產生的匯兌損益以及以年終匯率換算外幣計值的貨幣資產和負債產生的匯兌損益在損益表確認，惟於股權內遞延作為合資格現金流量的對沖及合資格淨投資的對沖除外。

與借款以及現金及現金等價物有關之外匯收益及虧損列入收益表之「融資成本—淨額」內。所有其他外匯收益及虧損在收益表之「其他經營開支」內列賬。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

2 主要會計政策概要 (續)

2.5 外幣換算 (續)

(b) 交易及結餘 (續)

以外幣為計價且分類為可供出售證券之貨幣證券之公平值變動在證券已攤銷成本轉變產生之匯兌差額與證券賬面值之其他變動間進行分析。匯兌差額在損益表內確認，而其他賬面值之變動則在其他綜合收入中確認。

非貨幣金融資產及金融負債（如按公平值持有列入於損益表之權益）之匯兌差額於損益表內確認為公平值收益或虧損之部分。非貨幣金融資產（如分類為可供出售之權益）之匯兌差額計入其他綜合收入內。

(c) 集團公司

功能貨幣與呈列貨幣不同的所有集團實體（並無極高通脹經濟地區的貨幣）的業績及財務狀況，按下列方式換算為呈列貨幣：

- 各財務狀況表內呈列的資產及負債按該財務狀況表呈列日的收市匯率換算；

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies (Continued)

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

2 主要會計政策概要 (續)

2.5 外幣換算 (續)

(c) 集團公司 (續)

- 各綜合收益表內的收支按平均匯率換算(除非該平均匯率未能合理反映交易日現行匯率所帶來的累計影響,則在該情況下按照交易日的匯率換算該等收支);及
- 所導致的一切匯兌差額乃於其他綜合收入內確認。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產及負債,並按收市匯率換算。所產生的匯兌差額於其他綜合收入內確認。

2.6 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目之直接應佔開支。

後續成本已納入資產的賬面值或只於未來可能有與該項目有關的經濟利益流入本集團且項目成本能可靠計量時確認為獨立資產(視乎適合情況)。替換成本的賬面值不會入賬。所有其維修及保養及檢修成本計入其發生財政期間的損益內。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using straight-line method to allocate their costs, less their residual values, if any, over their estimated useful lives as follows:

| | |
|------------------------|--|
| Leasehold improvements | Shorter of the unexpired term of lease and 7 years |
| Furniture and fixtures | 5 years |
| Office equipment | 5 years |
| Motor vehicles | 5 years |

The asset's useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the profit or loss.

2.7 Construction in progress

Construction in progress represents leasehold improvement stated at cost less accumulated impairment loss, if any. Cost includes the costs of leasehold improvement and interest charges arising from borrowings used to finance these assets during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

2 主要會計政策概要 (續)

2.6 物業、廠房及設備 (續)

物業、廠房及設備的折舊採用以下的估計可使用年期將其成本按直線法減其剩餘價值(如有)計算：

| | |
|--------|--------------|
| 租賃物業裝修 | 尚餘租期及七年中的較短者 |
| 傢俬及裝置 | 五年 |
| 辦公室設備 | 五年 |
| 汽車 | 五年 |

資產之可使用年期及剩餘價值均於各報告期末予以審閱及調整(如適用)。倘資產賬面值較估計的可收回款額為大，則資產的賬面值將立刻被撇減至其可收回款額(附註2.8)。

出售之盈虧均透過將所得款項與賬面值作比較而釐定，並於損益內確認。

2.7 在建工程

在建工程指進行之租賃物業裝修，按成本減累計減值虧損(如有)列賬。成本包括租賃物業裝修成本及建設期內為該等資產提供資金之借款產生之利息費用。概不會對在建工程作出折舊撥備，直至有關資產完成及可作擬定用途為止。當有關資產投入使用時，成本將轉撥至物業、廠房及設備，並根據先前段落所述政策折舊。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets as loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade debtors", "deposits", "rental deposits" and "cash and cash equivalents" in the consolidated statement of financial position.

2 主要會計政策概要 (續)

2.8 非金融資產的減值

並無明確可用期限的資產(例如商譽)毋須攤銷,但每年須就減值進行測試。資產於出現事件或情況改變顯示賬面值可能無法收回時,就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之數額確認。可收回金額乃扣除出售費用後之資產公平值及使用價值之較高者。於評估減值時,資產按可獨立識辨現金流量之最低層次(現金產生單位)分組。出現減值之非金融資產(商譽除外)將於每個報告日進行檢討以確定其減值能否轉回。

2.9 金融資產

2.9.1 分類

本集團將金融資產分類為貸款及應收款項以及可供出售金融資產。分類視乎購入的金融資產之目的而定。管理層在初始確認時釐定金融資產的分類。

(a) 貸款及應收款項

貸款及應收款項為有固定或可確定付款額且沒有在活躍市場上報價的非衍生金融資產。此等項目計入流動資產,但若由報告期末起計超過十二個月之後方到期者,則分類為非流動資產。本集團的貸款及應收款項由綜合財務狀況表「應收貿易賬款」、「按金」、「租賃按金」及「現金及現金等價物」組成。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

2.9.1 Classification (Continued)

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

2 主要會計政策概要 (續)

2.9 金融資產 (續)

2.9.1 分類 (續)

(b) 可供出售金融資產

可供出售的金融資產為非衍生工具，被指定為此類別或並無分類為任何其他類別。除非管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。

2.9.2 確認及計量

金融資產的定期購入及出售在交易日確認，交易日指本集團承諾購入或出售該資產之日。按公平值透過損益表記賬的金融資產初步按公平值確認，而交易成本則在損益表支銷。就所有未按公平值透過損益列賬之金融資產而言，投資初步按公平值加交易成本確認。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，投資即終止確認。可供出售金融資產其後按公平值列賬。貸款及應收款利用實際利息法按攤銷成本列賬。

分類為可供出售貨幣及非貨幣證券的公平值變動乃於其他綜合收入內確認。

當分類為可供出售的證券被售出或減值時，在權益中確認的累計公平值調整列入損益表作為「投資證券的盈虧」。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

2.9.2 Recognition and measurement (Continued)

Dividends on available-for-sale equity instruments are recognised in the profit or loss as part of other income when the Group's right to receive payments is established.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Impairment of financial assets

(a) Loans and receivables

The Group assesses at the end of each reporting period whether there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors 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 where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 主要會計政策概要 (續)

2.9 金融資產 (續)

2.9.2 確認及計量 (續)

可供出售股本工具之股息乃當本集團收取款項的權利建立時作為其他收入的一部分於損益表內確認。

2.10 抵銷金融工具

金融資產及負債於有法定強制權以抵銷已確認金額及於擬按淨值基準結算或同時將資產變現及償付負債時予以抵銷，而有關淨額於資產負債表內呈報。

2.11 金融資產減值

(a) 貸款及應收款項

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值（「損失事項」），而該宗（或該等）損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以可靠估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

減值的證據可能包括以下指標：債務人或一組債務人正處於重大財政困難，違約或拖欠利息或本金付款，有可能彼等將進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量的減少，例如欠款變動或與違約相關的經濟狀況。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of financial assets (Continued)

(a) Loans and receivables (Continued)

For loans and receivables category, 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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

(a) 貸款及應收款項 (續)

就貸款及應收款項類別而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用損失）的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在損益表確認。如貸款有浮動利率，計量任何減值虧損的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公平值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損轉回可在損益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of financial assets (Continued)

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

2.12 Trade and other receivables

Trade debtors are amounts due from customers for services performed in the ordinary course of business. If collection of trade debtors and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

(b) 分類為可供出售之資產

本集團於各報告期末評估金融資產或一組金融資產是否出現客觀減值證據。就債務證券而言，本集團採用以上(a)中所述的標準。就分類為可供出售之股本投資而言，證券之公平值大幅或長期下跌至低於其成本，亦屬資產已出現減值之證據。倘可供出售金融資產出現任何此等跡象，其累計虧損（按收購成本與現時公平值之差額減去該金融資產先前已在損益表確認之任何減值虧損計量）將從權益中扣除，並於損益表中確認。於損益表確認的權益工具減值虧損不會透過損益表撥回。如日後被分類為可供出售的債務工具的公平值增加，而該增值可客觀地與減值虧損於損益表內確認後出現的事件有關，則減值虧損將於損益表撥回。

2.12 應收貿易及其他賬款

應收貿易賬款是在日常業務過程中為顧客提供服務的應收款項。倘應收貿易賬款及其他應收款項預期在一年或一年以內收回（若更長，則在業務正常經營週期內），則分類為流動資產。否則，在非流動資產中呈列。

應收貿易及其他賬款最初以公平值確認，其後利用實際利息法按攤銷成本並扣除減值撥備計量。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2 主要會計政策概要 (續)

2.13 現金及現金等價物

現金及現金等價物包括手頭現金及銀行通知存款。

2.14 股本

普通股分類為權益。發行新股或購股權直接應佔的新增成本在權益中列為所得款項的減少(扣除稅項)。

2.15 應付貿易及其他賬款

應付貿易款項是在日常業務過程中向供應商購買商品或服務的付款責任。倘應付貿易及其他賬款在一年或一年以內到期(若更長,則在業務正常經營週期內),則分類為流動負債。否則,在非流動負債中呈列。

應付貿易及其他賬款初步以公平值確認,其後利用實際利息法按攤銷成本計量。

2.16 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借貸成本,加入該等資產的成本內,直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸,因有待合資格資產的支出而臨時投資賺取的投資收入,應自合資格資本化的借貸成本中扣除。

所有其他借貸成本在產生期內的損益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Convertible notes

The Company issued Hong Kong dollars (“HK\$”) denominated convertible notes (the “convertible notes”) which can be converted into ordinary shares of the Company and redeemed under certain circumstances. If the conversion of the convertible notes will not result in delivering a fixed number of the Company’s own equity instruments in exchange for a fixed amount of cash or another financial asset, the convertible notes contract will be separated into two component elements: a financial derivative component consisting of the embedded options and a debt component consisting of the straight debt element of the convertible notes.

On the issue of the convertible notes, the fair value of the financial derivatives component is calculated using a valuation technique. The financial derivative component is carried at fair value on the consolidated statement of financial position with any subsequent changes in fair value being charged or credited to the profit or loss in the period when the change occurs. The remainder of the proceeds is allocated to debt component of the convertible notes, net of transaction costs, and is recorded as a liability. The debt component is subsequently carried at amortised cost until extinguished on conversion or redemption.

Interest expense is calculated using the effective interest method by applying the effective interest rate to the debt component through the maturity date.

If the convertible notes are converted, the carrying amounts of the corresponding financial derivative and debt components are transferred to share capital and share premium as consideration for the shares issued. If the convertible notes are redeemed, any difference between the amount paid and the carrying amounts of the corresponding financial derivative and debt components is recognised in the profit or loss.

2 主要會計政策概要 (續)

2.17 可換股票據

本公司已發行以港元計值之可換股票據，該等票據可兌換為本公司的普通股及在若干情況下贖回。倘兌換可換股票據將不會導致在交換固定現金額或另一金融資產時交付固定數目的本公司本身之股本工具，則可換股票據合約將分為兩個組成部分：金融衍生工具部分（包括嵌入式選擇權）及負債成份（包括可換股票據之普通負債）。

就發行可換股票據而言，金融衍生工具部分的公平值會以估值技術計算。金融衍生工具部分按公平值於綜合財務狀況表列賬，任何公平值期後變動將在發生變動期間於損益表計入或扣除。所得款項餘款被分配至可換股票據的負債成份（扣除交易成本），並記錄為負債。而負債成份隨後則按攤銷成本列賬，直至兌換或贖回時註銷為止。

利息開支乃使用實際利率法於直至到期日為止期間內按照實際利率與負債成份計算。

如可換股票據被兌換，相應金融衍生工具及負債成份的賬面值將轉入股本及股份溢價作為股份發行的代價。如可換股票據被贖回，相應金融衍生工具及負債成份的已付金額與賬面值之差額將於損益表內確認。



Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Convertible notes (Continued)

An exchange between the Company and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in the profit or loss.

If the exchange or modification is not constituted as an extinguishment, any costs or fees incurred shall be accounted for as adjustments to the carrying amount of the liability and being amortised over the remaining term of the modified liability.

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 主要會計政策概要 (續)

2.17 可換股票據 (續)

本公司及債務工具借貸人之間有重大不同條款的交換應被當作原金融負債失效及確認新金融負債。

同樣地，現有或部分金融負債的條款的重大修訂(不論是否由於債務人有財政困難)應被當作原金融負債失效及確認新金融負債。

已失效或轉讓予其他方的金融負債(或金融負債的一部分)的賬面值以及已付代價的差額，包括任何已轉讓非現金資產或已推定負債，須於損益表內確認。

倘交換或修訂並不構成失效，所產生的任何成本或費用將計為負債的賬面值的調整，並於已修訂負債的剩餘年期內攤銷。

2.18 當期及遞延所得稅

本期的稅項支出包括當期和遞延稅項。稅項在損益表中確認，但與其他綜合收入中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收入或直接在權益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 主要會計政策概要 (續)

2.18 當期及遞延所得稅 (續)

(a) 當期所得稅

當期所得稅支出根據集團公司經營及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在綜合財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延稅項負債因商譽的初步確認而產生，則不作確認，若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在變現有相關的遞延所得稅資產或結算遞延所得稅負債時預期將會適用的稅率（及法例）而釐定。

遞延所得稅資產僅就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。



Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

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

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Group has defined contribution plans in the PRC and Hong Kong.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2 主要會計政策概要 (續)

2.18 當期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

外部基準差異

遞延所得稅就附屬公司投資產生的暫時性差異而計提撥備，但假若本集團可以控制暫時性差異的轉回時間，而暫時性差異在可預見將來很可能不會轉回情況下的遞延所得稅負債則除外。

(c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體所施加的所得稅，但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.19 僱員福利

(a) 退休金責任

本集團旗下公司營運多個退休金計劃。此等計劃一般透過向保險公司或受託管理基金付款而獲得資金。本集團在中國及香港設有界定供款計劃。

界定供款計劃是一項本集團向一個獨立實體支付固定供款的退休計劃。倘該基金並無持有足夠資產向所有僱員就其在當期及以往期間的服務支付福利時，本集團亦無法定或推定責任支付進一步供款。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee benefits (Continued)

(a) Pension obligations (Continued)

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.20 Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

2 主要會計政策概要 (續)

2.19 僱員福利 (續)

(a) 退休金責任 (續)

本集團以強制性、合約性或自願性方式向公開或私人管理的退休保險計劃供款。本集團作出供款後，並無進一步付款責任。供款在應付時確認為僱員福利費用。預付供款在可獲得現金退款或可減少未來付款的情況下確認為資產。

(b) 花紅計劃

本集團於有合約責任或過往慣例產生推定責任時確認撥備。

2.20 以股份為基礎之付款

本集團進行一項按股本結算以股份為基礎之報酬的計劃，據此本集團獲僱員提供服務，並以本集團之股本工具(購股權)作為代價。僱員提供服務以換取購股權的公平值乃確認開支。列作開支的總淨額乃參照已授出購股權的公平值釐定，而計算時：

- 包括任何市場表現狀況(如實體的股價)；
- 不包括任何有關服務及非市場表現的歸屬情況(如盈利能力、銷售增長目標及有關人士於一段特定時間內是否仍為實體僱員)；及
- 包括任何非歸屬條件的影響(如要求員工儲備)。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Share-based payments (Continued)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 主要會計政策概要 (續)

2.20 以股份為基礎之付款 (續)

非市場表現及服務條件包括在有關預期可予歸屬購股權數目的假設中。開支總額在歸屬期間內確認，歸屬期間指將符合所有特定可歸屬條件的期間。

此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公平值就確認服務開始期與授出日期之期間內的開支作出估計。

於各報告期末，本集團依據非市場歸屬條件修訂其對預期可歸屬的購股權數目的估計。實體於收益表確認對原估算修訂(如有)的影響，並對權益作出相應調整。

在購股權獲行使時，本公司將發行新股份。已收取得款項(扣除任何直接應佔交易成本)均列入股本(面值)及股份溢價中。

2.21 撥備

當本集團因過往發生的事件而產生現有的法律或推定債務；很可能需要資源的流出以結算債務；及金額已被可靠估計時作出撥備。但不會就未來經營虧損確認撥備。

如有多項類似債務，其需要在結算中有資源流出的可能性，則可根據債務的類別整體考慮釐定。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Provisions (Continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group's activities.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

(a) Hotel operations

Hotel revenue from hotel room and conference room rental is recognised when the services are rendered.

(b) Provision of hotel consultancy services

Revenue in respect of provision of hotel consultancy service is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion of each transaction is determined based on the proportion of costs incurred at the end of the reporting period compared to the estimated total costs of the transaction. The outcome of a transaction can be estimated reliably when (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the Group; (c) the stage of completion of the transaction at the reporting date can be measured reliably and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

2 主要會計政策概要 (續)

2.21 撥備 (續)

撥備採用稅前利率按照預期需結算有關債務的支出現值計量，該利率反映當時市場對金錢時間值和有關債務固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。

2.22 收益確認

收益包括本集團在日常經營活動中出售服務已收及應收代價的公平值。

當收入金額能可靠計量、未來經濟利益可能流入本集團、以及符合下文所述本集團的有關業務的特定條件時，本集團將確認收益。

(a) 酒店營運

已提供出租服務的酒店房間及會議室確認為酒店收益。

(b) 提供酒店顧問服務

於報告期末根據提供酒店顧問服務交易的完成狀況確認為該項交易的收益項目。各交易的完成狀況根據於報告期末產生的成本比例比較預計交易的總成本作釐定。當(a)收益金額能得到可靠計量；(b)經濟效益聯繫的交易很可能利及該實體；(c)於報告日期能可靠計量交易的完成狀況；及(d)交易產生的成本及完成交易的成本能得到可靠計量，交易結果能可靠估計。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Revenue recognition (Continued)

(c) *Hotel management income*

Hotel management income from operating a hotel is recognised when the services are rendered.

(d) *Membership fee income*

The fair value of the consideration received or receivable is recognised on a straight-line basis over the life of the membership.

(e) *Rental income on sub-leased hotel premise*

Rental income in respect of rental of a sub-leased hotel premise is recognised on a straight-line basis over a lease period of 10 years.

(f) *Interest income*

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2 主要會計政策概要 (續)

2.22 收益確認 (續)

(c) *酒店管理收入*

運營酒店產生的酒店管理收入於提供服務時確認。

(d) *會籍費用收入*

已收或應收代價的公平值於會籍的年期內按直線法確認入賬。

(e) *酒店分租物業的租金收入*

有關酒店分租物業的租金收入於10年租賃期內按直線法確認。

(f) *利息收入*

利息收入採用實際利率法按時間比例基準確認。倘貸款和應收款項出現減值，本集團會將賬面值減至其可收回款額，即按該工具的原實際利率折現的估計未來現金流量，並繼續將折現計算並確認為利息收入。已減值貸款及應收款項的利息收入利用原實際利率確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Customer loyalty programmes

The Group operates a loyalty programme where customers accumulate points to exchange free nights staying in the hotels operated by the Group. Sale of hotel rooms that result in membership points are accounted for as a separately identifiable component of the sales transaction(s) in which they are granted or sold (the “initial sale”). The fair value of the consideration received or receivable in respect of the initial sale is allocated between the components, i.e. the hotel rooms sold and the membership points granted. The fair value of the membership points is estimated by reference to the benefits (i.e. free extra night for staying) that the customer would obtain when redeeming the membership points and the expected future redemption rate. The estimate on expected redemption rate is based on statistical analysis of past customer behaviour. The Group reviews the loyalty programme on a regular basis, unused and expired membership points would be removed from the programme. Revenue from the membership points is deferred and is recognised when the points are redeemed and the amount of revenue is recognised based on the number of points redeemed relative to the total number expected to be redeemed.

2.24 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease’s commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

2 主要會計政策概要 (續)

2.23 客戶忠誠度計劃

本集團推行一項忠誠度計劃，客戶可通過累積點數在本集團經營的酒店免費住宿。通過會員點數銷售的酒店房間按其授出銷售交易（「初始銷售」）之可識別部份單獨列賬。與初始銷售有關的已收或應收代價公平值於有關分部（即銷售酒店房間分部及已授會員點數的分部）間分配。會員點數的公平值乃參考客戶兌換會員點數時可能獲得的利益（即可免費住宿）及預期未來兌換率進行估計。預計兌換率乃根據以往顧客行為的數據分析估計得出。會員點數收益按延遞會計法處理，並於兌換點數時確認，收益金額乃按與預期將予兌換點數總額有關之已兌換點數確認。

2.24 租賃

如租賃所有權的重大部分風險和報酬由出租人保留，則分類為經營租賃。根據經營租賃支付的款項（扣除自出租人收取的任何獎勵後）於租賃期內以直線法在損益表支銷。

本集團租賃若干物業、廠房及設備。如本集團大致上擁有所有權的所有風險和回報，則物業、廠房及設備的租賃歸類為融資租賃。融資租賃在租賃開始時，按租賃物業的公平值或最低租賃付款現值兩者之較低者資本化。

Notes to the consolidated financial statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Leases (Continued)

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividend is approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, trade debtors, deposits and other receivables. Management has policies in place and exposures to these credit risks are monitored on an ongoing basis.

In respect of hotel operations, the Group has no concentration of credit risk in view of its large number of customers. It has policies in place to ensure that sale of rooms to corporate customers are made to customers with an appropriate credit history. Sales to walk-in customers are made via credit cards or cash.

2 主要會計政策概要 (續)

2.24 租賃 (續)

每項租賃款項均分攤為負債及財務支出。相應租賃責任在扣除財務支出後計入其他長期應付款項。財務成本的利息部分於租賃期內在損益表中支銷，以計算出每期剩餘負債的固定週期利率。根據融資租賃而獲得的物業、廠房及設備按資產的使用年期或租賃期兩者之較短者進行折舊。

2.25 股息分派

向本公司股東分配的股息在股息獲本公司股東或董事批准的期間內於本集團及本公司的財務報表內列為負債。

3 財務風險管理

3.1 財務風險因素

本集團的活動承受著多項財務風險：信用風險、流動資金風險、外匯風險及利率風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

(a) 信用風險

本集團的信用風險主要來自現金及現金等價物、應收貿易賬款、按金及其他應收款項。管理層已實施政策，並且不斷監察所承受信用風險之程度。

就酒店營運而言，由於本集團擁有龐大的顧客群，因此並無信用集中風險。本集團已實施政策確保向信貸背景正常的企業客戶提供房間銷售。銷售予未有預訂的顧客以信用卡或現金收款。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Credit risk (Continued)

In respect of provision of hotel consultancy services, the Group has a concentration of credit risk in view of that all the trade debtors arose from 5 customers (2011: 7 customers). The Group requests progress payments from customers in accordance with the milestones of the hotel consultancy agreements.

Cash and bank deposits are mainly placed in major domestic banks with good credit ratings. Rental deposits are mainly paid to six domestic private entities who are currently leasing the hotel premises to the Group. Other receivables primarily represent the amounts due from parties which have long business relationship with the Group. Given majority of the other receivables were settled subsequent to year end, management does not consider there is recoverability issue.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 信用風險 (續)

就提供酒店顧問服務而言，由於本集團的所有貿易應收賬款均來自五名(二零一一年：七名)客戶，故有信用集中風險。於簽訂酒店顧問協議前，本集團求客戶根據酒店顧問協議的進度分期付款。

現金及銀行存款均主要存入擁有良好信貸評級的當地主要銀行。租賃按金主要為目前向本集團租賃酒店物業的六個當地私人實體支付。其他應收款項主要是指來自與本集團存在長期業務關係的夥伴的款項。由於大部分其他應收款項均於年結日之後結算，因此管理層認為不存在收回性問題。

信用風險上限按綜合財務狀況表中各金融資產的賬面值呈列。



Notes to the consolidated financial statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through issuance of convertible notes. As at 31 December 2012, the Group held cash and cash equivalents of HK\$27,880,476 (2011: HK\$16,150,556) (Note 19) and trade receivables of HK\$48,276,139 (2011: HK\$28,048,035) (Note 15) that are expected to readily generate cash inflows for managing liquidity risk.

To manage the liquidity risk, management monitors rolling forecasts of cash and cash equivalents on the basis of expected cash flow. The Group expects to fund its future cash flow needs through internally generated cash flows from operations, equity funding or advances from shareholders.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 流動資金風險

審慎的流動資金風險管理包括維持充裕的現金及現金等價物以及透過發行可換股票據獲得資金。於二零一二年十二月三十一日，本集團持有之現金及現金等價物以及應收貿易賬款分別為27,880,476港元(二零一一年：16,150,556港元)(附註19)及48,276,139港元(二零一一年：28,048,035港元)(附註15)，預期該等款項可隨時就管理流動資金風險而產生現金流入。

為管理流動資金風險，管理層以預測現金流量為基準監察現金及現金等價物的滾動預測。本集團預期通過內部產生之經營現金流量、股權融資或股東之墊款以應付其未來現金流量的需要。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the date of statement of financial position of the Group's non-derivative financial liabilities, which is based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the date of statement of financial position) and the earliest date the Group is required to pay:

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 流動資金風險 (續)

下表詳述本集團之非衍生金融負債於結算日之剩餘合約到期情況，乃按合約未折現現金流量(包括使用訂約利率或(若為浮息)結算日之現行利率計算之利息支出)及本集團須支付之最早還款日計算：

| | | Within 1 year or on demand 一年內 或按要求 HK\$ 港元 | Between 1 and 2 years 一年至兩年 HK\$ 港元 | Between 2 and 5 years 兩年至五年 HK\$ 港元 | More than 5 years 超過五年 HK\$ 港元 | Total 總額 HK\$ 港元 |
|------------------------------------|----------------------|---|--|--|--|---------------------------|
| Group | 本集團 | | | | | |
| At 31 December 2012 | 於二零一二年十二月三十一日 | | | | | |
| Trade and other payables | 貿易及其他應付款項 | 5,272,967 | — | — | — | 5,272,967 |
| Finance lease liabilities | 融資租賃負債 | 470,208 | 408,664 | 535,347 | — | 1,414,219 |
| Convertible notes — debt component | 可換股票據 — 負債部分 | 1,530,000 | 35,462,460 | — | — | 36,992,460 |
| Provision for reinstatement cost | 資產復原成本撥備 | — | — | — | 4,000,809 | 4,000,809 |
| | | 7,273,175 | 35,871,124 | 535,347 | 4,000,809 | 47,680,455 |
| At 31 December 2011 | 於二零一一年十二月三十一日 | | | | | |
| Trade and other payables | 貿易及其他應付款項 | 3,880,192 | — | — | — | 3,880,192 |
| Finance lease liabilities | 融資租賃負債 | 470,208 | 470,208 | 944,011 | — | 1,884,427 |
| Amount due to a director | 應付董事款項 | 582,031 | — | — | — | 582,031 |
| Provision for reinstatement cost | 資產復原成本撥備 | — | — | — | 4,000,809 | 4,000,809 |
| | | 4,932,431 | 470,208 | 944,011 | 4,000,809 | 10,347,459 |
| Company | 本公司 | | | | | |
| At 31 December 2012 | 於二零一二年十二月三十一日 | | | | | |
| Amount due to a subsidiary | 應付一間附屬公司款項 | 636,900 | — | — | — | 636,900 |
| Accruals | 應計費用 | 176,000 | — | — | — | 176,000 |
| Convertible notes — debt component | 可換股票據 — 負債部分 | 1,530,000 | 35,462,460 | — | — | 36,992,460 |
| | | 2,342,900 | 35,462,460 | — | — | 37,805,360 |
| At 31 December 2011 | 於二零一一年十二月三十一日 | | | | | |
| Amount due to a subsidiary | 應付一間附屬公司款項 | 636,900 | — | — | — | 636,900 |
| Accruals | 應計費用 | 8,000 | — | — | — | 8,000 |
| | | 644,900 | — | — | — | 644,900 |

Notes to the consolidated financial statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Foreign exchange risk

The Group operates mainly in the PRC and HK. Transactions, assets and liabilities denominated in currencies other than the functional currency of the group companies are minimal and therefore management considers the foreign exchange risk is minimal.

(d) Interest rate risk

The Group has no significant interest-bearing assets and liabilities except for certain bank deposits, convertible notes and finance lease obligations. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management considers the interest rate risk is minimal since the interest income from bank deposits is insignificant and the interest rate for convertible notes and finance lease obligations is fixed.

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operation and to maintain a net cash position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or dispose of assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 外匯風險

本集團主要於中國及香港經營業務，其交易、資產及負債極少以非集團公司的功能貨幣計值，因此管理層認為外匯風險極微。

(d) 利率風險

除若干銀行存款、可換股票據及融資租賃債務外，本集團並無重大計息資產及負債，故本集團的收入及經營現金流量絕大部分不受市場利率變動的影響。由於銀行存款之利率相當低且可換股票據及融資租賃債務的利率為固定利率，管理層認為利率風險極微。

3.2 資本風險管理

本集團資本管理的主要目標是保障本集團能繼續營運，以持續為股東提供回報並支援本集團的穩定及增長；賺取與本集團經營的業務及市場風險水平相當的邊際利潤，並維持現金淨值狀況。

為維持或調整資本結構，本集團或會調整支付予股東的股息數額、發行新股或出售資產以減低債務。

為了與行業中其他公司一致，本集團根據資產負債比率來監管資本。該比率為負債淨額除以資本總額所得。負債淨額乃按借貸總額(包括綜合財務狀況表內的「流動及非流動借貸」)減現金及現金等價物計算。資本總額按綜合財務狀況表內的「權益」加負債淨額計算。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

During 2012, the Group's strategy, which was unchanged from 2011, was to maintain the gearing ratio of less than 20%. The BB credit rating has been maintained throughout the period. The gearing ratios at 31 December 2012 and 2011 were as follows:

| | | | |
|--|-----------------------|---------------------|--------------|
| Total borrowings (Note 24 and 26) | 借貸總額(附註24及26) | 30,706,458 | 1,690,842 |
| Less: cash and cash equivalents (Note 19) | 減: 現金及現金等價物 (附註19) | (27,880,476) | (16,150,556) |
| Net debt/(cash) | 負債淨額/(現金) | 2,825,982 | (14,459,714) |
| Total equity | 權益總額 | 119,065,005 | 85,541,414 |
| Total capital | 資本總額 | 121,890,987 | 71,081,700 |
| Gearing ratio | 資產負債比率 | 2.32% | N/A不適用 |

3.3 Fair value estimation

The different levels of valuation method have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理 (續)

3.2 資本風險管理 (續)

本集團於二零一二年集團的策略與二零一一年相同，即將資產負債比率保持在20%以下。於整個期間內，本集團的信用評級一直維持BB。於二零一二年及二零一一年十二月三十一日的資產負債比率如下：

| | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Total borrowings (Note 24 and 26) | 30,706,458 | 1,690,842 |
| Less: cash and cash equivalents (Note 19) | (27,880,476) | (16,150,556) |
| Net debt/(cash) | 2,825,982 | (14,459,714) |
| Total equity | 119,065,005 | 85,541,414 |
| Total capital | 121,890,987 | 71,081,700 |
| Gearing ratio | 2.32% | N/A不適用 |

3.3 公平值估計

估值方法之不同等級定義如下：

- 同類資產或負債在活躍市場上的報價(未經調整)(第一級)；
- 除第一級所包括的報價外，資產或負債的可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

Notes to the consolidated financial statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 December 2012.

| | | Level 1 第一級 HK\$ 港元 | Level 2 第二級 HK\$ 港元 | Level 3 第三級 HK\$ 港元 | Total 總額 HK\$ 港元 |
|---|------------------------|------------------------------|------------------------------|------------------------------|---------------------------|
| Assets | 資產 | | | | |
| Available-for-sale financial assets — Equity securities | 可供出售 金融資產 — 股本證券 | 1,162,000 | — | — | 1,162,000 |
| Total assets | 資產總額 | 1,162,000 | — | — | 1,162,000 |
| Current liabilities | 流動負債 | | | | |
| Financial derivatives | 金融衍生工具 | — | — | 832,000 | 832,000 |
| Total liabilities | 負債總額 | — | — | 832,000 | 832,000 |

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Instruments included in level 1 comprise the listed equity investments on the Stock Exchange of Hong Kong Limited.

As described in Note 26, the Company's convertible notes contain a number of embedded financial derivatives that are measured at fair value through profit or loss. The Company engaged an independent valuer to assist it in determining the fair value of these embedded financial derivatives. The determination of fair value was made after consideration of a number of factors, including but not limited to: bond yields, risk free rate and expected volatility of comparable corporate bonds and the financial capability of the Group to redeem the convertible notes. The fair value determined was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

3 財務風險管理 (續)

3.3 公平值估計 (續)

下表呈列本集團及本公司於二零一二年十二月三十一日按公平值計量之資產及負債：

在活躍市場中交易的金融工具之公平值是以於財務狀況表日的市場報價列賬。如果該報價可以容易地及規律地從交易市場、經銷商、經紀人、產業集團、股價服務機構或管理機構中獲得，並且這些報價是在真實、公平交易的基礎上定期呈現，該市場會被視為活躍。第一級工具包括於香港聯合交易所有限公司上市之股本投資。

誠如附註26所述，本公司之可換股債券包含若干嵌入式金融衍生工具，該等金融衍生工具按公平值計入損益計量。公平值乃於考慮多項因素後釐定，包括但不限於收益率、無息率及可資比較公司債券之預期波幅以及本集團贖回可換股票據之財務能力。公平值乃按普遍接納之估值程序及慣例作出，並通常依賴所應用的多項假設及所考慮的多項不明朗因素，該等因素並非全部均可輕易量化或確定。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful lives of property, plant and equipment

The Group has significant amount of property, plant and equipment. The Group is required to estimate the useful lives of property, plant and equipment in order to ascertain the amount of depreciation charges for each reporting period.

Useful lives are estimated at the time of purchase of these assets after considering business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results and negative industry or economic trends. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

4 關鍵會計估計及判斷

本集團會根據過往經驗及其他因素(包括在某些情況下,對未來事項作出認為是合理的預期)作出估計及判斷,並持續對其進行評估。

本集團對未來作出估計和假設。所得的會計估計如其定義,很少會與實際結果完全一致。於下個財政年度有相當大風險將會導致資產與負債之賬面值須作出重大調整之估計和假設討論如下。

(a) 物業、廠房及設備的可使用年期

本集團擁有大量物業、廠房及設備。本集團須估計物業、廠房及設備的可使用年期,以確認各報告期的減值開支金額。

可使用年期乃經考慮業務發展及本集團的策略後,於購買該等資產時估計。本集團每年檢討評估以估計使用年期是否適當。有關檢討會考慮任何環境或事件的意外不利變動,包括預計經營業績的下降以及行業趨勢或經濟趨勢不景氣。本集團根據檢討結果延長或縮短有效使用年期及/或作出減值撥備。

Notes to the consolidated financial statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(b) Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may be not recoverable. The recoverable amounts have been determined based on fair value less costs to sell calculations or market valuations. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of the operations.

(c) Asset retirement obligations

The Group evaluates and recognises, on a regular basis, the present value of the obligations which arise from future reinstatement of leased hotel premises upon end of lease terms. To establish the present value of the asset retirement obligations, estimates and judgement are applied in determining these future cash flows and the discount rate. Management estimates the future cash flows based on certain assumptions, such as the restoration costs based on quotations.

4 關鍵會計估計及判斷 (續)

(b) 物業、廠房及設備的減值

當有事件或情況轉變顯示可能無法收回賬面值時，公司將檢討物業、廠房及設備有否減值。可收回金額乃按公平值減銷售成本或市場估值計算。此等計算須運用判斷及估計。

管理層需要運用判斷以釐定資產減值，尤其是評估：(i)有否出現事件可能顯示有關資產價值可能無法收回；(ii)資產賬面值是否獲得可收回款項(即公平值減銷售成本或以業務持續使用資產為基礎估計的有關日後現金流量的淨現值兩者中的較高者)的支援；及(iii)編製現金流量預測時使用的適當主要假設，包括有關現金流量預測是否以適用比率貼現。倘管理層就評估減值所選假設(包括現金流量預測所用貼現率或增長率假設)有所變更，可能會對減值測試中所用的淨現值產生影響，從而或會影響本集團的財務狀況及經營業績。

(c) 報廢資產復原債務

本集團會定期評估及確認於租約屆滿時須復修酒店租賃物業而產生之債務的公平值。而確立報廢資產復原債務的公平值時，已應用估計及判斷而釐定該等未來現金流量及貼現率。管理層根據如復修成本等若干假設估計未來現金流量。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Leasehold improvements on leased premises

The Group operates hotels on leased premises in the PRC and incurs construction or renovation expenditures for these hotels. A landlord named in a lease agreement has been unable to produce proper building ownership certificate or to provide valid lease permit or other necessary permissions. However, based on the Group's experiences and available information and after consultation with the legal adviser, the Directors are of the view that such problem is unlikely to cause any interruption or termination of this lease or to have a material effect on the carrying amounts of the related leasehold improvements of HK\$1,880,490 (2011: HK\$3,018,658) as at 31 December 2012. Moreover, the controlling shareholder of the Company has agreed to keep the Group indemnified for any losses that the Group may suffer from any failure of the Group's subsidiary in obtaining license or permit to use the related property. Accordingly, no impairment for such leasehold improvements is considered necessary to be made according to the Group's accounting policies.

(e) Income tax

The Group is subject to income tax in Hong Kong and the PRC. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4 關鍵會計估計及判斷 (續)

(d) 租賃物業的裝修

本集團於中國以租賃物業經營酒店，而此等酒店造成建築及翻新開支。一個相關租賃協議的業主未能提供恰當的房屋所有權證或提供有效租賃許可證或其他所須許可證。然而，根據本集團的經驗及可獲得的資料及經諮詢法律顧問的意見後，董事認為此等問題不太可能會對租賃物業造成幹擾或終止，或對相關租賃裝修於二零一二年十二月三十一日的賬面值1,880,490港元(二零一一年：3,018,658港元)帶來重大影響。此外，本公司控股股東已同意就因任何本集團附屬公司未能領取相關物業的牌照或使用許可證而造成的損失作出彌償保證。據此，根據本集團的會計政策，此項租賃裝修無須減值。

(e) 所得稅

本集團在香港及中國繳納所得稅。釐定所得稅撥備時需要作出重大判斷。多項交易及計算的最終稅額無法於日常業務過程中釐定。倘若該等事宜之最終稅務結果與初始記錄金額不同，則有關差額將會影響作出決定期間之當期所得稅及遞延所得稅撥備。

與若干暫時差額及稅項虧損相關之遞延所得稅資產於管理層認為未來應課稅溢利將很有可能可獲得而就此可使用暫時差額或稅項虧損時予以確認。該等實際抵銷之結果或會有不同。



Notes to the consolidated financial statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(f) Revenue recognition

According to the accounting policy as stated in Note 2.22, the Group uses the percentage of completion method to determine the appropriate revenues to be recognised from provision of hotel consultancy services. The stage of completion is measured by reference to the actual costs incurred up to the end of the reporting period as a percentage of estimated total costs of completion. When the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable to be recoverable.

(g) Fair value of derivatives

The fair value of financial instruments that are not traded in an active market (for example, derivatives arising from convertible notes) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5 SEGMENT INFORMATION

The CODM has been identified collectively as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Management regularly reviews the operating results from a service category perspective. The reportable operating segments derive their revenue primarily from the hotel operations and provision of hotel consultancy services. The sales of hotel membership cards, hotel management services income and rental income on a sub-leased premise are included in the hotel operation segment.

Management assesses the performance of the operating segments based on the measure of operating profit but exclude certain unallocated listing expenses.

4 關鍵會計估計及判斷 (續)

(f) 收益確認

根據附註2.22所述之會計政策，本集團按完成比例釐定將就提供酒店顧問服務確認之收益之合適金額。完成階段乃參考截至報告期末時所產生的實際成本佔估計完成總成本的比例計量。倘交易結果無法可靠估計，收益僅會就有可能收回的已產生合約成本進行確認。

(g) 衍生工具之公平值

未在活躍市場金融工具(如可換股票據產生之衍生工具)之公平值乃以估值技術釐定。本集團通過判斷來選擇不同的方法並主要根據每個報告期末的現有市場條件作出假設。

5 分部資料

首席經營決策者統稱為本公司執行董事。執行董事審閱本集團的內部報告，以評估表現並分配資源。首席經營決策者已根據此等報告釐定經營分部。

管理層從服務分類角度來定期審閱經營業績。可呈報經營分部的收益主要來自酒店營運及提供酒店顧問服務。酒店會籍銷售、酒店管理服務的收入及分租收入乃計入酒店經營分部內。

管理層按營運溢利(未分配上市開支除外)基準評估經營分部的表現。

5 SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the year is as follows:

5 分部資料 (續)

年內向首席經營決策者提供的可呈報分部的分部資料載列如下：

| | | Hotel operations | Provision of hotel consultancy services | Total |
|--|-------------------------------|---------------------|--|-------------------|
| | | 酒店營運 HK\$ 港元 | 提供酒店 顧問服務 HK\$ 港元 | 總額 HK\$ 港元 |
| For the year ended 31 December 2012 | 截至二零一二年 十二月三十一日止年度 | | | |
| Segment revenue | 分部收入 | 32,969,007 | 58,186,192 | 91,155,199 |
| Segment results | 分部業績 | 7,419,938 | 37,328,738 | 44,748,676 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 7,359,590 | 600,210 | 7,959,800 |
| Amortisation of prepaid operating lease | 預付經營租約攤銷 | 850,590 | — | 850,590 |
| Provision for impairment of trade debtors | 貿易賬款減值撥備 | — | 1,500,000 | 1,500,000 |
| For the year ended 31 December 2011 | 截至二零一一年 十二月三十一日止年度 | | | |
| Segment revenue | 分部收入 | 27,392,060 | 42,200,294 | 69,592,354 |
| Segment results | 分部業績 | 2,631,691 | 31,185,086 | 33,816,777 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 6,878,615 | 212,512 | 7,091,127 |
| Amortisation of prepaid operating lease | 預付經營租約攤銷 | 212,647 | — | 212,647 |



Notes to the consolidated financial statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

A reconciliation of segment results to profit before income tax is provided as follows:

5 分部資料 (續)

分部業績與除所得稅前溢利的對賬載列如下：

| | | 2012 | 2011 |
|---|------------|-------------|-------------|
| | | 二零一二年 | 二零一一年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Segment results | 分部業績 | 44,748,676 | 33,816,777 |
| Unallocated listing expenses | 未分配的上市開支 | — | (2,307,772) |
| Finance income | 融資收入 | 76,231 | 60,539 |
| Finance cost | 融資成本 | (1,077,099) | (204,312) |
| Share of results of jointly controlled entities | 分佔共同控制實體業績 | (20,870) | (2,513,199) |
| Profit before income tax | 除所得稅前溢利 | 43,726,938 | 28,852,033 |

All revenue was derived from external customers in the PRC and Hong Kong during the years ended 31 December 2012 and 2011. Revenue of HK\$57,203,556 (2011: HK\$28,648,535) is derived from five (2011: two) external customers for the year ended 31 December 2012. The revenue is attributable to the provision of hotel consultancy services.

The total of non-current assets other than deferred tax assets located in Hong Kong and the PRC were HK\$13,956,495 (2011: HK\$4,675,080) and HK\$79,228,184 (2011: HK\$51,758,715), respectively.

於截至二零一二年及二零一一年十二月三十一日止年度，所有收益均來自中國及香港的外來客戶。截至二零一二年十二月三十一日止年度，收益57,203,556港元（二零一一年：28,648,535港元）來自五名（二零一一年：兩名）外來客戶。此項收益源自提供酒店顧問服務所得。

位於香港及中國的非流動資產總值（不包括遞延稅項資產）分別為13,956,495港元（二零一一年：4,675,080港元）及79,228,184港元（二零一一年：51,758,715港元）。

5 SEGMENT INFORMATION (Continued)

Breakdown of revenue from all activities is as follows:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|---|-----------------------------|-----------------------------|
| Hotel consultancy services | 酒店顧問服務 | 58,186,192 | 42,200,294 |
| Sales from hotel operations — hotel room rental, hotel management services income and conference room rental | 酒店營運收入 — 酒店房間租金、 酒店管理服務收入及 會議室租金 | 30,173,403 | 26,387,781 |
| Rental income on a sub-leased premise | 分租物業租金收入 | 2,456,044 | 611,124 |
| Sales of hotel membership cards | 酒店會籍銷售 | 339,560 | 393,155 |
| | | 91,155,199 | 69,592,354 |

5 分部資料 (續)

所有活動收益明細載列如下：

6 OTHER OPERATING EXPENSES

Other operating expenses consisted of the following:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|-----------|-----------------------------|-----------------------------|
| Marketing and promotion | 市場推廣及宣傳費用 | 1,931,143 | 814,737 |
| Provision for impairment of trade debtors | 貿易賬款減值撥備 | 1,500,000 | — |
| Auditor's remuneration | 核數師酬金 | 1,320,000 | 1,000,000 |
| Consumables and laundries | 消耗品及洗衣費用 | 1,131,943 | 1,439,447 |
| Entertainment | 業務應酬費 | 961,446 | 636,450 |
| Amortisation of prepaid operating lease | 預付經營租約攤銷 | 850,590 | 212,647 |
| Sales commission | 銷售佣金 | 633,210 | 681,378 |
| Property management fee | 物業管理費 | 597,914 | 598,462 |
| Telephone and communication | 電話及通訊費用 | 436,330 | 295,426 |
| Repairs and maintenance | 維修及保養 | 248,804 | 443,719 |
| Bank charges | 銀行手續費 | 147,069 | 361,867 |
| Office supplies | 辦公室用品 | 137,231 | 163,748 |
| Listing expenses | 上市開支 | — | 2,307,772 |
| Others | 其他 | 5,227,146 | 3,227,313 |
| | | 15,122,826 | 12,182,966 |

6 其他營運開支

其他營運開支項目包括以下各項：



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7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

7 僱員福利開支(包括董事薪酬)

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--------------------------------|-------------|-----------------------------|-----------------------------|
| Other benefits | 其他福利 | 328,214 | 580,989 |
| Pension obligations (Note) | 退休金債務(附註) | 1,069,861 | 1,005,819 |
| Salaries, wages and allowances | 薪金、工資及津貼 | 8,223,260 | 5,505,329 |
| Share-based payment expenses | 以股份為基礎之付款開支 | 224,000 | — |
| | | 9,845,335 | 7,092,137 |

(Note): Pensions-defined contribution plans Contributions totalling HK\$260,356 (2011: HK\$1,672,922) were payable to the fund at the year-end.

(附註)：退休金—界定供款計劃合共260,356港元(二零一一年：1,672,922港元)的供款須於年末償還予基金。

8 FINANCE COST — NET

8 融資成本 — 淨額

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|-----------------------|-----------------------------|-----------------------------|
| Finance income: | 融資收入： | | |
| — Interest income on non-current rental deposits carried at amortised cost | — 按攤銷成本計算的非流動租賃按金利息收入 | 72,518 | 59,959 |
| — Bank interest income | — 銀行利息收入 | 3,713 | 580 |
| | | 76,231 | 60,539 |
| Finance cost: | 融資成本： | | |
| — Finance cost on asset retirement obligations | — 報廢資產復原債務的融資成本 | (160,421) | (149,941) |
| — Finance cost on finance lease liabilities | — 融資租賃負債的融資成本 | (81,002) | (54,371) |
| — Finance cost on convertible notes | — 可換股票據融資成本 | (890,000) | — |
| | | (1,131,423) | (204,312) |
| Less: amount capitalized as construction in progress | 減：已資本化之在建工程金額 | 54,324 | — |
| | | (1,077,099) | (204,312) |
| Finance cost — net | 融資成本 — 淨額 | (1,000,868) | (143,773) |

9 INCOME TAX EXPENSE

9 所得稅開支

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|-------------------------------|-------------|-----------------------------|-----------------------------|
| Current income tax | 即期所得稅 | | |
| — Hong Kong profits tax | — 香港利得稅 | 5,963,117 | 4,359,102 |
| — PRC corporate income tax | — 中國企業所得稅 | 4,545,651 | 3,423,971 |
| Deferred income tax (Note 27) | 遞延所得稅(附註27) | 346,502 | (195,723) |
| | | 10,855,270 | 7,587,350 |

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits of the year.

於本年度內，香港利得稅按稅率16.5% (二零一一年：16.5%) 就估計應課稅溢利作出撥備。

The PRC corporate income tax is provided at the rate of 25% (2011: 25%) for the year.

於本年度內，中國企業所得稅按稅率25% (二零一一年：25%) 作出撥備。

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies comprising the Group as follows:

本集團除所得稅前溢利產生之所得稅與使用本集團旗下成員公司所在之國家既定稅率計算之理論數額之區別如下：

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|------------------------|-----------------------------|-----------------------------|
| Profit before income tax | 除所得稅前溢利 | 43,726,938 | 28,852,033 |
| Tax calculated at domestic tax rates applicable to profits in the respective countries | 在各有關國家的溢利按適用的當地稅率計算的稅項 | 8,757,154 | 5,794,800 |
| Expenses not deductible for tax purposes | 不可扣稅的開支 | 1,425,156 | 1,377,872 |
| Tax loss not recognised | 未確認的稅項虧損 | 669,516 | — |
| Tax effect of share of results of jointly controlled entities | 分佔共同控制實體業績的稅務影響 | 3,444 | 414,678 |
| Income tax expense | 所得稅開支 | 10,855,270 | 7,587,350 |



Notes to the consolidated financial statements

綜合財務報表附註

10 DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

The emoluments of the directors during the year are set out below:

10 董事薪酬

(a) 董事薪酬

年內，董事之薪酬載列如下：

| | | Salaries, allowances and benefits in kind | Retirement benefit contributions | Total | |
|--|----------|--|--|---------------|------------------|
| | | Fee | | | |
| | | 袍金 | 薪金、津貼及 實物福利 | 退休金供款 | |
| | | HK\$ | HK\$ | HK\$ | |
| | | 港元 | 港元 | 港元 | |
| Year ended 31 December 2012 | | 截至二零一二年十二月三十一日止年度 | | | |
| Executive director: | | 執行董事： | | | |
| Fong, Man Kelvin (<i>Chairman</i>) | 方文 (主席) | — | 820,000 | 27,000 | 847,000 |
| Wong William (Note) | 黃樟誤 (附註) | — | 87,356 | 2,000 | 89,356 |
| Fong, Nga Peggy (Note) | 巫曼因 (附註) | — | — | — | — |
| Non-executive director: | | 非執行董事： | | | |
| De Weyer, Daniel Ludovicus Joannes | 戴偉仁 | 86,000 | — | — | 86,000 |
| Independent non-executive director: | | 獨立非執行董事： | | | |
| Wong, Sui Chi Frankie (Note) | 黃瑞熾 (附註) | — | — | — | — |
| Tam, Kwok Ming Banny | 譚國明 | 86,000 | — | — | 86,000 |
| Tsoi Wing Sum | 蔡榮森 | 86,000 | — | — | 86,000 |
| Wong, Hak Kun Jerry | 黃克勤 | 86,000 | — | — | 86,000 |
| | | 344,000 | 907,356 | 29,000 | 1,280,356 |

10 DIRECTORS' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

10 董事薪酬 (續)

(a) 董事薪酬 (續)

| | | Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 | Retirement benefit contributions 退休金供款 | Total 總額 |
|--|-------------------------------|--|---|-------------|
| | Fee 袍金 HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Year ended 31 December 2011 | 截至二零一一年 十二月三十一日止年度 | | | |
| Executive director: | 執行董事： | | | |
| Fong, Man Kelvin (Chairman) | 方文 (主席) | — | 8,500 | 312,630 |
| Wong William | 黃樟漢 | — | 8,500 | 244,985 |
| Non-executive director: | 非執行董事： | | | |
| De Weyer, Daniel Ludovicus Joannes | 戴偉仁 | 37,260 | — | 37,260 |
| Independent non-executive director: | 獨立非執行董事： | | | |
| Tam, Kwok Ming Banny | 譚國明 | 37,260 | — | 37,260 |
| Tsoi Wing Sum | 蔡榮森 | 37,260 | — | 37,260 |
| Wong, Hak Kun Jerry | 黃克勤 | 37,260 | — | 37,260 |
| | | 149,040 | 17,000 | 706,655 |

Note: On 28 December 2012, William Wong resigned as Chief Executive. On the same date, Fong, Nga Peggy and Wong, Sui Chi Frankie were appointed as executive director and independent non-executive director of the Group, respectively.

During the year ended 31 December 2012, no director received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office, no director waived or has agreed to waive any emoluments (2011: Nil).

附註：於二零一二年十二月二十八日，黃樟漢辭任行政總裁，同日，巫曼因及黃瑞熾分別獲委任為本集團執行董事及獨立非執行董事。

截至二零一二年十二月三十一日止年度，董事概無從本集團收取任何酬金作為加入或離開本集團之獎金或作為離職補償，亦無董事放棄或已同意放棄任何酬金（二零一一年：無）。

Notes to the consolidated financial statements

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10 DIRECTORS' EMOLUMENTS (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2011: two) director and four (2011: three) senior executives. The emoluments of the one (2011: two) director are reflected in the analysis presented above.

The emoluments payable to the remaining four (2011: three) individuals during the year are as follows:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--------------------------------|----------|-----------------------------|-----------------------------|
| Salaries, wages and allowances | 薪金、工資及津貼 | 1,296,096 | 372,841 |
| Pension obligations | 退休金債務 | 143,370 | 112,696 |
| | | 1,439,466 | 485,537 |

The emoluments fell within the following band:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--------------------------|-----------------|-----------------------------|-----------------------------|
| HK\$Nil to HK\$1,000,000 | 零港元至1,000,000港元 | 4 | 3 |

10 董事薪酬 (續)

(b) 五名最高薪人士

於本年度，本集團五名最高薪人士包括一名(二零一一年：兩名)董事及四名(二零一一年：三名)高級管理層人士。一名(二零一一年：兩名)董事之酬金於上文呈列之分析中反映。

餘下四名(二零一一年：三名)高級管理層人士的酬金於如下範疇內：

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--------------------------------|----------|-----------------------------|-----------------------------|
| Salaries, wages and allowances | 薪金、工資及津貼 | 1,296,096 | 372,841 |
| Pension obligations | 退休金債務 | 143,370 | 112,696 |
| | | 1,439,466 | 485,537 |

介乎如下範圍內之酬金：

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--------------------------|-----------------|-----------------------------|-----------------------------|
| HK\$Nil to HK\$1,000,000 | 零港元至1,000,000港元 | 4 | 3 |

11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the equity owners of the Company by the weighted average number of ordinary shares in issue during the year.

11 每股盈利

(a) 基本

每股基本盈利乃按本公司權益持有人應佔溢利除以年內已發行普通股加權平均數計算。

| | | 2012 二零一二年 | 2011 二零一一年 |
|---|--------------|--------------------|---------------|
| Profit attributable to the equity owners of the Company | 本公司擁有人應佔溢利 | 32,871,668 | 21,264,683 |
| Weighted average number of ordinary shares in issue | 已發行普通股之加權平均數 | 180,000,001 | 155,958,905 |
| Basic earnings per share (Hong Kong cents) | 每股基本盈利 (港仙) | 18.26 | 13.63 |

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible notes and share options. The convertible notes are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses less the tax effect. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(b) 攤簿

每股攤簿盈利通過調整流通在外的普通股加權平均數，假設所有可能具有攤簿效應的普通股已經轉換而計算。本公司有兩類具攤簿潛力之普通股：可換股票據及購股權。可換股票據已假設轉換成普通股，溢利淨額經調整以撇銷利息開支減稅務影響。就購股權而言，有關計算乃按所有附於未行使購股權之認購權之金錢價值來計算可按公平值（以本公司股份之全年平均市場股價計算）購入之股份數目。上述所算得股份數目乃與假設認股權證獲行使而將會發行之股份數目作比較。



Notes to the consolidated financial statements

綜合財務報表附註

11 EARNINGS PER SHARE (Continued)

(b) Diluted (Continued)

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|---------------|-----------------------------|-----------------------------|
| Earnings | 盈利 | | |
| Profit attributable to equity holders of the Company | 本公司權益持有人應佔溢利 | 32,871,668 | 21,264,683 |
| Interest expenses on convertible notes | 可換股票據之利息支出 | 890,000 | — |
| Profit used to determine diluted earnings per share | 用以計算每股攤薄溢利之溢利 | 33,761,668 | 21,264,683 |

11 每股盈利(續)

(b) 攤簿(續)

| | | 2012 二零一二年 | 2011 二零一一年 |
|---|-------------------|--------------------|---------------|
| Number of Shares | 股份數目 | | |
| Weighted average number of ordinary shares in issue | 已發行普通股之加權平均數 | 180,000,001 | 155,958,905 |
| Adjustments for: | 就下列項目調整： | | |
| — Assumed conversion of convertible notes | — 假設可換股票據已轉換 | 7,890,411 | — |
| Weighted average number of ordinary shares for diluted earnings per share | 計算每股攤薄溢利之普通股加權平均數 | 187,890,412 | 155,958,905 |
| Diluted earnings per share (HK cents per share) | 每股攤薄盈利(每股港仙) | 17.97 | 13.63 |

There was no dilutive effect arose from share options on earnings per share for the year ended 31 December 2012 since all outstanding share options were anti-dilutive.

截至二零一二年十二月三十一日止年度，由於所有未行使購股權均具有反攤薄效應，故購股權對每股盈利並無攤薄影響。

12 LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

Loss attributable to the equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$1,456,134 (2011: HK\$1,208,809).

12 本公司權益持有人應佔虧損

本公司權益持有人應佔虧損約為1,456,134港元(二零一一年：1,208,809港元)，於本公司財務報表內處理。

13 DIVIDENDS

No dividends had been paid or declared by the Company during the year (2011: Nil).

13 股息

本公司於年內並無派付或宣派任何股息(二零一一年：無)。

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

| | | Group 本集團 | | | | | Total 總額 |
|-----------------------------|---------------------------|-------------------------------------|------------------------------------|------------------------------|-------------------------|-------------------------------------|--------------|
| | | Leasehold improvements 租賃物業裝修 | Furniture and fixtures 傢俬及裝置 | Office equipment 辦公室設備 | Motor vehicles 汽車 | Construction in progress 在建工程 | |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| At 1 January 2011 | 於二零一一年 一月一日 | | | | | | |
| Cost | 成本 | 34,654,779 | 7,530,521 | 867,260 | — | — | 43,052,560 |
| Accumulated depreciation | 累計折舊 | (13,685,652) | (4,744,218) | (410,054) | — | — | (18,839,924) |
| Net book amount | 賬面淨值 | 20,969,127 | 2,786,303 | 457,206 | — | — | 24,212,636 |
| Year ended 31 December 2011 | 截至二零一一年 十二月三十一日 止年度 | | | | | | |
| Opening net book amount | 年初賬面淨值 | 20,969,127 | 2,786,303 | 457,206 | — | — | 24,212,636 |
| Additions | 添置 | 7,943,675 | 57,486 | 86,618 | 2,846,109 | — | 10,933,888 |
| Depreciation charge | 折舊費用 | (5,209,170) | (1,504,875) | (181,619) | (195,463) | — | (7,091,127) |
| Exchange differences | 匯兌差額 | 833,096 | 85,379 | 17,048 | 4,025 | — | 939,548 |
| Reclassification | 重新分類 | — | (20,033) | 20,033 | — | — | — |
| Closing net book amount | 年終賬面淨值 | 24,536,728 | 1,404,260 | 399,286 | 2,654,671 | — | 28,994,945 |
| At 31 December 2011 | 於二零一一年 十二月三十一日 | | | | | | |
| Cost | 成本 | 44,043,126 | 7,862,527 | 1,009,799 | 2,850,346 | — | 55,765,798 |
| Accumulated depreciation | 累計折舊 | (19,506,398) | (6,458,267) | (610,513) | (195,675) | — | (26,770,853) |
| Net book amount | 賬面淨值 | 24,536,728 | 1,404,260 | 399,286 | 2,654,671 | — | 28,994,945 |
| Year ended 31 December 2012 | 截至二零一二年 十二月三十一日 止年度 | | | | | | |
| Opening net book amount | 年初賬面淨值 | 24,536,728 | 1,404,260 | 399,286 | 2,654,671 | — | 28,994,945 |
| Additions | 添置 | 193,714 | 64,577 | 45,012 | — | 15,260,852 | 15,564,155 |
| Depreciation charge | 折舊費用 | (6,291,862) | (888,741) | (208,781) | (570,416) | — | (7,959,800) |
| Exchange differences | 匯兌差額 | 134,814 | 8,459 | 2,338 | 1,556 | — | 147,167 |
| Reclassification | 重新分類 | — | (705) | 705 | — | — | — |
| Closing net book amount | 年終賬面淨值 | 18,573,394 | 587,850 | 238,560 | 2,085,811 | 15,260,852 | 36,746,467 |
| At 31 December 2012 | 於二零一二年 十二月三十一日 | | | | | | |
| Cost | 成本 | 44,484,874 | 7,972,215 | 1,061,332 | 2,851,960 | 15,260,852 | 71,631,233 |
| Accumulated depreciation | 累計折舊 | (25,911,480) | (7,384,365) | (822,772) | (766,149) | — | (34,884,766) |
| Net book amount | 賬面淨值 | 18,573,394 | 587,850 | 238,560 | 2,085,811 | 15,260,852 | 36,746,467 |

Notes to the consolidated financial statements

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT

(Continued)

The Group leases two motor vehicles under non-cancellable finance leases (Note 24). The lease terms are between 2 and 5 years. Motor vehicles include the following amounts where the Group is a lessee under finance leases:

14 物業、廠房及設備 (續)

本集團根據不可撤銷融資租約租賃兩部汽車(附註24)。租期介於2至5年。本集團作為承租人根據融資租約租賃的汽車包括以下金額：

| | | Group 本集團 | |
|-----------------------------------|----------------|-----------------------------|-----------------------------|
| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
| Cost — capitalised finance leases | 成本 — 已資本化之融資租賃 | 1,905,158 | 1,905,158 |
| Accumulated depreciation | 累計折舊 | (429,058) | (48,026) |
| Net book amount | 賬面淨值 | 1,476,100 | 1,857,132 |

15 TRADE AND OTHER RECEIVABLES

15 應收貿易及其他賬款

| | | Group 本集團 | | Company 本公司 | |
|---|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
| Trade debtors | 應收貿易賬款 | 49,776,139 | 28,048,035 | — | — |
| Less: | 減： | | | | |
| Provision for impairment of trade receivables | 應收貿易賬款減值撥備 | (1,500,000) | — | — | — |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 48,276,139 | 28,048,035 | — | — |
| | | 30,152,288 | 10,937,921 | 794,902 | 1,758,689 |
| | | 78,428,427 | 38,985,956 | 794,902 | 1,758,689 |
| Less: | 減： | | | | |
| Rental deposits | 租賃按金 | (1,497,017) | (1,212,228) | — | — |
| Prepayment for property, plant and equipment | 物業、廠房及設備之預付款項 | (14,450,000) | (5,000,000) | — | — |
| Deposit for an acquisition of business | 收購業務之按金 | (10,000,000) | — | — | — |
| Current portion | 流動部分 | 52,481,410 | 32,773,728 | 794,902 | 1,758,689 |

15 TRADE AND OTHER RECEIVABLES

(Continued)

Prepayments, deposits and other receivables are analysed as follows:

15 應收貿易及其他賬款(續)

預付款項、按金及其他應收款項之分析如下：

| | | Group 本集團 | | Company 本公司 | |
|---|------------------|-------------------|---------------|----------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Deposits | 按金 | | | | |
| Rental deposits | 租賃按金 | 1,497,017 | 1,212,228 | — | — |
| Deposit for an acquisition of business (Note) | 收購業務之按金(附註) | 10,000,000 | — | — | — |
| | | 11,497,017 | 1,212,228 | — | — |
| Prepayments | 預付款項 | | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14,450,000 | 5,000,000 | — | — |
| Marketing and promotion | 廣告成本 | — | 1,563,112 | — | — |
| Prepaid operating lease (Note 17) | 預付營運租約(附註17) | 850,590 | 850,590 | — | — |
| Others | 其他 | 918,684 | 553,302 | — | — |
| Total prepayments | 預付款項總額 | 16,219,274 | 7,967,004 | — | — |
| Other receivables | 其他應收款項 | 2,435,997 | 1,758,689 | 794,902 | 1,758,689 |
| Total prepayments, deposits and other receivables | 預付款項、按金及其他應收款項總額 | 30,152,288 | 10,937,921 | 794,902 | 1,758,689 |

Note: In October 2012, the Company entered into a non-legally binding memorandum of understanding ("MOU") for acquiring 100% of the issued share capital of a target company, which is principally engaged in the business of interior decoration and design. The consideration for this possible acquisition is approximately HK\$60 million. According to the MOU, the Group paid HK\$10 million deposit to the target company. Pursuant to the board meeting held on 21 February 2013, the Group decided not to proceed with the acquisition and the deposit has been collected by the Group in March 2013.

附註：本公司於二零一二年十月簽訂一份不具法律約束力之諒解備忘錄（「諒解備忘錄」），內容有關建議收購目標公司100%股權，目標公司主要從事室內裝修及設計業務。該可能收購事項之代價約為60,000,000港元。根據諒解備忘錄，本集團向目標公司支付10,000,000港元按金。根據於二零一三年二月二十一日舉行之董事會會議，本集團議決終止建議收購事項，而本集團已於二零一三年三月收回按金。

The carrying amounts of the Group's trade and other receivables approximate their fair values.

本集團應收貿易及其他賬款之賬面值與其公平值相若。

Notes to the consolidated financial statements

綜合財務報表附註

15 TRADE AND OTHER RECEIVABLES

(Continued)

The majority of the Group's revenue from hotel operations are made via credit cards or cash. Hotel rooms are rented to corporate customers with an appropriate credit history on credit terms of 30 days. For hotel consultancy services, the Group offers credit terms to external customers of 7 days upon acceptance of services by the customers. As at 31 December 2012, the Group has made provision for impairment of trade receivables of HK\$1,500,000 (2011: Nil). Trade receivables of HK\$47,257,408 (2011: HK\$2,129,389) were past due but not impaired. Management considered that no recoverability problem on these trade balances as a result of subsequent settlement received up to the date of this report and the agreement of the revised repayment schedule with certain trade debtors. The aging analysis of these trade debtors is as follows:

15 應收貿易及其他賬款 (續)

本集團的酒店營運收益主要以信用卡或現金結算。同時為擁有合適信貸記錄的企業客戶提供三十天的房間銷售信貸期。就酒店顧問服務而言，本集團於客戶接受服務後向該等客戶提供七天的信貸期。於二零一二年十二月三十一日，本集團已作出應收貿易賬款減值撥備1,500,000港元(二零一一年：無)。應收貿易賬款47,257,408港元(二零一一年：2,129,389港元)已過期但並無減值。管理層認為，由於截至本報告日期已收到部份賬款及和客戶修訂應收貿易賬款還款計劃的協議，該等貿易結餘並無賬款收回的問題。該等應收貿易賬款之賬齡分析如下：

| | | Group 本集團 | |
|-------------------------------|----------|-------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Neither past due nor impaired | 無逾期亦無減值 | 1,018,731 | 25,918,646 |
| 0-30 days past due | 逾期0至30天 | 6,457,730 | 1,411,770 |
| 31-60 days past due | 逾期31至60天 | 6,961,124 | 647,308 |
| 61-90 days past due | 逾期61至90天 | 4,505,744 | 3,058 |
| Over 90 days past due | 逾期超過90天 | 29,332,810 | 67,253 |
| Past due but not impaired | 已逾期但並無減值 | 47,257,408 | 2,129,389 |
| | | 48,276,139 | 28,048,035 |

The credit quality of trade debtors that are neither past due nor impaired can be assessed by reference to historical information about counterparties' settlement pattern.

無逾期亦無減值的應收貿易賬款的信貸質素可參考有關過去交易對手的拖欠比率資料。

15 TRADE AND OTHER RECEIVABLES

(Continued)

The maximum exposure to credit risk is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral over these balances.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

15 應收貿易及其他賬款 (續)

最高信貸風險為上述各類應收款項的賬面值。本集團並無就該等餘額持有任何抵押品。

本集團應收貿易及其他賬款之賬面值以下列貨幣計值：

| | | Group 本集團 | | Company 本公司 | |
|-------------------|-----|-------------------|---------------|----------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Reminbi | 人民幣 | 53,146,209 | 32,006,711 | — | — |
| Hong Kong dollars | 港元 | 25,282,218 | 6,979,245 | 794,902 | 1,758,689 |
| | | 78,428,427 | 38,985,956 | 794,902 | 1,758,689 |

Movements on the provision for impairment of trade debtors are as follows:

貿易賬款減值撥備之變動如下：

| | | Group 本集團 | |
|--------------------------|----------|------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| At 1 January | 於一月一日 | — | — |
| Provision for impairment | 減值撥備 | 1,500,000 | — |
| At 31 December | 於十二月三十一日 | 1,500,000 | — |

Notes to the consolidated financial statements

綜合財務報表附註

15 TRADE AND OTHER RECEIVABLES

(Continued)

The creation of provision for impaired debtors has been included in "other operating expenses" in the income statement (Note 6).

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

15 應收貿易及其他賬款 (續)

增加之貿易賬款減值撥備已計入收益表中的「其他經營開支」(附註6)。

應收貿易及其他賬款之其他類別並不包含減值資產。

於報告日期所承擔之最大信貸風險為上文所述各類應收賬款之賬面值。本集團並無持有任何抵押品作為擔保。

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

16 可供出售金融資產

| | | Group and Company 本集團及本公司 | |
|--|------------------|------------------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| At 1 January | 於一月一日 | — | — |
| Additions | 添置 | 984,000 | — |
| Net gain transferred to equity (Note 22) | 轉撥至權益之收益淨額(附註22) | 178,000 | — |
| At 31 December | 於十二月三十一日 | 1,162,000 | — |

Available-for-sale financial assets represent equity securities listed in Hong Kong which are denominated in Hong Kong dollars.

可供出售金融資產指於香港上市且以港元計值之股本證券。

17 PREPAID OPERATING LEASE

As at 31 December 2012, the balance primarily represented the non-current portion of the operating lease payment paid to an independent third party in respect of the rental of a hotel premise in the PRC for a lease term of 15 years till 30 June 2026.

17 預付營運租約

於二零一二年十二月三十一日，結餘主要指就於中國的酒店租賃(租期截至二零二六年六月三十日止十五年)向一名獨立第三方支付之經營租賃付款之非即期部分。

18 INTERESTS IN JOINTLY CONTROLLED ENTITIES

On 22 December 2011, the Group entered into a Joint Venture Agreement (“Agreement”) with an independent third party in relation to the formation of two jointly controlled entities. During the year ended 31 December 2011, the Group also entered into hotel consultancy agreements with these jointly controlled entities for establishment of two hotels in the PRC.

18 於共同控制實體之權益

於二零一一年十二月二十二日，本集團就成立兩間共同控制實體而與一名獨立第三方訂立一項合營協議（「協議」）。截至二零一一年十二月三十一日止年度，本集團亦已就在中國設立兩間酒店而與共同控制實體訂立酒店顧問協議。

| | | Group 本集團 | |
|---|-------------------|-------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| As at 1 January | 於一月一日 | 9,503,801 | — |
| Share of results | 分佔業績 | (20,870) | (76,354) |
| Loans granted to jointly controlled entities | 授予共同控制實體之貸款 | 10,010,000 | 12,017,000 |
| Elimination of unrealised profit on transactions with jointly controlled entities | 撤銷與共同控制實體之未變現交易溢利 | — | (2,436,845) |
| As at 31 December | 於十二月三十一日 | 19,492,931 | 9,503,801 |

The details of the Group's interests in jointly controlled entities are as follows:

本集團於共同控制實體之權益的詳情如下：

| Name of company 公司名稱 | Place of incorporation 註冊地點 | Date of incorporation 註冊日期 | Issued share capital 已發行股本 | Attributable equity interest 應佔股本權益 | Principal activity 主要業務 |
|---|--------------------------------|-------------------------------|--|--|---|
| Sanya Welcomeinn Waterfront Tourism Limited 三亞悅來客棧水岸旅業有限公司 | Hong Kong 香港 | 7 October 2011 二零一一年十月七日 | 2 ordinary shares of HK\$1 each 每股1港元的2股普通股 | 60% | Investment holding and hotel operation 投資控股及酒店營運 |
| Sanya Welcomeinn Jinhua Tourism Limited 三亞悅來客棧錦華旅業有限公司 | Hong Kong 香港 | 7 October 2011 二零一一年十月七日 | 2 ordinary shares of HK\$1 each 每股1港元的2股普通股 | 60% | Investment holding and hotel operation 投資控股及酒店營運 |

Notes to the consolidated financial statements

綜合財務報表附註

18 INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

The cost of unlisted investments in jointly controlled entities includes shareholder's loans of HK\$22,027,000 (2011: HK\$12,017,000) to jointly controlled entities for establishment of two hotels in the PRC. The Group will not demand for the repayment of the shareholder's loans, and accordingly, these loans are treated as capital injection by the Group into jointly controlled entities. These loans are denominated in HK\$, unsecured and non-interest bearing.

The summarised financial information in respect of the Group's interests in jointly controlled entities which are accounted for using the equity method is set out below:

18 於共同控制實體之權益 (續)

於共同控制實體之非上市投資成本包括就於中國設立兩間酒店而授予其共同控制實體的股東貸款約22,027,000港元(二零一一年：12,017,000港元)。本集團並無要求償還該股東貸款，因此該筆貸款被視為本集團對共同控制實體之注資。該等貸款以港元計值，無抵押及無息。

以權益法入賬的涉及本集團於共同控制實體之權益的財務資料概列如下：

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---------------------|-------|-----------------------------|-----------------------------|
| Non-current assets | 非流動資產 | 28,266,015 | 18,266,015 |
| Current assets | 流動資產 | 8,491 | 4 |
| Total assets | 資產總額 | 28,274,506 | 18,266,019 |
| Current liabilities | 流動負債 | (33,400) | (5,516,634) |
| Net assets | 資產淨值 | 28,241,106 | 12,749,385 |
| Loss for the year | 年度虧損 | 34,783 | 127,257 |

19 CASH AND CASH EQUIVALENTS

19 現金及現金等價物

| | | Group 本集團 | |
|---------------------------------|----------|-------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Cash at bank | 銀行現金 | 20,693,546 | 13,169,343 |
| Cash on hand | 手頭現金 | 7,186,930 | 2,981,213 |
| | | 27,880,476 | 16,150,556 |
| Maximum exposure to credit risk | 最大信用風險承擔 | 20,693,546 | 13,169,343 |

The carrying amounts of the Group's cash on hand and cash at bank are denominated in the following currencies:

本集團的手頭現金及銀行現金之賬面值以下列貨幣計值：

| | | Group 本集團 | |
|-------------------|-----|-------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Reminbi | 人民幣 | 9,030,737 | 9,901,196 |
| Hong Kong dollars | 港元 | 18,849,739 | 6,249,360 |
| | | 27,880,476 | 16,150,556 |

As at 31 December 2012, the Group has cash at bank amounting to HK\$1,844,717 (2011: HK\$6,919,983), which are denominated in RMB and held in the PRC. The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out from the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

於二零一二年十二月三十一日，本集團的銀行現金為1,844,717港元（二零一一年：6,919,983港元），以人民幣計值及存於中國。以人民幣計值結餘兌算外幣及於此等外幣計值的銀行結餘及現金匯出中國境外，須受中國政府頒佈的外匯管制規則及法規規限。



Notes to the consolidated financial statements

綜合財務報表附註

20 SHARE CAPITAL

20 股本

| | | Company 本公司 | |
|---|--|-----------------------------|----------------------------|
| | | Number of shares 股份數目 | Amount 金額 HK\$ 港元 |
| | | Note 附註 | |
| Authorised: | 法定： | | |
| Ordinary shares of HK\$0.01 each At 1 January 2011 | 每股面值0.01港元的普通股 於二零一一年一月一日 | — | — |
| Upon incorporation | 於註冊成立日 | (a) 39,000,000 | 390,000 |
| Increase in authorised share capital of HK\$0.01 each | 增加每股0.01港元的法定股本 | (c) 741,000,000 | 7,410,000 |
| At 31 December 2011 and 31 December 2012 | 於二零一一年十二月三十一日 及二零一二年十二月三十一日 | 780,000,000 | 7,800,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| Ordinary shares of HK\$0.01 each At 1 January 2011 | 每股面值0.01港元的普通股 於二零一一年一月一日 | — | — |
| Upon incorporation | 於註冊成立日 | (a) 1 | 1 |
| Share swaps | 互換股份 | (d) 135,000,000 | 1,350,000 |
| Issue of shares by way of placing | 以配售方式發行股份 | (e) 45,000,000 | 450,000 |
| At 31 December 2011 and 31 December 2012 | 於二零一一年十二月三十一日 及二零一二年十二月三十一日 | 180,000,001 | 1,800,001 |
| Notes: | 附註： | | |
| (a) The Company was incorporated in the Cayman Islands on 23 February 2011 with an authorised share capital of HK\$390,000 divided into 39,000,000 shares at par of HK\$0.01 each. Upon incorporation, 1 share was allotted and issued at fully paid to the initial subscriber on 23 February 2011. | (a) 於二零一一年二月二十三日，本公司以法定股本390,000港元分為39,000,000股每股面值0.01港元之股份於開曼群島註冊成立。於註冊成立後，本公司於二零一一年二月二十三日配發及發行1股繳足股份予初步認購人。 | | |
| (b) On 1 March 2011, the shareholder of a subsidiary has injected share capital of HK\$9,990,000 as paid-up capital and the issued capital of the subsidiary increased from HK\$10,000 to HK\$10,000,000. | (b) 於二零一一年三月一日，一間附屬公司之股東已注資股本9,990,000港元作為已繳足股本，該附屬公司之已發行股本因此由10,000港元增至10,000,000港元。 | | |

20 SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) On 23 March 2011, the authorised share capital of the Company was increased from HK\$390,000 to HK\$7,800,000 by the creation of an additional 741,000,000 shares of HK\$0.01 each.
- (d) 135,000,000 shares of HK\$0.01 each were allotted and issued by the Company at par to the then shareholder of a subsidiary of the Group, Legend Strategy Limited, credited as fully paid.
- (e) In connection with the placing of shares of the Company, an aggregate of 45,000,000 new ordinary shares of HK\$0.01 each were issued at a price of HK\$1.20 per share for a total cash consideration of HK\$54,000,000, net of issuance costs of HK\$15,519,756.

21 SHARE-BASED PAYMENT — GROUP AND COMPANY

Share options are granted to selected employees. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. The options are exercisable for two years from the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

20 股本 (續)

附註：(續)

- (c) 於二零一一年三月二十三日，本公司透過增設741,000,000股每股面值0.01港元之股份將法定股本由390,000港元增加至7,800,000港元。
- (d) 本公司按面值向當時本集團之附屬公司，栢濬有限公司之股東配發及發行每股面值0.01港元的135,000,000股股份，入賬列作已繳足。
- (e) 就本公司股份配售而言，本公司已按每股1.20港元之價格以總現金代價54,000,000港元（已扣除發行費用15,519,756港元）發行合共45,000,000股每股面值0.01港元的新普通股。

21 以股份為基礎之付款 — 本集團及本公司

購股權乃授予指定僱員。已授予購股權之行使價等於授出日期該等股份之市價。該等購股權可於授出日期起計兩年內行使。本集團並無法定或推定以現金購回或結算該等購股權。

未行使購股權及其相關加權平均行使價的變動如下：

| | | 2012 二零一二年 | | 2011 二零一一年 | |
|----------------|----------|--|----------------|--|----------------|
| | | Average exercise price in HK\$ per share option 購股權平均 行使價 (每股港元) | Options 購股權 | Average exercise price in HK\$ per share option 購股權平均 行使價 (每股港元) | Options 購股權 |
| At 1 January | 於一月一日 | — | — | — | — |
| Granted | 授出 | 1.33 | 900,000 | — | — |
| At 31 December | 於十二月三十一日 | 1.33 | 900,000 | — | — |

All the options (2011: N/A) were exercisable. In relation to the options granted, none was exercised nor expired during the year ended 31 December 2012.

所有購股權均可行使(二零一一年：不適用)。截至二零一二年十二月三十一日止年度，概無購股權獲行使或屆滿。

Notes to the consolidated financial statements

綜合財務報表附註

21 SHARE-BASED PAYMENT — GROUP AND COMPANY (Continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Expiry date 屆滿日期 | Exercise price in HK\$ per share option 購股權行使價 (每股港元) | Options 購股權 | |
|---------------------|---|----------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| 20 February 2014 | 於二零一四年二月二十日 | 1.33 | 900,000 |
| | | | — |
| | | | 900,000 |
| | | | — |

The weighted average fair value of options granted during the year determined using the Trinomial Option Pricing Model was HK\$0.25 per option. The significant inputs into the model were weighted average share price of HK\$1.33 at the grant date, exercise price shown above, expected volatility of 48%, an expected option life of two years, and an annual risk-free interest rate of 4%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices since the Company was listed. Please see Note 7 for the total expenses recognised in the profit or loss for share options granted to employees.

The expected volatility reflects the assumption that the volatility with reference to other similar companies is indicative of future trends, which may also not necessarily be the actual outcome.

21 以股份為基礎之付款 — 本集團及本公司 (續)

年末尚未行使之購股權的屆滿日期及行使價如下：

年內授出之購股權的加權平均公平值乃使用三項式購股權定價模式釐定，為每股購股權0.25港元。該模式的重大變數為授出日期之加權平均股價1.33港元、以上所示行使價、預期波幅48%及預期購股權年期兩年以及無風險年利率4%。以持續複合股份回報率之標準偏差計算之波幅乃根據本公司上市以來的每日股價統計分析計算。有關授予僱員購股權於損益中確認的開支總額的資料，請參閱附註7。

預期波幅表示未來趨勢，乃參考其他同類公司波幅後以假設基準釐定，不一定能實際達致。

22 RESERVES

Group

22 儲備

本集團

| | | Share premium | Exchange reserve | Statutory reserve | Share option reserve | Available-for-sale financial assets reserve | Other reserve | Shareholder's contributions | Retained earnings/(accumulated losses) | Total |
|--|------------------------------|-----------------|------------------|-------------------|----------------------|---|---------------|-----------------------------|--|-------------|
| | | 股份溢價 (附註(i)) | 外匯儲備 | 法定儲備 (附註(i)) | 購股權儲備 | 可供出售 金融資產儲備 | 其他儲備 | 股東注資 | 保留盈利/ (累計虧損) | 總額 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| At 1 January 2011 | 於二零一一年一月一日 | — | 1,127,980 | 182,452 | — | — | (578,549) | 20,751,024 | (6,197,791) | 15,285,116 |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | — | 21,264,683 | 21,264,683 |
| Currency translation differences | 貨幣滙兌差額 | — | 562,711 | — | — | — | — | — | — | 562,711 |
| Shares issued pursuant to group reorganisation (Note (ii)) | 根據集團重組而發行的股份 (附註(ii)) | — | — | — | — | — | 8,598,659 | — | — | 8,598,659 |
| Issuance of shares, net of share issuing expenses (Note 20(d)) | 發行股份(已扣除股份發行費用) (附註20(d)) | 38,030,244 | — | — | — | — | — | — | — | 38,030,244 |
| Transfer to statutory reserve | 轉撥至法定儲備 | — | — | 317,548 | — | — | — | — | (317,548) | — |
| At 31 December 2011 | 於二零一一年十二月三十一日 | 38,030,244 | 1,690,691 | 500,000 | — | — | 8,020,110 | 20,751,024 | 14,749,344 | 83,741,413 |
| At 1 January 2012 | 於二零一二年一月一日 | 38,030,244 | 1,690,691 | 500,000 | — | — | 8,020,110 | 20,751,024 | 14,749,344 | 83,741,413 |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | — | 32,871,668 | 32,871,668 |
| Currency translation differences | 貨幣滙兌差額 | — | 249,923 | — | — | — | — | — | — | 249,923 |
| Fair value changes on available-for-sale financial assets | 可供出售金融資產公平價值之變動 | — | — | — | — | 178,000 | — | — | — | 178,000 |
| Employee share option benefit | 僱員購股權福利 | — | — | — | 224,000 | — | — | — | — | 224,000 |
| Transfer to statutory reserve | 轉撥至法定儲備 | — | — | 661,018 | — | — | — | — | (661,018) | — |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 38,030,244 | 1,940,614 | 1,161,018 | 224,000 | 178,000 | 8,020,110 | 20,751,024 | 46,959,994 | 117,265,004 |

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22 RESERVES (Continued)

Company

| | | Share premium | Share option reserve | Available-for-sale financial assets reserve | Accumulated losses | Total |
|---|------------------|---------------|----------------------|---|--------------------|-------------|
| | | 股份溢價 | 購股權儲備 | 金融資產儲備 | 累計虧損 | 總額 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 |
| At 1 January 2011 | 於二零一一年一月一日 | — | — | — | — | — |
| Loss for the year | 年內虧損 | — | — | — | (1,208,809) | (1,208,809) |
| Issuance of shares, net of share issuing expenses | 發行股份 (已扣除股份發行費用) | 38,030,244 | — | — | — | 38,030,244 |
| At 31 December 2011 | 於二零一一年十二月三十一日 | 38,030,244 | — | — | (1,208,809) | 36,821,435 |

22 儲備 (續)

本公司

| | | Share premium | Share option reserve | Available-for-sale financial assets reserve | Accumulated losses | Total |
|---|----------------|---------------|----------------------|---|--------------------|-------------|
| | | 股份溢價 | 購股權儲備 | 金融資產儲備 | 累計虧損 | 總額 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 |
| At 1 January 2012 | 於二零一二年一月一日 | 38,030,244 | — | — | (1,208,809) | 36,821,435 |
| Loss for the year | 年內虧損 | — | — | — | (1,456,134) | (1,456,134) |
| Fair value changes on available-for-sale financial assets | 可供出售金融資產公平值之變動 | — | — | 178,000 | — | 178,000 |
| Employee share option benefit | 僱員購股權福利 | — | 224,000 | — | — | 224,000 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 38,030,244 | 224,000 | 178,000 | (2,664,943) | 35,767,301 |

Note (i): In accordance with the relevant regulations and the Article of association, the Group's subsidiaries incorporated in the PRC are required to allocate at least 10% of the after-tax profit according to the PRC accounting standard and regulations to general statutory reserve until such reserve has reached 50% of registered capital. This reserve can only be used for specific purposes. Appropriation to the general statutory reserve for the year ended 31 December 2012 amounted to HK\$661,018 (2011: HK\$317,548).

Note (ii): The other reserves represent the difference between the nominal value of the issued capital of Legend Strategy Limited, Lai Ying International Limited and Triple Leaf Limited, the then shareholder of Legend Strategy Limited and the nominal value of the 135,000,001 shares issued and allotted to the shareholders of the above companies by the Company.

附註(i)：根據有關法規及組織章程細則，本集團於中國註冊成立的附屬公司須根據中國會計準則及法規分配最低10%的除稅後溢利至一般法定儲備，直至該儲備達到註冊資本的50%。該儲備僅可用作指定目的。截至二零一二年十二月三十一日止年度，一般法定儲備的撥款為661,018港元(二零一一年：317,548港元)。

附註(ii)：其他儲備指枋濟有限公司、勵盈國際有限公司、三葉有限公司及枋濟有限公司當時之股東之已發行股本面值與本公司向該等公司發行及配發之135,000,001股股份面值之間的差額。

23 PROVISION FOR ASSET RETIREMENT

Under the terms of the tenancy agreements signed with landlords, the Group shall vacate and re-instate the leased hotel premises at the Group's cost upon expiry of the relevant tenancy agreements in 8 to 10 years. Provision is therefore made for the best estimate of the expected reinstatement costs to be incurred. Movements of provision for asset retirement are as follows:

23 報廢資產復原成本撥備

根據與業主簽訂的租賃協議條款，本集團將須於八至十年內搬離並於相關租賃協議的約滿期限前由本集團出資還原酒店租賃物業。因此已對預期產生還原成本以最貼近的評估進行撥備。報廢資產復原成本撥備的變動如下：

| | | Group 本集團 | |
|---|------------------------|------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| At 1 January | 於一月一日 | 3,278,455 | 3,010,390 |
| Finance cost on asset retirement obligations (Note 8) | 報廢資產復原撥備的 融資成本(附註8) | 160,421 | 149,941 |
| Exchange differences | 匯兌差額 | 18,211 | 118,124 |
| At 31 December | 於十二月三十一日 | 3,457,087 | 3,278,455 |

24 FINANCE LEASE LIABILITIES

Finance lease liabilities are effectively secured by the rights to the leased asset. The Group's motor vehicles amounting to HK\$1,476,100 as at 31 December 2012 (2011:1,857,132) would revert to the lessor in the event of default (Note 14).

24 融資租賃負債

融資租賃負債實際上以租賃資產的權利作抵押。本集團於二零一二年十二月三十一日金額為1,476,100港元(二零一一年：1,857,132港元)之汽車在違約時轉回至出租人(附註14)。

| | | Group 本集團 | |
|---|-------------|--------------------------------------|------------------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Gross finance lease liabilities | 融資租賃負債總額 | | |
| — minimum lease payment | — 最低租賃付款 | | |
| — Not later than 1 year | — 不超越一年 | 470,208 | 470,208 |
| — Later than 1 year and no later than 5 years | — 超越一年至五年以內 | 944,011 | 1,414,219 |
| Future finance charges on finance lease | 融資租賃之日後財務費用 | 1,414,219 (112,761) | 1,884,427 (193,585) |
| Present value of finance lease liabilities | 融資租賃負債現值 | 1,301,458 | 1,690,842 |

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24 FINANCE LEASE LIABILITIES (Continued)

The present value of finance lease liabilities is as follows:

24 融資租賃負債 (續)

融資租賃負債的現值如下：

| | | Group 本集團 | |
|---|-------------|------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Not later than 1 year | — 不超越一年 | 412,305 | 389,204 |
| Later than 1 year and no later than 5 years | — 超越一年至五年以內 | 889,153 | 1,301,638 |
| | | 1,301,458 | 1,690,842 |

25 TRADE AND OTHER PAYABLES

25 應付貿易及其他賬款

| | | Group 本集團 | | Company 本公司 | |
|-----------------------------|-----------|------------------|---------------|----------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Trade payables | 應付貿易款項 | 2,865,416 | 2,583,726 | — | — |
| Accruals and other payables | 應計及其他應付款項 | 6,199,373 | 5,633,825 | 176,000 | 8,000 |
| | | 9,064,789 | 8,217,551 | 176,000 | 8,000 |

25 TRADE AND OTHER PAYABLES (Continued)

25 應付貿易及其他賬款(續)

Accruals and other payables are analysed as follows:

應計項目及其他應付款項分析載列如下：

| | | Group 本集團 | | Company 本公司 | |
|--------------------------------------|---------------|------------------|---------------|----------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Accruals | 應計項目 | | | | |
| — Accrued staff costs | — 應計員工成本 | 706,385 | 2,174,164 | 176,000 | 8,000 |
| — Accrued audit and professional fee | — 應計審核及專業費用 | 1,520,000 | 950,000 | — | — |
| | | 2,226,385 | 3,124,164 | 176,000 | 8,000 |
| Other payables | 其他應付款項 | | | | |
| — Other tax payables | — 其他應付稅項 | 2,086,182 | 1,478,765 | — | — |
| — Deferred revenue | — 遞延收益 | | | | |
| — membership fee | — 會籍費用 | 277,480 | 407,400 | — | — |
| — customer loyalty programme | — 客戶忠誠度計劃 | 110,453 | 277,030 | — | — |
| — Receipt in advance | — 預收款項 | 611,322 | — | — | — |
| — Others | — 其他 | 887,551 | 346,466 | — | — |
| Other payables | 其他應付款項 | 3,972,988 | 2,509,661 | — | — |
| Total accruals and other payables | 應計費用及其他應付款項總額 | 6,199,373 | 5,633,825 | 176,000 | 8,000 |

The carrying amounts of the Group's trade and other payables approximate their fair value.

本集團應付貿易及其他賬款之賬面值與其公平值相若。

Notes to the consolidated financial statements

綜合財務報表附註

25 TRADE AND OTHER PAYABLES (Continued)

The aging analysis of trade payables is as follows:

| | | Group 本集團 | |
|--------------|--------|------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| 0-30 days | 0至30天 | 940,788 | 879,626 |
| 31-60 days | 31至60天 | 702,292 | 812,063 |
| 61-90 days | 61至90天 | 542,906 | 664,430 |
| Over 90 days | 超過90天 | 679,430 | 227,607 |
| | | 2,865,416 | 2,583,726 |

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

| | | Group 本集團 | | Company 本公司 | |
|-------------------|-----|------------------|---------------|----------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Reminbi | 人民幣 | 6,316,205 | 7,202,795 | — | — |
| Hong Kong dollars | 港元 | 2,748,584 | 1,014,756 | 176,000 | 8,000 |
| | | 9,064,789 | 8,217,551 | 176,000 | 8,000 |

應付貿易款項的賬齡分析如下：

本集團應付貿易及其他賬款之賬面值以下列貨幣計值：

26 CONVERTIBLE NOTES

| | | Group and Company 本集團及本公司 | |
|------------------------------------|--------------|------------------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Convertible notes — debt component | 可換股票據 — 負債部分 | 29,405,000 | — |
| Financial derivatives | 金融衍生工具 | 832,000 | — |
| | | 30,237,000 | — |

26 可換股票據

26 CONVERTIBLE NOTES (Continued)

The Company issued 36,000,000 5.0% convertible notes ("convertible notes") at a consideration of HK 30.6 million on 12 October 2012. The convertible notes will mature two years from the issue date at 112% of the outstanding principal or can be converted into shares at the holder's option anytime at a conversion price of HK\$0.85 per share. In addition, the convertible notes can be early redeemed by the Company anytime at 112% of the outstanding principal.

The convertible notes recognised in the statement of financial position is calculated as follows:

26 可換股票據 (續)

於二零一二年十月十二日，本公司以代價30,600,000港元發行36,000,000股年利率為5厘的可換股票據（「可換股票據」）。可換股票據將於發行日期起計兩年後到期，未償還之任何可換股票據將被本公司以未償還本金額之112%贖回，或由持有人選擇於任何時間按每股0.85港元之兌換價兌換為股票。此外，本公司可隨時按未償還本金額之112%提前贖回可換股票據。

於財務狀況表中確認之可換股票據乃根據下列數據計算：

| | | Group and Company 本集團及本公司 | |
|---|-------------------------|------------------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Face value of convertible notes issued on 12 October 2012 | 於二零一二年十月十二日發行之可換股票據之公平值 | 30,600,000 | — |
| Financial derivatives | 金融衍生工具 | (832,000) | — |
| Less: transactions cost | 減：交易成本 | (918,000) | — |
| Debt component on initial recognition at 12 October 2012 | 於二零一二年十月十二日初次確認之負債部分 | 28,850,000 | — |
| Interest expense (Note 8) | 利息開支(附註8) | 890,000 | — |
| Interest paid | 已付利息 | (335,000) | — |
| Debt component at 31 December 2012 | 於二零一二年十二月三十一日之負債部分 | 29,405,000 | — |

As at 31 December 2012, the debt component is discounted at an effective interest rate of 14%.

於二零一二年十二月三十一日，負債部分乃按實際利率14%貼現。

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27 DEFERRED INCOME TAX

The analysis of deferred tax assets is as follows:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|---------------------|-----------------------------|-----------------------------|
| Deferred income tax assets: | 遞延所得稅資產： | | |
| — Deferred income tax assets to be recovered after more than 12 months | — 將於12個月後收回的遞延所得稅資產 | 1,065,638 | 1,464,204 |
| — Deferred income tax assets to be recovered within 12 months | — 將於12個月內收回的遞延所得稅資產 | 386,585 | 324,061 |
| | | 1,452,223 | 1,788,265 |

27 遞延所得稅

遞延稅項資產分析如下：

The movement in deferred income tax assets during the year is as follows:

於本年度內，遞延所得稅資產變動如下：

| | | Accelerated tax depreciation 遞增稅項折舊 HK\$ 港元 | Provisions 撥備 HK\$ 港元 | Total 總額 HK\$ 港元 |
|--------------------------------------|---------------|--|--------------------------------|---------------------------|
| At 1 January 2011 | 於二零一一年一月一日 | 205,943 | 1,323,677 | 1,529,620 |
| Credited to profit or loss | 計入損益 | 66,517 | 129,206 | 195,723 |
| Exchange differences | 匯兌差額 | 9,097 | 53,825 | 62,922 |
| At 31 December 2011 | 於二零一一年十二月三十一日 | 281,557 | 1,506,708 | 1,788,265 |
| At 1 January 2012 | 於二零一二年一月一日 | 281,557 | 1,506,708 | 1,788,265 |
| Credited/(debited) to profit or loss | 計入/(攤薄至)損益 | 58,720 | (405,222) | (346,502) |
| Exchange differences | 匯兌差額 | 1,647 | 8,813 | 10,460 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 341,924 | 1,110,299 | 1,452,223 |

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group does not recognise deferred income tax assets of HK\$4,057,673 (2011: Nil) in respect of losses amounting to HK\$669,516 (2011: Nil) that can be carried forward against taxable income. The tax loss can be carried forward indefinitely.

倘有關稅務利益可能透過動用未來應課稅溢利變現，則遞延所得稅資產就所結轉之稅項虧損確認入賬。本集團並未就可供作結轉未來應課稅溢利之虧損4,057,673港元(二零一一年：無)確認遞延稅項資產669,516港元(二零一一年：無)。該稅項虧損可予結轉。

27 DEFERRED INCOME TAX (Continued)

Deferred tax liabilities of HK\$999,263 (2011: HK\$506,977) have not been recognised for the withholding tax and other taxes that would be payable on the remitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Unremitted earnings totaled HK\$19,985,253 at 31 December 2012 (2011: HK\$10,139,542).

27 遞延所得稅 (續)

並無就預扣稅及將以若干附屬公司之盈利匯出可能應繳之其他稅項確認遞延稅項負債999,263港元(二零一一年：506,977港元)。該等金額已作永久投資。於二零一二年十二月三十一日，匯出盈利合共為19,985,253港元(二零一一年：10,139,542港元)。

28 INTERESTS IN SUBSIDIARIES AND AMOUNT TO A SUBSIDIARY — COMPANY

28 本公司於一間附屬公司之投資及應付一間附屬公司款項

| | | Company 本公司 | |
|-------------------------------|----------------|-------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| | | HK\$ 港元 | HK\$ 港元 |
| Non-current asset | 非流動資產 | | |
| Unlisted shares, at cost | 非上市股份，按成本值 | 8 | 8 |
| Amounts due from subsidiaries | 應收附屬公司款項 (a) | 37,507,639 | 37,507,639 |
| | | 37,507,647 | 37,507,647 |
| Current asset | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 (b) | 29,152,653 | — |
| Current liability | 流動負債 | | |
| Amount to a subsidiary | 應付一間附屬公司款項 (b) | 636,900 | 636,900 |

(a) Amount due from subsidiaries are denominated in HK\$, unsecured, interest free and repayable on a date to be mutually agreed by both parties.

(b) Amount due from/to subsidiaries are denominated in HK\$, unsecured, interest free and repayable on demand.

(a) 應收附屬公司款項乃以港元計值，無抵押、無利率及於雙方協定之到期日償還。

(b) 應收／付附屬公司款項乃以港元計值，無抵押、無利息及須按要求償還。



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28 INTERESTS IN SUBSIDIARIES AND AMOUNT TO A SUBSIDIARY — COMPANY

(Continued)

Particulars of the principal subsidiaries at 31 December 2012 are as follows:

28 本公司於一間附屬公司之投資及應付一間附屬公司款項 (續)

於二零一二年十二月三十一日，附屬公司之詳情如下：

| Name of company 公司名稱 | Place of incorporation/ establishment 註冊成立/成立地點 | Date of incorporation/ establishment 註冊成立/成立日期 | Issued and fully paid share capital/ registered capital 已發行及實收股本/ 註冊資本 | Attributable equity interest 應佔股本權益 | Principal activities 主要業務 |
|--|--|--|--|---|---|
| Legend Strategy International Limited 栢濶國際有限公司 | British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」) | 15 December 2010 二零一零年十二月十五日 | 1 ordinary share of US\$1 each 每股1美元的1股普通股 | 100% (direct) (直接) | Investment holding 投資控股 |
| Legend Strategy Limited 栢濶有限公司 | Hong Kong 香港 | 28 May 2007 二零零七年五月二十八日 | 10,000 ordinary shares of HK\$1 each 每股1港元的10,000股普通股 | 100% (indirect) (間接) | Investment holding and provision of hotel consultancy services 投資控股及提供酒店顧問服務 |
| Welcome Inn Management Limited 悅來客棧酒店管理有限公司 | Hong Kong 香港 | 24 October 2011 (Date of acquisition) 二零一一年十月二十四日 (收購日) | 1 ordinary shares of HK\$1 each 每股1港元的1股普通股 | 100% (indirect) (間接) | Provision of hotel management services 提供酒店管理服務 |
| Legend Strategy Management Limited 栢濶管理有限公司 | BVI 英屬處女群島 | 1 October 2011 二零一一年十月一日 | 1 ordinary share of US\$1 每股1美元的1股普通股 | 100% (indirect) (間接) | Rental of hotel premise 酒店物業租賃 |
| Shenzhen Yuelai Inn Tourists Co., Ltd. 深圳悅來客棧旅業有限公司 | The PRC 中國 | 11 December 2006 二零零六年十二月十一日 | HK\$8,000,000 8,000,000港元 | 100% (indirect) (間接) | Hotel operations 酒店營運 |
| Shenzhen Yingde Tourists Co., Ltd. 深圳盈的旅業有限公司 | The PRC 中國 | 30 May 2008 二零零八年五月三十日 | HK\$8,000,000 8,000,000港元 | 100% (indirect) (間接) | Hotel operations 酒店營運 |
| Shenzhen Modern Tourists 深圳摩登旅業管理有限公司 | The PRC 中國 | 25 April 2008 二零零八年四月二十五日 | HK\$1,000,000 1,000,000港元 | 100% (indirect) (間接) | Hotel operations and provision of hotel consultancy services 酒店營運及提供酒店顧問服務 |
| Shenzhen Yuelai Inn Co., Ltd. 深圳悅來客棧有限公司 | The PRC 中國 | 26 November 2008 二零零八年十一月二十六日 | HKD5,000,000 5,000,000港元 | 100% (indirect) (間接) | Hotel operations 酒店營運 |

29 FINANCIAL INSTRUMENTS BY CATEGORY

29 分類金融工具

Group

本集團

| | | Loans and receivables 貸款及應收款項 | Available- for-sale 可供出售 | Total 總額 |
|--|--------------------------|-------------------------------------|--------------------------------|-------------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| 31 December 2012 | 於二零一二年十二月三十一日 | | | |
| Assets as per statement of financial position | 列入財務狀況表的資產 | | | |
| Available-for-sale financial assets | 可供出售金融資產 | — | 1,162,000 | 1,162,000 |
| Cash and cash equivalents | 現金及現金等價物 | 27,880,476 | — | 27,880,476 |
| Trade and other receivables excluding prepayments | 應收貿易及其他應收款項 (不包括預付款項) | 62,209,153 | — | 62,209,153 |
| Total | 總額 | 90,089,629 | 1,162,000 | 91,251,629 |

| | | Financial Derivatives 衍生金融工具 | Financial liabilities at amortised cost 按攤銷成本的 其他財務負債 | Total 總額 |
|---|---------------------------|------------------------------------|---|-------------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| 31 December 2012 | 於二零一二年十二月三十一日 | | | |
| Liabilities as per statement of financial position | 列入財務狀況表的負債 | | | |
| Convertible notes — debt component | 可換股票據 — 負債部分 | — | 29,405,000 | 29,405,000 |
| Derivative financial instruments | 衍生金融工具 | 832,000 | — | 832,000 |
| Finance lease liabilities | 融資租賃負債 | — | 1,301,458 | 1,301,458 |
| Trade and other payables excluding non-financial liabilities | 應付貿易及其他應付款項 (不包括非金融負債) | — | 5,272,967 | 5,272,967 |
| Total | 總額 | 832,000 | 35,979,425 | 36,811,425 |



Notes to the consolidated financial statements

綜合財務報表附註

29 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

29 分類金融工具 (續)

Group (Continued)

本集團 (續)

| | | Loans and receivables 貸款及應收款項 HK\$ 港元 | Total 總額 HK\$ 港元 |
|--|--------------------------|---|---------------------------|
| 31 December 2011 | 於二零一一年十二月三十一日 | | |
| Assets as per statement of financial position | 列入財務狀況表的資產 | | |
| Cash and cash equivalents | 現金及現金等價物 | 16,150,556 | 16,150,556 |
| Trade and other receivables excluding prepayments | 應收貿易及其他應收款項 (不包括預付款項) | 31,018,952 | 31,018,952 |
| Total | 總額 | 47,169,508 | 47,169,508 |

| | | Financial liabilities at amortised cost 按攤銷成本 計值的金融負債 HK\$ 港元 | Total 總額 HK\$ 港元 |
|---|---------------------------|---|---------------------------|
| 31 December 2011 | 於二零一一年十二月三十一日 | | |
| Liabilities as per statement of financial position | 列入財務狀況表的負債 | | |
| Amount due to a director | 應付董事款項 | 582,031 | 582,031 |
| Finance lease liabilities | 融資租賃負債 | 1,690,842 | 1,690,842 |
| Trade and other payables excluding non-financial liabilities | 應付貿易及其他應付款項 (不包括非金融負債) | 3,880,192 | 3,880,192 |
| Total | 總額 | 6,153,065 | 6,153,065 |

29 FINANCIAL INSTRUMENTS BY CATEGORY

29 分類金融工具 (續)

(Continued)

Company

本公司

| | | Loans and receivables 貸款及應收款項 | Available- for-sale 可供出售 | Total 總額 |
|--|---------------|-------------------------------------|--------------------------------|------------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| 31 December 2012 | 於二零一二年十二月三十一日 | | | |
| Assets as per statement of financial position | 列入財務狀況表的資產 | | | |
| Available-for-sale financial assets | 可供出售金融資產 | — | 1,162,000 | 1,162,000 |
| Other receivables | 其他應收款項 | 794,902 | — | 794,902 |
| Total | 總額 | 794,902 | 1,162,000 | 1,956,902 |

| | | Financial derivatives 衍生金融工具 | Financial liabilities at amortised cost 按攤銷成本 計值的金融負債 | Total 總額 |
|---|---------------|------------------------------------|---|-------------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| 31 December 2012 | 於二零一二年十二月三十一日 | | | |
| Liabilities as per statement of financial position | 列入財務狀況表的負債 | | | |
| Accruals | 應計費用 | — | 176,000 | 176,000 |
| Amount due to a subsidiary | 應付一間附屬公司款項 | — | 636,900 | 636,900 |
| Convertible notes — debt component | 可換股票據 — 負債部分 | — | 29,405,000 | 29,405,000 |
| Derivative financial instruments | 衍生金融工具 | 832,000 | — | 832,000 |
| Total | 總額 | 832,000 | 30,217,900 | 31,049,900 |

Notes to the consolidated financial statements

綜合財務報表附註

29 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

29 分類金融工具 (續)

Company (Continued)

本公司 (續)

| | | Loans and receivables 貸款及應收款項 | Available- for-sale 可供出售 | Total 總額 |
|--|----------------------|-------------------------------------|--------------------------------|-------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| 31 December 2011 | 於二零一一年十二月三十一日 | | | |
| Assets as per statement of financial position | 列入財務狀況表的資產 | | | |
| Other receivables | 其他應收款項 | 1,758,689 | — | 1,758,689 |

| | | Financial derivatives 衍生金融工具 | Financial liabilities at amortised cost 按攤銷成本 計值的金融負債 | Total 總額 |
|---|----------------------|------------------------------------|---|----------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| 31 December 2011 | 於二零一一年十二月三十一日 | | | |
| Liabilities as per statement of financial position | 列入財務狀況表的負債 | | | |
| Accruals | 應計費用 | — | 8,000 | 8,000 |
| Amount due to a subsidiary | 應付一間附屬公司款項 | — | 636,900 | 636,900 |
| Total | 總額 | — | 644,900 | 644,900 |

30 CASH GENERATED FROM OPERATIONS

30 經營所得現金

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|----------------|-----------------------------|-----------------------------|
| Profit before income tax | 除所得稅前溢利 | 43,726,938 | 28,852,033 |
| Adjustments for: | 就下列項目調整： | | |
| — Depreciation | — 折舊 | 7,959,800 | 7,091,127 |
| — Amortisation of prepaid operating lease | — 預付營運租約攤銷 | 850,590 | 212,647 |
| — Finance cost, net | — 融資成本 — 淨額 | 1,000,868 | 143,773 |
| — Provision for impairment of trade receivables | — 貿易應收賬款減值撥備 | 1,500,000 | — |
| — Share of results of jointly controlled entities | — 分佔共同控制實體之業績 | 20,870 | 2,513,199 |
| — Share based payment expenses | — 以股份為基礎之付款開支 | 224,000 | — |
| Operating cash flow before changes in working capital | 營運資本變動前的經營現金流量 | 55,283,066 | 38,812,779 |
| Changes in working capital: | 營運資本的改變： | | |
| — Increase in trade and other receivables | — 貿易及其他應收款項增加 | (21,228,256) | (40,289,368) |
| — Increase in rental deposits | — 租賃按金增加 | (207,220) | — |
| — Increase in trade and other payables | — 貿易及其他應付賬款增加 | 800,204 | 222,259 |
| — Decrease in amount due to a director | — 應付董事款項減少 | (582,031) | (756,072) |
| Cash generated from/(used in) operations | 經營產生/(所用)現金 | 34,065,763 | (2,010,402) |



Notes to the consolidated financial statements

綜合財務報表附註

31 COMMITMENTS

(a) Operating lease commitment

The Group leases various hotel premises under non-cancellable operating lease agreements. The lease terms of the tenancy agreements are set out in Note 23. The leases have escalation clauses and renewal rights. The future aggregate minimum lease payments are as follows:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|-----------|-----------------------------|-----------------------------|
| No later than 1 year | 不超越一年 | 16,363,076 | 11,613,064 |
| Later than 1 year and no later than 5 years | 超越一年至五年以內 | 54,452,348 | 30,369,053 |
| Over 5 years | 超越五年 | 77,699,150 | 586,799 |
| | | 148,514,574 | 42,568,916 |

(b) Capital commitment

The Group's capital expenditure at the end of the reporting period but not yet incurred is as follows:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|--------------|-----------------------------|-----------------------------|
| Contracted but not provided for: | 已訂約但未撥備： | | |
| – Capital injection to jointly controlled entities | – 對共同控制實體之注資 | 1,782,590 | 3,852,618 |
| – Property, plant and equipment | – 物業、廠房及設備 | 43,383,844 | — |
| | | 45,166,434 | 3,852,618 |

31 承擔

(a) 經營租賃承擔

本集團的數個酒店物業以不能註銷經營租賃協議租賃。租賃協議條款載列於附註23。租賃合約內有自動加價條款及續租權。未來總計最低租金如下：

(b) 資本承擔

本集團於報告期末並未產生的資本開支如下：

31 COMMITMENTS (Continued)

(b) Capital commitment (Continued)

The Group's share of capital expenditure of jointly controlled entities included above is as follows:

31 承擔 (續)

(b) 資本承擔 (續)

計入上述各項之本集團分佔共同控制實體之資本開支如下：

| | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Contracted but not provided for: 已訂約但未撥備： — Property, plant and equipment 一 物業、廠房及設備 | 4,913,576 | 7,338,552 |

The Company has no other material commitments as at 31 December 2012 (2011: Nil).

於二零一二年十二月三十一日，本公司並無任何重大承擔(二零一一年：無)。

32 FUTURE OPERATING LEASE ARRANGEMENTS

As at 31 December 2012, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

32 未來經營租賃安排

於二零一二年十二月三十一日，本集團於不能註銷經營租賃項下之未來總計最低應收租金如下：

| | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| No later than 1 year 不超越一年 | 2,460,479 | 2,446,184 |
| Later than 1 year and no later than 5 years 超越一年至五年以內 | 9,841,914 | 9,784,736 |
| Over 5 years 超越五年 | 9,176,375 | 11,619,374 |
| | 21,478,768 | 23,850,294 |

33 CONTINGENT LIABILITIES

The Group and the Company have no significant contingent liabilities at 31 December 2012 (2011: Nil).

33 或然負債

於二零一二年十二月三十一日，本集團及本公司並無任何重大或然負債(二零一一年：無)。

Notes to the consolidated financial statements

綜合財務報表附註

34 RELATED PARTY TRANSACTIONS

The Group is controlled by Mr. Fong Man, Kelvin (“Mr. Fong”), who owns 57% of the Company’s shares. The remaining 43% of the shares are widely held. The ultimate controlling party of the Group is Mr. Fong Man, Kelvin. Details of transactions between the Group and the related parties are as follows, save as disclosed in the consolidated financial statements.

- (a) During the year ended 31 December 2011, the Group had transferred certain amounts to the personal bank accounts of a director, who then paid to external independent vendors. The nature and the amounts transferred during 2011 were summarised as follows:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|---|-----------------|-----------------------------|-----------------------------|
| — Operating expenses | — 營運開支 | — | 2,408,622 |
| — Loans to jointly controlled entities | — 提供予共同控制實體之貸款 | — | 12,000,000 |
| — Prepayment for property, plant and equipment | — 物業、廠房及設備之預付款項 | — | 5,000,000 |
| — Leasehold improvements on leased hotel premises | — 租賃酒店物業之租賃物業裝修 | — | 4,791,378 |
| | | — | 24,200,000 |

- (b) The Group had the following significant transactions with the related party during the year:

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|------------------|-----------------------------|-----------------------------|
| Expenses paid by a director on behalf of the Group | — 一名董事代表本集團支付之費用 | | |
| — Mr. Fong | — 方先生 | — | 582,031 |
| Repayment to amount due to a director | 償還應付董事款項 | | |
| — Mr. Fong | — 方先生 | 582,031 | — |

34 關連交易

本集團由方文先生（「方先生」）控制，其擁有本公司57%之股權。餘下43%之股權由公眾持有。本集團之最終控股方為方文先生。除綜合財務報表中所披露者除外，本集團與關連方之間的交易詳情載列如下。

- (a) 截至二零一一年十二月三十一日止年度，本集團已向當時付款予外部獨立賣方之一名董事的個人銀行賬戶轉撥若干金額。二零一一年轉撥之性質及金額概述如下：

- (b) 下表載列本集團於本年度內與關連方的重大交易：

34 RELATED PARTY TRANSACTIONS (Continued)

32 關連交易 (續)

(c) Year-end balances with related parties

(c) 與關連方的年終結餘

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--|--------------------------|-----------------------------|-----------------------------|
| Amount due to a director — Mr. Fong | 應付董事款項 — 方先生 | — | 582,031 |
| Amounts due for jointly controlled entities included in trade debtors | 計入於貿易賬款內到期之 共同控制實體之款項 | — | 5,506,670 |
| Loans to jointly controlled entities | 提供予共同控制實體之貸款 | 22,027,000 | 12,017,000 |

Payable to a director is unsecured, interest free and repayable on demand. Amount due to a director is denominated in RMB.

應付予一名董事之款項為無抵押、免息及按要求償還。應付董事款項以人民幣計價。

Amount due from jointly controlled entities are interest-free, unsecured and with credit terms of 7 days upon acceptance of services. Amount is denominated in HK\$.

應收共同控制實體之款項免息、無抵押、信貸期自接獲服務後七日到期。該款項以港元計值。

Loans to jointly controlled entities are interest free, unsecured and repayable on a date to be mutually agreed by both parties. Amount is denominated in HK\$.

應付共同控制實體之款項免息、無抵押並於雙方協定之到期日償還。該款項以港元計值。

(d) Key management compensation

(d) 主要管理層報酬

The compensation paid or payable to key management is as follows:

已付及應付主要管理層報酬如下：

| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 |
|--------------------------------|----------|-----------------------------|-----------------------------|
| Salaries, wages and allowances | 薪金、工資及津貼 | 2,203,452 | 913,456 |
| Pension obligations | 退休金債務 | 172,370 | 129,696 |
| | | 2,375,822 | 1,043,152 |



Summary financial information 財務資料概要

The financial information for the years ended 31 December 2007 and 2008 was not disclosed as combined financial statements for the Group have not been prepared for those years. The summary of the combined results of the Group for each of the two years ended 31 December 2009 and 2010 and the assets, liabilities and non-controlling interests of the Group as at 31 December 2009 and 2010 has been extracted from the Company's listing prospectus dated 30 June 2011. Such summary was prepared as if the current structure of the Group has been in existence throughout these financial years. The consolidated results of the Group for the year ended 31 December 2012 and the consolidated assets, liabilities and non-controlling interests of the Group as at 31 December 2012 are those set out in the audited financial statements.

由於本集團於截至二零零七年及二零零八年十二月三十一日止年度並無編製合併財務報表，故並無披露該等年度的財務資料。本集團截至二零零九年及二零一零年十二月三十一日止兩個年度各年的合併業績概要以及本集團於二零零九年及二零一零年十二月三十一日的資產、負債及非控制性權益乃摘錄自本公司於二零一一年六月三十日刊發的上市招股章程。該等概要乃根據本集團的現有架構於該等財政年度內一直存在的假設而編製。本集團截至二零一二年十二月三十一日止年度的綜合業績及本集團於二零一二年十二月三十一日的綜合資產、負債及非控制性權益載於經審核財務報表內。

RESULTS

業績

| | | Year ended 31 December 截至十二月三十一日止年度 | | | |
|-----------------------------------|------------------|--|-----------------------------|-----------------------------|-----------------------------|
| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 | 2010 二零一零年 HK\$ 港元 | 2009 二零零九年 HK\$ 港元 |
| Revenue | 收入 | 91,155,199 | 69,592,354 | 32,317,933 | 19,545,963 |
| Profit/(loss) before tax | 除稅前溢利／(虧損) | 43,726,938 | 28,852,033 | 13,522,667 | (3,385,339) |
| Income tax expense | 所得稅開支 | (10,855,270) | (7,587,350) | (3,973,136) | (91,480) |
| Profit/(loss) for the year | 年內溢利／(虧損) | 32,871,668 | 21,264,683 | 9,549,531 | (3,476,819) |
| Attributable to: | 以下人士應佔： | | | | |
| Owners of the Company | 本公司擁有人 | 32,871,668 | 21,264,683 | 9,185,202 | (3,187,896) |
| Non-controlling interests | 非控制性權益 | — | — | 364,329 | (288,923) |
| | | 32,871,668 | 21,264,683 | 9,549,531 | (3,476,819) |

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控制性權益

| | | As at 31 December 於十二月三十一日 | | | |
|---------------------------|--------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 2012 二零一二年 HK\$ 港元 | 2011 二零一一年 HK\$ 港元 | 2010 二零一零年 HK\$ 港元 | 2009 二零零九年 HK\$ 港元 |
| Total assets | 總資產 | 176,160,788 | 107,146,344 | 31,597,999 | 32,873,140 |
| Total liabilities | 總負債 | (57,095,783) | (21,604,930) | (16,312,883) | (45,037,344) |
| Non-controlling interests | 非控制性權益 | — | — | — | (2,393,525) |
| | | 119,065,005 | 85,541,414 | 15,285,116 | (14,557,729) |

The summary above does not form part of the audited financial statements.

上述概要並不構成經審核財務報表之一部分。



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