

## **Vision Statement**

We are dedicated to adding value for customers, employees, shareholders and the community through the delivery of total quality financial services.

## **Mission Statement**

We aim to be a global player in the financial services industry, and a leader in the Greater China region. To achieve this, we will

- always place the interests of our customers first;
- maintain the trust of our customers through our integrity, quality and professionalism;
- provide innovative solutions, using advanced technology, without losing sight of our traditional values; and
- develop a culture which fosters innovation, knowledge, communication and continuous improvement.

## 集團宣言

我們承諾竭盡所能,提供全面優質之金融服務,為客戶、員工、股東及社會爭取最 佳之利益。

## 集團使命

我們矢志成為一家國際金融服務機構,並在大中華地區建立領導地位,為達到此項 目標,我們需要

- 將客戶的利益放在首位;
- 秉承待客以誠、質素超卓及專業可靠的宗旨,贏取客戶信任;
- 運用先進科技提供創新服務,並保留優良傳統;及
- 一 樹立風範、日益創新、不斷求知、融洽溝通及持續改善。



In the endless sea of wealth opportunities from around the world, we always go on and beyond wholeheartedly to explore the best interest of our clients. Over the past 38 years, we have earned significant trust and confidence from our clients and received numerous accolades for quality service and innovation. Built on our solid foundation and unrivalled reputation, coupled with the strong support from our parent company, we are ready to spearhead towards the global financial arena, where enormous investment opportunities abound.

With the rollout of our new brand,
Haitong International, we are determined
to pursue our ambitious goal of
establishing a strong presence in the
global financial market and becoming a
leader in the Greater China region.

無窮的環球財富機會儼如浩瀚藍海,一望無際,而我們時刻盡心竭力以更完善地照顧客戶的最佳利益為先。過去38年,我們以優質服務及創新求變見稱。故一直贏得客戶的信任及支持,並屢獲殊榮。憑藉集團的雄厚實力和優良信譽,再結合母公司的強大支持,集團已準備就緒,揚帆升旗向國際金融領域啟航,捕捉多元化的投資機遇。

隨著我們全新企業品牌海通國際的啟動下, 集團矢志追求邁向國際化的宏大願景, 致力成為一家國際金融服務機構, 並在大中華區建立領導地位。

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## Financial Calendar 財務日誌

16 March 2011 2011年3月16日

20 April 2011 by 4:30 p.m. 2011年4月20日下午4時30分前

21 April to 29 April 2011 2011年4月21日至4月29日

29 April 2011 2011年4月29日

27 May 2011 2011年5月27日 Announcement of the audited final results 公佈經審核末期業績

Latest date for registration for entitlement to the final dividend 登記享有末期股息之最遲日期

Book close dates 暫停辦理股東登記手續之日期

Record date for the final dividend 末期股息之記錄日期

Payment date for the final dividend 末期股息之派付日期

## **Corporate Information** 公司資料

## **General Information**

## **Executive Directors**

WONG Shiu Hoi, Peter LI Jianguo

LEE Yiu Wing, William CHAN Chi On, Derek POON Mo Yiu, Patrick Deputy Chairman and Managing Director

Deputy Chairman Joint Managing Director

LIN Yong

## **Non-executive Directors**

LI Mingshan Chairman JI Yuguang

WU Bin CHEN Chunqian

CHENG Chi Ming, Brian

## **Independent Non-executive Directors**

MAN Mo Leung TSUI Hing Chuen, William LAU Wai Piu, Bill

## **Company Secretary**

LI Tung Wing, Mike

## **Internal Auditor**

LAU Chi Keung, Sammy

## Place of Incorporation

Incorporated in Bermuda with limited liability

## **Registered Office**

Clarendon House

Church Street, Hamilton HM 11

Bermuda

## **Principal Place of Business**

25th Floor, New World Tower 16-18 Queen's Road Central Hong Kong

## Website

Homepage: www.htisec.com

## 一般資料

## 執行董事

黃紹開 副主席兼董事總經理

李建國 副主席

林涌 聯席董事總經理

李耀榮 陳志安 潘慕堯

## 非執行董事

李明山 主席

吉宇光 吳斌 陳春錢 鄭志明

## 獨立非執行董事

文暮良 徐慶全 劉偉彪

## 公司秘書

李東榮

## 內部審計師

劉志強

## 註冊成立地點

於百慕達註冊成立為有限公司

## 註冊辦事處

Clarendon House

Church Street, Hamilton HM 11

Bermuda

## 主要營業地點

皇后大道中16-18號 新世界大廈25樓

## 網址

主網頁: www.htisec.com

## Corporate Information

公司資料

## **External Auditors**

PricewaterhouseCoopers

## Legal Adviser in Hong Kong

Woo, Kwan, Lee & Lo

## Legal Adviser on Bermuda Law

Conyers Dill & Pearman

## **Principal Share Registrars and Transfer Office**

HSBC Securities Services (Bermuda) Limited 6 Front Street, Hamilton HM 11 Bermuda

## Hong Kong Branch Share Registrars and Transfer Office

Tricor Investor Services Limited 26th Floor, Tesbury Centre 28 Queen's Road East, Wanchai Hong Kong

## **Principal Bankers**

Standard Chartered Bank (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited Bank of China (Hong Kong) Limited Hang Seng Bank Limited The Bank of East Asia, Limited

China Construction Bank (Asia) Corporation Limited Industrial and Commercial Bank of China (Asia) Limited

CITIC Bank International Limited

Chong Hing Bank Limited Fubon Bank (Hong Kong) Limited

Public Bank (Hong Kong) Limited

Oversea-Chinese Banking Corporation Limited

Wing Hang Bank, Limited DBS Bank (Hong Kong) Limited

Dah Sing Bank, Limited

Bank of Communications, Hong Kong Branch

## 外部核數師

羅兵咸永道會計師事務所

## 香港法律顧問

胡關李羅律師行

## 百慕達法例之法律顧問

Conyers Dill & Pearman

## 主要股份過戶登記處

HSBC Securities Services (Bermuda) Limited 6 Front Street, Hamilton HM 11 Bermuda

## 香港股份過戶登記分處

卓佳證券登記有限公司 香港 灣仔皇后大道東28號 金鐘匯中心26樓

## 主要往來銀行

渣打銀行(香港)有限公司 香港上海滙豐銀行有限公司 中國銀行(香港)有限公司 恒生銀行有限公司 東亞銀行有限公司 中國建設銀行(亞洲)股份有限公司 中國工商銀行(亞洲)有限公司 中信銀行國際有限公司 創興銀行有限公司 富邦銀行(香港)有限公司 大眾銀行(香港)有限公司 華僑銀行 永亨銀行有限公司 星展銀行(香港)有限公司 大新銀行有限公司 交通銀行香港分行

## **Corporate Information**

## 公司資料

## **Board Committees**

## **Audit Committee**

JI Yuguang MAN Mo Leung TSUI Hing Chuen, William LAU Wai Piu, Bill

## **Credit Committee**

WONG Shiu Hoi, Peter LIN Yong LEE Yiu Wing, William POON Mo Yiu, Patrick HUI Yee, Wilson WU Kwok Leung, Edmond ZHANG Xinjun, Jeff SUN Tong, Tony LO Wai Ho, Kendy

## **Executive Committee**

CHAN Wai Man, Cilla

WONG Shiu Hoi, Peter LIN Yong LEE Yiu Wing, William CHAN Chi On, Derek POON Mo Yiu, Patrick HUI Yee, Wilson LAU Yiu Wai, Joseph YING Tak Sun, Nelson ZHANG Xinjun, Jeff SUN Jianfeng SUN Tong, Tony WU Kwok Leung, Edmond

## **Remuneration Committee**

LO Wai Ho, Kendy

LI Mingshan JI Yuguang MAN Mo Leung TSUI Hing Chuen, William LAU Wai Piu, Bill

## 董事會委員會

## 審核委員會

吉宇光 文暮良 徐慶全 劉偉彪

## 信貸委員會

黃紹開 林涌 李耀榮 潘慕堯 許儀 胡國良 張信軍 孫彤 盧偉浩 陳慧民

## 執行委員會

黃紹開 林涌 李耀榮 陳志安 潘慕堯 許儀 劉耀威 應德信 張信軍 孫劍峰 孫彤 胡國良 盧偉浩

## 薪酬委員會

李明山 吉宇光 文暮良 徐慶全 劉偉彪

## Corporate Information

公司資料

## **Strategic Development Committee**

LI Mingshan WONG Shiu Hoi, Peter

JI Yuguang

LI Jianguo

LIN Yong

LEE Yiu Wing, William

CHENG Chi Ming, Brian

## **Sub-committees**

## **Investment Committee**

WONG Shiu Hoi, Peter LEE Yiu Wing, William POON Mo Yiu, Patrick ZHANG Xinjun, Jeff LO Wai Ho, Kendy

MAK Tak Kwong, Marco

## **IT Steering Committee**

WONG Shiu Hoi, Peter LEE Yiu Wing, William POON Mo Yiu, Patrick YING Tak Sun, Nelson ZHANG Xinjun, Jeff WU Kwok Leung, Edmond LO Wai Ho, Kendy

LO Yam Pui, Eric

HUNG Kwok Ming, Adrian

## **Operation Cost Committee**

LEE Yiu Wing, William POON Mo Yiu, Patrick YING Tak Sun, Nelson ZHANG Xinjun, Jeff WU Kwok Leung, Edmond

LO Wai Ho, Kendy

WONG Mei Lin, April Fiona

HUI Chor Ho, Mixgo

HUNG Kwok Ming, Adrian

HUNG Chi Shuen, David

## 戰略發展委員會

李明山

黃紹開

吉宇光

李建國

林涌

李耀榮

鄭志明

## 專責委員會

## 投資委員會

黃紹開

李耀榮

潘慕堯

張信軍

盧偉浩

麥德光

## 資訊科技統籌委員會

黃紹開

李耀榮

潘慕堯

應德信

張信軍

胡國良

盧偉浩

盧任培

洪國銘

## 營運成本委員會

李耀榮

潘慕堯

應德信

張信軍

胡國良

盧偉浩

王美蓮

許初好 洪國銘

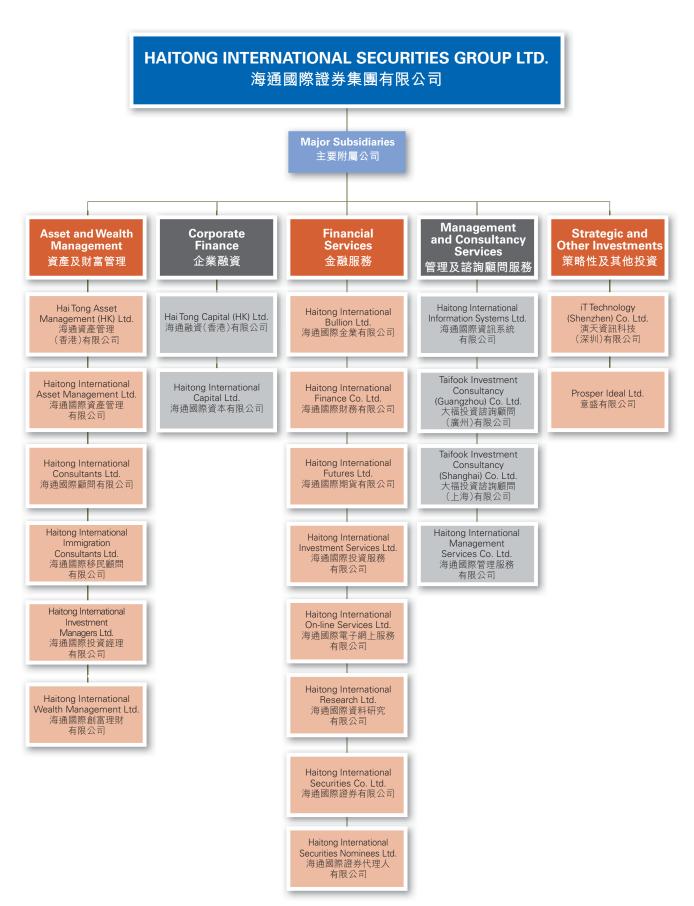
洪志信

## Financial Highlights 財務摘要

		18 months	18 months	
		ended	ended	
		31 December	30 June	Percentage
		2010	2009	change
		截至2010年	截至2009年	increase
		12月31日	6月30日	變動百分比
		止18個月	止18個月	增加
For the period end	截至期底			
Revenue (HK\$'000)	收入(千港元)	1,459,935	1,084,604	35
Net Profit (HK\$'000)	純利(千港元)	345,795	188,974	83
At the period end	至期底			
Shareholders' Funds (HK\$'000)	股東資金(千港元)	2,170,580	1,925,464	13
Total Assets (HK\$'000)	總資產(千港元)	11,412,151	8,904,160	28
Number of Shares in Issue	已發行股份數目	715,032,706	706,448,228	1
Per share	每股			
Basic Earnings Per Share (HK Cents)	每股基本盈利(港仙)	48.80	27.61	77
Diluted Earnings Per Share (HK Cents)		48.68	27.59	76
Dividend Per Share (HK Cents)	每股股息(港仙)	24	13	85
NAV Per Share (HK\$)	每股資產淨值(港元)	3.04	2.73	11
Share Price	股價			
– High (HK\$)	一高(港元)	7.39	5.44	36
- Low (HK\$)	一低(港元)	2.09	0.88	138
Financial ratios	財務比率			
Gearing Ratio	資本負債率			
– Borrowing to Total Assets	-借貸與總資產	0.26	0.25	4
– Borrowing to NAV	- 借貸與資產淨值	1.37	1.13	21
Return on Total Assets (%)	總資產回報(%)	3.03	2.12	43
Return on Shareholders' Fund (%)	股東資金回報(%)	15.93	9.81	62

## Corporate Structure

## 集團架構



Note: This chart is a simplified corporate structure chart, some intermediate companies are not shown. 附註:本圖為一簡化集團架構圖,並無顯示一些中層控股公司



Maximizing future opportunities with visionary foresight

## Chairman's Statement



## **Business Review**

As reported in our second interim report covering the 12 months ended 30 June 2010, the financial year end date of the Company and its subsidiaries has been changed to 31 December effective from 2010. We are pleased to report that the Group achieved a net profit attributable to shareholders of HK\$345.8 million for the 18 months ended 31 December 2010, compared to HK\$189 million for the corresponding 18 months ended 30 June 2009.

The Hong Kong market encountered several rounds of volatility over the period under review. Performance for our first interim period reflected a strong rebound of the local market which began from the late second quarter of 2009 amid stabilizing economic conditions and optimistic signs of economic recovery from the global financial downturn following stimulus plans introduced by the US and Chinese governments coupled with improving corporate earnings. The Hong Kong economy especially the properties sector and the equities market also benefited from a strong liquidity inflow into the region. Both property prices and the equity indexes picked up significantly when compared against the pre-crisis levels.

During the first half of 2010 which covered the reporting period for our second interim results, stock markets initially continued to perform well following the rallies in 2009. Since then, the sovereign debt crisis in the Eurozone kindled by the deteriorating fiscal conditions and immense budget deficits for a number of European countries started to affect the global markets. The local market suffered unavoidably from adjustments to the stock prices as investor sentiment became suppressed by worries over repayment capability and intensifying of the structural problems, despite bailout plans announced by the Eurozone finance ministers and the International Monetary Fund. The tightening measures set by the Mainland Government to cool down property prices and control liquidity supply in the banking sector further impacted the local equities market. The HSI reached a trough of 18,985 in May 2010, or a 13% downward adjustment from the 2009 year end level.

There was an obvious rebound in the local market after the third quarter of 2010, especially following announcement by the US Federal Reserve of the second round of quantitative easing and indications of improving economic outlook and financial data. Property stocks benefited from rising property prices and satisfactory results of land sales. In November, HSI reached the peak level of 24,964 for the entire 2010. However, as we moved towards the end of the year, market sentiment was again impacted by uncertainties and speculation clouding the Mainland Government policies on monetary tightening to control inflation and further measures to curb the overheated property market. The tensions on the Korean Peninsula also added volatility to the markets, despite that the impact to the local market was relatively mild.

Overall, the local stock market achieved a stable and moderate growth in 2010 over the previous year with average daily turnover amounting to HK\$69.1 billion, 11% higher than the 2009 comparative. Total market capitalization reached HK\$21.1 trillion at the end of 2010, representing a yearly increase of 18%. Funds raised through initial public offerings broke a record high of HK\$445 billion; an increase of almost 80% when compared with the total amount raised of HK\$248 billion in 2009. This ranked Hong Kong the largest IPO centre worldwide in 2010.

The economic cycles had a certain degree of influence on our business performance but we managed to achieve an overall remarkable result for the entire 18 months as compared with the corresponding financial period with earnings per share increased from HK27.6 cents to HK48.8 cents. Shareholders' fund grew by 13% over the period to a total of HK\$2,170.6 million as at the end of 2010. Our Board has proposed a final dividend of HK8 cents per share, which is expected to be payable on or about 27 May 2011. Together with the total interim dividends of HK16 cents per share already paid, total dividend payable for the 18 months ended 31 December 2010 amounts to HK24 cents per share, in consistency with the Group's dividend policy to maintain a payout ratio of approximately 50% of net attributable profit.

## **Prospects**

Following a challenging 2010 with deep fluctuations in stock prices, market volatility is expected to persist for at least the first half of 2011 as market sentiment will likely remain mixed with positive and negative news. Economic outlook and pace of recovery in the US and development of the Eurozone debt crisis will continue to pose concerns for the investors but economic data recently released are indicative of an improving trend. Given Hong Kong's close links to China, major moves in the Mainland will have a direct impact on the Hong Kong market. Strong earnings growth in Mainland enterprises on the back of a positive economic outlook and an anticipation for RMB appreciation will benefit the equity market and funds will continue to be attracted to Hong Kong for investing into the fast growing Mainland market. Given the low interest rate environment and the continuing influx of liquidity, pressure on upward movement of asset prices will continue to exist, with controlling the pace of inflation a major challenge to China. In the short term, the stock market will be affected by worries over the possibility of further interest rate rise in the Mainland. Hong Kong and China equities will experience a certain degree of volatility but we believe that the upside potential should outweigh the negative factors in the long run, resulting in a positive perspective for investment opportunities.

Over the course of 2010, we completed the business combination of the entire Hong Kong operations with our parent company smoothly, thanks to the contribution from our dedicated colleagues. In November, we launched the rebranding of our new corporate identity to take on a mission to becoming one of the leading international financial institutions and a leader in the Greater China Region. We believe we have established a strong foundation integrating our teams of experienced and talented professionals on the support of a comprehensive range of flawless platforms to pursue our business objectives.

## Chairman's Statement

In August 2010, we set a new milestone in the asset management industry by successfully launching the first RMB denominated global fixed income fund in Hong Kong. Building on a head start, we will continue to work vigorously on developing more RMB-denominated products to satisfy their fast growing demand. Although there has been a delay in launching of the mini-QFII program, the general expectation is optimistic at speeding up of an official announcement of the scheme soon by the Chinese Government. The extension of trading session for the local market in closer alignment with practices in the Mainland and other developed markets in two phases, beginning from 7 March 2011, will enhance Hong Kong market competitiveness and will certainly benefit the securities industry as a whole by boosting transaction volume and commission income. Supported by strong liquidity in the region and with China's prominent economic growth as a backdrop, 2011 outlook for the IPO market remains positive. While China related companies seeking floatation overseas to grow their business will continue to dominate in Hong Kong's new listings in terms of both number and capital amounts to be raised, there is a rising trend for overseas companies applying listing in the Hong Kong Stock Exchange. SMEs seeking funds to expand business also view the local market the preferred platform as their starting point for international reach. The rapid increase in the magnitude of RMB deposits in Hong Kong, driven by expectation for appreciation of the RMB has helped to enhance the liquidity pool for launching Yuan-denominated products. The impending listing of the first RMB-denominated IPO will certainly set a critical milestone for the future development of the IPO market.

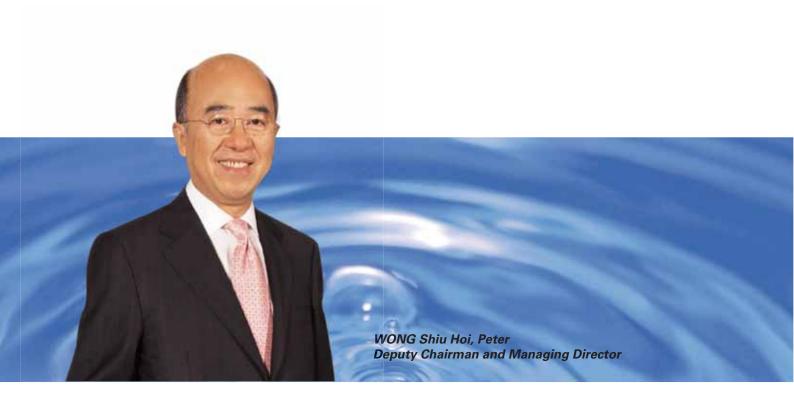
Despite the likelihood of market volatility continuing to affect investment sentiment, there are strong drivers derived from China's fast and vigorous economic development benefiting the financial industry in both markets. The Group with its solid foundations and support from the parent company will be in the forefront to pursue these business opportunities. I am entirely confident in the future prospects of the Group and delivery of an even more encouraging result in 2011.

## LI Mingshan

Chairman

Hong Kong, 16 March 2011

## Managing Director's Review



## **Review of Operations**

The period under review marked several important corporate milestones for the Group. Haitong Securities Co., Ltd., one of the leading securities companies in Mainland China with its shares listed on the Shanghai Stock Exchange, became our ultimate controlling shareholder and following that the entire Hong Kong operations of Haitong Securities were successfully integrated with those of the Group. This further reinforces the Group as one of the leading non-bank financial institutions in Hong Kong. Our ambition to establish ourselves as a leader in the Greater China region and to extend our footprints in the international market was clearly demonstrated by the corporate rebranding of the Group to "Haitong International".

Throughout the last decade, the Group has been expanding its presence on the Mainland. Following the acquisition and merger, our links with the parent company and its strong support will definitely place us in a more competitive position to catalyze growth of our China businesses. Our diversified business model which is in concordance with that of our parent company remains unchanged. We continue to provide a comprehensive

range of products and services to our customers in three core areas covering agency broking, corporate finance and asset management.

In order to strengthen our capability as a leading financial service provider of investment products and solutions, we believe in and emphasize the importance of staff learning and growth by deploying focused resources on recruitment, training and development. We are also committed to a continuous upgrade of our system platforms and quality assurance to provide the most preferred trade and settlement services to our customers. While cost mitigation measures introduced in response to the global financial crisis contributed to certain cost saving and hence a relatively lower cost base for the previous financial period, total operating expenses excluding finance costs in the amount of HK\$1,081 million for the 18 months ended 31 December 2010 which was inclusive of the additional operating overhead due to the business combination was 22% higher as compared against the corresponding period.

The Group is fast expanding its business scale and coverage. The investment in manpower asset especially talented professionals and infrastructure is in the best interest of our stakeholders and will eventually contribute to a long term sustainable growth of the Group. In fact, our operation philosophy by always placing the highest priority on meeting customers' expectation and taking care of staff development returns in not just reflection in the bottom line but also public and industrial recognition in the form of awards of various kinds repeatedly granted to us. In particular, we have been named as the best equity house in Hong Kong by numerous international, Mainland and local institutions for 11 consecutive years.

Contribution from our respective business segments for the financial period were mixed but were generally above their comparative amounts.

## **Broking**

The Group's broking business offers a wide array of financial products and services for both the local and overseas markets. Contributing 55% of total revenues, the division recorded a 13% increase in operating revenue to HK\$803.9 million and a 17% rise in net profit to HK\$171.2 million for the period under review. The number of new clients opening accounts with us also hit a record high of almost 30,000 bringing the total number of clients on record approaching 150,000 at the end of December 2010. In January 2011, in addition to our existing retail network of 12 branches (including the Macau Branch), we soft-opened our flagship branch at a convenient location in Central to better serve our customers, with the grand opening scheduled at the end of March 2011. In view of the increasing demand for online trading, we will also open a service centre soon in each of the Kowloon side and Hong Kong Island to promote usage of our trading platforms and the wide range of products that can be traded online; including the online US stock trading service and the revamped forex and bullion system launched during 2010. The coverage of our online trading services has also been extended to overseas investors in quite a number of countries within Asia by collaborating with

securities firms operating in those markets. During the period, our focus on agency broking extended beyond retail customers to a variety of sizable institutional clients from both China and the overseas, such as the China Social Security Funds, etc., by significantly increasing and upgrading our sales force and the execution teams. We expect contribution from institutional sales will grow progressively over time in terms of both market share and commission revenue. We hosted large-scale investor conferences successfully by aligning the fund houses from the Mainland and overseas with listed corporates and will continue to organize similar events in light of their wide acceptance.

## **Corporate Finance**

The division reported a 117% increase in revenue to HK\$156 million for the 18 months period when compared with the corresponding period. Profit contribution totaled HK\$63.6 million, representing an increase of over 4 times. The strong revival in initial public offerings and secondary share placement transactions during the second half of 2010 helped to boost fee income for the division. In October 2010, we sponsored the H-share listing of Xinjiang Goldwind Science & Technology Co., Ltd. (a leading manufacturer of wind turbine generators) on the Hong Kong Main Board, and assisted the company to raise approximately HK\$8.2 billion, being the second largest H-share IPO project in Hong Kong during 2010. During the same month, we also sponsored the listing of Great Harvest Maeta Group Holdings Limited, a company principally engaged in chartering of vessels, with total capital raised in the amount of HK\$260 million and the public offer portion over-subscribed by 307 times. In addition, throughout the period, we acted as underwriter for 31 IPO transactions and participated in 62 financial advisory projects, while we were retained as compliance advisor for 14 listed companies. Working on a strong pipeline of IPO deals are potential sponsorships covering sectors in manufacturing of various kinds of consumer products, mining, natural resources and financial services with the majority expected to be listed within the year.

## Margin and Other Financing

The Group's margin financing activities had a remarkable performance during the period under review. Total advances to customers recorded a sharp increase from HK\$1,726.7 million as at 30 June 2009 to HK\$4,375.6 million as at the end of December 2010, representing a surge of 153%. Impairment on our loan book was almost inexistent, as exposures were effectively monitored under our credit control policies. As a result, total revenue moved up by 68.8% to HK\$297.8 million over the 18 months period. Demonstrating customers' trust on the Group, deposit held on behalf of customers rose significantly from HK\$3,661.9 million as at 30 June 2009 to HK\$5,158.6 million as at 31 December 2010, representing an increment of 41%. Under a low interest rates environment, bank interest income on cash deposits did not however increase by the same extent relative to the size of the deposits. Net earnings contribution as a whole from margin and other financing activities amounted to HK\$113.2 million, an increase of 16%.

## Other Investment Services and Activities

The performance of the Group's asset management and wealth management division was less satisfactory as for the most part of the period under review, the operating environment for the businesses remained difficult and yet to resume to the position before the market downturn triggered by the Lehman Brothers' failure. The difficulty to match fund performance against the previous high water marks created a big challenge to generate performance fee income, while restoring investors' confidence in wealth management products still left much to be done for the industry. Nevertheless, we managed to pioneer launch of the Haitong Global RMB Fixed Income Fund, the first of its kind in Hong Kong with satisfactory subscription results. During the period, we also added manpower to the asset management team and upgraded the portfolio management system platform in preparation for extending our business model to launch a variety of new products. The Group's wealth management division assumed new business initiatives by introducing fee based investment management services with initial customer response fairly positive and setting up a consultancy company

under the Hong Kong Capital Investment Entrant Scheme which together with our financial advisory and trade execution services provides a one-stop platform for the convenience of clients. The suspension of real estate investment as an approved investment asset under the scheme as announced by the Government in October 2010 will benefit the entire financial services and wealth management industry in Hong Kong.

Trading and investment activities for the 18 months ended 31 December 2010 had a positive contribution to net earnings of HK\$56.9 million. This contrasted sharply with a net deficit of HK\$54.9 million for the corresponding period when the global financial markets were badly affected by the downturn caused by the collapse of banks and financial institutions in the U.S..

### **Future Plans**

In 2011, we will celebrate the Group's 38th anniversary. In conjunction with this, we are delighted to announce that our new data centre which is a leased facility and had been under preparation for more than one year commenced operation officially in February 2011. The data centre, which is equipped with the best-in-class facility at global standards and running on the latest data processing technologies with the highest assurance of performance stability and data security, will facilitate and safeguard the rapid growth in business volume. In addition, within the second quarter of the year, we will complete revamping of the back end securities settlement system which forms part of the entire trading and settlement platform developed under our proprietorship. The integrated system features a powerful engine with significantly enhanced capacity and functionalities to cope with business expansion at a scale far above the existing level.

The business combination with our holding company consolidates our respective strong foundations. Fueled with the momentum and together with the full support from the ultimate parent company, we expect to be able to achieve breakthrough in each of our core businesses.

Apart from acquiring more sponsorship mandates for IPO listings, and targeting at sizable fund raising opportunities, our corporate finance division will actively seek participation in mainland related investment banking projects such as RMB denominated IPO offerings and bond financing, cross border merger and acquisition transactions as well as A+H equity raising initiatives. In Asset Management, we will devote dedicated resources to develop innovative products to attract investors and to look for cooperation with suitable business partners so as to grow asset under management by a large extent. For agency broking and third party execution services, we will strive for a larger market share through acquisition of new accounts and further promotion of our products and services. We will also pursue opportunities to launch structural products under our own brand.

The fulfillment of these business plans requires the cohesive efforts of both our frontline colleagues and the middle to back end support teams. In this connection, the strengthening of customer services especially in facilitating opening of new accounts and handling of customer enquires of any kind, information technology support and research coverage in support of our China business development, institutional sales, corporate finance and asset management will be given the focused priority. In preparation for our playing an active role in RMB related business, we will collaborate with our partner banks in various perspectives to secure source of funding for RMB and distribution channels for the related products.

As we transform ourselves to become a leading player in the Greater China Region and in the international market, we will stay focused at tackling challenges to be encountered and grasping all possible business opportunities to bring the Group to the next horizon.

Finally, I would like to take this opportunity to thank our staff for their dedication, commitment and contribution at all times in the past and look forward to their continued support again in the years ahead. I would like to extend our appreciation to our shareholders and stakeholders for their unwavering support and involvement without which the success of the Group would not have been possible.

## **WONG Shiu Hoi, Peter**

Deputy Chairman and Managing Director

Hong Kong, 16 March 2011



## **Financial Review**

## **Financial Performance**

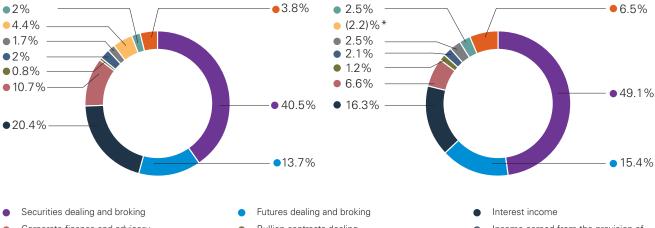
## Revenue

Revenue of the Group for the 18 months ended 31 December 2010 was HK\$1,459.9 million (18 months ended 30 June 2009: HK\$1,084.6 million). A summary of the revenue from different operations of the Group is set out below:-

	For the		For the	
	18 months		18 months	
	ended		ended	
	31 December		30 June	
	2010		2009	
	HK\$'000	%	HK\$'000	%
Securities dealing and broking	591,720	40.5	532,757	49.1
Futures dealing and broking	199,822	13.7	167,419	15.4
Interest income	297,830	20.4	176,461	16.3
Corporate finance and advisory	155,711	10.7	71,789	6.6
Bullion contracts dealing	12,342	0.8	12,662	1.2
Income earned from the provision of nominee and				
custodian services	29,049	2.0	22,693	2.1
Fund management	24,419	1.7	26,762	2.5
Gain/(loss) from proprietary trading	64,296	4.4	(23,336)	(2.2)
Income from leveraged foreign exchange trading, net	29,912	2.0	26,857	2.5
Commission income from the provision of financial				
planning and advisory services	54,834	3.8	70,540	6.5
	1,459,935	100.0	1,084,604	100.0

## **Analysis of 2010 Revenue** (For the 18 months ended 31 December 2010)

## **Analysis of 2009 Revenue** (For the 18 months ended 30 June 2009)



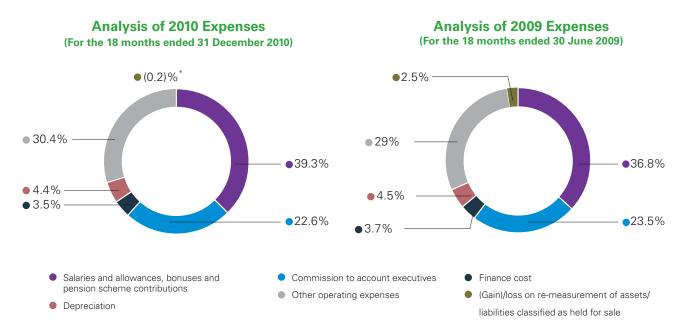
- Corporate finance and advisory
- Fund management
- Income from leveraged foreign exchange trading, net
- Bullion contracts dealing
- Gain/(loss) from proprietary trading
- Commission income from the provision of financial planning and advisory services
- Income earned from the provision of nominee and custodian services

<sup>\*</sup> Negative percentage figure not shown in the chart.

## **Operating Expenses**

Total Operating Expenses for the 18 months ended 31 December 2010 was HK\$1,118.1 million (18 months ended 30 June 2009: HK\$948.9 million). An analysis of these expenses are as follows:

	For the 18 months ended 31 December		For the 18 months ended 30 June	
	2010 HK\$′000	%	2009 HK\$'000	%
Salaries and allowances, bonuses and pension scheme contributions	439,213	39.3	349,099	36.8
Commission to accounts executives	252,410	22.6	223,347	23.5
Finance costs	39,194	3.5	35,401	3.7
Depreciation	49,370	4.4	42,295	4.5
Other operating expenses	339,962	30.4	274,641	29
(Gain)/loss on re-measurement of assets/liabilities classified as held for sale	(2,023)	(0.2)	24,132	2.5
	1,118,126	100.0	948,915	100.0



<sup>\*</sup> Negative presenting figure not show in the chart

Salaries and allowances, bonuses and pension scheme contribution increased by 25.8% during the period, mainly attributable to increase in manpower, incentives and bonuses paid.

Commission to accounts executives increased due to increase in business turnover.

Finance costs increased due to increase in advances to customers as well as increase in bank borrowings, which are mainly used for financing.

Depreciation increased by 16.7%. The higher depreciation charge was due to capitalization of the development cost of the new front and back office system.

Other operating expenses rose 23.8% mainly due to expenses incurred in the Group's rebranding program and increase in maintenance cost of the front and back office system.

Certain investment funds of the Group have been classified as held for sale and carried at the lower of their carrying amounts and fair value less costs to sell. The resulting gain/loss on re-measurement is recognized in the consolidated income statement.

## **Net Profit Attributable to Shareholders**

Net Profit Attributable to Shareholders for the 18 months ended 31 December 2010 was HK\$345.8 million, as compared to HK\$189.0 million for the 18 months ended 30 June 2009.

## **Treasury Policies**

The Group generally finances its operations with internally generated cash flow, bank borrowings and unsecured term loans from independent third parties. Moreover, it has secured a 5-year, HK\$500 Million Revolving Credit Facility (the "Facility") from a syndicate of 19 international and local banks in 2006. Except for the above-mentioned Facility, the Group's banking facilities are mainly renewable on a yearly basis and are subject to floating interest rates.

It is the policy of the Group to maintain adequate liquidity at all times to meet its obligations and commitments as and when they fall due. The Group's financial risk management strategies include obtaining substantial long term and other standby banking facilities, diversifying the funding sources, spacing out the maturity dates to reduce interest volatility exposure and reviewing capital adequacy ratio from time to time.

The Group's principal operations are transacted and recorded in Hong Kong dollars and the level of foreign currency exposure on non-Hong Kong dollar assets and liabilities is relatively immaterial as compared with its total asset value or outstanding liabilities. Hence, the Group considers that it has no significant exposure to foreign exchange fluctuations.

## **Liquidity and Financial Resources**

The financial position of the Group remained sound and healthy during the review period. As at 31 December 2010, the Group's cash balance totalled HK\$417.7 million, compared with HK\$403.8 million at the beginning of the period. Cash held on behalf of customers rose to HK\$5,158.6 million, compared with HK\$3,661.9 million as at 30 June 2009. The current ratio of the Group was healthy at 1.21 times.

As at 31 December 2010, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 137%, compared with 113% as at 30 June 2009. Higher gearing ratio as at 31 December 2010 was mainly due to increase in bank and other borrowings to finance the expanding margin loan receivables. All borrowings are of short-term maturities. Bank and other borrowings totalled HK\$2,974.2 million (30 June 2009: HK\$2,184.2 million), against total margin loans of HK\$4,375.6 million (30 June 2009: HK\$1,726.7 million). The ratio of interest income to interest expense was 8.33 times, compared with 6.94 times for the 18 months ended 30 June 2009. The increase was mainly attributable to increase in margin loans and interest spreads.

Our operating cash flow remains adequate for financing our recurrent working capital requirements as well as any investment opportunities that may arise. Besides, the Group has unutilized banking facilities of HK\$919 million, while our capital commitments are minimal. The Group's assets and liabilities are substantially denominated in Hong Kong dollars, so our foreign exchange exposure is immaterial. Except for the guarantees provided to the banks for securing normal banking facilities for our subsidiaries, the Company has no other significant contingent liabilities.

## **Capital Structure**

During the 18 months ended 31 December 2010, the subscription rights attaching to 1,740,225 share options were exercised at the subscription prices ranging from HK\$5.874 per share to HK\$5.879 per share, resulting in the issue of 1,740,225 shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$10,223,000.

1,246,860 new shares were issued by the Company at HK\$4.5904 per share for the settlement of 2009/2010 first interim dividend.

5,597,393 new shares were issued by the Company at HK\$6.2177 per share for the settlement of 2009/2010 second interim dividend.

As at 31 December 2010, the total issued share capital of the Company stood at HK\$71.5 million, comprising 715,032,706 shares of HK\$0.10 each.

## Material Acquisition and Disposal of Subsidiaries and Associated Companies

During the 18 months ended 31 December 2010, the Group has disposed of its 49% shareholding of an associated company, CMTF Asset Management Limited, for a sum of HK\$15,680,000, resulting in a profit of HK\$4,843,000.

On 2 September 2010, Haitong International (BVI) Limited ("Haitong BVI"), a wholly-owned subsidiary of the Company, entered into a legally binding agreement with Haitong International Holdings Limited ("Haitong Holdings"), pursuant to which Haitong BVI has agreed to purchase, and Haitong Holdings has agreed to sell, the entire issued capital of Hai Tong Asset Management (HK) Limited ("Hai Tong Asset"), a limited company incorporated in Hong Kong and a direct wholly-owned subsidiary of Haitong Holdings for a total consideration of HK\$20,105,598.40. Hai Tong Asset is a licensed corporation under the Securities and Futures Ordinance (the "SFO") for types 4 (advising on securities), 5 (advising on futures contracts) and 9 (Asset Management) regulated activities. The principal activities of Hai Tong Asset and its subsidiaries are the provision of assets and investment management services.

On 2 September 2010, Haitong International Finance Company Limited ("Haitong Finance"), an indirect whollyowned subsidiary of the Company, entered into a legally binding agreement with Haitong Holdings, pursuant to which Haitong Finance has agreed to purchase, and Hai Tong Holdings has agreed to sell, the entire issued capital of Hai Tong Capital (HK) Limited ("Hai Tong Capital"), a limited company incorporated in Hong Kong and a direct wholly-owned subsidiary of Haitong Holdings for a total consideration of HK\$10,026,677.26. Hai Tong Capital is a licensed corporation under the SFO for type 6 (advising on corporate finance) regulated activities with specific license conditions. The principal activities of Hai Tong Capital are the provision of corporate finance and advisory services.

## **Employees**

The Group's total staff costs for the 18 months ended 31 December 2010, excluding commissions paid to commission-based staff, amounted to HK\$439.2 million, representing an increase of 25.8% from HK\$349.1 million for the last reference period. This is mainly due to an increase in manpower and performance-based bonuses and incentives. As at 31 December 2010, the Group employed a total of 1,241 (30 June 2009: 1,016) permanent staff of which 298 (30 June 2009: 302) were commission-based staff.



Advocating corporate governance and caring culture

## Corporate Governance Report

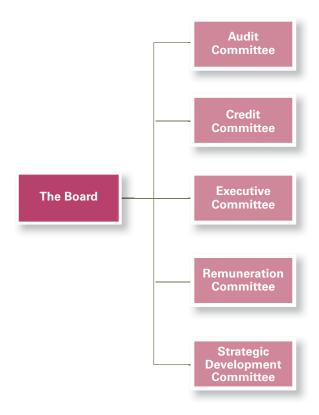
## **Corporate Governance Practices**

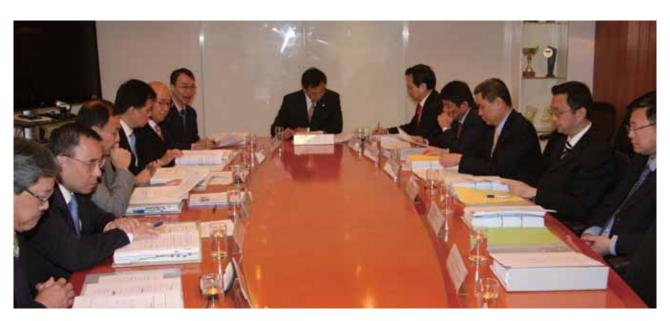
The board of directors of the Company (the "Board") is committed to maintaining a high standard of corporate governance practices within the Group. Throughout the 18 months ended 31 December 2010, the Company has fully complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). The followings summarise how the Company has applied the principles of the Code in its corporate governance practices.

## **Corporate Governance Structure**

The Board believes that a well-balanced corporate governance structure will enable the Company to better manage its business risks and thereby ensure the Company is run in the best interests of its shareholders and other stakeholders. The following diagram depicted the overall corporate governance structure of the Company. The Board is primarily responsible for setting directions, formulating strategies, monitoring performance and managing risks of the Group. At the same time, it is also charged with the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are currently 5 board committees, namely Audit Committee, Credit Committee, Executive Committee, Remuneration Committee and Strategic

Development 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.





The Board hosts regular meetings to discuss directions, strategies, performance and control of the Group.

The following table shows the attendance of each individual member of the Board and the respective board committees at the Board and the respective board committees meetings held during the 18 months ended 31 December 2010:

				Attendance/Numbe	r of Meetings hel	d		
Name of Members of the Board/the respective Board Committees	Board Meeting	Audit Committee Meeting	Business Review Committee Meeting*	Cost Rationalization Committee Meeting#	Credit Committee Meeting	Executive Committee Meeting	Remuneration Committee Meeting	Strategic Developmen Committed Meeting
The Board								
Chairman								
Cheng Kar Shun, Henry (Note 1)	1/2	n/a	n/a	n/a	n/a	n/a	n/a	n/
Li Mingshan (Note 2)	2/5	n/a	n/a	n/a	n/a	n/a	0/2	0/
Deputy Chairman								
Doo Wai Hoi, William (Note 3)	2/2	n/a	n/a	n/a	n/a	n/a	n/a	n/
Li Jianguo (Note 4)	5/5	n/a	n/a	n/a	n/a	n/a	n/a	1/
Deputy Chairman and Managing Director								
Wong Shiu Hoi, Peter (Note 5)	7/7	n/a	6/6	1/1	6/6	36/36	n/a	1/
Joint Managing Director								
Lin Yong (Note 6)	5/5	n/a	n/a	n/a	1/3	10/18	n/a	1/
Executive Directors								
Lee Yiu Wing, William	7/7	n/a	6/6	1/1	6/6	32/36	n/a	1/
Chan Chi On, Derek	6/7	n/a	n/a	n/a	n/a	29/36	n/a	n/
Poon Mo Yiu, Patrick	7/7	n/a	n/a	1/1	6/6	35/36	n/a	n/
Non-executive Directors								
Wong Kwok Kin, Andrew (Note 7)	2/2	n/a	6/6	1/1	n/a	n/a	1/1	n/
Lam Wai Hon, Patrick (Note 7)	2/2	n/a	6/6	1/1	n/a	n/a	1/1	n/
To Hin Tsun, Gerald (Note 8)	2/2	n/a	n/a	n/a	n/a	n/a	n/a	n/
Lee Ka Sze, Carmelo (Note 9)	2/2	1/1	n/a	n/a	n/a	n/a	n/a	n/
Ji Yuguang (Note 10)	5/5	2/2	n/a	n/a	n/a	n/a	2/2	1/
Wu Bin (Note 11)	3/5	n/a	n/a	n/a	n/a	n/a	n/a	n/
Chen Chunqian (Note 11)	5/5	n/a	n/a	n/a	n/a	n/a	n/a	n/
Cheng Chi Ming, Brian (Note 12)	7/7	n/a	n/a	n/a	n/a	n/a	n/a	1/
Independent Non-executive								
Directors	E /7	2/2	2/2	2/2	2/2	2/2	2/2	n /
Man Mo Leung	5/7	3/3	n/a	n/a	n/a	n/a	3/3	n/
Tsui Hing Chuen, William	7/7	3/3 3/3	n/a n/a	n/a	n/a	n/a	3/3 2/3	n/
Lau Wai Piu, Bill	5/7	3/3	11/a	n/a	n/a	n/a	2/3	n/
Senior Management Executives								
Hui Yee, Wilson	n/a	n/a	n/a	n/a	5/6	29/36	n/a	n/
Lau Yiu Wai, Joseph	n/a	n/a	n/a	n/a	n/a	30/36	n/a	n/
Ying Tak Sun, Nelson	n/a	n/a	n/a	n/a	n/a	32/36	n/a	n/
Zhang Xinjun, Jeff (Note 13)	n/a	n/a	n/a	n/a	3/3	8/8	n/a	n/
Sun Jianfeng (Note 14)	n/a	n/a	n/a	n/a	n/a	15/18	n/a	n/
Sun Tong, Tony (Notes 15 & 16)	n/a	n/a	n/a	n/a	0/0	4/5	n/a	n/
Wu Kwok Leung, Edmond	n/a	n/a	n/a	n/a	5/6	33/36	n/a	n/
Lo Wai Ho, Kendy	n/a	n/a	n/a	n/a	6/6	35/36	n/a	n/
Li Pak Wang, Daniel (Notes 14 & 15)	n/a	n/a	n/a	n/a	n/a	9/11	n/a	n/
	11/4	11/3	11/4	11/4	11,0	0,11	11/4	11/
<b>Others</b> Chan Wai Man, Cilla	n/a	n/a	n/a	n/a	6/6	n/a	n/a	n,
Chow Tak Wing, Derek (Note 17)	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/
Average Attendance	89%	100%	100%	100%	92%	88%	80%	869

- \* The Business Review Committee was restructured and renamed as the Strategic Development Committee on 26 February 2010
- \* The Cost Rationalization Committee was merged together with the Cost Management Committee, a previous subcommittee, to form a new sub-committee, named as Operation Cost Committee on 26 February 2010

## Notes:

- Dr. Cheng Kar Shun, Henry resigned as the chairman and an executive director of the Company on 13 January 2010.
- Mr. Li Mingshan was appointed as the chairman and a nonexecutive director as well as a member of the Remuneration Committee of the Company on 13 January 2010. Mr. Li was also appointed as a member of the Strategic Development Committee of the Company on 26 February 2010.
- Mr. Doo Wai Hoi, William resigned as the deputy chairman and an executive director of the Company on 13 January 2010.
- Mr. Li Jianguo was appointed as an executive director of the Company on 13 January 2010 and acts as a deputy chairman of the Company with effect from 10 March 2010.
   Mr. Li was also appointed as a member of the Strategic Development Committee of the Company on 26 February 2010.
- Mr. Wong Shiu Hoi, Peter also acts as a deputy chairman of the Company with effect from 10 March 2010.
- 6. Mr. Lin Yong was appointed as an executive director of the Company on 23 December 2009 and acts as the joint managing director of the Company with effect from 10 March 2010. Mr. Lin was also appointed as a member of the Credit Committee, the Executive Committee and the Strategic Development Committee of the Company on 26 February 2010.
- Both Messrs. Wong Kwok Kin, Andrew and Lam Wai Hon, Patrick resigned as non-executive directors, members of the Business Review Committee, the Cost Rationalization Committee and the Remuneration Committee of the Company on 13 January 2010.
- 8. Mr. To Hin Tsun, Gerald resigned as a non-executive director of the Company on 13 January 2010.

- 9. Mr. Lee Ka Sze, Carmelo resigned as a non-executive director and a member of the Audit Committee of the Company on 13 January 2010.
- 10. Mr. Ji Yuguang was appointed as a non-executive director and a member of the Audit Committee and the Remuneration Committee of the Company on 13 January 2010. Mr. Ji was also appointed as a member of the Strategic Development Committee of the Company on 26 February 2010.
- Both Messrs. Wu Bin and Chen Chunqian were appointed as non-executive directors of the Company on 13 January 2010.
- Mr. Cheng Chi Ming, Brian was re-designated from an executive director to a non-executive director of the Company on 13 January 2010. Mr. Cheng was also appointed as a member of the Strategic Development Committee on 11 March 2010.
- Mr. Zhang Xinjun, Jeff was appointed as a member of the Credit Committee of the Company on 26 February 2010 and a member of the Executive Committee on 1 September 2010.
- Both Messrs. Sun Jianfeng and Li Pak Wang, Daniel were appointed as members of the Executive Committee of the Company on 26 February 2010.
- 15. Mr. Li Pak Wang, Daniel resigned as a member of the Executive Committee on 6 October 2010 and Mr. Sun Tong, Tony was appointed as a member of the Executive Committee of the Company on 6 October 2010.
- Mr. Sun Tong, Tony was appointed as a member of the Credit Committee of the Company on 13 December 2010.
- 17. Mr. Chow Tak Wing, Derek, the Group Financial Controller of NWS Holdings Limited, a listed holding company of the Group up to 21 December 2009, resigned as a member of the Cost Rationalization Committee of the Company on 26 February 2010.

## The Board

The Board currently comprises a total of 14 directors, with 6 executive directors, namely Messrs. Wong Shiu Hoi, Peter (Deputy Chairman and Managing Director), Li Jianguo (Deputy Chairman), Lin Yong (Joint Managing Director), Lee Yiu Wing, William, Chan Chi On, Derek, Poon Mo Yiu, Patrick; 5 non-executive directors,

namely Messrs. Li Mingshan (Chairman), Ji Yuguang, Wu Bin, Chen Chunqian and Cheng Chi Ming, Brian; and 3 independent non-executive directors, namely Messrs. Man Mo Leung, Tsui Hing Chuen, William and Lau Wai Piu, Bill. Details of the directors and the relationship among the directors as of the date of this report are disclosed in pages 67 to 70 of this Annual Report.

All directors of the Company are appointed for a specific term of 3 years subject to the retirement and re-election provisions in the Bye-laws of the Company. One-third of the directors of the Company are required to retire from office by rotation and being eligible for re-election at each annual general meeting in accordance with the Byelaws of the Company. Throughout the 18 months ended 31 December 2010, the Company has complied at all times with the minimum requirements of the Listing Rules relating to the appointment of at least 3 independent non-executive directors and one of which should have appropriate professional qualifications or accounting or related financial management expertise. Pursuant to the requirement of the Listing Rules, the Company has received a written confirmation from each of the independent non-executive directors of his independence to the Company. The Company considers that all the independent non-executive directors were independent in accordance with the Listing Rules throughout the 18 months ended 31 December 2010.

Full board meeting is held no less than 4 times a year and notice of at least 14 days is given of a regular board meeting so as to give all directors an opportunity to attend. Agenda and accompanying board papers for each meeting are circulated in full to all directors normally with at least 7 days in advance of the date of the meeting. Senior management executives may, from time to time, be invited to attend the board meetings for making presentation and/or answering any queries that may be raised by the Board.

The Board acknowledges its responsibilities to prepare accounts for each half and full financial year which give a true and fair view of the state of affairs of the Group.

## **Audit Committee**

The Committee currently comprises 3 independent nonexecutive directors of the Company, namely Messrs. Man Mo Leung (Chairman of the Committee), Tsui Hing Chuen, William and Lau Wai Piu, Bill and 1 non-executive director of the Company, namely Mr. Ji Yuguang. The Chairman of the Committee has the appropriate professional qualification and experience in financial matters. The Committee will meet no less than twice a year to review all business affairs managed by the executive directors in particular on connected transactions and continuing connected transactions, if any, to review the interim and final financial statements before their submission to the Board and the annual general meeting for approval and to review the effectiveness of the internal control and risk management system of the Group. The terms of reference of the Committee are aligned with the requirements of the Listing Rules and the recommendations set out in "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants and any updates thereof. A copy of the terms of reference of the Committee has been posted on the Company's website.



The Audit Committee regularly reviews the Group's business affairs and the effectiveness of its internal control system.

During the 18 months ended 31 December 2010, the Committee met on 3 occasions and discharged its responsibilities in its review of the interim, the second interim and the final results and the effectiveness of the internal control and risk management system of the Group. The works performed by the Committee for the 18 months ended 31 December 2010 included reviews of the followings:

 the directors' report and the consolidated financial statements for the 18 months ended 30 June 2009 of the Group, with a recommendation to the Board for approval;

- the consolidated financial statements for the 6 months ended 31 December 2009 and for the 12 months ended 30 June 2010 of the Group, with recommendations to the Board for approval;
- the audit fees for the 18 months ended 31 December 2010 proposed by the External Auditors, with a recommendation to the Board for approval;
- the new accounting policies and practices adopted by the Group;
- the continuing connected transactions and the connected transactions, if any, undertaken by the Group;
- the internal control and risk management system of the Group;
- the findings and the recommendations of the Group's Internal Auditor on the Group's operations and of the regulatory review carried out by the regulators;

- the compliance status of the Group with the applicable regulatory and other legal requirements;
- the Group's investment policy and the adequacy of provision made for diminution in value for the Group's investments;
- the litigation cases of the Group;
- the adequacy of the provision for bad debts; and
- the error trades occurred during the 18 months ended 31 December 2010.

## **Credit Committee**

Members of the Committee are appointed by the Executive Committee and is currently composed of certain executive directors of the Company and its subsidiaries as well as certain senior executives of the Group. The main responsibility of the Committee is to formulate credit policies and to manage the asset quality of the Group. The Committee meets quarterly and reports to the Board from time to time. Ad-hoc meetings will be held as and when market conditions change significantly.



Executive Committee members of the Group (from left to right): Mr. Kendy Lo, Mr. Sun Jianfeng, Mr. Nelson Ying, Mr. Wilson Hui, Mr. Derek Chan, Mr. Lin Yong, Mr. Peter Wong, Mr. William Lee, Mr. Patrick Poon, Mr. Joseph Lau, Mr. Jeff Zhang, Mr. Edmond Wu and Mr. Tony Sun.

## **Executive Committee**

Members of the Committee are appointed by the Board and is currently composed of the Managing Director, the Joint Managing Director and 3 executive directors of the Company as well as heads of certain major business divisions of the Group. The Committee is duly authorized by the Board to manage the day-to-day business of the Group and to assist in monitoring the functions of the Credit Committee on the Board's behalf. Financial commitments under delegated power of the Board is subject to a cap to be reviewed by the Board from time to time. Such authorization may be revoked at the discretion of the Board. The Executive Committee meets every two weeks and reports to the Board from time to time.

## **Remuneration Committee**

The Committee is currently composed of 3 independent non-executive directors of the Company, namely Messrs. Tsui Hing Chuen, William (Chairman of the Committee), Man Mo Leung and Lau Wai Piu, Bill and 2 non-executive directors of the Company, namely Messrs. Li Mingshan and Ji Yuguang. The responsibilities of the Committee include setting remuneration policy of the Group and fixing remuneration packages of the executive directors and the Board as a whole in accordance with the Listing Rules and the Bye-laws of the Company. Details of the remuneration paid to the respective directors are set out in note 7 to the financial statements. No directors of the Company can determine their own remuneration packages. The Committee is provided with sufficient resources to discharge its duties. The chairman of the Committee will report their findings and recommendations to the Board for consideration and approval. The Committee will meet at least once a year to discharge its responsibilities in accordance with its terms of reference which has been posted on the Company's website.

During the 18 months ended 31 December 2010, the works performed by the Committee included reviews of the followings:

the proposal for distribution of management bonus for the 18 months ended 30 June 2009;

- the new service agreements/contracts of Dr. Cheng Kar Shun, Henry, Messrs. Doo Wai Hoi, William, Wong Shiu Hoi, Peter, Lee Yiu Wing, William, Chan Chi On, Derek, Poon Mo Yiu, Patrick, Cheng Chi Ming, Brian, Wong Kwok Kin, Andrew and Lam Wai Hon, Patrick;
- the proposal for 2010 remuneration adjustment and 2009 bonus distribution;
- the proposal for 2011 remuneration adjustment and 2010 bonus distribution;
- the service agreements/contracts in respect of the appointment of Messrs. Li Mingshan, Li Jianguo, Lin Yong, Ji Yuguang, Wu Bin and Chen Chunqian as executive/non-executive directors of the Company and the re-designation of Mr. Cheng Chi Ming, Brian from an executive director to a non-executive director of the Company; and
- the proposal for grant of the share options.

## **Strategic Development Committee**

The Committee is being reformed from the Business Review Committee and is currently composed of 4 executive directors and 3 non-executive directors of the Company. The main responsibility of the Committee is to assist the Board to formulate medium to long term business development strategies and directions for the Group. The Committee meets no less than twice a year and reports to the Board from time to time.

## **Proceedings of the Board and the Respective Board Committees Meetings**

The Company Secretary will assist the Chairman of the Board and the respective board committees in setting agenda for meetings, and each director of the Company is given an opportunity to include any matters to be transacted in the agenda. Where any director of the Company is considered to be having a conflict of interest in any transactions, the director concerned will not be counted in the quorum of the relevant meeting. Minutes of meetings of the Board and the respective board committees are recorded in details. All draft minutes are circulated to all those present at the meetings for comment before submission to the chairman of the meetings for approval. To further enhance better communication with the directors of the Company as to the business transacted at the Board and the respective board committees meetings, an exclusive Intranet site is maintained to enable all directors of the Company to gain access to minutes of the respective meetings of the Board and the board committees. Minutes of the Board and the respective board committees meetings will be posted on this exclusive site within reasonable time for the information of all directors.

In addition, the Company has maintained a procedure for its directors to seek independent professional advice, in appropriate circumstances, at the Company's expense in discharging their duties to the Company. In order to safeguard the interest of individual director, the Company has also arranged directors' and officers' liability insurance for its directors and subsidiaries directors.

## **Chairman and Chief Executive Officer**

There is a clear segregation of roles between the Chairman and the Chief Executive Officer (the "CEO"). This segregation ensures a clear distinction between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Company and its subsidiaries' businesses. The duties of the Chairman and the CEO are currently carried out respectively by Mr. Li Mingshan and Mr. Wong Shiu Hoi, Peter. There is no financial, business, family or other material/relevant relationships between the Chairman and the CEO.

## **Directors' Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the 18 months ended 31 December 2010. Securities interests in the Company and its associated corporations held by each of the directors of the Company are disclosed in pages 80 to 82 of this Annual Report.

### **Sub-committees**

Owing to the complexity of the Group's business, subcommittees are formed and members of the subcommittees are appointed by the Executive Committee to deal with special projects, such as Investment Committee, IT Steering Committee and Operation Cost Committee.

The following is an attendance record of the meetings held by the various sub-committees in the 18 months ended 31 December 2010 and their average attendance rates:

Name of Sub-committees	Number of Meetings held	Percentage of Average Attendance
Cost Management		
Committee*	_	_
Investment Committee	9	100%
IT Steering Committee	17	98%
Operation Cost		
Committee *	_	-

The Cost Management Committee was merges together with the Cost Rationalization Committee, a previous board committee, to form a new sub-committee named as Operation Cost Committee on 26 February 2010.

All business transacted at the respective meetings are well documented by minutes.

## **Internal Control and Risk Management**

It is acknowledged that the Board has the ultimate responsibility for the Group's internal control system and, through the Audit Committee, the Board has reviewed

the effectiveness of the system. To maintain a sound system of internal control and safeguard our shareholders' investments and the Company's assets at all times, the Company has an independent and objective internal audit team which reviews and monitors all critical aspects of the Group's activities and its internal controls.

The Group has maintained a set of up-to-date operation manuals with ISO certification on its major operations. Periodic assessments are conducted every year to ensure that we are complying with the standards. As regards the code of conduct of licensed persons, a set of compliance policies has been published and updated from time to time to provide guidance on matters such as employee dealings, ethics code, Chinese wall policy and etc. On a regular basis, audit and compliance surveillance checks on procedures of the Group's core operations are conducted.

The Group also adopts very stringent risk management policies and monitoring systems to contain exposure associated with credit, liquidity, market and IT systems in all its major operations.

## Credit risk

The Credit Committee has appointed a group of authorized persons who are charged with the responsibility of approving credit limit for individual customers. The Committee is responsible for the approval of individual stocks acceptable for margin lending at a specified ratio. The approved stock list is updated bi-monthly, and will be revised as and when deemed necessary by the Committee. The Committee will prescribe from time to time lending limits on individual stocks or on any individual customer and his/her associates.

The Credit Control Department is responsible for monitoring and making margin calls to customers whose trades exceed their respective limits. Any such excess is required to be made good within 2 days for securities and the next day for futures from the date of the deficiency

report. The deficiency report will be monitored daily by the Group's finance director and responsible officers. Failure to meet margin calls will result in the liquidation of the customer's positions.

## Liquidity risk

The Group's operating units are subject to various statutory liquidity requirements as prescribed by the authorities. The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant Financial Resources Rules.

As a safeguard, the Group has maintained very substantial long-term and other stand-by banking facilities to meet any contingency in its operations. Even in periods of high market volatility, the management believes the Group's working capital is adequate to meet its financial obligations.

## Market risk

If the advanceable value of a margin customer's portfolio falls below his margin loan and the customer fails to meet margin calls, the Group will be exposed to the defaulter's liabilities. When stock prices come down, these may affect the value of the Group's proprietary trading portfolio. Any loss incurred will be charged direct to the Group's Income Statement. The Group's exposure to underwriting commitments will also be affected if the prices of the underlying stocks come down.

The Group has adopted an investment policy to cap its proprietary trading, exposed underwriting commitments and position limits for forex and bullion transactions as follows:

- For proprietary trading
  - total investment exposure of both short term and long term investments should not exceed 25% of the Group's NAV and the maximum exposure limit for short term investment is capped at HK\$120,000,000.
- For exposed underwriting commitments
  - underwriting limit per issue should not exceed 25% of the "Adjusted NAV" of Haitong International Securities Company Limited ("HTISC") being NAV of HTISC plus the total amount of subordinated loans granted by the Group from time to time.
- Position limits for forex and bullion transactions

Risk Exposure			
Limit	Forex	Bullion	Total
Intraday Open			
Position (Net)	US\$30M	US\$30M	US\$60M
Overnight Open			
Position (Net)	US\$10M	US\$20M	US\$30M
Monthly Trading			
Loss Limit	US\$500K	US\$500K	US\$1M

Such policy may be varied at the discretion of the Board.

## **Operational risk**

Systems are installed to monitor availability and performance of various IT systems with equipments housed in a tier 1 data centre provided by a renowned outsourcing data centre provider. A vigilance team will act and report to the senior management in accordance with laid-down procedures in the event of disruption, instability and other situations which may warrant to trigger contingency procedure to protect interests of clients.

Taking into account of the changing regulatory environment, the Group has maintained and constantly updated the operation manuals of its major operations. We have also put in place competent compliance, internal audit and quality assurance teams with their respective aims at carrying out checks on statutory compliance and Company's rules and regulations; detecting systemic risks and recommending policy changes; and implementing ongoing checks and verification of satisfaction rate of Company's prescribed service pledge and standards.

## Insurable risk

Other than the abovementioned stringent risk management policies and monitoring systems, the Group has taken up a wide variety of insurance policies to cover its insurable risks associated with its Hong Kong, Macau and PRC businesses.

## **Internal Auditors**

The Company has an independent internal audit team, which plays a major role in monitoring the corporate governance of the Group and providing objective assurance to the Board that a sound internal control system is maintained and operated by the management. The head of the internal audit team directly reports to the Board and the Audit Committee on audit matters. By adopting a risk-based approach to evaluate risk level on control environment, the internal audit team plans internal audit schedules annually in consultation with, but independent of, the management, and the audit plan is submitted to the Audit Committee for approval. On a yearly basis, the head of the internal audit team will present a report and express an opinion to the Audit Committee on the internal control environment of the Group. The annual audit work plan covers major activities and processes of the Group's operating business. Moreover, ad hoc reviews will be performed on specific areas of concern identified by the Audit Committee and the management.

## **External Auditors**

The External Auditors of the Group are PricewaterhouseCoopers. During the period, the Group has engaged the External Auditors to provide the following services and their respective fees charged are set out as follows:

	Fee charged		
	for the	for the	
	18 months	18 months	
	ended	ended	
	31 December	30 June	
Type of Services	2010	2009	
	HK\$'000	HK\$'000	
Audit fee for the Group	4,940	4,955	
Taxation services	370	593	

## **Corporate Communication**

The Company encourages two way communications with both its institutional and private investors. Extensive information about the Company's activities is provided in its Annual Report and Interim Report, which are sent to shareholders of the Company. Press conferences are held on results announcement to explain the Company's activities, performance and future plans and to enable better understanding of the Group by the public. The annual general meeting provides a forum for direct communication between the Board and the Company's shareholders. Separate resolutions are proposed at general



The management hosting the 2009/2010 Final Results Announcement press conference.

meetings on each separate issue and voting of which are taken by poll pursuant to the Listing Rules. Any results of the poll are published on the Company's website. All corporate communication with shareholders will be posted on the Company's website for shareholders' information.

Besides, the Company arranges media luncheons, invites media to attend corporate events, maintains regular communication with them via interviews and article contribution covering diverse topics and uses its corporate website to disseminate its press releases, financial and other information relating to the Group and its business to the public in order to foster effective communication.

## **Corporate Citizenship**

The Group is committed to playing a full role as a responsible market practitioner in the securities industry. It endorses its senior executives in accepting public offices of various regulatory advisory boards and/or associations of the industry. Through their participation, the Group aims at fostering and promoting the healthy development of the securities and futures industry of Hong Kong.

As one of Hong Kong's leading financial institutions, the Group actively takes part in various community services and makes contributions to the community. The Group strives to promote a caring culture and help staff enhance communications and cohesiveness. In order to foster a caring environment, the "Haitong International Caring Ambassadors" was formed in 2004, and has organized a variety of community service activities, which staff have actively participated in. During the 18 months ended 31 December 2010, members of the Haitong International Caring Ambassadors and our colleagues took part in caring visits, fund raising charity programmes, blood donation and others. In addition, our colleagues also participated in activities organized by major charities, such as Community Chest, Helping Hand, Hong Kong Red Cross, Orbis Hong Kong, the Salvation Army Hong Kong & Macau Command,

Fu Hong Society, YMCA of Hong Kong, the Lok Sin Tong Benevolent Society Kowloon, Rotary International 3450, Hong Kong Cancer Fund and the Conservancy Association. We hope our staff will further develop their potential and sense of social responsibility through participation in these community activities. In respect of environmental protection, the Group formed an Environmental Committee focusing on developing environmental friendly measures to conserve resources, minimize waste and carbon emission in our business operation. The Group organized various used items recycling activities for donation to charity organizations and strongly promotes paperless e-communication services among its clients and associates so as to make the world a greener place to live in.



Haitong International Caring Ambassadors organize or participate in various community and charity activities.

In addition, our board members and senior management staff have also been invited to be speakers in various seminars organized in Hong Kong or the mainland on topics which cover listing issues, corporate financing, corporate governance, global investment knowledge and wealth management.



# Fostering continuous innovation and customer-focus service

## **Corporate Highlights**

Through taking a proactive approach in pursuing diversified business development opportunities in the 18-month period ended 31 December 2010, the Group saw stable growth in both its business scope and market penetration despite the continued global economic uncertainties and strong local market competition.

## **Corporate Development**

### **New Brand Launch**

During the period, the Group marked an important business milestone. In December 2009, Haitong Securities Company Limited, a leading Shanghai-listed securities firm, acquired the Group through its first Hong Kong based wholly-owned subsidiary, Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited). Thereafter, the two companies underwent business integration successfully.

On 22 November 2010, the Group was officially renamed "Haitong International Securities Group Limited" and rolled out its new brand, Haitong International. The new brand signifies the Group's ambitious goal of establishing a strong presence in the global financial market and becoming a leader in the Greater China region.



In November 2010, the Group was officially renamed "Haitong International Securities Group Limited" and rolled out its new brand, Haitong International.

## **Market and Business Development**

Apart from brokerage services, the Group has expanded its corporate finance, asset management and

wealth management businesses and such strategic implementation is in alignment with the Group's strategy to become a leading one-stop service provider for global investment services.

## **Corporate Finance**

Haitong International Capital Limited specializes in the provision of corporate finance and financial advisory services to listed companies and private enterprises worldwide, as well as in Mainland China and Hong Kong. During the period, the Group completed 5 IPO sponsorship assignments, 31 IPO underwriting deals, 14 securities placements/rights issues and over 50 advisory assignments. As at 31 December 2010, the Group was the retained compliance adviser of 14 listed issuers. The Group was one of the joint book-runners of Xinjiang Goldwind Science & Technology Co., Ltd. with a raised fund size of over HK\$8 billion in 2010.



The Group specializes in the provision of corporate finance and financial advisory services.

The Hong Kong capital market was very much affected by the global financial crisis. However, benefited by the continuously robust growth of the PRC economy, it recovered quickly in the second half of 2009. It is believed that Hong Kong will remain as a strong fund-raising platform for both Chinese and international enterprises in the coming year. Endowed with a strong presence in the financial market and a high degree of industry excellence, the Group is in a strong position to enhance its development in corporate finance.

#### **Asset Management**

Haitong International provides comprehensive fund management services to institutional and individual clients worldwide and has also set up investment funds for clients in Japan and other countries. Given the robust GDP growth in China recorded in the past few years, the demand for China's related assets is huge. In order to capture such liquidity, a number of authorized funds together with tailor-made private funds have been established to cater for the needs of different investors. More importantly, the Group provides dedicated discretionary portfolio management services to high net worth and institutional clients in Hong Kong, encompassing client risk-return analysis, investment portfolio recommendation and management, and regular investment reporting.

Haitong International is one of the home grown financial service companies that have acquired approved MPF service provider status. We offer a diversified range of MPF products, ranging from global equity funds to funds that invest in the Asia Pacific region and Hong Kong.

The asset management arm of Haitong International has launched the first-ever Renminbi-denominated public fund in Hong Kong in August 2010, as a means to contribute to the steady development of Renminbi globalization.



The Group expands fund management and investment advisory services.

#### **Brokerage Services**

Haitong International provides innovative and flexible securities trading and investment services to hundreds of global institutional and corporate clients as well as over 140,000 individual investors in Hong Kong and China. Service offerings include securities and derivatives, futures and options, funds, bonds, forex and bullion, IPO and placing, online trading, margin financing, wealth management, nominee and custodian services as well as research.



The Group's branch network in Hong Kong and Macau.

Haitong International always embraces technological innovation, and has made a substantial investment of over HK\$100 million in 2000 to build the online trading platform that presently offers speed, convenience and flexibility. Seeing the growing popularity of online trading services, the Group has taken a proactive approach in further developing and upgrading its online platform. During the period, the Group launched online US stock trading service and enhanced online forex and bullion trading platforms. This innovation gives the Group an unrivalled competitive advantage, providing additional tools to enable clients to make informed decisions in today's dynamic market.

Haitong International is the pioneer when it comes to introducing new products. Several hundreds of financial products across different markets and brands are supported by the Group's platform. Globalization, combined with an increasingly sophisticated and fast-

moving business environment, has resulted in clients' awareness of, and interest in, various products from other markets; therefore, one aspect of the Group's strategy is to team with securities firms from the United States, Singapore, Taiwan, Malaysia, Japan and Korea to add additional overseas products, in a move to offer a one-stop-shop service. In return, their clients can access the Group's service offerings. The Group will continue to allocate resources in order to provide more investor education programmes to its investors.

The Group plans to open a Central branch and relocate its Kwun Tong Branch within the same district during the first quarter of 2011. These branches will be equipped with advanced trading facilities and manned by professional investment consultants and service staff to offer clients a warm and relaxing environment for trading activities. The Group will continue to expand its territory-wide presence in future in order to maintain its leadership position.

#### Wealth Management



Wealth Management business will become a significant contributor of revenue to the Group in future.

During the period, the Group continued to expand its financial planning and portfolio advisory services through its two subsidiary companies: Haitong International Wealth Management Limited and Haitong International Consultants Limited. The two companies are currently expanding the number of professional teams and new financial products to its clients. To further strengthen the competitiveness in the market, a new service on portfolio management for clients is now available. This upgrades our service standard and brings recurrent income to both companies.

In view of the growing demand of the Capital Investment Entrant Scheme ("CIES"), another subsidiary "Haitong International Immigration Consultants Limited" was established in early 2010 and provides professional service for clients who wish to apply for immigration to Hong Kong.

Additionally, to cope with more stringent compliance regulations in which clients can receive better protection for their investments, we are in the process of upgrading our compliance management to place ourselves in a leading position both in terms of compliance and client service.

#### **Mainland Market**

The PRC market is a key focus of the Group's business strategy. Through active participation in seminars, forums and exhibitions in major cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Xiamen, Hangzhou, as well as second-tier cities such as Chongqing, Kunming, Shenyang, Tianjin, Dalian, Fuzhou, the Group has begun the process of building brand recognition and presence. Looking forward, the Group will strive to establish more presence in strategic locations in China.

Leveraging on the progressive financial market reforms introduced by the Chinese government, such as the implementation of QFII and QDII, gradual rollout of stock futures index, margin financing and short selling, Renminbi globalization, together with a stream of listings in Hong Kong from mainland enterprises, the Group is well positioned to benefit from these enormous opportunities.



The Group's investment consultancy centre network in China.

#### Research

Haitong International Research Limited is the Group's wholly-owned subsidiary dedicated to the provision of equity research services covering Hong Kong-listed stocks. Research reports are produced independently to help investors make informed investment decisions.

In 2010, Haitong International Research continued to rank among the top ten sell-side research teams based on the objective measurement of their recommendation performance in the Hong Kong stock market under Thomson Reuters' "StarMine Broker Rankings". During the year, we ranked in all three categories, namely "Hang Seng Index", "Hang Seng China Enterprises Index", and "Mid and Small Caps" that comprise various local and China stocks.

#### **Human Capital Management**

#### **Staff Learning and Development**

The Group has always regarded human resources as being its most valuable asset, and believes sound human capital management enhances staff productivity and loyalty, which will ultimately translate into business growth and customer satisfaction. To this end, the Group consistently provides staff with ample training opportunities in the fields of management skills development, customer service, product knowledge, industry trends and language proficiency, via various workshops and seminars.



To enhance the cooperation and teamwork among departments, the Group organized 10 inter-and intradepartment team building and business workshops during the period in which staff were provided the opportunity to exchange their views and best practices.

To strengthen ties with Shanghai Head Office, 4 study tours and training with different themes had been organized for staff to exchange experiences and market practices in 2010.

As far as language training is concerned, the Group has organized 17 Putonghua classes of various levels and one Cantonese class to assist staff to enhance the language proficiency as well as communication with clients and staff.

In light of the development of China market, the Group has also provided training to the PRC staff in the areas of corporate information, ethics, performance management system, team building, etc.

#### **Professional Standards**



An outdoor training session of the Group's Management Trainee Programme

81 training sessions with 55 topics were organized and coordinated to fulfil the Continuous Professional Training (CPT) requirements for SFC licensed persons; and Continuing Professional Development (CPD) requirements for CIB's Technical Representatives and MPF Intermediaries. For the management level, 4 modules of Management Development Programme were organized for selected managers and directors. In addition, 5 classes of supervisory skills training for middle management were organized to enhance their personal effectiveness.

Furthermore, 22 graduates were recruited from the Mainland and Hong Kong under the 1-year Management Trainee Programme in 2010. Foundation training in financial market and job attachments were arranged so that the trainees could understand the operations of the Group's functions and apply their learning after the 12-month training.

During the period from July to December 2009, the Group accumulated 4,308 hours and 12,831 hours of training for managerial staff and non-managerial staff respectively, plus the training hours during the first half of 2009, achieving annual target of 106.8% for managerial staff of the targeted 30 hours and 164.4% for non-managerial staff of the targeted 40 hours training per head per annum respectively. In 2010, the Group achieved annual target of 113.7% for managerial staff and 243.8% for non-managerial staff respectively.

#### **Corporate Social Responsibility**

Over the course of 38 years since the Group was established, corporate social responsibility has become embedded in Haitong International's culture. The Group has committed considerable resources toward professional development, nurturing talents, promoting environmental protection, helping needy people in the community and raising service standards in the financial services industry to international level.

#### **Professional Development and Industry Exchange**

Board members and senior management actively participate in various working committees of local regulatory bodies and are frequently invited by various public organizations, professional bodies, trade associations, financial institutions and the media to give speeches in seminars and forums across Hong Kong and China. A diverse range of topics has been covered, including listing issues and corporate financing, corporate governance, global investment knowledge and wealth management.

In a bid to promote the exchange of fresh ideas among industry practitioners, the Group sponsored the "2nd

Anniversary Celebration and China Marco-economic Outlook Forum" organized by China Universities Alumni Association – Financial Association (CUAAFA), which was held in Hong Kong in October 2010.

And in June 2010, the Group also held an Institutional Investor Conference to bring together a number of institutional investors, including QDII, from the Greater China and overseas and senior management executives of the 17 listed companies from diversified sectors in Hong Kong, to exchange innovative ideas and share winning strategies.

#### **Investor Education**

Despite market volatility, protecting clients' assets is Haitong International's top priority. Based on this vision, the Group takes a proactive "multi-market, multi-channel and multi-level approach" in investor education. The Group has been teaming up with other market practitioners and country teams to organize investment seminars, workshops and discussion forums across the board, including general public, professionals of various international and local institutions and, most importantly, its staff.



The Group proactively promotes investor education.

Looking forward, the Group will continue to keep up and enhance its effort in investor education to ensure that Haitong International clients fully understand the products and services and their involved risks before making their investment, and to do its utmost to meet their investment needs in the most professional manner.

#### **Employee-Friendly Policies**

As a family-friendly organization, the Group always cares about the psychological and physical well-being of all staff and encourages them to achieve work-life balance. During the period, Haitong International Staff Club also regularly organized social and recreational activities for staff and their families' participation. These initiatives have brought benefits to staff such as stress reduction, more opportunity for self-development, as well as more time for families without impairing operational efficiency.

To enhance internal communication, company-wide staff communication meetings were held twice a year to foster direct dialogue between management and staff on various issues of concern.



Regular communication takes place between management and staff to exchange views on various issues of concern.

#### **Social and Community Services**

During the period, the volunteer team "Haitong International Caring Ambassadors" and fellow colleagues of the Group organized and participated in a variety of community services that benefited many charitable organizations, including fund-raising events such as Corporate Challenge, Run-up Two ifc Charity Race, Charity Mooncake, Love Teeth Day and Dress Special Day organized by the Community Chest; Blood Donation Day co-organized by the Group and Hong Kong Red Cross; Helping Hand's Cookie Campaign; Oxfam Hong Kong's Oxfam Rice Selling; The Salvation Army Hong Kong and Macau Command's HK & Macau O! Day; ORBIS Hong Kong's ORBIS Pin Day in support of World Sight Day;

YMCA of Hong Kong's Bare Foot Walkathon; Hong Kong Cancer Fund's Annual Stride for a Cure; Kick off Poverty – Homeless World Cup co-organized by Society for Community Organization and Wofoo Social Enterprises. More importantly, the Group and its staff collectively made donations to Hong Kong Red Cross in support of the disaster relief work for the Qinghai Earthquake.



Haitong International Caring Ambassadors organize or participate in various community and charity activities.

#### **Environmental Protection**

The Group also organized and supported a host of environmental protection activities, including YMCA of Hong Kong's Toy Bank Programme; The Conservancy Association's Recycling of Old Clothes; and Christian Action's Second-Hand Books Charity Sale to raise staff's environmental awareness. Internally, the Group advocated its staff to observe "Vegetarian Day" every Monday and support "Lunch Hour Light-Out".

#### Education

On the educational front, the Group sponsored the "Student Awards Plan" organized by HKIVE of the Vocational Training Council for students demonstrating outstanding performance in financial subjects. To promote business and financial education at university level, the Group established "Haitong International New Generation Leaders Scholarship" to sponsor undergraduate and MBA scholarships across eight tertiary institutions in Hong Kong and award students with outstanding academic performance during the period.

The Group also sponsored "ACCA National Job Hunting Competition", aiming to enhance language proficiency, presentation skills and interpersonal skills of tertiary

students in Hong Kong and China. As part of its dedicated efforts in providing investor education to the public, the Group sponsored "HK Stocks Simulation League Competition 2010 – Season 2", and offered investment seminars targeting investors in Hong Kong and China.

Through committed involvement in community services, the staff demonstrated their care for those in need, and enhanced their communication and bonding in the process.



The Group is keen to promote environmental protection among staff.

In recognition of Haitong International's active participation in and support of social and community services, the Group has been publicly acknowledged as a "Caring Company" by The Hong Kong Council of Social Service for six consecutive years; while Prime Magazine had awarded us the "Prime Award for Corporate Social Responsibility" for four consecutive years from 2006 to 2009.

#### **Awards and Achievements**

The Group has won numerous accolades over the past 38 years for its outstanding achievements in innovation and service excellence. During the period, the Group received the "Best Equity House in Hong Kong" by Asiamoney, Sing Tao Daily and QQ.COM. On the whole, the Group has been named the "Best Equity House in Hong Kong" by numerous international, mainland and local institutions for 11 consecutive years since 2000.

The asset management division of the Group received honours for two funds under "Lipper Fund Awards Hong Kong 2010", namely the "Best Equity Hong

Kong Mandatory Provident Fund over 5 years" for four consecutive years, and the "Best Equity China Fund over 3 years". These two awards have affirmed industry-wide recognition of the funds' outstanding performance among its peers in their own categories.



The Group received the "Best Equity House in Hong Kong 2010" Award from Asiamoney.

On the quality management front, as early as 1999 Haitong International was the first financial institution in Hong Kong and China to acquire ISO9002 Quality Management System Certification, which later has been upgraded to ISO9001:2008 Certification in 2010.

The Group is renowned for its outstanding achievements in information technology application. Today, the Group is one of the few financial institutions to have attained the ISO27001:2005 Information Security Management System Certification in Hong Kong and China. This standard in information security management system assures our customers that the Group complies with international best practices in the area. During the period, iT Technology (Shenzhen) Co. Limited, the Group's whollyowned subsidiary, received the CMMI Maturity Level 3 Certification for its excellence in software development.

With regard to environmental protection, the Group was also awarded the "Class of Excellence" Wastewi\$e Label and the Carbon "Less" Certificate of the "Hong Kong Awards for Environmental Excellence" organized by the Environmental Campaign Committee and the Environmental Protection Department during the period. These labels are a further proof of the Group's commitment to waste and carbon reduction efforts and concern for our environment.

# Board of Directors and Senior Management

#### The Board of Directors

#### **Executive Directors**

WONG Shiu Hoi, Peter, aged 70, joined the Group in November 1987 and was appointed as the Managing Director and an Executive Director of the Company on 14 May 1996 as well as a Deputy Chairman of the Company on 10 March 2010. Mr. Wong is the Chief Executive of the Group as well as a member of the Credit Committee, the Executive Committee and the Strategic Development Committee of the Company. He is also a director of various subsidiaries of the Company and a responsible officer of Haitong International Capital Limited, Haitong International Investment Services Limited and Haitong International Securities Company Limited under the Securities and Futures Ordinance. Mr. Wong holds a Master of Business Administration Degree from the University of East Asia, Macau (currently known as the "University of Macau"). He possesses over 30 years of experience in the financial services industry. Mr. Wong is an independent non-executive director of High Fashion International Limited. He was an independent non-executive director of Theme International Holdings Limited from 19 July 2004 to 26 November 2009. The shares of all these companies are listed on The Stock Exchange of Hong Kong Limited. Mr. Wong is the immediate past chairman and council member of the Hong Kong Institute of Directors as well as a director of the Hong Kong Securities Institute.

LI Jianguo, aged 47, was appointed as an Executive Director of the Company on 13 January 2010 as well as a Deputy Chairman of the Company on 10 March 2010. He is also a member of the Strategic Development Committee of the Company. He holds a doctorate degree in economics from Xi'an Jiaotong University. Mr. Li has 17 years of experience in securities industry. He was a general manager of He Nan Securities Co., Ltd. from 1992 to 1998. He joined Haitong Securities Co., Ltd. in 1998 and served as the deputy general manager of Haitong Securities Co., Ltd. from 1998 to 1999. He was the vice president and the general manager of Fullgoal Fund Management Co., Ltd. from 1999 to 2008. Mr. Li has been the assistant of the general manager of Haitong Securities Co., Ltd. and the chairman of the board of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since 2008 and the deputy chairman of the board of Haitong International Holdings Limited since 9 August 2010.

LIN Yong, aged 41, was appointed as an Executive Director of the Company on 23 December 2009 and the Joint Managing Director of the Company on 10 March 2010. He is also a member of the Credit Committee, the Executive Committee and the Strategic Development Committee of the Company. Mr. Lin is a director of various subsidiaries of the Company and a responsible officer of Hai Tong Asset Management (HK) Limited, Hai Tong Capital (HK) Limited, Haitong International Asset Management Limited and Haitong International Capital Limited under the Securities and Futures Ordinance. Mr. Lin holds a doctorate degree in economics from Xi'an Jiaotong University. He has 15 years of experience in investment bank industry. Mr. Lin worked for Guotai Securities Co., Ltd. from 1995 to 1996. He joined Haitong Securities Co., Ltd. in 1996 and was a general manager of the Investment Banking Department of Haitong Securities Co., Ltd. from 2001 to 2007. Mr. Lin is one of the first batch of sponsor representatives of China Securities Regulatory Committee. He has been the chief executive officer of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since 2007 and is responsible for the overall operation of Haitong International Holdings Limited. Mr. Lin also concurrently serves as a member of the advisory committee of the Securities and Futures Commission. In 2006, Mr. Lin was named 上海首屆十大金融傑出青年 2006 Top Ten Outstanding Young Person in Financial Sector in Shanghai. He acts as an adjunct professor in Management College of Xiamen University since 12 May 2010. Mr. Lin was an independent non-executive director of Shenzhen Laibao Hi-Tech Co., Ltd., which is a company listed on the Shenzhen Stock Exchange, up to his resignation in April 2010. Mr. Lin is currently an independent non-executive director of Mingfa Group (International) Company Limited. The shares of this company are listed on The Stock Exchange of Hong Kong Limited.

**LEE Yiu Wing, William**, aged 50, first joined the Group in 1988 and subsequently rejoined in 1997 after his departure in 1995. Mr. Lee was appointed as an Executive Director of the Company on 29 June 2000. He is the Deputy Chief Executive Officer of the Group as well as a member of the Credit Committee, the Executive Committee and the Strategic Development Committee of the Company. In addition, Mr. Lee is the managing director of Haitong International Securities Company Limited and a director of various subsidiaries of the Company. Mr. Lee is also a responsible officer of Haitong International Consultants Limited, Haitong International Futures Limited, Haitong International Investment Services Limited and Haitong International Securities Company Limited under the Securities and Futures Ordinance. He is responsible for the Group's market and business development. Mr. Lee holds a BA Degree in Economics and Management from the University of Guelph, Canada. He possesses over 20 years of experience in the financial services industry. Mr. Lee is the chairman of Hong Kong Securities Association. He is also a member of the Hong Kong Institute of Directors, the Hong Kong Securities Institute, the Chamber of Listed Companies and the Cash Market Consultative Panel of Hong Kong Exchanges and Clearing Limited. He is a committee member of the Investor Education Advisory Committee of Securities and Futures Commission and Financial Services Advisory Committee of Hong Kong Trade Development Council.

**CHAN Chi On, Derek**, aged 47, joined the Group in 1996 and was appointed as an Executive Director of the Company on 29 June 2000. He is also a member of the Executive Committee of the Company. In addition, Mr. Chan is a director of various subsidiaries of the Company, the managing director of Haitong International Capital Limited and a responsible officer of Haitong International Capital Limited under the Securities and Futures Ordinance. Mr. Chan is in charge of the corporate finance division. Mr. Chan holds a Master of Business Administration Degree from the Hong Kong University of Science and Technology as well as a Social Sciences Degree in Economics from the University of Hong Kong. Mr. Chan is an adjunct professor in the School of Accounting and Finance of the Hong Kong Polytechnic University. He possesses over 20 years of experience in the financial services industry. Mr. Chan was an independent non-executive director of GST Holdings Limited from 21 February 2005 to 18 December 2009. He is currently an independent non-executive director of GZI Real Estate Investment Trust, Longfor Properties Co. Ltd. and Sheng Yuan Holdings Limited. The shares of all these companies are listed on The Stock Exchange of Hong Kong Limited.

**POON Mo Yiu, Patrick**, aged 46, joined the Group in August 2008 and was appointed as an Executive Director of the Company on 1 July 2009. He is the Chief Operating Officer of the Group as well as a member of the Credit Committee and the Executive Committee of the Company. He is also a director of various subsidiaries of the Company. Mr. Poon holds a Master of Business Administration Degree from the Chinese University of Hong Kong. He is a fellow of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England & Wales. Mr. Poon has extensive experience in financial management, management information systems, accounting projects as well as various aspects of mergers and acquisitions. Prior to joining the Group, Mr. Poon worked for Sun Hung Kai & Co. Limited as the Group Chief Operating Officer and the Group Chief Financial Officer. He was also previously the Vice President in Finance of JPMorgan Chase Bank and the Group Financial Controller of Jardine Fleming Group in Asia before its merger with JPMorgan Chase Bank. Mr. Poon was an executive director of The Hong Kong Building and Loan Agency Limited from 28 September 2006 to 3 July 2007. The shares of this company are listed on The Stock Exchange of Hong Kong Limited.

#### **Non-executive Directors**

**LI Mingshan**, aged 58, was appointed as the Chairman and a Non-executive Director of the Company on 13 January 2010. He is also a member of the Remuneration Committee and the Strategic Development Committee of the Company. Mr. Li holds a master of business administration degree from Asia International Open University (Macau) and is a senior economist. Mr. Li has 17 years of experience in securities industry and had been the vice president of Shenyin & Wanguo Securities Co., Ltd. for 6 years and the deputy general manager of Shanghai Stock Exchange for 4 years. Mr. Li joined Haitong Securities Co., Ltd. in 2001. He has been a director and the general manager of Haitong Securities Co., Ltd. since 2001 and the chairman of the board of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since 9 August 2010.

**JI Yuguang**, aged 53, was appointed as a Non-executive Director of the Company on 13 January 2010. He is a member of the Audit Committee, the Remuneration Committee and the Strategic Development Committee of the Company. Mr. Ji holds a bachelor degree in economics from Beijing Vocational College of Finance and Commerce. Mr. Ji has 27 years of experience in finance and commerce industry. He had worked for Beijing Municipal Planning Economy Committee (currently known as "Beijing Municipal Committee of Development and Reform") for 6 years and Bank of Communication Beijing Branch for 8 years. Mr. Ji joined Haitong Securities Co., Ltd. in 1995 and was the general manager of Haitong Securities Co., Ltd. Beijing Langjiayuan Branch from 1995 to 1997. He has been the deputy general manager of Haitong Securities Co., Ltd. since 1997 and a director of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since 9 August 2010.

**WU Bin**, aged 38, was appointed as a Non-executive Director of the Company on 13 January 2010. He is a lawyer. Mr. Wu holds a doctorate degree in economics from Shanghai Fudan University. He has 13 years of experience in securities industry. Mr. Wu joined Haitong Securities Co., Ltd. in 1998 and has been the head of the general manager office and the head of the compliance department of Haitong Securities Co., Ltd. since 2007. He also acted as the chief compliance officer of Haitong Securities Co., Ltd. from 2007 to July 2010. He has taken a temporary post at Petition Office of Shanghai Municipal Government from January 2010 to February 2011 for field practice. Mr. Wu has been a director of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since 9 August 2010. He is also the deputy head of securities company compliance committee of the Securities Association of China and a member of the securities investors protection experts committee of China Securities Investors Protection Fund Co., Ltd.

**CHEN Chunqian**, aged 47, was appointed as a Non-executive Director of the Company on 13 January 2010. Mr. Chen holds a doctorate degree in economics from Xiamen University. He was a post-doctorate in statistics at Southwesten University of Finance and Economics from 1995 to 1997. Mr. Chen has 12 years of experience in the securities industry. He joined Haitong Securities Co., Ltd. in 1997 and has been the general manager of Haitong Securities Co., Ltd., Sales Department since 2006. He was also the general manager of institutional business department from 2007 to March 2009.

**CHENG Chi Ming, Brian**, aged 28, joined the Group in June 2009 and was appointed as an Executive Director of the Company on 1 July 2009. He was re-designated as a Non-executive Director of the Company with effect from 13 January 2010. Mr. Cheng is also a member of the Strategic Development Committee of the Company. Mr. Cheng holds a Bachelor of Science Degree from Babson College in Massachusetts, U.S.A. He is an executive director of NWS Holdings Limited and a non-executive director of Fook Woo Group Holdings Limited and Freeman Financial Corporation Limited. The share of all these companies are listed on The Stock Exchange of Hong Kong Limited. Mr. Cheng is also a director of certain subsidiaries of NWS Holdings Limited. He is mainly responsible for overseeing the infrastructure business and the merger and acquisition affairs of NWS Holdings Limited and its subsidiaries. In addition, Mr. Cheng is a director of Sino-French Holdings (Hong Kong) Limited, Sino-French Energy Development Company Limited, The Macao Water Supply Company Limited as well as a director of a number of companies in Mainland China. Mr. Cheng had previously been working as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets.

#### **Independent Non-executive Directors**

MAN Mo Leung, aged 58, was appointed as an Independent Non-executive Director of the Company on 1 July 2004 and is the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr. Man holds a Bachelor of Science Degree from the University College London. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales as well as a Certified Public Accountant in Hong Kong. Mr. Man has been a partner of Moores Rowland Mazars, Chartered Accountants and Certified Public Accountants since 1985 with extensive experience in assurance, business advisory and investigation works. Since the reorganization in June 2007, he has been the executive chairman of Mazars CPA Limited. Mr. Man was an independent non-executive director of RBI Holdings Limited (currently known as "Apollo Solar Energy Technology Holdings Limited") from 7 November 1995 to 3 July 2007 and an independent non-executive director of First Sign International Holdings Limited (currently known as "Brightoil Petroleum (Holdings) Limited") from 1 June 2004 to 11 July 2008. The shares of both companies are listed on The Stock Exchange of Hong Kong Limited.

**TSUI Hing Chuen, William JP**, aged 59, was appointed as an Independent Non-executive Director of the Company on 1 July 2004 and is a member of the Audit Committee and the Chairman of the Remuneration Committee of the Company. Mr. Tsui is the founder partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries since 1980. He has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1980 as well as a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. He has also been an advocate and solicitor of the Supreme Court of Republic of Singapore since 1985 and a notary public appointed by the Archbishop of Canterbury, England since 1988. Mr. Tsui was appointed as a Justice of the Peace by the Government of Hong Kong in 1997. Mr. Tsui is currently an independent non-executive director of International Entertainment Corporation, Mongolia Energy Corporation Limited and Vision Values Holdings Limited (formerly known as "New World Mobile Holdings Limited"). The shares of all these companies are listed on The Stock Exchange of Hong Kong Limited.

**LAU Wai Piu, Bill**, aged 46, was appointed as an Independent Non-executive Director of the Company on 1 December 2006 and is a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Lau is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Lau possesses over 20 years of extensive experience in accounting and financial management. Mr. Lau is an independent non-executive director of International Entertainment Corporation, Mongolia Energy Corporation Limited and Vision Values Holdings Limited (formerly known as "New World Mobile Holdings Limited"). The shares of all these companies are listed on The Stock Exchange of Hong Kong Limited.

#### **Senior Management**

**HUI Yee, Wilson**, aged 52, is the Director of Sales and Marketing for the Group and the Managing Director of Haitong International Futures Limited. He is also a director of Haitong International Bullion Limited and Haitong International Securities Company Limited, and a responsible officer of Haitong International Futures Limited and Haitong International Securities Company Limited under the Securities and Futures Ordinance. Mr. Hui is responsible for the development and management of the Group's retail brokerage business. Mr. Hui holds a Bachelor Degree in Economics and Management Studies from the University of Hong Kong. Mr. Hui joined the Group in 1995 after 14 years of experience in the banking and securities industries. He is currently a member of the Hong Kong Institute of Directors and the Hong Kong Securities Institute.

LAU Yiu Wai, Joseph, aged 50, is the Managing Director of Hai Tong Asset Management (HK) Limited and Haitong International Asset Management Limited. He is also a director of various subsidiaries of the Company and a responsible officer of Hai Tong Asset Management (HK) Limited, Haitong International Asset Management Limited and Haitong International Investment Managers Limited under the Securities and Futures Ordinance. Mr. Lau joined the Group in 2000 and is responsible for the Group's asset management business, including management of investment portfolios, business development and product development. He holds a Bachelor's Degree and a Master's Degree in Economics from the University of Hong Kong. Prior to joining the Group, Mr. Lau worked at Jardine Fleming Investment Management between 1996 and 1999 and Schroders Investment Management from 1991 to 1996. Mr. Lau is currently licensed with the Securities and Futures Commission of Hong Kong for engaging in advising on securities, advising on futures contracts and asset management. He has been a Chartered Financial Analyst since 1995.

YING Tak Sun, Nelson, aged 42, is the Chief Information Officer and Head of On-line Services of the Group. He is also a director of various subsidiaries of the Company. Mr. Ying is responsible for developing the Group's strategic roadmap to enhance the Group's information technology capabilities and responsiveness to business needs, as well as promoting and practising information technology governance. Mr. Ying holds a Bachelor of Computer Science from Boston College in the United States of America. Prior to joining the Group in 2001, Mr. Ying has over 16 years of experience in financial and technology management consulting, and software development spanning several Wall Street financial institutions and global consulting firms.

ZHANG Xinjun, Jeff, aged 35, joined the Group in April 2010 and was appointed as the Chief Financial Officer of the Group in September 2010. He is also a member of the Executive Committee and the Credit Committee as well as a director of various subsidiaries of the Company. Mr. Zhang holds a Master Degree in Management from the Department of Accounting of Nankai University. He is a Chinese Middle Grade Accountant and has extensive experience in financial accounting, finance management and merger and acquisition. Prior to joining the Group, Mr. Zhang worked at the Finance and Accounting Department of Haitong Securities Co., Ltd. and has been the Chief Financial Officer of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since January 2008.

SUN Jianfeng, aged 34, joined the Group in 2010 and is responsible for the development and management of the Group's corporate finance division. He is also a member of the Executive Committee of the Company. In addition, Mr. Sun is a director of Hai Tong Capital (HK) Limited and Haitong International Capital Limited as well as a responsible officer of Hai Tong Capital (HK) Limited and Haitong International Capital Limited under the Securities and Futures Ordinance. Mr. Sun holds a Master of Economics from Xi'an Jiaotong University and is a chartered sponsor representative in the PRC equity market. He possesses extensive experience in corporate finance industry. He participated and completed a number of IPOs in Hong Kong and China.

SUN Tong, Tony, aged 34, is the Deputy Managing Director of Haitong International Securities Company Limited and a responsible officer of Haitong International Securities Company Limited under the Securities and Futures Ordinance. He is responsible for assisting and deputizing the Deputy Chief Executive Officer of the Company to take charge of the overall operation and development of Haitong International Securities Company Limited. Mr. Sun graduated with a Bachelor Degree in Computer Science from Nanjing Normal University and finished a postgraduate program of finance at Shanghai Fudan University. He has 10 years of experience in securities industry. Mr. Sun joined Haitong Securities Co., Ltd. in 2000. He was the senior manager of the president office and the secretary to president of Haitong Securities Co., Ltd. from 2007 to April 2010. He has been the assistant general manager of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since 2010 and responsible for frontline business.

#### Board of Directors and Senior Management

WU Kwok Leung, Edmond, aged 56, is the Operations Director of the Group and a director of various subsidiaries of the Company. He is also a responsible officer of Haitong International Securities Company Limited under the Securities and Futures Ordinance. Mr. Wu holds a Master of Business Administration Degree from the University of East Asia, Macau (currently known as "the University of Macau") and a Diploma of Management for Executive Development from the Chinese University of Hong Kong. He has more than 25 years of experience in the field of banking and finance. Before joining the Group, Mr. Wu held senior position with various financial institutions. He was formerly Vice-President of First Pacific Bank Limited, Commercial Banking Group and Chief Operations Manager of The Sanwa Bank Limited. He is currently a member of the Hong Kong Institute of Directors.

LO Wai Ho, Kendy, aged 48, is the Finance Director of the Group and a director of various subsidiaries of the Company. He is responsible for accounting, settlement, and financial management. Mr. Lo holds a Master of Business Administration Degree from Columbia Southern University in U.S.A. and a Professional Diploma in Accountancy from the Hong Kong Polytechnic University. He has over 20 years' experience in the securities and futures industry. Prior to joining the Group in April 2004, Mr. Lo has held senior positions in regional financial institutions in Hong Kong. He is a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

LAU Chi Keung, Sammy, aged 50, is the Director of Internal Audit and Special Projects of the Group. Mr. Lau holds a Master of Applied Finance Degree from the University of Western Sydney. He has over 20 years of experience in auditing, accounting and financial management. Mr. Lau is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Directors and the Hong Kong Securities Institute.

LI Tung Wing, Mike, aged 43, is the Company Secretary and Compliance Director of the Group. Mr. Li is responsible for the company secretarial, legal and compliance functions of the Group. Mr. Li holds a Master of Business Administration Degree from Heriot-Watt University in the United Kingdom. He has over 15 years of experience in the company secretarial and compliance fields. Mr. Li is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Chartered Secretaries as well as a member of the Hong Kong Institute of Certified Public Accountants.

The directors present their report and the audited financial statements of the Company and the Group for the 18 months ended 31 December 2010.

#### **Principal activities**

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries comprise securities, futures and options contracts broking and trading, the provision of margin and other financing, the provision of corporate advisory, placing and underwriting services, bullion contracts dealing and trading, leveraged foreign exchange trading, the provision of nominee and custodian services, fund management, the provision of financial planning and advisory services and proprietary securities trading. There were no significant changes in the nature of the Group's principal activities during the 18 months ended 31 December 2010.

#### **Results and dividends**

The Group's profit for the 18 months ended 31 December 2010 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 108 to 235.

The directors have resolved to recommend a final dividend of HK8 cents per share in cash for the 18 months ended 31 December 2010 to shareholders whose names appear on the register of members of the Company on 29 April 2011. Together with the first interim dividend of HK10 cents per share paid on 30 April 2010 and the second interim dividend of HK6 cents per share paid on 10 November 2010, the total distribution per share for the 18 months ended 31 December 2010 will thus be HK24 cents per share.

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. The final dividend will be paid on or about 27 May 2011.

The register of members of the Company will be closed from Thursday, 21 April 2011 to Friday, 29 April 2011, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 20 April 2011.

#### **Summary financial information**

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the 18 months ended 31 December 2010 and the previous 10 financial periods/years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 236 of this Annual Report. This summary does not form part of the audited financial statements.

#### **Charitable contributions**

During the 18 months ended 31 December 2010, the Group made charitable contributions totalling HK\$226,000.

#### Reserves

Details of movements in the reserves of the Company and the Group during the 18 months ended 31 December 2010 are set out in note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

#### Distributable reserves

As at 31 December 2010, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to HK\$71,717,000, of which HK\$57,203,000 has been proposed as a final dividend for the 18 months ended 31 December 2010. In addition, the Company's share premium account, in the amount of HK\$947,472,000, may be distributed in the form of fully paid bonus shares.

#### **Fixed assets**

Details of movements in the fixed assets of the Company and the Group during the 18 months ended 31 December 2010 are set out in note 13 to the financial statements.

#### **Share capital**

Details of movements in the Company's share capital during the 18 months ended 31 December 2010, together with the reasons therefor, are set out in note 29 to the financial statements.

#### **Pre-emptive rights**

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

#### Purchase, sale or redemption of listed securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the 18 months ended 31 December 2010 other than as an agent for clients of the Company or its subsidiaries.

#### Major customers and suppliers

In the 18 months ended 31 December 2010 under review, the revenue attributable to the 5 largest customers of the Group accounted for less than 30% of the Group's total revenue for the 18 months ended 31 December 2010.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's 5 largest customers.

The Group is a provider of financial services. In the opinion of the directors, it is therefore of no value to disclose details of the Group's suppliers.

#### **Directors**

The directors of the Company during the 18 months ended 31 December 2010 were:

#### **Executive directors:**

Wong Shiu Hoi, Peter

Li Jianguo (appointed on 13 January 2010) Lin Yong (appointed on 23 December 2009)

Lee Yiu Wing, William Chan Chi On, Derek

Poon Mo Yiu, Patrick (appointed on 1 July 2009) Cheng Kar Shun, Henry (resigned on 13 January 2010) Doo Wai Hoi, William (resigned on 13 January 2010)

#### Non-executive directors:

Li Mingshan (appointed on 13 January 2010) (appointed on 13 January 2010) Ji Yuguang Wu Bin (appointed on 13 January 2010) Chen Chunqian (appointed on 13 January 2010)

Cheng Chi Ming, Brian (appointed as executive director on 1 July 2009 and re-designated as non-

executive director on 13 January 2010)

Wong Kwok Kin, Andrew (resigned on 13 January 2010) Lam Wai Hon, Patrick (resigned on 13 January 2010) To Hin Tsun, Gerald (resigned on 13 January 2010) Lee Ka Sze, Carmelo (resigned on 13 January 2010)

#### Independent non-executive directors:

Man Mo Leung Tsui Hing Chuen, William Lau Wai Piu, Bill

Reference is made to the announcement of the Company dated 16 March 2011, with respect to certain proposed changes of directors and executive functions of directors of the Company, including, among others, the proposed retirement of Mr. Wong Shiu Hoi, Peter as an executive director of the Company at the forthcoming annual general meeting.

In accordance with the Company's Bye-laws, Messrs. Wong Shiu Hoi, Peter, Lin Yong, Chan Chi On, Derek, Man Mo Leung, Tsui Hing Chuen, William and Lau Wai Piu, Bill shall retire and, being eligible, shall offer themselves (except for Mr. Wong Shiu Hoi, Peter) for re-election at the forthcoming annual general meeting.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within 1 year without payment of compensation, other than statutory compensation.

#### 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 67 to 72 of this Annual Report.

#### **Directors' service contracts**

No director has a service contract with the Company or any of its subsidiaries which is for a duration that may exceed 3 years or which requires the Company to, in order to terminate such contract, give a notice period of more than 1 year or pay compensation or make other payments equivalent to more than 1 year's emoluments.

#### **Directors' interests in contracts**

No director 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 18 months ended 31 December 2010.

#### Directors' interests and short positions in shares, underlying shares and debentures

As at 31 December 2010, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

#### The Company

		Numl	per of shares	held	Number of underlying shares held		Approximate percentage of the Company's
None of diseases	Class of shares	Personal	Family	Corporate	under equity	Total	total issued
Name of directors	Class of shares	interests	interests	interests	derivatives	Total	share capital
Wong Shiu Hoi, Peter	Ordinary shares/ share options	8,200,000 (Note 1)	-	-	4,069,859 (Note 2)	12,269,859	1.72
Li Jianguo	Share options	-	-	-	799,297 (Note 3)	799,297	0.11
Lin Yong	Share options	-	-	-	799,297 (Note 3)	799,297	0.11
Lee Yiu Wing, William	Share options	-	-	-	3,152,306 (Note 4)	3,152,306	0.44

		Numl	ber of shares	held	Number of underlying shares held		Approximate percentage of the Company's
Name of directors	Class of shares	Personal interests	Family interests	Corporate interests	under equity derivatives	Total	total issued share capital
Chan Chi On, Derek	Ordinary shares/ share options	879,485 (Note 1)	-	-	3,052,393 (Note 5)	3,931,878	0.55
Poon Mo Yiu, Patrick	Share options	-	-	-	1,198,946 (Note 3)	1,198,946	0.17
Li Mingshan	Share options	-	-	-	799,297 (Note 3)	799,297	0.11
Ji Yuguang	Share options	-	-	-	499,561 (Note 3)	499,561	0.07
Wu Bin	Share options	-	-	-	499,561 (Note 3)	499,561	0.07
Chen Chunqian	Share options	-	-	-	499,561 (Note 3)	499,561	0.07
Cheng Chi Ming, Brian	Share options	-	-	-	499,561 (Note 3)	499,561	0.07
Man Mo Leung	Share options	-	-	-	499,561 (Note 3)	499,561	0.07
Tsui Hing Chuen, William	Share options	-	-	-	499,561 (Note 3)	499,561	0.07
Lau Wai Piu, Bill	Share options	-	-	-	499,561 (Note 3)	499,561	0.07

#### Notes:

- These shares are held by the relevant director as beneficial owner.
- These shares would be allotted and issued to Mr. Wong Shiu Hoi, Peter upon the exercise in full of the share options granted to Mr. Wong under the 2002 share option scheme of the Company. These share options, all of which remained exercisable as at 31 December 2010, were exercisable as to (i) 2,071,616 share options at the subscription price of HK\$5.879 per share during the period from 1 June 2008 to 31 May 2016; and (ii) 1,998,243 share options at the subscription price of HK\$4.854 per share during the period from 3 March 2011 to 2 March 2019.
- These shares would be allotted and issued to the relevant director upon the exercise in full of the share options granted to the relevant director under the 2002 share option scheme of the Company. These share options, all of which remained exercisable as at 31 December 2010, were exercisable at the subscription price of HK\$4.854 per share during the period from 3 March 2011 to 2 March 2019.

- 4. These shares would be allotted and issued to Mr. Lee Yiu Wing, William upon the exercise in full of the share options granted to Mr. Lee under the 2002 share option scheme of the Company. These share options, all of which remained exercisable as at 31 December 2010, were exercisable as to (i) 1,553,711 share options at the subscription price of HK\$5.879 per share during the period from 1 June 2008 to 31 May 2016; and (ii) 1,598,595 share options at the subscription price of HK\$4.854 per share during the period from 3 March 2011 to 2 March 2019.
- 5. These shares would be allotted and issued to Mr. Chan Chi On, Derek upon the exercise in full of the share options granted to Mr. Chan under the 2002 share option scheme of the Company. These share options, all of which remained exercisable as at 31 December 2010, were exercisable as to (i) 1,553,711 share options at the subscription price of HK\$5.879 per share during the period from 1 June 2008 to 31 May 2016; and (ii) 1,498,682 share options at the subscription price of HK\$4.854 per share during the period from 3 March 2011 to 2 March 2019.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company and its associated corporations.

In addition to the above, a director has a non-beneficial personal equity interest in a subsidiary held for the benefit of the Group solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 31 December 2010, none of the directors or their associates had registered any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

#### Directors' rights to acquire shares or debentures

Save as disclosed under the sections headed "Directors' interests and short positions in shares, underlying shares and debentures" above and "Share option schemes" below, at no time during the 18 months ended 31 December 2010 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

#### **Share option schemes**

On 23 August 2002, the shareholders of the Company approved the adoption of a share option scheme (the "2002 Share Option Scheme"). A summary of the principal terms of the 2002 Share Option Scheme, as disclosed in accordance with the Listing Rules, is set out as follows:

#### **Purpose of the 2002 Share Option Scheme:**

To attract, retain and motivate talented employees to strive towards long term performance targets set by the Company and its subsidiaries and at the same time to allow the participants to enjoy the results of the Company attained through their effort and contribution.

#### Participants of the 2002 Share Option Scheme:

Any full time employees, executive and non-executive directors of the Company or any of its subsidiaries or associates.

#### Total number of shares available for issue under the 2002 Share Option Scheme and percentage of the Company's issued share capital as at the date of this annual report:

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the date of adoption of the 2002 Share Option Scheme (the "Scheme Mandate Limit") but the Company may seek approval of its shareholders at general meetings to refresh the Scheme Mandate Limit, save that the maximum number of shares in respect of which options may be granted by directors of the Company under the 2002 Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the issued share capital of the Company as at the date of approval by the shareholders of the Company at general meetings where such limit is refreshed. Options previously granted under the 2002 Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised options) will not be counted for the purpose of calculating such 10% limit as refreshed. Notwithstanding the aforesaid in this paragraph, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time.

As at the date of this annual report, the total number of shares available for issue under the 2002 Share Option Scheme was 1,687,426 shares, which represented approximately 0.236% of the issued share capital of the Company at that day.

#### Maximum entitlement of each participant under the 2002 Share Option Scheme:

The maximum number of shares issued and to be issued upon exercise of the options granted to each participant under the 2002 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of the Company's shares in issue. Any further grant of share options in excess of this limit is subject to approval by the shareholders of the Company at a general meeting.

Share options granted to a director, chief executive or substantial shareholders of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the total number of shares of the Company in issue at the date on which such grant is proposed by the directors or with an aggregate value (based on the closing price of the Company's shares at the date on which such grant is proposed by the directors) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance at a general meeting of the Company.

#### The period within which the shares must be taken up under an option and the minimum period for which an option must be held before it can be exercised:

The exercise period of the share options granted is determinable by the directors, and such period shall commence not earlier than 6 months from the date of the grant of the options and expire not later than 10 years after the date of grant of the options.

#### The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

The offer of a grant of share options may be accepted within 30 days from the date of the offer upon payment of a consideration of HK\$1 by the grantee.

#### The basis of determining the exercise price:

The exercise price of the share options is determinable by the directors, and shall be at least the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

#### The remaining life of the 2002 Share Option Scheme:

The 2002 Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date on which it is conditionally adopted by resolution of the Company at general meetings and will expire on 22 August 2012.

### Details of the movement of share options under the 2002 Share Option Scheme during the 18 months ended 31 December 2010 were as follows:

			Number of	share options	;					Price of Company's shares*** At immediately At immediately		
Name or category of participants	At 1 July 2009	Granted during the period	Adjusted during the period	Exercised during the period	Lapsed during the period	At 31 December 2010	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$ per share	preceding the grant date of share options HK\$ per share	preceding the exercise date of share options HK\$ per share	
Directors												
Wong Shiu Hoi, Peter	2,073,242	-	(1,626) (Note 1)	-	-	2,071,616	1 December 2007	1 June 2008 – 31 May 2016	5.879 (Note 1)	5.69	N/A	
	-	2,000,000	(1,757) (Note 2)	-	-	1,998,243	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Li Jianguo	-	800,000	(703) (Note 2)	-	-	799,297	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Lin Yong	-	800,000	(703) (Note 2)	-	-	799,297	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Lee Yiu Wing, William	1,554,931	-	(1,220) (Note 1)	-	-	1,553,711	1 December 2007	1 June 2008 – 31 May 2016	5.879 (Note 1)	5.69	N/A	
	-	1,600,000	(1,405) (Note 2)	-	-	1,598,595	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Chan Chi On, Derek	1,554,931	-	(1,220) (Note 1)	-	-	1,553,711	1 December 2007	1 June 2008 – 31 May 2016	5.879 (Note 1)	5.69	N/A	
	-	1,500,000	(1,318) (Note 2)	-	-	1,498,682	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Poon Mo Yiu, Patrick	-	1,200,000	(1,054) (Note 2)	-	-	1,198,946	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Li Mingshan	-	800,000	(703) (Note 2)	-	-	799,297	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Ji Yuguang	-	500,000	(439) (Note 2)	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	
Wu Bin	-	500,000	(439) (Note 2)	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A	

			Number of	share options							any's shares***
Name or category of participants	At 1 July 2009	Granted during the period	Adjusted during the period	Exercised during the period	Lapsed during the period	At 31 December 2010	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$ per share	At immediately preceding the grant date of share options HK\$ per share	At immediately preceding the exercise date of share options HK\$ per share
Chen Chunqian	-	500,000	(439) (Note 2)	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A
Cheng Chi Ming, Brian	-	500,000	(439) (Note 2)	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A
Man Mo Leung	-	500,000	(439) (Note 2)	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A
Tsui Hing Chuen, William	-	500,000	(439) (Note 2)	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A
Lau Wai Piu, Bill	_	500,000	(439) (Note 2)	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A
	5,183,104	12,200,000	(14,782)	-		17,368,322					
Continuous contract employees											
In aggregate	21,509,884	-	(13,057) (Note 1)	(1,740,225)	(2,980,071) (Note 3)	16,776,531	1 December 2007	1 June 2008 – 31 May 2016	5.875 (Note 1)	5.69	6.976
In aggregate	-	21,280,000	(18,165) (Note 2)	-	(600,000) (Note 4)	20,661,835	3 September 2010	3 March 2011 – 2 March 2019	4.854 (Note 2)	4.79	N/A
	21,509,884	21,280,000	(31,222)	(1,740,225)	(3,580,071)	37,438,366					
	26,692,988	33,480,000	(46,004)	(1,740,225)	(3,580,071)	54,806,688					

The vesting period of the share options is from the date of the grant until the commencement of the exercise period. All share options referred to above are subject to a 6-month vesting period.

The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

<sup>\*\*\*</sup> The price of the Company's shares disclosed at immediately preceding the grant date of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options. The price of the Company's shares disclosed at immediately preceding the exercise date of the share options is the weighted average of the Stock Exchange closing prices over all the exercises of share options within the disclosure category.

#### Notes:

- (1) The Company declared a final dividend for the 18 months ended 30 June 2009 in scrip form with a cash option on 7 October 2009 and a second interim dividend for the 12 months ended 30 June 2010 in cash with a scrip option on 19 August 2010, which gave rise to adjustments to the number of unexercised share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$5.875 to HK\$5.874 on 15 January 2010 and further to HK\$5.879 on 10 November 2010.
- (2) The Company declared a second interim dividend for the 12 months ended 30 June 2010 in cash with a scrip option on 19 August 2010, which gave rise to adjustments to the number of unexercised share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$4.85 to HK\$4.854 on 10 November 2010.
- (3) These share options lapsed during the 18 months ended 31 December 2010 as a result of staff resignations.
- (4) These share options lapsed during the 18 months ended 31 December 2010 as a result of non-acceptance of the grant of share options.

The fair value of the share options granted during the 18 months ended 31 December 2010 was HK\$30,726,712 (HK\$0.92 each) of which the Group recognised a share option expense of HK\$12,791,000 during the 18 months ended 31 December 2010.

The fair value of the equity-settled share options granted during the 18 months ended 31 December 2010 was estimated as at the date of grant, using the binomial model, taking into accounts the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Share price at the date of grant HK\$4.85

Contractual option life 8.5 years

Exercise price HK\$4.85

Expected volatility 52.56%

Expected option life 8.5 years

Expected dividend yield (%) 5.61%

Risk-free interest rate (%) (based on Exchange Fund Notes) 1.7456%

The expected volatility is based on the historic volatility, and calculated based on the contractual life of the share options. Expected dividend yield is based on historical dividends. Estimation of fair value could be materially affected due to the changes in the input assumptions disclose above.

#### Substantial shareholders' interests and short positions in shares and underlying shares

As at 31 December 2010, the interests and short positions of those persons (other than the directors of the Company) in the shares and underlying shares of the Company as required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name of substantial shareholders		Number of sl		Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital	
Sildicilolucis	Note	Direct	Deemed	denvatives	Total	snare capital	
Haitong Securities Co., Ltd. ("HSCL")	(1)	-	433,249,077	-	433,249,077	60.59	
Haitong International Holdings Limited ("HIHL")	-	433,249,077	-	-	433,249,077	60.59	
Cheng Yu Tung Family (Holdings) Limited ("CYTF")	(2)	-	64,213,732	-	64,213,732	8.98	
Centennial Success Limited ("CSL")	(2)	-	64,213,732	-	64,213,732	8.98	
Chow Tai Fook Enterprises Limited ("CTFE")	(2)	-	64,213,732	-	64,213,732	8.98	
New World Development Company Limited ("NWD")	(2)	-	64,213,732	-	64,213,732	8.98	
NWS Holdings Limited ("NWS")	(2)	-	64,213,732	-	64,213,732	8.98	
NWS Service Management Limited (incorporated in the Cayman Islands) ("NWSSM (Cayman)")	(2)	-	64,213,732	-	64,213,732	8.98	

Name of substantial shareholders		Number of sh and nature of		Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital	
	Note	Direct	Deemed				
NWS Service Management Limited (incorporated in the British Virgin Islands) ("NWSSM (BVI)")	(2)	-	64,213,732	-	64,213,732	8.98	
NWS Financial Management Services Limited ("NWSFM")	-	64,213,732	-	-	64,213,732	8.98	

#### Notes:

- (1) HSCL held the entire issued share capital of HIHL. By virtue of the provisions of the SFO, HSCL is deemed to be interested in the Shares in which HIHL is interested.
- (2) CYTF held a 51% interest in CSL, which in turn held the entire issued share capital of CTFE. CTFE and its subsidiaries held an interest of approximately 40.25% in NWD, which in turn and its subsidiaries held approximately 59.16% of the issued share capital of NWS. NWS, through its wholly-owned subsidiary, NWSSM (Cayman), held the entire issued share capital of NWSFM. By virtue of the provisions of the SFO, each of CYTF, CSL, CTFE, NWD, NWS, NWSSM (Cayman) and NWSSM (BVI) is deemed to be interested in the shares in which NWSFM is interested.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed above, as at 31 December 2010, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

#### **Directors' interests in competing businesses**

Each of Mr. Li Jianguo (an executive director), Mr. Lin Yong (an executive director), Mr. Li Mingshan (a non-executive director), Mr. Ji Yuguang (a non-executive director) and Mr. Wu Bin (a non-executive director) (the "Relevant Directors") is either a director of HSCL and/or a director of certain member(s) of the HSCL Group. The HSCL Group competes or may compete, either directly or indirectly, with the business of the Group as it operates.

The board of directors of the Company consider that, having considered the facts that:

- (i) Mr. Li Jianguo and Mr. Lin Yong (both are executive directors) represent only one-third of the executive board of directors while Mr. Li Mingshan, Mr. Ji Yuguang and Mr. Wu Bin (all are non-executive directors) do not participate in the daily operations of the Group, and the remaining two-thirds of the executive board of directors together with the three independent non-executive directors are capable of taking the lead where potential conflict of interests arise;
- (ii) the Group is capable of, and does carry on its business independently of, and on an arm's length basis with the competing business of the HSCL Group;
- (iii) the Group and the HSCL Group has each augmented its business in a way so as to optimize the synergistic effect between the Group and the HSCL Group with a view to, where that is appropriate, minimizing duplication in terms of allocation of time and resources, and promoting efficiency, effectiveness and qualify in the development of their respective businesses;
- (iv) the Company has established corporate governance procedures to ensure business opportunities and performance are independently assessed and reviewed from time to time;
- (v) the Relevant Directors are fully aware of their fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; and
- (vi) the competing business in which the HSCL Group is engaged is primarily focused in the PRC whereas the Group's business is primarily Hong Kong-based,

the Group's interest is adequately safeguarded.

Since (i) all the major and important corporate actions of the Company are and will be fully deliberated and determined by the board of directors of the Company and (ii) any director(s) who is/are or deemed to be interested in any proposed transaction(s) will have his/their interest fully disclosed and will abstain from voting at the relevant resolution(s) in accordance with the applicable requirements of the Bye-laws of the Company, the board of directors of the Company is of the view that each of the Relevant Directors does not, by himself or in an individual capacity, compete with the Company and/or the business of the Group.

Based on the above, as at 31 December 2010, none of the directors of the Company and their associates had any interests in an entity whose business competes or is likely to compete, either directly or indirectly, with the Company's business.

#### Connected transactions and continuing connected transactions

The connected transactions/continuing connected transactions undertaken by the Group are included in the transactions set out in note 35 to the financial statements.

The independent non-executive directors have reviewed the continuing connected transactions in note 35 to the financial statements and have confirmed that the continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in note 35 to the financial statements in accordance with paragraph 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

#### Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

#### Corporate governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 22 to 32 of this Annual Report.

#### **Auditors**

The financial statements for the 18 months ended 31 December 2010 of the Company have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for reappointment.

On behalf of the board

#### LI Mingshan

Chairman

Hong Kong, 16 March 2011

## Independent Auditor's Report



羅兵咸永道會計師事務所

#### **PricewaterhouseCoopers**

22/F, Prince's Building Central, Hong Kong Telephone: (852) 2289 8888 Facsimile: (852) 2810 9888

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## TO THE SHAREHOLDERS OF HAITONG INTERNATIONAL SECURITIES GROUP LIMITED (Formerly known as Taifook Securities Group Limited)

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Haitong International Securities Group Limited (formerly known as Taifook Securities Group Limited) (the "Company") and its subsidiaries (together, the "Group") set out on pages 108 to 235, which comprise the consolidated and Company balance sheets as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 18 months then ended, and a summary of significant accounting policies and other explanatory notes.

#### Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

#### Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 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 2010 and of the Group's profit and cash flows for the 18 months 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, 16 March 2011

# Consolidated Income Statement 綜合收益表

For the 18 months ended 31 December 2010 截至2010年12月31日止18個月

		Note 附註	For the 18 months ended 31 December 2010 截至2010年 12月31日止 18個月 HK\$'000 千港元	For the 18 months ended 30 June 2009 截至2009年 6月30日止 18個月 HK\$'000 千港元
Revenue Other income	<b>收入</b> 其他收入	5 5	1,459,935 55,018	1,084,604 66,369
			1,514,953	1,150,973
Employee benefits costs: Salaries and allowances, bonuses and pension scheme contributions Commission to accounts executives Depreciation Other operating expenses Gain/(loss) on re-measurement of assets/liabilities classified	僱員福利開支: 薪金及佣金、花紅及 退休金計劃供款 客戶主任佣金 折舊 其他經營開支 重新計量持作待售資產/ 負債之收益/(虧損)	6 6 13	(439,213) (252,410) (49,370) (339,962)	(349,099) (223,347) (42,295) (274,641)
as held for sale			2,023	(24,132)
F:	D1 7/7 + 1		(1,078,932)	(913,514)
Finance costs	財務成本	6	(39,194)	(35,401)
Operating profit	經營溢利		396,827	202,058
Share of profit of an associate	應佔聯營公司溢利	18	1,718	6,324
Profit before taxation	除税前溢利	6	398,545	208,382
Taxation expenses	税項開支	9	(53,386)	(20,054)
Profit for the period	期間溢利		345,159	188,328
Attributable to: Equity holders of the Company Non-controlling interests	以下人士應佔: 本公司股本持有人 非控制性權益	10	345,795 (636)	188,974 (646)
			345,159	188,328
<b>Dividends</b> First interim dividend Second interim dividend Final dividend paid in respect	股息 第一次中期股息 第二次中期股息 就過往年度派付之	11	70,896 42,538	34,818 -
of the previous year Proposed final dividend	末期股息 擬派末期股息		57,203	388 56,516
	27 124 - 1 - 1 47 177 1 CV		170,637	91,722
Earnings per share attributable to equity holders of the Company	本公司股本持有人應佔 每股盈利	12	170,037	51,722
Basic	基本		HK48.80cents 48.80港仙	HK27.61cents 27.61港仙
Diluted	攤薄		HK48.68cents 48.68港仙	HK27.59cents 27.59港仙

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

# Consolidated Statement of Comprehensive Income 綜合全面收益表

截至2010年12月31日止18個月

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至2010年	截至2009年
		12月31日止	6月30日止
		18個月	18個月
		HK\$'000	HK\$'000
			千港元
Profit for the period	期間溢利	345,159	188,328
Changes in fair value of available-for-sale	可供出售投資之公平值變動		
investments		5,731	(58,584)
Impairment loss of available-for-sale	於收益表內扣除之可供出售		
investments charged to income statement	投資減值虧損	_	5,922
Other comprehensive income	期間其他全面收益		
for the period		5,731	(52,662)
Total comprehensive income	期間全面收益總額		
for the period		350,890	135,666
Attributable to:	以下人士應佔:		
Equity holders of the Company	本公司股本持有人	351,526	136,312
Non-controlling interests	非控制性權益	(636)	(646)
		350,890	135,666
		330,030	100,000

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

# **Consolidated Balance Sheet**

# 綜合資產負債表

As at 31 December 2010 於2010年12月31日

		Note 附註	31 December 2010 2010年 12月31日 HK\$′000 千港元	30 June 2009 2009年 6月30日 HK\$'000 千港元
ASSETS	資產			
Non-current assets	<b>非流動資產</b>	10	454 400	110.000
Fixed assets Goodwill	固定資產 商譽	13 14	151,420	119,036
Other intangible assets	の含 其他無形資產	15	9,854	9,854
Other assets Other assets	其他無形員座 其他資產	16	6,609	4,609
Interest in an associate	共他員座 於聯營公司之權益	18	43,513	7,025 9,119
Available-for-sale investments	可供出售投資	19	32,018	33,075
Deferred tax assets	· · · · · · · · · · · · · · · · · · ·	28		10,598
Deferred tax assets	<u> </u>	28	2,343	10,598
			245,757	193,316
Current assets	流動資產			
Advances to customers	給予客戶之墊款	20	4,375,589	1,726,668
Accounts receivable	應收賬款	21	966,946	2,745,969
Prepayments, deposits and other	預付款項、按金及			
receivables	其他應收賬項	22	133,600	40,510
Tax prepaid	預付税項		21,725	29,019
Assets classified as held for sale	持作待售的資產		_	80,374
Financial investments at fair value	按公平值計入損益之			
through profit or loss	財務投資	23	92,251	22,628
Cash held on behalf of customers	代客戶持有之現金	24	5,158,603	3,661,886
Cash and bank balances	現金及銀行結存		417,680	403,790
			11,166,394	8,710,844
			11,100,004	0,,10,011
Total assets	資產總額		11,412,151	8,904,160
EQUITY AND LIABILITIES	股權及負債			
Equity attributable to equity holders	本公司股本持有人			
of the Company	應佔股權			
Issued capital	已發行股本	29	(71,503)	(70,645)
Reserves	儲備	31	(2,041,874)	(1,798,303)
Proposed final dividend	擬派末期股息	11	(57,203)	(56,516)
			(2,170,580)	(1,925,464)
Non-controlling interests	非控制性權益		(6,758)	(5,394)
Total equity	股權總額			

#### Consolidated Balance Sheet

#### 綜合資產負債表

As at 31 December 2010 於2010年12月31日

		Note 附註	31 December 2010 2010年 12月31日 HK\$'000 千港元	30 June 2009 2009年 6月30日 HK\$'000 千港元
Liabilities Non-current liabilities Deferred tax liabilities	<b>負債</b> <b>非流動負債</b> 遞延税項負債	28	(19,832)	(14,207)
			(19,832)	(14,207)
Current liabilities Accounts payable Tax payable Other payables and accruals Liabilities classified as held for sale Loans and other borrowings	流動負債 應付賬款 應付税項 其他應付賬款及 應計款項 持作待售的負債 貸款及其他借貸	24,25 26 27	(6,052,493) (51,429) (136,792) – (2,974,267)	(4,694,069) (18,082) (52,933) (9,774) (2,184,237)
			(9,214,981)	(6,959,095)
Total liabilities	負債總額		(9,234,813)	(6,973,302)
Total equity and liabilities	股權及負債總額		(11,412,151)	(8,904,160)
Net current assets	流動資產淨額		1,951,413	1,751,749
Total assets less current liabilities	資產總額減流動負債		2,197,170	1,945,065

WONG Shiu Hoi, Peter 黃紹開 Director 董事

LEE Yiu Wing, William 李耀榮 Director 董事

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

# **Balance Sheet** 資產負債表

As at 31 December 2010 於2010年12月31日

		Note 附註	31 December 2010 2010年 12月31日 HK\$'000 千港元	30 June 2009 2009年 6月30日 HK\$'000 千港元
ASSETS	資產			
Non-current assets Fixed assets Investment in subsidiaries	<b>非流動資產</b> 固定資產 於附屬公司之投資	13 17	15,120 105,377	16,769 105,377
			120,497	122,146
<b>Current assets</b> Amount due from subsidiaries Prepayments, deposits and other	流動資產 應收附屬公司款項 預付款項、按金及	17	3,176,448	1,784,687
receivables Cash and bank balances	其他應收賬項 現金及銀行結存	22	5,994 8,969	2,985 3,916
			3,191,411	1,791,588
Total assets	資產總額		3,311,908	1,913,734
EQUITY AND LIABILITIES	股權及負債			
Equity attributable to equity holders of the Company Issued capital Reserves Proposed final dividend	本公司股本持有人 應佔股權 已發行股本 儲備 擬派末期股息	29 31 11	(71,503) (991,459) (57,203)	(70,645) (922,766) (56,516)
Total equity	股權總額		(1,120,165)	(1,049,927)
Current liabilities Amounts due to subsidiaries Tax payable Other payables and accruals Loans and other borrowings	流動負債 應付附屬公司款項 應付税項 其他應付賬款及應計款項 貸款及其他借貸	17 26 27	(756,097) (6,590) (39,681) (1,389,375)	(804,009) (52) (12,246) (47,500)
Total liabilities	負債總額		(2,191,743)	(863,807)
Total equity and liabilities	股權及負債總額		(3,311,908)	(1,913,734)
Net current assets	流動資產淨額		999,668	927,781
Total assets less current liabilities	資產總額減流動負債		1,120,165	1,049,927

LEE Yiu Wing, William

李耀榮

Director 董事

**WONG Shiu Hoi, Peter** 黃紹開 Director

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

# Consolidated Statement of Changes in Equity

# 綜合權益變動表

For the 18 months ended 31 December 2010 截至2010年12月31日止18個月

					ı		<b>equity holde</b> r 公司股本持有 <i>J</i>	rs of the Compa 應佔	any					
		Issued capital	Share premium account	Share option reserve	Capital redemption reserve	Contributed surplus	Capital reserve	Investment revaluation reserve	evaluation Exchange	Proposed cash/scrip dividend 建議	Retained profits	Total	Non- controlling interests	Tota equit
		已發行 股本 HK\$'000 千港元	股份 溢價賬 HK\$'000 千港元	I賬 儲備 照 100 HK\$'000 H	股本 贖回儲備 HK\$'000 千港元	缴入盈餘 HK\$'000 千港元 (note 31) (附註 31)	'000 HK\$'000 港元 千港元 e 31) (note 31)	重估儲備 HK\$'000 千港元		現金股息/ 以股代息 <b>HK\$'000</b> 千港元	保留溢利 <b>HK\$'000</b> 千港元	合計 <b>HK\$'000</b> 千港元	非控制性 權益 HK\$*000 千港元	股權總額 HK\$'000 千港元
At 1 July 2009	於2009年7月1日	70,645	894,677	14,484	5,102	21	45,501	12,120	(30)	56,516	826,428	1,925,464	5,394	1,930,85
Profit for the period Other comprehensive income for the period	期內溢利期內其他全面收入	-	-	-	-	-	-	-	-	-	345,795	345,795	(636)	345,15
Changes in fair value of available-for-sale investments	可供出售投資之 公平值變動	-	-	-	-	-	-	5,731	-	-	-	5,731	-	5,73
Total comprehensive income	全面收入總額	-	-	-	-	-	-	5,731	-	-	345,795	351,526	(636)	350,89
Incorporation of a new subsidiary 2009 final dividend declared and		-	-	-	-	-	-	-	-	-	-	-	2,000	2,0
settled in shares and cash 2010 first and second interim dividend declared and	以股份及現金支付 宣派2010年第1次及 第2次中期股息及以	124	5,599	-	-	-	-	-	-	(56,516)	-	(50,793)	-	(50,7
settled in shares and cash New share options granted to	股份及現金支付授予僱員之新購股權	560	34,243	-	-	-	-	-	-	-	(113,434)	(78,631)	-	(78,6
employees – note 30 ssue of new shares — share	一附註 30 發行新股份-購股權	-	-	12,791	-	-	-	-	-	-	-	12,791	-	12,7
option scheme — note 30 Share options lapsed Proposed 2010 final dividend —	計劃一附註 30 已失效購股權 擬派2010年末期股息	174	11,337 1,616	(1,288) (1,616)	-	-	-	-	-	-	-	10,223	-	10,2
note 11	-附註 11	-	-	-	-	-	-	-	-	57,203	(57,203)	-	-	
At 31 December 2010	於2010年12月31日	71,503	947,4721	24,371 <sup>1</sup>	5,102 <sup>1</sup>	21 <sup>1</sup>	45,501 <sup>1</sup>	17,851 <sup>1</sup>	(30)1	57,203	1,001,586 <sup>1</sup>	2,170,580	6,758	2,177,3

These reserve accounts comprise the consolidated reserves of HK\$2,041,874,000 (30 June 2009: HK\$1,798,303,000) in the consolidated balance sheet.

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

此等儲備賬包括載入綜合資產負債表之綜合 儲備2,041,874,000港元(2009年6月30日: 1,798,303,000港元)。

#### Consolidated Statement of Changes in Equity

#### 綜合權益變動表

For the 18 months ended 31 December 2010 截至2010年12月31日止18個月

		Attributable to equity holders of the Company 本公司服本特有人應佔												
		Issued capital	Share premium account	Share option reserve	Capital redemption reserve	Contributed surplus	Capital reserve	Investment revaluation reserve	Exchange reserve	Proposed cash/scrip dividend 建議	Retained profits	Total	Non- controlling interests	Total equity
		已發行 股本 HK\$'000 千港元	股份 溢價賬 HK\$'000 千港元	購股權 儲備 HK\$'000 千港元 (note 30) (附註 30)	股本 購回儲備 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元 (note 31) (附註 31)	資本儲備 HK\$'000 千港元 (note 31) (附註 31)	投資 重估儲備 HK\$'000 千港元	匯总儲備 HK\$'000 千港元	現金股息/ 以股代息 HK\$'000 千港元	保留溢利 HK\$'000 千港元	合計 HK\$'000 千港元	非控制性 權益 HK\$*000 千港元	股權總 HK\$'00 千港
At 1 January 2008	於2008年1月1日	65,395	780,078	2,903	3,705	1,418	45,501	64,782	(30)	163,562	729,176	1,856,490	8,660	1,865,15
Profit for the period Other comprehensive income for the period		-	-	-	-	-	-	-	-	-	188,974	188,974	(646)	188,33
Changes in fair value of available-for-sale investments Impairment loss of available- for-sale investments charge to	可供出售投資之 公平值變動 於綜合收益表扣除之 可供出售投資之	-	-	-	-	-	-	(58,584)	-	-	-	(58,584)	-	(58,5
consolidated income statement	減值虧損		_	-	-	-	-	5,922	-	-	-	5,922	-	5,9
Total comprehensive income	全面收入總額	-	-	-	-	-	-	(52,662)	-	-	188,974	136,312	(646)	135,6
Dividends paid to non-controlling interests 2007 final and 2008 interim dividend declared and settled in	之股息 宣派2007年末期及	-	-	-	-	-	-	-	-	-	-	-	(2,620)	(2,6
shares and cash New share options granted to	以股份及現金支付授予僱員之新購股權	6,457	122,476	-	-	-	-	-	-	(163,562)	(35,206)	(69,835)	-	(69,8
employees — note 30 Issue of new shares — share	一附註 30 發行新股份-購股權	-	-	13,425	-	-	-	-	-	-	-	13,425	-	13,4
option scheme — note 30	計劃-附註30	190	1,688	-	-	-	-	-	-	-	-	1,878	-	1,8
Share options lapsed	已失效購股權	-	1,844	(1,844)	- 4 007	- (4.00=)	-	-	-	-	-	-	-	40.0
Purchase of shares Proposed 2009 final dividend	購買股份 擬派2009年末期股息	(1,397)	(11,409)	-	1,397	(1,397)	-	-	-	56,516	(56,516)	(12,806)	-	(12,8
At 30 June 2009	於2009年6月30日	70,645	894,6771	14,4841	5,1021	211	45,5011	12,1201	(30)1	56,516	826,428 <sup>1</sup>	1,925,464	5,394	1,930,8

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

# **Consolidated Statement of Cash Flows**

# 綜合現金流量表

For the 18 months ended 31 December 2010 截至2010年12月31日止18個月

		Note 附註	For the 18 months ended 31 December 2010 截至2010年 12月31日 止18個月 HK\$'000	For the 18 months ended 30 June 2009 截至2009年 6月30日 止18個月 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量			
Profit before taxation	除税前溢利		398,545	208,382
Adjustments for:	經作出下列調整:			
Gain on disposal of an associate	出售聯營公司收益		(4,843)	-
Share of profit of an associate	應佔聯營公司之溢利		(1,718)	(6,324
Interest income	利息收入	5	(326,754)	(245,728
Finance costs	財務成本	6	39,194	35,401
Dividend income from listed investments	上市投資之股息收入	5	(2,564)	(3,784
Loss on disposal of fixed assets	出售固定資產之虧損	6	452	484
Depreciation	折舊	13	49,370	42,295
Gain on disposal of available-for-sale	出售可供出售投資之	_	/	
investments, net	收益,淨額	5	(11,267)	-
Impairment loss on available-for-sale	可供出售投資之	_		F 000
investments	減值虧損	5	-	5,922
(Gain)/Loss on re-measurement of assets/	重新計量持作待售資產/		(2.022)	04.100
liabilities classified as held for sale	負債之(收益)/虧損		(2,023)	24,132
Equity-settled share option expense Gain on disposal of assets/liabilities classified	以股本支付之購股權開支 出售持作待售資產/負債之		12,791	13,425
as held for sale	山告付下付告貝座/ 貝頂之 收益	5	(2,950)	
(Increase)/decrease in advances to customers	給予客戶之墊款(增加)/減少	J	(2,648,921)	1,089,588
Decrease/(Increase) in accounts receivable	應收賬款減少/(增加)		1,799,560	(2,071,329
(Increase)/decrease in prepayments, deposits	預付款項、按金及其他應收賬項		1,755,500	(2,071,020
and other receivables	(増加)/減少		(73,820)	6,530
(Increase)/decrease in financial investments	按公平值計入損益之		(10,020)	0,000
at fair value through profit or loss	財務投資(增加)/減少		(69,623)	111,657
Increase in cash held on behalf of customers	代客戶持有之現金增加		(1,496,717)	(299,989
Increase in accounts payable	應付賬款增加		1,356,047	388,736
Increase/(decrease) in other payables	其他應付賬款及應計款項			
and accruals	增加/(減少)		81,006	(96,418
ncrease in loans and other borrowings	貸款及其他借貸增加			
(excluding bank overdraft)	(不包括銀行透支)		807,875	780,740
nterest received	已收利息		308,288	254,695
Finance costs paid	已付財務成本		(39,194)	(35,401
Tax paid, net	已付税項,淨額		(219)	(103,996
Dividends received from listed investments	已收上市投資之股息		2,564	3,784
Net cash inflow from operating activities	經營業務之現金流入淨額		175,079	102,802

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

### Consolidated Statement of Cash Flows

# 綜合現金流量表

For the 18 months ended 31 December 2010 截至2010年12月31日止18個月

		Note 附註	For the 18 months ended 31 December 2010 截至2010年 12月31日 止18個月 HK\$'000	For the 18 months ended 30 June 2009 截至2009年 6月30日 止18個月 HK\$'000 千港元
Net cash inflow from operating activities	經營業務之現金流入淨額		175,079	102,802
Cash flows from investing activities	投資業務之現金流量			
Purchases of items of fixed assets Proceeds from disposal of fixed assets Acquisition of subsidiaries Investment in other intangible assets (Increase)/decrease in other assets	購買固定資產 出售固定資產所得款項 收購附屬公司 於其他無形資產之投資 其他資產(增加)/減少	13 32 15	(80,228) 51 (369) (2,000) (36,488)	(84,809 448 - - 4,304
Dividend from an associate/ a jointly-controlled entity Proceeds from disposal of available-for-sale investments Proceeds from disposal of assets/liabilities	已收聯營公司/共同控制實體 之股息 出售可供出售投資之 所得款項 出售持作待售資產/負債之		18,054	450
classified as held for sale Proceeds from disposal of an associate	所得款項 出售聯營公司之所得款項	18	59,157 15,680	9,769 -
Net cash outflow from investing activities	投資活動之現金流出淨額		(26,143)	(69,838
Cash flows from financing activities Proceeds from issue of shares Proceeds from share options exercised Contribution from non-controlling interests Repurchase and cancellation of shares Dividends paid to shareholders Dividends paid to non-controlling interests	融資活動之現金流量 發行股份之所得款項 行使購股權所得款項 非控制性權益之供款 購回及註銷股份 付給股東之股息 付給非控制性權益之股息	30 30	174 10,049 2,000 - (129,424)	190 1,668 - (12,806 (69,835 (2,620
Net cash outflow from financing activities	融資活動之現金流出淨額		(117,201)	(83,383
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period	現金及現金等值項目之 增加/(減少)淨額 期初之現金及現金等值項目		31,735 372,053	(50,419 422,472
Cash and cash equivalents at end of period	期終之現金及現金等值項目		403,788	372,053
Analysis of balances of cash and cash equivalents Cash and bank balances Bank overdrafts	<b>現金及現金等值項目結存</b> <b>之分析</b> 現金及銀行結存 銀行透支	27	417,680 (13,892)	403,790 (31,737
			403,788	372,053

The notes on pages 117 to 235 form an integral part of this consolidated financial information.

第117至第235頁之附註為本綜合財務資料之組成部份。

# Notes to Financial Statements 財務報表附註

# 1 Corporate information

Haitong International Securities Group Limited (formerly known as Taifook Securities Group Limited) is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 25th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong.

During the 18 months ended 31 December 2010, the Group was involved in the following principal activities:

- securities, futures and options contracts broking and trading
- the provision of margin and other financing
- the provision of corporate advisory, placing and underwriting services
- bullion contracts dealing and trading
- leveraged foreign exchange trading
- the provision of nominee and custodian services
- the provision of fund management
- the provision of financial planning and advisory services
- proprietary securities trading

#### Change of financial year end date

In prior period, the financial year end date of the Company and its subsidiaries apart from Haitong International Securities Company Limited (formerly known as Taifook Securities Company Limited) (collectively, the "Group") has been changed from 31 December to 30 June to conform with the financial year end date of its prior holding companies, NWS Holdings Limited and New World Development Company Limited. The prior financial period therefore covered a 18-month period from 1 January 2008 to 30 June 2009.

During the period, NWS Holdings Limited disposed of its controlling interest to Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited). As a result, to conform with the financial year end date of its holding companies, Haitong International Holdings Limited and Haitong Securities Co., Ltd., the financial year end date of the Company and its subsidiaries apart from Haitong International Securities Company Limited has been changed from 30 June to 31 December.

Accordingly, the current financial period covered a 18-month period from 1 July 2009 to 31 December 2010 and the comparatives also covered a 18-month period from 1 January 2008 to 30 June 2009.

### 1 公司資料

海通國際證券集團有限公司(前稱大福證 券集團有限公司)乃一間於百慕達註冊成 立之有限責任公司。本公司之主要營業地 點位於香港皇后大道中16-18號新世界大 廈25樓。

截至2010年12月31日止18個月,本集團 從事下列主要業務:

- 證券、期貨及期權合約經紀及買賣
- 提供孖展及其他財務借貸
- 提供企業諮詢服務、配售及包銷服務
- 貴金屬合約買賣及交易
- 槓桿外匯買賣
- 提供代理人及保管服務
- 提供基金管理
- 提供財務策劃及諮詢服務
- 自營證券買賣

# 更改財政年度結算日

於過往期間,本公司及其附屬公司(海通國際證券有限公司(前稱「大福證券有限公司」)除外)(統稱「本集團」)之財政年度結算日已由12月31日更改為6月30日,目的為與其前控股公司新創建集團有限公司及新世界發展有限公司之財政年度結算日達成一致。因此,上一財政期間包括2008年1月1日至2009年6月30日止18個月期間。

本期間,新創建集團有限公司出售其控股權益予海通國際控股有限公司(前稱[海通(香港)金融控股有限公司」)。因此,為使與控股公司海通國際控股有限公司及海通證券股份有限公司之財政年度結算日達成一致,本公司及其附屬公司(海通國際證券有限公司除外)之財政年度結算日由6月30日更改為12月31日。

因此,本財政期間涵蓋由2009年7月1日至2010年12月31日止18個月期間,而比較數字亦涵蓋由2008年1月1日至2009年6月30日止18個月期間。

# 2 Summary of significant accounting policies

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 periods presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of Haitong International Securities Group Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). They have been prepared under the historical cost convention, as modified by available-for-sale investments, financial investments at fair value through profit or loss and assets/liabilities classified as held for sale.

The preparation of financial statements in conformity with HKFRS 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 3.

# (a) Standards, amendments and interpretations effective for the period and relevant to the Group's operation

HKFRS 7 'Financial Instruments – Disclosures'
(amendment). The amendment requires enhanced
disclosures about fair value measurement and
liquidity risk. In particular, the amendment requires
disclosure of fair value measurements by level of a
fair value measurement hierarchy. As the change
in accounting policy only results in additional
disclosures, there is no impact on earnings per
share.

### 2 重要會計政策摘要

編製該等綜合財務報表採用的主要會計政 策載於下文。除另有説明外,該等政策在 所呈報的所有期間內貫徹應用。

#### 2.1 編製基準

海通國際證券集團有限公司之綜合財務報表已根據香港財務報告準則(「香港財務報告準則」)編製。該等財務報表乃按照歷史成本法編製,並就按可供出售投資、按公平值計入損益之財務投資及劃分為持作待售之資產/負債作出修訂。

編製符合香港財務報告準則之財務報表需要使用若干關鍵會計估算,這需要管理層於應用本集團會計政策之過程中作出判斷。涉及高度的判斷或高度複雜性的範疇,或涉及對綜合財務報表作出重大假設和估計的範疇,在附註3中披露。

# (a) 於期內生效並與本集團營運有 關的準則、修訂及詮釋

• 香港財務報告準則第7號 「財務工具:披露」(修訂 本)。此修訂要求提高關於 財務工具的公平值計 流動性風險的披露。此 訂特別要求按公平值 量架構披露公平值計 量架構披露公平值計 一次。此會計政策變更只 致額外的披露,對每股盈 利並無影響。

#### 2.1 Basis of preparation (Continued)

- (a) Standards, amendments and interpretations effective for the period and relevant to the Group's operation (Continued)
  - HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
  - HKFRS 2 (amendment), 'Share-based payment'. The amendment deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group has adopted this amendment to HKFRS 2 in relation to the share options granted to the employees in current 18-month period.

### 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

- (a) 於期內生效並與本集團營運有 關的準則、修訂及詮釋(*續*)
  - 香港會計準則第1號(經修 訂)「財務報表的呈報」。此 項經修訂準則禁止在權益 變動表中呈列收入及開支 項目(即「非擁有人的權益 變動」),並規定「非擁有人 的權益變動」必須與擁有人 的權益變動於全面收益表 中分開呈列。因此本集團 在權益變動表中呈報擁有 人的權益變動,而非擁有 人的權益變動則在綜合全 面收益表中呈報。比較資 料已經重新呈報以便符合 經修訂準則。由於會計政 策變更只影響呈報方面, 故對每股盈利並無影響。
  - 香港財務報告準則第2號 (修訂本)「以股份為基礎的 付款」。該修訂本處理有關 歸屬條件及註銷,澄清歸 屬條件僅指服務條件和表 現條件。以股份為基礎的 付款的其他特徵不是歸屬 條件。此等特徵將需要包 括在與僱員和其他提供類 似服務人士的交易於授出 日期的公平值內;此等特 徵將不影響授出日期後預 期將歸屬的獎勵數目或估 值。所有註銷,不論由實 體或其他方作出,必須按 相同的會計處理法入賬。 本集團已就於本18個月 期間授予僱員之購股權, 採納香港財務報告準則第 2號。

#### 2.1 Basis of preparation (Continued)

- (a) Standards, amendments and interpretations effective for the period and relevant to the Group's operation (Continued)
  - HKFRS 8, 'Operating Segments'. HKFRS 8 replaces HKAS 14, 'Segment Reporting'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive Committee that makes strategic decisions.

Amendment to HKFRS 8 'Operating segments', effective for periods beginning on or after 1 January 2010. Disclosure of information about total assets and liabilities for each reportable segment is required only if such amounts are regularly provided to the chief operating decision maker. Early adoption is allowed. The Group has early adopted this amendment to HKFRS 8 for the period beginning 1 July 2009.

# 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

- (a) 於期內生效並與本集團營運有 關的準則、修訂及詮釋(續)

#### 2.1 Basis of preparation (Continued)

- (a) Standards, amendments and interpretations effective for the period and relevant to the Group's operation (Continued)
  - HKFRS 3 (revised), 'Business combinations,' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The revised standard does not result in a material impact on the Group's financial statements as the acquisitions in the current 18-month period do not involve any contingent payments and the Group acquired 100% interest in the acquirees. Note 32 to the consolidated financial statements includes further details on the Group's acquisitions of subsidiaries during the current 18-month period.

### 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

- (a) 於期內生效並與本集團營運有 關的準則、修訂及詮釋(續)
  - 香港財務報告準則第3號 (經修訂)「業務合併」,以 及香港會計準則第27號「綜 合及獨立財務報表」、 管內 會計準則第28號「聯營公司投資」及香港會計準則第 31號「合營企業之權益」的 相應修改,以未來適用法 應用於收購日期為2009年 7月1日或之後開始的首個 年度報告期間或之後的業 務合併。

此項經修訂準則繼續對業 務合併採用收購法,但與 香港財務報告準則第3號 比較,有若干重大更改。 例如, 收購業務的所有付 款必須按收購日期的公平 值記錄,而分類為債務的 或然付款其後須在全面收 益表重新計量。個別收購 基準有不同選擇方案,可 按公平值或按非控制性權 益應佔被收購方淨資產的 比例,計量被收購方的非 控制性權益。所有收購相 關成本必須支銷。由於本 18個月期間所進行之收購 事項並無涉及任何或然付 款及本集團已購入被收購 方之所有權益,故經修訂 準則對本集團之財務報表 並無重大影響。有關本集 團於本18個月期間收購附 屬公司之進一步詳情,載 於綜合財務報表附註32。

#### 2.1 Basis of preparation (Continued)

(a) Standards, amendments and interpretations effective for the period and relevant to the Group's operation (Continued)

As the Group has adopted HKFRS 3 (revised), it is required to adopt HKAS 27 (revised), 'consolidated and separate financial statements', at the same time. HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (revised) has had no impact on the Group's financial statement in the current 18-month period.

HK(IFRIC) – 13, 'Customer Loyalty Programmes'.
 HK(IFRIC) – Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple element arrangement, and the consideration receivable from the customer is allocated between the components of the arrangement using fair values.
 HK(IFRIC) – Int 13 is relevant to the Group's operation as the Group's companies operate some of the loyalty programmes.

### 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

(a) 於期內生效並與本集團營運有關的準則、修訂及詮釋(續)

由於本集團已採納香港財 務報告準則第3號(經修 訂),故須同時採納香港 會計準則第27號(經修訂) 「綜合及獨立財務報表」。 香港會計準則第27號(經 修訂)規定倘控制權並無變 動,且有關交易將不再產 生商譽或盈虧,則與非控 制性權益進行之所有交易 之影響須於權益中列賬。 此項準則亦訂明失去控制 權時之會計處理方法。任 何於該實體之剩餘權益按 公平值重新計量,並在損 益內確認盈虧。香港會計 準則第27號(經修訂)於本 18個月期間,對本集團之 財務報表並無影響。

#### 2.1 Basis of preparation (Continued)

- (b) Standards, amendments and interpretations effective for the period but not relevant to the Group's operation
  - HKAS 23 (amendment), 'Borrowing costs'
  - HK(IFRIC) Int 17, 'Distribution of non-cash assets to owners'
  - HK(IFRIC) Int 18, 'Transfer of assets from customers'
  - HK(IFRIC) Int 9, 'Reassessment of embedded derivatives' and related amendments to HKAS 39, 'Financial instruments: Recognition and measurement'
  - HK(IFRIC) Int 16, 'Hedges of a net investment in foreign operation'
  - HKAS 38 (amendment), 'Intangible assets'

# (c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group

HKFRS 5 (amendment), 'Measurement of noncurrent assets (or disposal groups) classified as held for sale', effective for the periods beginning on or after 1 January 2010. The amendment is part of the HKICPA's annual improvements project published in May 2009. The amendment provides clarification that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1. The Group will apply HKFRS 5 (amendment) from 1 January 2011. It is not expected to have a material impact on the Group's financial statements.

### 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

- (b) 於期內生效但與本集團營運無 關的準則、修訂及詮釋
  - 香港會計準則第23號(修訂 本)「借貸成本」
  - 香港(國際財務報告詮釋委 員會)一詮釋第17號[向所 有者分派非現金資產」
  - 香港(國際財務報告詮釋委 員會)一詮釋第18號「轉讓 客戶資產」
  - 香港(國際財務報告詮釋委 員會)一詮釋第9號「重估嵌 入式衍生工具」及香港會計 準則第39號「財務工具:確 認及計量」之相關修訂
  - 香港(國際財務報告詮釋委 員會)--詮釋第16號[海外業 務投資淨額之對沖」
  - 香港會計準則第38號(修訂 本)「無形資產」

# (c) 本集團尚未生效及並無提早採 納之準則、修訂及詮釋

香港財務報告準則第5號 (修訂本)「持作出售之非流 動資產(或出售組別)之計 量 | , 於2010年1月1日或 之後開始之期間 生效。此 修訂本乃香港會計師公會 於2009年5月頒佈之年度 改進計劃的一部份。此修 訂明確指出香港財務報告 準則第5號指明就分類為持 作出售之非流動資產(或出 售組別)或已終止經營業務 須作出之披露。其亦釐清 香港會計準則第1號之一般 要求仍然適用,特別是香 港會計準則第1號第15段 (以達致公平呈報)及第 125段(估計來源之不確定 性)。本集團將由2011年 1月1日起應用香港財務報 告準則第5號(修訂本)。預 期對本集團之財務報表並 無重大影響。

#### 2.1 Basis of preparation (Continued)

- (c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group (Continued)
  - HKAS 1 (amendment), 'Presentation of financial statements', effective for the periods beginning on or after 1 January 2010. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group will apply HKAS 1 (amendment) from 1 January 2011 but it is not expected to result any impact to the Group's financial statements as the Group has not issued convertible instruments.
  - HKAS 36 (amendment), 'Impairment of assets', effective for the periods beginning on or after 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by HKFRS 8. The Group will apply HKAS 36 (amendment) from 1 January 2011.

# 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

- (c) 本集團尚未生效及並無提早採納之準則、修訂及詮釋(續)
  - 香港會計準則第1號(修訂 本)「財務報表的呈列」, 於2010年1月1日或之後開 始之期間生效。該修訂澄 清,透過發行權益清償負 債之潛力與將該負債分類 為流動負債或非流動負債 並不相關。修訂流動負債 定義後,儘管對方可能隨 時要求實體以股份清償負 債,此修訂本允許負債分 類為非流動負債,惟實體 須擁有無條件權利將以現 金或其他資產方式作出之 還款延遲至會計期間後至 少12個月。自2011年1月 1日起,本集團將應用香港 會計準則第1號(修訂本), 但由於本集團尚未發行可 換股工具,故預計對本集 團之財務報表並無任何影 響。
  - 香港會計準則第36號(修訂本)「資產減值」,於2010年1月1日或之後開始之期間生效。此修訂釐清了就減值測試目的,應為量性(或單位組別),應為軍位(或單位組別),應為香營財務報告準則第8號「經營分類」定義之經營分類。本集團將自2011年1月1日起應用香港會計準則第36號(修訂本)。

#### 2.1 Basis of preparation (Continued)

- (c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group (Continued)
  - HKFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace HKAS 39, 'Financial instruments: recognition and measurement'. HKFRS 9 introduces new requirements for classifying and measuring financial assets. Key features are as follows:

Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

### 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

- (c) 本集團尚未生效及並無提早採納之準則、修訂及詮釋(續)
  - 香港財務報告準則第9號 「財務工具」,於2009年 11月頒佈。該準則是取代 香港會計準則第39號「財務 工具:確認及計量」進程之 第一步。香港財務報告準 則第9號對分類及計量財務 資產提出了新要求。主要 特點如下:

財務資產須分為兩個計量 類別:後續按公平值計量 者及後續按攤銷成本計量 者。該決定須在初步確認 時作出。分類取決於實體 管理其財務工具的業務模 式以及該工具的合約現金 流量特徵。

#### 2.1 Basis of preparation (Continued)

(c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group (Continued)

All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity instruments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit and loss. There is to be no recycling of fair value gains and losses to profit and loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit and loss, as long as they represent a return on investment.

While adoption of HKFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted.

The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

HKAS 24 (Revised), 'Related party disclosures' (issued in November 2009). It supersedes HKAS 24, 'Related party disclosures', issued in 2003. HKAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted.

# 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

(c) 本集團尚未生效及並無提早採納之準則、修訂及詮釋(續)

儘管自2013年1月1日起必 須採納香港財務報告準則 第9號,然而亦可提前採 納。

本集團現正考慮該準則的 影響、對本集團的影響及 本集團採納該準則的時機。

• 香港會計準則第24號(經修訂)「關連方披露」(於2009年11月頒佈),取代香港會計準則第24號「關連方披露」(於2003年頒佈)。香港會計準則第24號必須於2011年1月1日或之後開始之期間採納,亦可提前應用(無論全部或部份)。

#### 2.1 Basis of preparation (Continued)

(c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group (Continued)

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group will apply the revised standard from 1 January 2011. When the revised standard is applied, the Group and the parent will need to disclose any transactions between its subsidiaries and its associates. The adoption of this standard will not have material impact to the Group's financial statements.

- There are also a number of standards, amendments and interpretation which are not yet effective and not yet early adopted by the Group. These standards, amendments and interpretations issued are unlikely to have a material impact on the Group's financial statements and are not disclosed in detail.
- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the Hong Kong Institute of Certified Public Accountants. All improvements are effective in the financial period beginning from 1 January 2011. No material changes to accounting policies are expected as a result of these amendments.

### 2 重要會計政策摘要(續)

#### 2.1 編製基準(續)

(c) 本集團尚未生效及並無提早採納之準則、修訂及詮釋(續)

- 本集團亦有若干尚未生效 及提早採納的準則、修訂 及詮釋。該等已頒佈之準 則、修訂及詮釋對本集團 之財務報表並無重大影 響,且不會披露詳情。
- 香港會計師公會於2010年 5月頒佈香港財務報告準則 (2010年)第三次改進。所 有改進於2011年1月1日之 後開始之財政期間生效。 該等修訂預計將不會導致 會計政策產生重大變更。

#### 2.2 Basis of consolidation

#### (a) Subsidiaries

The consolidated financial statements include the financial statement of the Company and all its subsidiaries made up to the 31 December 2010.

Subsidiaries are all 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. 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.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisitionby-acquisition basis, the Group recognises any noncontrolling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. 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.

### 2 重要會計政策摘要(續)

#### 2.2 綜合基準

#### (a) 附屬公司

綜合財務報表包括本公司及其 所有附屬公司結算至2010年 12月31日之財務報表。

於附屬公司的投資按成本扣除減值列賬。成本經調整以反映修改或有代價所產生的代價變動。成本亦包括投資的直接歸屬成本。附屬公司之業績由本公司按股息及應收款項入賬。

#### 2.2 Basis of consolidation (Continued)

#### (a) Subsidiaries (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### 2 重要會計政策摘要(續)

#### 2.2 綜合基準(續)

#### (a) 附屬公司(續)

已轉讓的代價、被購買方任何非控制性權益,以及被購買方任何方任何之前權益在購買日期的買用與認淨資產公平值的數額言,到為商譽。就廉價購買而屬公可數額低於所購入附屬公司,若該數額低於所購入附屬公事值,該差額直接在綜合收益表中確認。

集團公司間交易、結餘及未變 現交易收益均會對銷。未變現 虧損亦會對銷。附屬公司的會 計政策已作必要調整,使其與 本集團所採納的會計政策一致。

#### (b) 非控制性權益交易

本集團將其與非控制性權益進 行的交易視為與本集團權益擁 有人之間進行的交易。向非控 制性權益採購,所支付的任何 代價與所收購的附屬公司資 淨值賬面值相關部份的差額, 於權益中入賬。向非控制性權 益進行出售所產生的盈虧亦於 權益入賬。

#### 2.2 Basis of consolidation (Continued)

# (b) Transactions with non-controlling interests (Continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### (c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting polices of associates have been changed where necessary to ensure consistency with the polices adopted by the Group.

### 2 重要會計政策摘要(續)

#### 2.2 綜合基準(續)

#### (b) 非控制性權益交易(續)

倘於聯營公司之所有權權益減少,而重大影響力獲保留,則 先前於其他全面收益內確認之 金額僅有一定比例部份重新分 類為溢利或虧損(如適用)。

#### (c) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體,通常附帶有20%至50%投票權的股權。於聯營公司的投資以權益會計法入賬,初始以成本確認。本集團於聯營公司之投資包括收購時已識別的商譽(扣除任何累計減值虧損)。

本集團應佔收購後聯營公司的 證利或虧損於綜合收益表面內確 認,而應佔收購後其他全並 益的變動則於其他全會根據 之收購後儲備變動而作公立 整。當本集團分佔聯營公 整。當本集團分佔聯營公司司 權益(包括任何其他無抵認 就項)時,本集團不再確認 提為 步之虧損,除非本集團代 步之虧損,除非本集團代 少司承擔負債或支付款項。

本集團與其聯營公司之間交易 的未變現收益按本集團在聯營 公司權益的數額對銷。除非交 易提供所轉讓資產減值之以 證,否則未變現虧損亦予已 銷。聯營公司的會計政策 3 需要作出改變,以確保與本集 團採用的政策貫徹一致。

#### 2.2 Basis of consolidation (Continued)

#### (c) Associates (Continued)

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

In the Company's balance sheet the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend received and receivable.

#### (d) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill on acquisitions for which the agreement date is on or after 1 January 2005

Goodwill arising on acquisition is recognised in the balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The Group performs its annual impairment test of goodwill as at 31 December.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

### 2 重要會計政策摘要(續)

#### 2.2 綜合基準(續)

#### (c) 聯營公司(續)

在聯營公司的投資所產生的攤 薄盈虧於綜合收益表確認。

於本公司之資產負債表內,於 聯營公司之投資按成本減減值 虧損撥備列賬。聯營公司之業 績由本公司按已收及應收股息 入賬。

### (d) 商譽

收購附屬公司產生之商譽乃企 業合併成本超逾於收購當日本 集團應佔被收購方可識別資 產、負債及或然負債之公平值 淨值。

協議日期為2005年1月1日或其 後之收購所產生商譽

因收購產生之商譽在資產負債 表內確認為資產,初步按成本 計量,其後按成本減任何累計 減值虧損。

商譽之賬面值需每年進行減值 檢核,或於出現任何事件或情 況改變顯示賬面值可能減少 時,則更頻密進行檢核。

本集團將於12月31日對商譽進 行年度減值測試。

就測試減值而言,因企業合併 而收購之商譽自收購日期起分 配至預期可自合併之協同效益 中獲益之本集團各現金產生單 位或各現金產生單位組別,而 不論本集團其他資產或負債有 否轉撥至該等單位或單位組別。

#### 2.2 Basis of consolidation (Continued)

#### (d) Goodwill (Continued)

Goodwill on acquisitions for which the agreement date is on or after 1 January 2005 (Continued)

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

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

Goodwill previously eliminated against consolidated reserves

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 "Business Combinations" ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated reserve in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated reserve and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

### 2 重要會計政策摘要(續)

#### 2.2 綜合基準(續)

#### (d) 商譽(續)

協議日期為2005年1月1日或其 後之收購所產生商譽(續)

減值按商譽有關之現金產生單位(現金產生單位組別)可收回款額進行評估釐定。倘現金產生單位組別)之可收回款額低於賬面值,則確認減值虧損。就商譽確認之減值虧損不會於其後撥回。

倘商譽為現金產生單位(現金產 生單位組別)其中部份,該單位 部份業務出售時,與售出業務 有關之商譽將計入業務賬面值 以釐定出售業務盈虧。於該情 況售出之商譽,按售出業務及 保留之現金產生單位部份相對 價值基準計算。

# 過往自綜合儲備撇銷之商譽

於2001年採納香港會計師公會之會計實務準則第30號「業務合併」前(「會計實務準則第30號」),因收購產生之商內數學,因以購產生之商內數學,因收購在採納香港財務報告準則第3號後,該等商譽繼續自為學人主部或部份業務出售或值時於收益表中確認。

#### 2.3 Impairment of non-financial assets other than goodwill

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises.

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

# 2 重要會計政策摘要(續)

#### 2.3 非財務資產的減值(商譽除外)

倘若出現任何減值跡象,或當有需要 為一項資產(遞延税項資產、財務資 產及商譽除外)進行年度減值測試, 則會估計資產的可回收金額。除非某 類資產產生之現金流量並非大致獨立 於其他資產或多項資產所產生之現金 流量(在此情況下,可回收金額按資 產所屬之現金產生單位釐定),否 資產的可回收金額按資產或現金產生 單位的使用價值與其公平值減銷售成 本較高者計算,並按個別資產釐定。

當資產的賬面值超過可回收金額時,減值虧損方予確認。評估使用價值時是以除稅前之折現率折現預計未來之現金流量的現值,而該折現率反映當時市場對金錢時間值之評估及該項資產的特有風險。減值虧損於所產生期間計入收益表內。

每屆報告日期會評定是否有跡象顯示之前已確認的減值虧損不再存在或已經減少。倘出現該等跡象,則會估計可回收金額。除非用以釐定資產的可回收金額的估計出現變動,否則之前確認的資產的減值虧損(商譽除外)不予撥回,惟若撥回,撥回金額亦不得超過在過往年度並無確認資產減值虧損的情況下釐定的賬面值(經扣除任何折舊)。撥回的減值虧損於所產生期間的收益表入賬。

# Notes to Financial Statements 財務報表附註

# 2 Summary of significant accounting policies (continued)

#### 2.4 Related parties

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

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

### 2 重要會計政策摘要(續)

#### 2.4 關連方

任何一方如屬以下情況,即視為本集 團的關連方:

- (i) 該方透過一家或多家中介公司,直接或間接(i)控制本集團,受本集團控制或與本集團受同一方控制:(ii)於本集團擁有權益,並可藉著該權益對本集團行使重大影響力;或(iii)共同控制本集團;
- (ii) 該方為聯營公司;
- (iii) 該方為共同控制實體;
- (iv) 該方為本集團或其母公司的主 要管理人員其中一名成員;
- (v) 該方為(i)或(iv)所述之任何人士 的近親:
- (vi) 該方為一家實體,直接或間接 受(iv)或(v)所述之任何人士控制 或共同控制,或(iv)或(v)所述之 任何人士直接或間接對該實體 行使重大影響力或擁有重大投 票權;或
- (vii) 該方為終止僱用後福利計劃, 乃為本集團或屬於其關連方之 任何實體的僱員福利而設。

#### 2.5 Fixed assets

#### (a) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred.

In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

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

Leasehold land and Over the shorter of the lease buildings terms and 2.5%

Leasehold improvements 20% Furniture, fixtures and 20%

equipment

Computer hardware 30%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

### 2 重要會計政策摘要(續)

#### 2.5 固定資產

#### (a) 物業、機器及設備與折舊

當明顯地證明上述開支已引致預期日後因使用物業、機器及設備之項目而將會取得之成濟利益增加,而有關項目之成本能可靠計量時,則該項支出將被資本化作為該資產的附加成本或替代成本。

折舊乃按物業、機器及設備之 每個項目於其估計可用年期以 直線法計算,以撇銷其成本值 至剩餘值。就此所採用的主要 年率如下:

租賃土地按租賃年期與及樓宇2.5%兩者中較短者

租賃物業裝修 20% 傢俬、裝置 20%

及設備

電腦硬件 30%

當一項物業、機器及設備的各部份擁有不同的可使用年期時,則該項目各部份的成本將按合理基準分配,且各部份將作單獨折舊。

於各結算日時,均會對該項資 產的剩餘值、可使用年期及折 舊方法進行檢討,並作出適當 的調整。

#### 2.5 Fixed assets (continued)

# (a) Property, plant and equipment and depreciation (continued)

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

#### (b) Computer software and system development

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- (i) it is technically feasible to complete the software product so that it will be available for use;
- (ii) management intends to complete the software product and use or sell it;
- (iii) there is an ability to use or sell the software product;
- (iv) it can be demonstrated how the software product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- (vi) the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

### 2 重要會計政策摘要(續)

#### 2.5 固定資產(續)

#### (a) 物業、機器及設備與折舊(續)

物業、機器及設備項目於出售或當預期不會從其使用或出時獲取未來經濟利益時不再確認。於取消確認該項資產年內在收益表內確認的出售或可達生的任何收益或虧損,為實施。

#### (b) 電腦軟件及系統開發

與維護電腦軟件程序有關的成本在產生時確認為開支。當能證明符合以下各項條件時,投放於設計和測試由本集團控制的可識別及獨有軟件產品的直接開發成本可確認為無形資產:

- (i) 在技術上可完成該軟件產品, 以使其可供使用;
- (ii) 管理層有意圖完成並使用或出 售該軟件產品;
- (iii) 有能力使用或出售該軟件產品;
- (iv) 可證實該軟件產品如何產生很 有可能出現的未來經濟利益;
- (v) 有足夠的技術、財務及其他資 源完成開發、使用及銷售該軟 件產品:及
- (vi) 該軟件產品在開發期內應佔的 開支能可靠地計量。

可資本化成為軟件產品成本的直接成 本包括軟件開發的員工成本和適當比 例的相關經常開支。

#### 2.5 Fixed assets (continued)

# (b) Computer software and system development (continued)

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, from three to five years.

# 2.6 Intangible assets (other than goodwill and computer software and system development)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

The Group's intangible assets, representing eligibility rights to trade on or through the Stock Exchange and the Futures Exchange, with indefinite useful lives are tested for impairment annually either individually or at the cashgenerating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the income statement when the asset is derecognised.

### 2 重要會計政策摘要(續)

#### 2.5 固定資產(續)

#### (b) 電腦軟件及系統開發(續)

不符合以上條件的其他開發成 本在產生時確認為開支。過往 確認為開支的開發成本不會在 往後期間確認為資產。

確認為資產的電腦軟件開發成 本乃按估計可使用年期三至五 年攤銷。

# 2.6 無形資產(商譽、電腦軟件及系統 開發除外)

無形資產的可使用年期經評估後分為 有限或無限。具有限可使用年期的無 形資產在可使用年期內攤銷,並於有 跡象顯示無形資產可能減值時評估減 值。具有限可使用年期的無形資產的 攤銷年期及攤銷方法最低限度於每個 結算日作評估。

本集團之無形資產乃可於或透過聯交 所及期交所進行交易之權利,具無限 可使用年期並於每年按個別或於現金 產生單位作減值測試。該等無形資產 並不予以攤銷。具無限年期之無形資 產之可使用年期於每年作評估,以釐 定無限可使用年期之評估是否持續可 靠。如否定,則可使用年期之評估自 此由按無限年期更改為按有限年期計量。

不再確認無形資產所產生盈虧按出售 所得款項淨額與資產賬面值差額計 算,並於不再確認該資產時在收益表 內確認。

#### 2.7 Other assets

Other assets held on a long term basis are stated at amortised cost using the effective interest method.

#### 2.8 Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessors are accounted for as operating leases. Rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

#### 2.9 Investments and other financial assets

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

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivatives is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

### 2 重要會計政策摘要(續)

#### 2.7 其他資產

長期持有之其他資產以實際利率法, 按已攤銷成本列賬。.

#### 2.8 租賃

凡資產擁有權之絕大部份收益及風險 仍歸於出租人之租賃,均視為經營租 賃。有關該等經營租賃之應付租金乃 按租賃年期以直線法在收益表中處 理。

經營租賃預付土地租賃款項最初按成本列賬,隨後於租賃期以直線法確認。倘租金未能在土地及樓宇項目之間可靠劃分,則租金全數入賬為土地及樓宇成本,作為物業、機器及設備項下之融資租賃。

#### 2.9 投資及其他財務資產

根據香港會計準則第39號所界定之 財務資產乃分類為按公平值計入損益 之財務資產、貸款及應收賬款及可供 出售之財務資產(視情況而定)。財務 資產於首次確認時以公平值計算,而 並非按公平值計入損益之投資,則按 直接應佔交易成本計算。

本集團於首次成為合約一方時會考慮 該合約是否內含嵌入式衍生工具,並 且考慮若分析顯示嵌入式衍生工具之 經濟性質及風險與該主合約並無緊密 關連,該等嵌入式衍生工具是否需要 獨立於主合約。只有在合約條文出現 變更,重大影響合約所需之現金流, 在此情況下方需要進行重估。

本集團於首次確認後釐定其財務資產 分類,並在容許及適當之情況下於結 算日重新評估有關分類。

#### 2.9 Investments and other financial assets (continued)

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

### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on investments held for trading are recognised in the income statement. The net fair value or loss recognised in the income statement does not include any dividends on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" below.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

### 2 重要會計政策摘要(續)

#### 2.9 投資及其他財務資產(續)

所有一般買賣之財務資產概於交易日 (即本集團承諾購買或出售該資產之 日期)予以確認。一般買賣乃指按照 一般市場規定或慣例在一定期間內交 付資產之財務資產買賣。

#### (i) 按公平值計入損益之財務資產

按公平值計入損益之財務資產包括持作交易之財務資產的財產的與期賣出於資產的財產的財產。持作交易投資之盈虧,所發產。持作交易投資之盈虧,不可以對於政治之公平值或虧損淨限。於收益表中確認。於以對於政治之政節之任何股息根據載於下列「收入確認」內之政策確認。

### (ii) 貸款及應收賬款

#### 2.9 Investments and other financial assets (continued)

#### (iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as "Other income" in accordance with the policies set out for "Revenue recognition" below. Losses arising from the impairment of such investments are recognised in the income statement as "Impairment losses on availablefor-sale financial assets" and are transferred from the available-for-sale investment revaluation reserve.

#### (iv) Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same and a discounted cash flow analysis.

# 2 重要會計政策摘要(續)

#### 2.9 投資及其他財務資產(續)

#### (iii) 可供出售之財務資產

可供出售之財務資產乃分類為 可供出售或不能在任何其他兩 個範疇分類且屬上市及非上市 股本證券及非衍生財務資產。 在初步確認後,可供出售財務 資產按公平值計算,其收益或 虧損則在權益確認為獨立部 份,直至有關投資被取消確認 或被釐定出現減值,而在此 時,過往在權益中列賬之累計 收益或虧損會計入收益表。賺 取的利息及股息分別呈報為利 息收入及股息收入,並根據下 述「收入確認」所載的政策在收 益表內確認為其他收入。該等 投資之減值虧損於收益表中確 認為「可供出售財務資產之減值 虧損」,並自可供出售投資重估 儲備轉出。

#### (iv) 公平值

在金融市場活躍交易之投資名之 公平值,乃參考結算日業務 日業 所報之市場買入價值 活頭投資之市場立市場近天確 定 不值 將採用估值方法 建 定 定 公平值 將採用估值 近期 進 行 大 致 類 同之財務工具之現 行 市場 優值 及現金流量折現分析。

#### 2.10 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

#### (i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, 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 (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

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, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to advances to customers and accounts receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

### 2 重要會計政策摘要(續)

#### 2.10 財務資產減值

本集團於各結算日評估是否有客觀跡 象表明一項財務資產或一類財務資產 出現減值。

#### (i) 按攤銷成本列賬之資產

倘若以後期間減值虧損之數額 減少,而減少之原因客觀上 減值虧損確認後所發生之減 相關聯,則先前確認之減值 損透過調整撥備賬目可 資。於回撥當日,倘若資 大個值並無超出其攤銷成本 時 近個減值虧損之其後回撥將於 收益表內確認入賬。

#### 2.10 Impairment of financial assets (continued)

#### (ii) Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

#### 2.11 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "passthrough" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or
   (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# 2 重要會計政策摘要(續)

#### 2.10 財務資產減值(續)

#### (ii) 可供出售之財務資產

倘一項可供出售資產出現減 值,其成本值(扣除任何本金付 款及攤銷)與其現行公平值之差 額,在扣減以往在收益表確認 之任何減值虧損後會由權益轉 撥至收益表。當可供出售的股 本投資之公平值較其成本顯著 或持續下降,或有其他客觀證 據顯示資產已發生減值的情況 時,將相應計提減值準備。「顯 著」及「持續」的定義需要專業 判斷。另外,本集團對其他因 素作出評價,例如股價的波動 性。分類為可供出售之股本工 具之減值虧損則不會透過收益 表撥回。

#### 2.11取消確認財務資產

財務資產(或一項財務資產之一部份 或一組同類財務資產之一部份)在下 列情況將取消確認:

- 收取該項資產所得現金流量之權利經已屆滿;
- 本集團保留收取該項資產所得現金流量之權利,惟須根據一項「通過」安排,在未有嚴重延緩第三者之情況下,已就有關權利全數承擔付款之責任;或
- 本集團已轉讓其收取該項資產 所得現金流量之權利,並(a)已 轉讓該項資產之絕大部份風險 及回報;或(b)並無轉讓或保 留該項資產絕大部份風險及回 報,但已轉讓該項資產之控制 權。

# 2.12 Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including accounts payable, other payables and accruals and loans and other borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

#### 2.13 Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

#### 2.14 Derecognition of financial liabilities

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

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

### 2 重要會計政策摘要(續)

# **2.12** 按攤銷成本列賬之財務負債(包括 計息貸款及借貸)

財務負債包括應付賬款、其他應付賬項及應計負債以及貸款及其他借貸首先以公平值減直接應佔交易成本列賬,其後用實際利率法按攤銷成本計算,惟倘貼現之影響並不重大時,則以成本列賬。相關利息支出在收益表「財務成本」內確認。

該等貸款取消確認或進行攤銷時產生 之盈虧於收益表確認。

### 2.13 財務擔保合約

屬香港會計準則第39號範圍內之財務擔保合約乃按財務負債列賬。財務擔保合約首先以公平值加直接應佔收購或發行財務擔保合約之交易成本確認,惟該合約按公平值計入損益而確認除外。於首次確認後,本集團以(i)根據香港會計準則第37號撥備、或然負債及或然資產釐定之金額減(如適合)根據香港會計準則第18號收益確認之累計攤銷兩者中之較高者計算財務擔保合約之賬面值。

#### 2.14 取消確認財務負債

財務負債於當負債之責任被履行、取 消或屆滿時取消確認。

由同一貸款人改以重大不同條款代替 之現存財務負債,或現存負債條款經 重大修改,有關轉換或修訂被視作取 消確認原來負債,並確認新負債,有 關賬面值之差異於收益表內確認。

#### 2.15 Cash and cash equivalents

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

For the purpose of the balance sheets, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

#### 2.16 Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

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

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

 where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

# 2 重要會計政策摘要(續)

#### 2.15 現金及現金等值項目

就綜合現金流量表而言,現金及現金 等值項目乃指手頭現金及活期存款, 以及可隨時轉換為已知現金數額、價 值改變之風險不高並於購入後三個月 內到期之短期及高度流動投資,減去 須按要求償還之銀行透支,並為本集 團現金管理重要一環。

就資產負債表而言,現金及銀行結存 包括用途不受限制之手頭及銀行現金 (包括定期存款)。

#### 2.16 所得税

所得税包含即期税項及遞延税項。所 得税乃於收益表確認,倘若税項與於 相同或不同期間直接在股權中確認之 項目有關,則於股權中確認。

本期間及過往期間之即期税項資產按 預期可自稅務機關收取或支付予稅務 機關之金額計算。

遞延所得税乃採用負債法,對於結算 日資產及負債之計税基準與就財務報 告目的而言該等項目賬面值之間所有 暫時性差額計提撥備。

所有應課税暫時性差額均確認為遞延 税項負債,惟不包括:

初始確認一項交易(並非業務合併)之資產或負債所產生、且在交易時並不影響會計溢利或應課稅溢利或虧損之遞延稅項負債;及

#### 2.16 Income tax (continued)

 in respect of taxable temporary differences associated with investments in subsidiaries and jointly-controlled entity, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

### 2 重要會計政策摘要(續)

#### 2.16 所得税(續)

 對於附屬公司及共同控制實體 之投資所產生之應課税暫時性 差額(惟撥回暫時性差額之時 間可以控制,並且暫時性差額 於可預見之將來可能不會被撥 回)。

所有可予扣減暫時性差額、未動用稅 項資產及稅項虧損結轉於可能獲得應 課稅溢利作為抵銷,以動用該等可予 扣減暫時性差額、結轉之未動用稅項 抵免及稅項虧損之情況下,均確認為 遞延稅項資產,惟不包括:

- 初始確認一項交易(並非業務合併)資產或負債所產生之可予 扣減暫時性差額有關之遞延税 項資產,且在交易時,並不影響會計溢利或應課税溢利或虧 捐;及
- 對於附屬公司及共同控制實體 之投資有關可予扣減暫時性差 額,遞延税項資產僅可在暫時 性差額將於可預見之將來撥 回,並且應課税溢利將可用以 抵銷暫時性差額之情況下予以 確認。

遞延税項資產之賬面值於各結算日審 閱及予以相應扣減,直至不再有足夠 之應課税溢利可供所有或部份遞延税 項資產動用為止。相反,先前未確認 之遞延税項資產於各個財務結算日重 新評估並予以確認,直至有足夠之應 課税溢利可供所有或部份遞延税項資 產動用為止。

遞延税項資產及負債乃按預期適用於 變現資產或清償負債期間之税率衡量,並以結算日已制定或已實質上制 定之税率(及税法)為基準。

#### 2.16 Income tax (continued)

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

#### 2.17 Revenue recognition

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

- (i) from the profit and loss on sale of available-for-sale investments and equity investments at fair value through profit or loss, on the transaction dates when the relevant contract notes are executed:
- (ii) commission on dealing in securities, futures, options and bullion contracts and the profit and loss on trading in securities, futures, options and bullion contracts, on the transaction dates when the relevant contract notes are executed:
- (iii) consultancy and financial advisory fees, placing, underwriting and sub-underwriting commissions, and commission income from financial planning, on an accrual basis in accordance with the terms of the underlying agreements;
- (iv) income from fund management, custodian and handling services, in the period in which such services are rendered:
- (v) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument,
- (vi) income from leveraged foreign exchange transactions, on an accrual basis; and
- (vii) dividend income, when the shareholders' right to receive payment has been established.

### 2 重要會計政策摘要(續)

#### 2.16 所得税(續)

倘存在法律上可強制執行之權力,可以同一課稅實體及同一稅務機關之即期稅項資產抵銷即期稅項負債及遞延稅項,則遞延稅項資產及遞延稅項負債予以相互抵銷。

#### 2.17 收入確認

收入於經濟利益可能會流入本集團及 收入能可靠地計算時確認,基準如 下:

- (i) 來自銷售可供出售投資及按公 平值計入損益之股權投資之盈 虧在簽署有關成交單據之成交 日予以確認:
- (ii) 買賣證券、期貨、期權及貴金屬合約之佣金,以及買賣證券、期貨、期權及貴金屬合約之溢利及虧損,均在有關成交單據生效之成交日予以確認;
- (iii) 顧問及財務諮詢費、配售、包 銷及分包銷佣金及財務策劃之 佣金收入,乃根據相關協議之 條款按應計基準予以確認;
- (iv) 基金管理、代理人及保管服務 所得之收入在提供該等服務時 予以確認:
- (v) 利息收入以應計方式按財務工 具之估計年期用實際利率法將 未來估計之現金收入折現計算;
- (vi) 槓桿外匯交易之收入按應計基 準予以確認;及
- (vii) 股息乃在確定股東有權收取該 款項時確認為收入。

#### 2.18 Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined with reference to the fair value estimated by external valuer under a valuation model commonly used in the market, further details of which are given in note 30 to the financial statements

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

### 2 重要會計政策摘要(續)

#### 2.18 以股份支付之交易

本公司設有購股權計劃,其目的是為了向合資格參與者對本集團業務成就作出之貢獻給予一定獎勵及報酬。本集團僱員(包括董事)以股份支付之交易方式收取報酬,僱員提供服務作為收取股權工具之代價(「以股權支付之交易」)。

與僱員進行以股權支付之交易之成本,乃參照授出日期之公平值計量。公平值根據由外部估值師使用市場普遍使用的估值模式所估計的公平值而釐定,詳情載於本財務報表附註30。

為以股權支付之交易估值時,除對本公司股份價格有影響之條件(「市場條件」)(如適用)外,並無將任何績效條件計算在內。

以股權支付之交易之成本,連同權益 相應增加部份,在績效及/或服務條 件獲得履行期間(於有關僱員完全有 權獲得授予之日(「歸屬日期」)結束) 內確認。在歸屬日期前,每屆結算日 確認之以股權支付之交易之累計開 支,反映歸屬期已到期部份及本集計開 支,反映歸屬的股權工具數目的最 佳估計。在某一期間內在收益表內扣 除或進賬,乃反映累計開支於期初與 期終確認時之變動。

對於已授出但最終並無歸屬之購股權,不會確認任何開支,但視乎市場條件而決定歸屬與否之已授出購股權則除外,對於該類購股權而言,只要所有其他績效條件已經達成,不論市場條件是否達成,均會被視為已歸屬。

#### 2.18 Share-based payment transactions (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### 2.19 Other employee benefits

#### (i) Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the period by the employees and carried forward.

### 2 重要會計政策摘要(續)

#### 2.18 以股份支付之交易(續)

倘若以股權支付之購股權之條款有所 變更,所確認之開支最少須達到猶如 條款並無任何變更之水平。此外,倘 若按變更日期的計量,任何變更導致 以股份支付之安排之總公平值有所增 加,或對僱員帶來其他利益,則應就 該等變更確認開支。

倘若以股權支付之購股權被註銷,應 被視為已於註銷日期歸屬,任何尚未 確認之授予購股權之開支,均應立刻 確認,然而,若授予新購股權代替已 註銷的購股權,並於授出日期指定為 替代購股權,則已註銷的購股權及新 購股權,均應被視為原購股權之類 更,一如前段所述。計算每股盈利 時,未行使購股權之攤薄效應,反映 為額外股份攤薄。

#### 2.19 其他僱員福利

### (i) 結轉之有薪假期

本集團根據僱員之僱傭合約按 曆年基準為僱員提供有薪假 期。在若干情況下,各僱員於 結算日尚未動用之年假獲准結 轉至下個年度動用。於結算 日,按僱員於期內所賺取有薪 假期之預計未來成本計提應計 費用,並予以結轉。

#### 2.19 Other employee benefits (continued)

#### (ii) Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when an employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme. The refunded contribution is recognized in the consolidated income statement to offset the current period contribution made.

#### 2.20 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheets, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum of association and Bye-Laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

# 2 重要會計政策摘要(續)

#### 2.19 其他僱員福利(續)

#### (ii) 退休金計劃

本集團根據強制性公積余計劃 條例為合資格參與強制性公積 金退休福利計劃(「強積金計 劃1)之僱員設立定額供款強積 金計劃。供款乃按僱員之基本 薪金之某個百分比計算,並根 據強積金計劃之規則於應付時 由收益表中扣除。強積金計劃 之資產與本集團之資產由獨立 管理基金分開持有。本集團一 旦就強積金計劃作出僱主供款 後,除僱主自願供款部份外, 其餘僱主供款完全撥歸僱員所 有;根據強積金計劃之規則, 倘僱員於僱主供款完全撥歸該 僱員前離職,則僱主自願供款 部份將會退回本集團。獲退回 之供款於綜合收益表確認,以 用作抵銷本期提撥之供款。

#### 2.20 股息

董事擬派之末期股息於資產負債表股本內列作獨立保留溢利分配,直至該等股息獲股東於股東大會上批准為止。倘該等股息獲股東批准並已宣派,則會確認作負債。

由於本公司組織章程大綱及細則賦予董事權力宣派中期股息,所以中期股息之動議和宣派在同一時間進行。因此,中期股息在動議和宣派之時立即被確認為負債。

#### 2.21 Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the average exchange rates for the year. The resulting exchange differences are included in a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

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

### 2 重要會計政策摘要(續)

#### 2.21 外匯

若干家海外附屬公司之功能貨幣並非港元。於結算日,該等實體之資產與負債乃按結算日之匯率換算為本公司之呈報貨幣,及該等實體之收益表按年內之平均匯率換算為港元。匯兑差額計入股本內之獨立項目。於出售外地實體時,就特定外地實體在股本內確認之遞延累計數額於收益表確認。

就綜合現金流量表而言,海外附屬公司之現金流量按有關日期之匯率換算為港元。海外附屬公司期內經常產生之現金流量,按年內之平均匯率換算為港元。

### 2.22 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

The assets and liabilities of the disposal groups are classified as "assets classified as held for sale" and "liabilities classified as held for sale", presented as current assets and current liabilities in the balance sheet.

### 3 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.

#### (i) Impairment of available-for-sale investments

The Group had available-for-sale investments which were stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual basis. Any gains or losses are recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated income statement. Management has to assess whether objective evidence of significant impairment exists and consider whether it is appropriate to charge the cumulative loss to consolidated income statement.

### 2 重要會計政策摘要(續)

# **2.22** 持作待售之非流動資產(或處置組別)

當非流動資產(或處置組別)之賬面值 將主要透過一項出售交易收回而該項 出售被視為非常可能,則分類為持有 待售之資產或處理群組。如該等資產 之賬面值將主要透過一項出售交易而 非持續使用而收回,則該等資產按賬 面值與公平值減出售成本兩者之較低 者列賬。

處置組別之資產及負債分類為列作 「持作待售之資產」及「持作待售之負 債」,於資產負債表呈列作流動資產 及流動負債。

#### 3 重要的會計估計和判斷

對估計與判斷的評估應持續進行,且該等估計與判斷乃基於過往經驗及其他因素,包括視情況而言之對未來事項之合理預測。

本集團應就未來事項作出估計與假設。如會計估計之定義其甚少與相關實際結果相同。存在重大風險並將會於下一財政年度 對資產及負債之賬面價值構成重大調整之會計估計與假設詳列如下:

#### (i) 可供出售投資之減值

本集團持有之可供出售投資乃按其於 結算日所報之市價計算公平值以個別 投資基準列賬。任何盈虧確認為權益 下之獨立項目,直至投資不被確認或 直至確定投資出現減值為止,而先前 於權益內呈報之累積盈虧乃計入綜合 收益表。管理層須評估是否存在重大 減值之客觀證據及審議將累積虧損自 綜合收益表扣除是否適當。

# 3 Critical accounting estimates and judgements (continued)

# (i) Impairment of available-for-sale investments (continued)

In making its judgement, the Group considers if there has been a significant or prolonged decline in the fair value below its cost or whether other objective evidence of impairment exists.

For the 18 months ended 30 June 2009, impairment loss of HK\$5,922,000 was recognised by the Group with the cumulative loss in equity charged to the consolidated income statement. Should there be no impairment loss, the profit of the Group for 18 months ended 30 June 2009 will increase by HK\$5,922,000. No impairment loss is recognised for the 18 months ended 31 December 2010 as the fair value of the available-for-sale investments increase during the period.

#### (ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2010 was HK\$9,854,000 (30 June 2009: HK\$9,854,000). No impairment is considered necessary as at 31 December 2010 as the prospect of the cash-generating units is favorable to the Company. More details are given in note 14.

#### (iii) Impairment allowances on advances to customers

The Group reviews its advances to customers to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the consolidated income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group.

#### **3** 重要的會計估計和判斷(續)

#### (i) 可供出售投資之減值(續)

在判斷過程中,本集團考慮公平值有 否出現大幅度或長時期之貶值,至低 於其成本值;或是否存在減值之其他 客觀證據。

截至2009年6月30日止18個月,本集團已確認減值虧損5,922,000港元,而權益之累計虧損已於綜合收益表內扣減。倘實際並無減值虧損,本集團截至2009年6月30日止18個月之溢利將增加5,922,000港元。由於期內可供出售投資之公平值增加,故截至2010年12月31日止18個月並無確認減值虧損。

#### (ii) 商譽減值

本集團最少每年一次決定商譽有否減值。此須估計獲分配商譽之帶來現金單元之現值。本集團估計現值,須要估計帶來現金單元之預期未來現金流量,以及須要選出合適之貼現率,以計算現金流量之現值。於2010年12月31日商譽之賬面值為9,854,000港元(2009年6月30日:9,854,000港元)。由於現金產生單位之前景利好本公司,故認為於2010年12月31日毋須計提任何減值。其他詳情載列於附註14。

#### (iii) 客戶墊款之減值撥備

本集團最少每月一次審閱給予客戶之 墊款以便評估減值。決定應否在綜合 收益表記入減值虧損時,本集團就是 否有任何能察見之資料顯示估計未來 現金流出現可量度之減少作出判斷。 證據可包括顯示一個集團之借貸人之 還款狀況有不利變化之可察見資料。

# 3 Critical accounting estimates and judgements (continued)

# (iii) Impairment allowances on advances to customers (continued)

Management uses estimates based on historical loss experience when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

More details on the credit risk of the advances to customers are included in note 20.

#### (iv) Estimation of realisability of deferred tax assets

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences arising from depreciation of fixed assets. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. Management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

As at 31 December 2010, the Group recognised deferred tax assets of approximately HK\$2.3 million (30 June 2009: HK\$10.6 million). Should future taxable profit become totally unavailable, the Group would need to decrease the deferred tax assets and increase its deferred tax expenses by approximately HK\$2.3 million for the 18-month period (18 months ended 30 June 2009: HK\$10.6 million).

Furthermore, as at 31 December 2010, the Group has unrecognised deferred tax assets of approximately HK\$23 million (30 June 2009: HK\$29 million) arising from the subsidiaries of the Group which management consider that these subsidiaries are unlikely to generate available future taxable profit to utilise the deferred tax benefit.

#### 3 重要的會計估計和判斷(續)

#### (iii) 客戶墊款之減值撥備(續)

在編製未來現金流程序表時,管理層 根據以往虧損經驗作出預測。估算未 來現金流數額及時間所用之方法及假 設會定期檢討,以減低估算虧損及實 際虧損之間之差異。

有關給予客戶之墊款信貸風險之其他 詳情載列於附註20。

#### (iv) 可變現遞延税項資產之估計

於2010年12月31日,本集團確認遞延税項資產約為2,300,000港元(2009年6月30日:10,600,000港元)。假若日後全無任何應課税溢利,本集團將需要就本18個月期間削減遞延税項資產及增加遞延税項支出約2,300,000港元(截至2009年6月30日止18個月:10,600,000港元)。

此外,於2010年12月31日,本集團有來自附屬公司之未確認遞延税項資產約23,000,000港元(2009年6月30日:29,000,000港元),管理層認為該等附屬公司產生未來應課税溢利,從而可使用遞延税項利益之可能性很低。

# 3 Critical accounting estimates and judgements (continued)

#### (v) Equity-settled share option expense

The fair value of the share options granted to the employees (including directors) of the Group at the date of grant of the respective share options is charged to the income statement over the vesting period, with a corresponding adjustment to the Group's share option reserve. A binomial option pricing model (the "binomial model") was used in estimating the fair value of the share options granted. The binomial model is one of the generally accepted valuation methodologies used to estimate the fair value of the share options. It requires the input of assumptions, including expected dividend yield, expected life of options and expected volatility. Any changes in these assumptions can affect on the estimated fair value of the share options granted. Details on the assumption used in estimating the fair value of the options granted during the period are included in note 30.

#### 4 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Executive Committee as its chief operating decision maker.

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

According to HKFRS 8, the Group has the following segments:

- (a) the broking segment engages in securities, futures, options and bullion contracts broking and dealing;
- (b) the margin and other financing segment engages in the provision of margin financing to margin customers, and personal loans and commercial loans to individuals and corporate customers, respectively;

#### **3** 重要的會計估計和判斷(續)

#### (v) 以股權結算之購股權開支

於各購股權授出日期,授予本集團員 工(包括董事)之購股權之公平值已於 歸屬期間從收益表扣除,並對本集團 購股權儲備作出相應調整。二項式模式」乃用於估 計已授出購股權之公平值。二項式於估 計戶類以關稅權之公平值的普遍接 式為計算購股權公平值的普遍接及 致期及預期股息率、預期購股權的 被期及預期股息率、預期購股權的 發更對估計已授出購股權的公平值均 有影響。用於估計期內已授出購股權 公平值之假設的有關詳情,載列於附 註30。

#### 4 分部資料

營運分部按照向首席營運決策者提供的內部報告貫徹一致的方式報告。首席營運決策者為分配資源予實體之營運分部並為其評估業績之人士或集團。本集團決定以執行委員會為其首席營運決策者。

業務分部之間之所有交易乃按公平原則進行,分部內之收入及成本均予對銷。釐定 業務分部表現時將包括直接與各分部有關 之收益及開支。

根據香港財務報告準則第8號,本集團有 以下分部:

- (a) 經紀業務,乃從事證券、期貨、期權 及貴金屬合約之經紀及買賣服務;

#### 4 Segment information (continued)

- (c) the corporate advisory, placing and underwriting segment engages in the provision of corporate advisory, placing and underwriting services;
- (d) the trading and investment segment engages in investment holding, and proprietary trading of securities, futures, options, bullion contracts and leveraged foreign exchange trading;
- (e) the financial planning and advisory services segment engages in the provision of financial planning and advisory services; and
- (f) the "others" segment comprises fund management and the provision of custodian and handling services.

Segment information for the 18 months ended 30 June 2009 that is reported as comparative information for 18 months ended 31 December 2010 has been restated to conform to the requirements of HKFRS 8.

#### 4 分部資料(續)

- (c) 企業諮詢、配售及包銷業務,乃從事 有關企業諮詢、配售及包銷服務;
- (d) 買賣及投資業務,乃從事投資控股以及證券、期貨、期權及貴金屬合約及 槓桿外匯買賣之自營買賣;
- (e) 財務策劃及諮詢服務業務,乃從事提供財務策劃及諮詢服務;及
- (f) 「其他」業務,包括基金管理、提供保管服務及代理人業務。

截至2009年6月30日止18個月之分部資料 (呈報作為截至2010年12月31日止18個月 之比較資料)已作重列,以遵守香港財務 報告準則第8號之規定。

# 4 Segment information (continued)

# 4 分部資料(續)

The following table presents revenue and profit for the Group's business segments.

下表載列本集團業務分部之收入及溢利。

		Brokin 經紀業	•	Margin a other fina 孖展及其他	ncing	Corporate a placing underwri 企業諮詢、配	and iting	Tradin invest 買賣及	nent	Financial plan advisory se 財務策劃及認	rvices	Other 其他	s	Eliminati 撤銷		Consolid 綜合	
		超配来 For the	For the	打版从共10 For the	For the	止未治詞、邸 For the	音及世朝 For the	貝貝以 For the	双具 For the	別僚來劃及能 For the	For the	兵也 For the	For the	mm For the	For the	新日 For the	For th
		18 months			18 months		18 months	18 months	18 months	18 months			18 months		18 months	18 months	
		ended	ended	ended	ended	ended	ended	ended 31	ended	ended	ended	ended	ended	ended	ended	ended	ende
		31 December	30 June	31 December	30 June	31 December	30 June	December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 Jur
		2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	200
		截至	截至	截至	截至	截至	截至	截至	截至	截至	截至	截至	截至	截至	截至	截至	截
		2010年	2009年	2010年	2009年	2010年	2009年	2010年	2009年	2010年	2009年	2010年	2009年	2010年	2009年	2010年	2009
		12月31日	6月30日	12月31日	6月30日	12月31日	6月30日	12月31日	6月30日	12月31日	6月30日	12月31日	6月30日	12月31日	6月30日	12月31日	6月30
		止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個月	止18個
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'0
		千港元	千港元	千港元 —————	千港元	千港元 ————	千港元	千港元 ————	千港元	千港元 ————	千港元	千港元 ————	千港元	千港元 —————	千港元	千港元 ————	千港
Segment revenue: Sales to external	分部收入: 銷售予外來客戶																
customers	6 0 1000 \ W H	803,884	712,838	297,830	176,461	155,711	71,789	94,208	3,521	54,834	70,540	53,468	49,455	-	-	1,459,935	1,084,6
Intersegment sales	各分部間之銷售	32	801	39,807	41,644	-		-	-	-		-		(39,839)	(42,445)	-	
Total	總計	803,916	713,639	337,637	218,105	155,711	71,789	94,208	3,521	54,834	70,540	53,468	49,455	(39,839)	(42,445)	1,459,935	1,084,60
Other income	其他收入	-	-	28,924	69,267	4,404	450	16,847	(5,922)	-	-	4,843	2,574	-	-	55,018	66,3
Less : Employee benefit costs Other expenses	減: 僱員福利開支 其他開支	(501,128) (131,573)	(341,851) (225,232)	(83,934) (169,378)	(89,460) (100,376)	(37,930) (58,554)	(36,028) (23,653)	(21,288) (32,863)	(31,738) (20,837)	(22,063) (34,059)	(40,079) (26,313)	(25,280) (39,021)	(33,290) (21,854)	- 39,839	- 42,445	(691,623) (425,609)	
Segment results	分部業績	171,215	146,556	113,249	97,536	63,631	12,558	56,904	(54,976)	(1,288)	4,148	(5,990)	(3,115)	-	-	397,721	202,7
Unallocated expenses Share of profit of	未分配開支 應佔聯營公司之															(894)	(6
an associate	溢利															1,718	6,3
Profit before taxation Taxation expenses	除税前溢利 税項開支															398,545 (53,386)	208,3 (20,0
Profit for the period	期內溢利															345,159	188,3

#### 5 Revenue and other income

# 5 收入及其他收入

An analysis of revenue (which is also the Group's turnover) and other income is as follows:

收入(亦指本集團之營業額)及其他收入之 分析如下:

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
		HK\$'000	HK\$'000
		千港元 ————	千港元
Revenue	收入		
Securities dealing and broking:	證券買賣及經紀業務:		
Commission on securities dealing	證券買賣及經紀業務之佣金		
and broking		591,720	532,757
Futures, options and commodities	期貨、期權及商品買賣及		
dealing and broking:	經紀業務:		
Commission on futures, options and	期貨、期權及商品買賣		
commodities dealing and broking	及經紀業務之佣金	199,822	167,419
commodities dealing and broking	<u> </u>	199,022	107,419
Margin and other financing:	孖展及其他借貸:		
Interest income on margin and	孖展及其他借貸活動之		
other financing activities	利息收入	297,830	176,461
	人 ** = 1 次 口 · 如 · h		
Corporate finance and advisory:	企業融資及諮詢:		
Consultancy and financial advisory	顧問及融資諮詢費收入	04.400	07.04.4
fee income		64,428	37,814
Placing, underwriting and	配售、包銷及分包銷佣金	04 000	00.075
sub-underwriting commission		91,283	33,975
Bullion contracts dealing:	貴金屬合約買賣:		
Commission on bullion contracts	買賣貴金屬合約之佣金		
dealing		12,342	12,662
Provision of nominee and custodian	提供代理人及保管服務:		
services:			
Custodian and handling service fees	代理人及保管服務費	29,049	22,693

# 5 Revenue and other income (continued)

#### 5 收入及其他收入(續)

		For the 18 months ended 31 December 2010 截至 2010年 12月31日 止18個月 HK\$'000 千港元	For the 18 months ended 30 June 2009 截至 2009年 6月30日 止18個月 HK\$'000 千港元
Revenue (continued) Fund management: Management fee income Performance fee income	<b>收入 (續)</b> 基金管理: 管理費收入 表現費收入	23,910 509	22,916 3,846
Income from proprietary trading:  Profit/(loss) on financial investments at fair value through profit or loss, net  Profit on futures, options, commodities	自營買賣之收入: 按公平值計入損益之財務投資 溢利/(虧損),淨額 。期貨、期權、商品及貴金屬	24,821	(67,488)
and bullion contracts trading, net Dividend income	合約買賣之溢利,淨額 股息收入	36,911 2,564	40,368 3,784
Leveraged foreign exchange trading: Income from leveraged foreign exchange trading, net	槓桿外匯買賣: 槓桿外匯買賣之收入,淨額	29,912	26,857
Financial planning and advisory services: Commission on the provision of financial planning and advisory services	財務策劃及諮詢服務: 提供財務策劃及諮詢服務 之佣金	54,834	70,540
30111003		1,459,935	1,084,604
Other income Bank interest income Impairment loss on available-for-sale	<b>其他收入</b> 銀行利息收入 可供出售投資之減值虧損	28,924	69,267
investments Gain on disposal of available-for-sale investments, net Gain on disposal of assets/liabilities	出售可供出售投資之收益,淨額 出售持作待售的資產/負債	11,267	(5,922)
classified as held for sale Gain on disposal of an associate (note) Others	之收益 出售聯營公司之收益(附註) 其他	2,950 4,843 7,034	- - 3,024
		55,018	66,369

Note: The gain on disposal of an associate represents the disposal gain on the Group's interest in CMTF Asset management Limited (note 18).

附註:出售一間聯營公司之收益為出售本集團 於招商大福資產管理有限公司權益之收 益(附註18)。

#### **6** Profit before taxation

# 6 除税前溢利

The Group's profit before taxation is arrived at after charging/ (crediting):

本集團之除税前溢利乃扣減/(計入)下列 各項後得出:

		For the 18 months ended 31 December 2010 截至 2010年 12月31日 止18個月 HK\$'000 千港元	For the 18 months ended 30 June 2009 截至 2009年 6月30日 止18個月 HK\$'000 千港元
The other operating expenses include: Minimum lease payments under operating leases: Land and buildings Computer equipment Auditors' remuneration Foreign exchange differences, net Net reversal of impairment losses on advances to customers Loss on disposal of fixed assets Repair and maintenance (including system maintenance) Quotemeter services Marketing, advertising and promotion expense Equipment rental and servicing  Employee benefits costs (including directors' remuneration and five highest paid employees): Salaries and allowances (note 7 and 8) Bonuses Commission to accounts executives Equity-settled share option expense (note 30) Pension scheme contributions Less: Forfeited contributions	其他經租任之生物 人名	80,576 13,426 4,940 (3,467)  - 452  54,119 10,086  49,313 42,533  302,078 114,715 252,410  12,791 10,581 (952)	78,349 5,799 4,955 13 (3,977) 484 38,094 11,087 25,724 35,591 276,195 44,553 223,347 13,425 16,453 (1,527)
Interest expense for securities broking and margin financing operations:  - bank loans and overdrafts  - other loans  - accounts payable to clients  - others	經營證券經紀及孖展借貸業務之利息開支: 一銀行貸款及透支 一其他貸款 一應付客戶賬款 一其他	28,078 10,394 722 - 39,194	20,221 11,375 3,802 3

#### 7 Directors' remuneration

#### 7 董事酬金

Directors' remuneration for the period, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows: 以下為根據上市規則及香港公司條例第 161條規定披露之期間董事酬金詳情:

		Gro	oup
		本第	惠
		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
		HK\$'000	HK\$'000
		千港元	千港元
Fees: 褚	包金:		
Executive directors	執行董事	1,554	2,250
Non-executive directors	非執行董事	1,780	1,500
Independent non-executive directors	獨立非執行董事	1,050	1,050
·			
		4,384	4,800
		-1,004	4,000
Other emoluments:	其他酬金:		
	執行董事:		
Executive directors:  Salaries and allowances	薪金及津貼	15 615	16 220
	新並及洋知 花紅(附註(a))	15,615	16,338
Bonuses (note (a))		19,070	9,822
Employee share option benefits	僱員購股權福利(附註(b))	4 022	2 220
(note (b))  Pension scheme contributions	退休金計劃供款	4,833 117	2,339 766
Non-executive directors:		117	700
	非執行董事: 僱員購股權福利(附註(b))		
Employee share option benefits (note (b))	准貝牌权惟佃机(附社(D))	1,713	
	<b>冲力</b> 化热 红菜 声:	1,713	_
Independent non-executive directors:  Employee share option benefits	獨立非執行董事:		
	僱員購股權福利(附註(b))	010	
(note (b))		918	_
		40.000	22.22=
		42,266	29,265
		46,650	34,065

#### **Directors' remuneration** (continued)

- (a) Bonuses include performance related bonuses, in which certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after taxation of the Group.
- (b) During the period, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details on the share option scheme are set out in note 30 to the consolidated financial statements. The fair value of such options, which has been recognised in the consolidated income statement over the vesting period, was determined as at the date of grant and the amount in the financial statements for the current period is included in the directors' remuneration disclosures.

#### 7 董事酬金(續)

- (a) 花紅包括按表現而發放之花紅,本公 司若干執行董事可收取花紅,該花紅 按本集團除税後溢利之某個百分比釐 定。
- (b) 期內,若干董事因其向本集團提供之 服務而根據本公司購股權計劃獲授購 股權,購股權計劃詳情載於綜合財務 報表附註30。此等購股權之公平值 於歸屬期內於綜合收益表確認,該公 平值乃於授出日期釐定而本期間財務 報表之金額已包括在董事酬金披露之 內。

#### (a) Independent non-executive directors

#### (a) 獨立非執行董事

		Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Bonuses 花紅 HK\$'000 千港元	Employee share option benefits 僱員 購股權福利 HK\$'000 千港元	Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元	Tota remuneration 酬金總額 HK\$'000 千港元
For the 18 months ended 31 December 2010	截至2010年12月31日 止18個月						
Man Mo Leung	文暮良	375	-	-	306	-	681
Tsui Hing Chuen, William Lau Wai Piu, Bill	徐慶全 劉偉彪	375 300	-	-	306 306	-	606
		1,050	-	-	918	-	1,968
For the 18 months ended 30 June 2009	截至2009年6月30日 止18個月						
Man Mo Leung	文暮良	375	_	_	-	-	37!
Tsui Hing Chuen, William	徐慶全	375	-	-	-	-	37!
Lau Wai Piu, Bill	劉偉彪	300	-	-	-	-	300
		1,050	_	_	_	_	1,05

#### 7 Directors' remuneration (continued)

#### 7 董事酬金(續)

#### (b) Executive directors and non-executive directors

#### (b) 執行董事及非執行董事

		Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Bonuses 花紅 HK\$'000 千港元	Employee share option benefits 僱員 購股權福利 HK\$'000 千港元	Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元	Total remuneration 酬金總額 HK\$'000
For the 18 months ended 31 December 2010	截至2010年12月31 日止18個月						
Executive directors: Cheng Kar Shun, Henry (note (a)) Doo Wai Hoi, William (note (a)) Li Jianguo (note (b)) Lin Yong (note (c)) Wong Shiu Hoi, Peter Lee Yiu Wing, William Chan Chi On, Derek Poon Mo Yiu, Patrick (note (d)) Cheng Chi Ming, Brian (note (e))	執行董事: 鄭家愷(附註(a)) 杜惠國(附註(b)) 林涌(附註(c)) 黃紹榮 陳志堯(附註(d)) 鄭志明(附註(e))	479 319 290 307 - - - - 159	- - 4,815 3,792 3,552 3,456	- - 7,130 4,220 4,900 2,820	- 489 489 1,224 979 918 734	7 7 12 12 18 18 18 18	486 326 791 808 13,187 9,009 9,388 7,028 166
		1,554	15,615	19,070	4,833	117	41,189
Non-executive directors: Wong Kwok Kin, Andrew (note (a)) Lam Wai Hon, Patrick (note (a)) To Hin Tsun, Gerald (note (a)) Lee Ka Sze, Carmelo (note (a)) Li Mingshan (note (b)) Ji Yuguang (note (b)) Wu Bin (note (b)) Chen Chunqian (note (b)) Cheng Chi Ming, Brian (note (e))	非執行董事: 黃國堅(附註(a)) 林煒瀚(附註(a)) 杜顯俊(附註(a)) 李嘉士(附註(b)) 李明山(附註(b)) 吉宇光(附註(b)) 吳斌(附註(b)) 陳春錢(附註(b)) 鄭志明(附註(e))	106 106 106 106 580 194 194 194	-	- - - - - - - -	- - 489 306 306 306	- - - - - -	106 106 106 106 1,069 500 500
		1,780		-	1,713	-	3,493
		3,334	15,615	19,070	6,546	117	44,682

- (a) Resigned on 13 January 2010.
- (b) Appointed on 13 January 2010.
- (c) Appointed on 23 December 2009.
- (d) Appointed on 1 July 2009.
- (e) Appointed as executive director on 1 July 2009 and re-designated as non-executive director on 13 January 2011.
- (a) 於2010年1月13日辭任。
- (b) 於2010年1月13日獲委任。
- (c) 於2009年12月23日獲委任。
- (d) 於2009年7月1日獲委任。
- (e) 於2009年7月1日獲委任為執行董事 及於2011年1月13日調任為非執行董 事。

# **Directors' remuneration (continued)**

# 7 董事酬金(續)

# (b) Executive directors and non-executive directors (continued)

#### (b) 執行董事及非執行董事(續)

		Fees	Salaries and allowances	Bonuses	僱員	Pension scheme contributions 退休金	
		袍金 HK\$′000	薪金及津貼 HK\$'000	花紅 HK\$′000	購股權福利 HK\$'000	計劃供款 HK\$'000	酬金總 HK\$′00
		千港元	千港元	千港元	千港元	千港元	千港:
For the 18 months ended 30 June 2009	截至2009年6月30日 止18個月						
Executive directors:	執行董事:						
Cheng Kar Shun, Henry	鄭家純	1,350	-	-	-	18	1,3
o Lin Shing, Simon	魯連城	-	4,725	3,080	-	127	7,9
oo Wai Hoi, William	杜惠愷	900	-	-	-	18	9
Vong Shiu Hoi, Peter	黃紹開	-	4,725	3,080	935	245	8,9
ee Yiu Wing, William	李耀榮	-	3,522	1,765	702	181	6,1
Chan Chi On, Derek	陳志安	-	3,366	1,897	702	177	6,1
	_	2,250	16,338	9,822	2,339	766	31,5
lon-executive directors:	非執行董事:						
Vong Kwok Kin, Andrew	黃國堅	300	-	-	-	-	3
am Wai Hon, Patrick	林煒瀚	300	-	-	-	-	3
Cheung Wing Yui, Edward	張永鋭	-	-	-	-	-	
lo Hau Chong, Norman	何厚鏘	300	-	-	-	-	3
o Hin Tsun, Gerald	杜顯俊	300	-	-	-	-	3
ee Ka Sze, Carmelo	李嘉士	300	-	-	-	-	3
	_	1,500	-	-	-	-	1,5
		3,750	16,338	9,822	2,339	766	33,0

There was no arrangement under which a director waived or agreed to waive any remuneration during the period.

期內並無董事根據任何安排放棄或同意放 棄收取任何酬金。

#### 8 Five highest paid employees

The five highest paid employees during the period included three (18 months ended 30 June 2009: two) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining two (18 months ended 30 June 2009: three) non-director, highest paid employees for the period are as follows:

#### 8 五名薪金最高之僱員

期內五名薪金最高之僱員包括3名(截至2009年6月30日止18個月:2名)董事,其酬金之詳情於上文附註7載列。期內餘下2名(截至2009年6月30日止18個月:3名)最高薪酬非董事僱員之酬金載列如下:

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止18個月	止18個月
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and allowances	薪金及津貼	18,183	29,665
Pension scheme contributions	退休金計劃供款	36	68
Employee share option benefits	僱員購股權福利	_	210
		18,219	29,943

# Five highest paid employees (continued)

# 8 五名薪金最高之僱員(續)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

酬金在下列範圍內之最高薪非董事僱員人 數如下:

		Number of e 僱員 /	
		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
		HK\$'000	HK\$'000
		千港元	千港元
HK\$6,000,001 to HK\$7,000,000	6,000,001港元至7,000,000港元	_	1
HK\$7,000,001 to HK\$8,000,000	7,000,001港元至8,000,000港元	_	1
HK\$8,000,001 to HK\$9,000,000	8,000,001港元至9,000,000港元	1	_
HK\$9,000,001 to HK\$10,000,000	9,000,001港元至10,000,000港元	1	_
HK\$16,000,001 to HK\$17,000,000	16,000,001港元至17,000,000港元	_	1
		2	3

#### 9 Taxation expenses

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

#### 9 税項開支

香港利得税乃就期內在香港產生之估計應 課税溢利按税率16.5%(2009年:16.5%) 撥備。在其他地區之應課税溢利乃根據本 集團經營業務國家的現行法例、詮釋及慣 例,按當地之現行税率計算。

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
		HK\$'000	HK\$'000
		千港元	千港元
Current taxation – Hong Kong	本期税項-香港		
Charge for the period	期內税項	41,217	35,986
Over-provision in prior periods	過往期間超額撥備	(3,239)	(16,496)
Current taxation – overseas	本期税項一海外	1,528	1,295
Deferred taxation	遞延税項	13,880	(731)
Total taxation charge for the period	期內税項開支總額	53,386	20,054
3	772 7 2 7 10 2 7 10 10 10 10 10 10 10 10 10 10 10 10 10		.,

#### 9 Taxation expenses (continued)

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

#### 9 税項開支(續)

本集團之除稅前溢利與使用香港稅率產生 之理論金額差異如下:

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除税前溢利	398,545	208,382
			<u>-</u>
Tax calculated at 16.5% (2009: 16.5%)	按税率16.5%(2009年:16.5%)		
74X 0410414104 41 70.070 (2000. 10.070)	計算之税項	65,760	34,383
Income not subject to tax	毋須繳納税項之收入	(24,679)	(13,899)
Expenses not deductible for tax	不可扣税之支出	(= :, : : )	(10,000,
purposes		17,999	2,609
Over-provision in prior periods	過往期間超額撥備	(3,239)	(16,496)
Tax losses not recognised	並無確認之稅務虧損	204	14,136
Utilisation of previously unrecognised	動用過往並無確認之税務虧損		,
tax losses		(6,912)	(4,379)
Effect of different overseas tax rates	海外税率差異之影響	(367)	(18)
Others	其他	4,620	3,718
Taxation charge for the period	期內税項開支	53,386	20,054

The average effective tax rate of the Group was 13.4% for the 18-month period ended 31 December 2010 (18 months ended 30 June 2009: 9.6%).

截至2010年12月31日止18個月,本集團 之平均實際税率為13.4%(截至2009年6月 30日止18個月:9.6%)。

#### 10 Profit attributable to equity holders of the Company

The consolidated profit attributable to equity holders of the Company for the 18 months period ended 31 December 2010 includes a profit of HK\$176,648,000 (18 months ended 30 June 2009: HK\$89,526,000) which has been dealt with in the financial statements of the Company.

#### 10 本公司股本持有人應佔溢利

截至2010年12月31日止18個月止期間, 本公司財務報表中處理之本公司股本持有 人應佔綜合溢利中包括溢利176,648,000 港元(截至2009年6月30日止18個月: 89,526,000港元)。 11 Dividends 11 股息

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
		HK\$'000	HK\$'000
		千港元	千港元
6 months ended 31 December 2009  – HK10 cents (6 months ended 30 June 2008: HK5 cents) per ordinary share	就截至2009年12月31日止6個月 宣派之第一次中期股息 一每股普通股10港仙 (截至2008年6月30日止 6個月:5港仙) 就截至2010年6月30日止12個月 宣派之第二次中期股息	70,896	34,818
<ul> <li>HK6 cents (12 months ended 31 December 2008: Nil) per ordinary share</li> </ul>	- 每股普通股6港仙 (截至2008年12月31日止 12個月:無)	42,538	-
Final dividend paid in respect of the previous year	就往年派付之末期股息	-	388
months ended 31 December 2010  – HK8 cents (18 months ended 30 June 2009: HK8 cents)	截至2010年12月31日止18個月 之擬派末期股息 一每股普通股8港仙 (截至2009年6月30日止		
per ordinary share	18個月:8港仙)	57,203	56,516
		170,637	91,722

At a meeting of the Board of Directors held on 11 March 2010, the directors resolved to declare a first interim dividend of HK10 cents per share in cash for the 6 months ended 31 December 2009 (6 months ended 30 June 2008: HK5 cents per share in scrip form with a cash option), to shareholders whose names appear on the register of members of the Company on Friday, 16 April 2010. The first interim dividend was paid on Friday, 30 April 2010, with a total of HK\$70,896,000 cash dividend paid to the shareholders.

於2010年3月11日舉行之董事會會議上,董事決議向於2010年4月16日(星期五)名列本公司股東名冊之股東,宣派截至2009年12月31日止6個月之第一次中期股息每股10港仙,並以現金分派。(截至2008年6月30日止6個月:每股5港仙,並按以股代息方式分派,惟股東可選擇收取現金)。第一次中期股息已於2010年4月30日(星期五)派付,向股東派付之現金股息合共70,896,000港元。

#### 11 Dividends (continued)

At a meeting of the Board of Directors held on 19 August 2010, the directors resolved to declare a second interim dividend of HK6 cents per share in cash with a scrip option for the 12 months ended 30 June 2010 (12 months ended 31 December 2008: Nil), to shareholders whose names appear on the register of members of the Company on Tuesday, 28 September 2010. The second interim dividend was paid on Wednesday, 10 November 2010, with a total of HK\$7,734,645 cash dividend paid to the shareholders and 5,597,393 shares were issued in scrip form.

On 16 March 2011, the directors recommended a final dividend of HK8 cents per share in cash for the 18 months ended 31 December 2010 (18 months ended 30 June 2009: HK8 cents per share in scrip form with a cash option).

The proposed final dividend for the 18-month period is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

# 12 Earnings per share attributable to equity holders of 12 本公司股本持有人應佔每股盈利 the Company

The calculation of basic earnings per share amounts is based on the profit for the 18-month period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

#### 11 股息(續)

於2010年8月19日舉行之董事會會議上, 董事決議向於2010年9月28日(星期二)名 列本公司股東名冊之股東,宣派截至2010 年6月30日止12個月之第二次中期股息每 股6港仙,並以現金分派,惟股東可選擇 以股代息(截至2008年12月31日止12個 月:無)。第二次中期股息已於2010年 11月10日(星期三)派付,向股東派付之現 金股息合共7,734,645港元,並按以股代 息方式發行5,597,393股股份。

於2011年3月16日,董事建議就截至 2010年12月31日止18個月派發末期股息 每股8港仙,並以現金分派(截至2009年6 月30日止18個月: 每股8港仙,並按以股 代息方式分派,惟股東可選擇收取現金)。

18個月期間之擬派末期股息須待本公司股 東於應屆股東週年大會上批准後,方可作 實。

每股基本盈利金額乃根據18個月期間內本 公司普通股本持有人應佔溢利,以及期內 已發行普通股之加權平均數計算。

每股攤薄盈利金額乃根據期內本公司股本 持有人應佔溢利計算。計算時所採用之普 通股加權平均數,與計算每股基本盈利所 採用之期內已發行普通股數目相同,並假 設普通股加權平均數已因全部攤薄潛在普 通股被視為已行使或轉換為普通股,而按 零代價發行。

#### 12 Earnings per share attributable to equity holders of 12 本公司股本持有人應佔每股盈利 the Company (continued) (續)

#### (a) Basic earnings per share

#### (a) 每股基本盈利

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
Profit attributable to equity holders of the Company (HK\$'000)	本公司股本持有人應佔溢利 (千港元)	345,795	188,974
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股之加權平均數 (千股)	708,554	684,530
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	48.80	27.61

#### 12 Earnings per share attributable to equity holders of 12 本公司股本持有人應佔每股盈利 the Company (continued) (續)

# (b) Diluted earnings per share

# (b) 每股攤薄盈利

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
Profit attributable to equity holders	本公司股本持有人應佔溢利		
of the Company (HK\$'000)	(千港元)	345,795	188,974
or the company (ring coo)	(1/6/6/		100,071
	— 3V. /= <del>1</del> 4		
	已發行普通股之加權平均數		
shares in issue (in thousands)	(千股)	708,554	684,530
'	就購股權之調整(千股)		
(in thousands)		1,792	430
		710,346	684,960
Diluted earnings per share	每股攤薄盈利(每股港仙)		
(HK cents per share)	2 12 (2 ( 2 12 ( 3 ( 12 12 )	48.68	27.59
			27.00

# Notes to Financial Statements 財務報表附註

#### 13 Fixed assets

# 13 固定資產

Group 本集團

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improve- ments 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 像俬、 裝置及設備 HK\$'000 千港元	Computer hardware 電腦硬件 HK\$'000 千港元	Computer software and system development 電腦軟件及 系統發展 HK\$'000 千港元	Total 合計 HK\$*000 千港元
31 December 2010	於2010年12月31日						
At 1 July 2009: Cost	於2009年7月1日: 成本	3,092	59,641	48,425	76,186	148,462	335,806
Accumulated depreciation	累積折舊	(945)	(50,723)	(38,673)	(64,940)	(61,489)	(216,770)
Net carrying amount	賬面淨值	2,147	8,918	9,752	11,246	86,973	119,036
At 1 July 2009, net of accumulated depreciation Additions	於2009年7月1日 扣除累積折舊 添置	2,147 -	8,918 4,094	9,752 4,081	11,246 6,132	86,973 65,921	119,036 80,228
Fixed assets acquired in business combination (note 32)	於業務合併中購入 固定資產(附註 32) 出售	-	- (369)	121	<b>253</b> (32)	1,655	2,029 (503)
Disposals Depreciation	五告 折舊	(116)	(5,120)	(102)	(9,271)	(29,187)	(49,370)
At 31 December 2010, net of accumulated depreciation	於2010年12月31日 扣除累積折舊	2,031	7,523	8,176	8,328	125,362	151,420
At 31 December 2010: Cost Accumulated depreciation	於2010年12月31日: 成本 累積折舊	3,092 (1,061)	62,694 (55,171)	52,298 (44,122)	81,892 (73,564)	216,039 (90,677)	416,015 (264,595)
Net carrying amount	賬面淨值	2,031	7,523	8,176	8,328	125,362	151,420

# 13 固定資產(續)

# Group (continued)

#### 本集團*(續)*

						Computer	
		Leasehold	Leasehold	Furniture,		software and	
		land and	improve-	fixtures and	Computer	system	
		buildings	ments	equipment	hardware	development	Total
		租賃土地	租賃	傢俬、		電腦軟件及	
		及樓宇	物業裝修	裝置及設備	電腦硬件	系統發展	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
30 June 2009	於 <b>2009</b> 年 <b>6</b> 月 <b>30</b> 日						
At 1 January 2008:	於2008年1月1日:						
Cost	成本	3,092	52,872	44,331	68,362	86,704	255,361
Accumulated depreciation	累積折舊	(829)	(45,959)	(34,462)	(55,239)	(41,418)	(177,907
Net carrying amount	賬面淨值	2,263	6,913	9,869	13,123	45,286	77,454
At 1 January 2008, net of	於2008年1月1日						
accumulated depreciation	扣除累積折舊	2,263	6,913	9,869	13,123	45,286	77,454
Additions	添置	_	7,717	6,354	8,980	61,758	84,809
Disposals	出售	_	(364)	(429)	(139)	_	(932
Depreciation	折舊	(116)	(5,348)	(6,042)	(10,718)	(20,071)	(42,295
At 30 June 2009, net of	於2009年6月30日						
accumulated depreciation	扣除累積折舊	2,147	8,918	9,752	11,246	86,973	119,036
At 30 June 2009:	於2009年6月30日:						
Cost	成本	3,092	59,641	48,425	76,186	148,462	335,806
Accumulated depreciation	累積折舊	(945)	(50,723)	(38,673)	(64,940)	(61,489)	(216,770
Net carrying amount	賬面淨值	2,147	8,918	9,752	11,246	86,973	119,036

# 13 固定資產(續)

Company 本公司

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improve- ments 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Computer hardware 電腦硬件 HK\$'000 千港元	Computer software and system development 電腦軟件及 系統發展 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2010	於2010年12月31日						
At 1 July 2009:	於2009年7月1日:						
Cost	成本	1,178	34,429	27,564	221	62	63,454
Accumulated depreciation	累積折舊	(272)	(26,465)	(19,679)	(207)	(62)	(46,685)
Net carrying amount	賬面淨值	906	7,964	7,885	14	-	16,769
At 1 July 2009, net of accumulated	於2009年7月1日						
depreciation	扣除累積折舊	906	7,964	7,885	14	_	16,769
Additions	添置	_	4,007	3,545	31	_	7,583
Disposals	出售	_	(329)	(21)	_	_	(350)
Depreciation	折舊	(44)	(4,394)	(4,405)	(39)	-	(8,882)
At 31 December 2010, net of	於2010年12月31日						
accumulated depreciation	扣除累積折舊	862	7,248	7,004	6	-	15,120
At 31 December 2010:	於2010年12月31日:						
Cost	成本	1,178	37,625	31,014	238	62	70,117
Accumulated depreciation	累積折舊	(316)	(30,377)	(24,010)	(232)	(62)	(54,997)
Net carrying amount	賬面淨值	862	7,248	7,004	6	-	15,120

#### 13 固定資產(續)

# Company (continued)

# 本公司*(續)*

						Computer	
		Leasehold	Leasehold	Furniture,		software and	
		land and	improve-	fixtures and	Computer	system	
		buildings	ments	equipment	hardware	development	Total
		租賃土地	租賃	傢俬、		電腦軟件及	
		及樓宇	物業裝修	裝置及設備	電腦硬件	系統發展	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
30 June 2009	於2009年6月30日						
At 1 January 2008:	於2008年1月1日:						
Cost	成本	1,178	29,837	25,140	219	62	56,436
Accumulated depreciation	累積折舊	(228)	(23,617)	(17,127)	(190)	(62)	(41,224)
Net carrying amount	脹面淨值	950	6,220	8,013	29	-	15,212
At 1 January 2008, net of	於2008年1月1日						
accumulated depreciation	扣除累積折舊	950	6,220	8,013	29	-	15,212
Additions	添置	-	6,757	4,280	2	-	11,039
Disposals	出售	-	(323)	-	-	-	(323)
Transfer to a subsidiary	轉撥至附屬公司	-	(237)	(58)	-	-	(295)
Depreciation	折舊	(44)	(4,453)	(4,350)	(17)	-	(8,864)
At 30 June 2009, net of	於2009年6月30日						
accumulated depreciation	扣除累積折舊	906	7,964	7,885	14	_	16,769
At 30 June 2009:	於2009年6月30日:						
Cost	成本	1,178	34,429	27,564	221	62	63,454
Accumulated depreciation	累積折舊	(272)	(26,465)	(19,679)	(207)	(62)	(46,685)
Net carrying amount	脹面淨值	906	7,964	7,885	14	-	16,769

#### 13 固定資產(續)

The Group's leasehold land and buildings included above are situated in Hong Kong and are held under the following lease terms:

上文所載本集團之租賃土地及樓宇位於香 港,按下列租賃年期持有:

		•	Group 本集團		
		31 December	30 June		
		2010	2009		
		2010年	2009年		
		12月31日	6月30日		
		HK\$'000	HK\$'000		
		千港元	千港元		
At net carrying amount:	按賬面淨值:				
Medium term leases	中期租賃	2,031	2,147		

14 商譽 14 Goodwill

		Gro 本集	
		31 December	30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元	千港元
Goodwill	商譽	9,854	9,854

#### 14 Goodwill (continued)

#### Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to the following cash-generating units, which are reportable segments, for impairment testing:

- Financial planning and advisory services cash-generating unit;
   and
- Asset and fund management services cash generating unit

The carrying amount of goodwill allocated to each of the cashgenerating units is as follows:

#### 14 商譽(續)

#### 商譽減值測試

為進行減值測試,透過業務合併收購之商 譽已分配至下列屬可呈報分部之現金產生 單位:

- 財務策劃及諮詢服務現金產生單位:及
- 資產及基金管理服務現金產生單位

分配至各現金產生單位之商譽之賬面值如 下:

		Financial planning and advisory services	Asset and fund management services	Total
		財務策劃及 諮詢服務 HK\$'000 千港元	資產及基金 管理服務 HK\$′000 千港元	總計 HK\$′000 千港元
Carrying amount of goodwill	商譽之賬面值	854	9,000	9,854

# (i) Financial planning and advisory services cash-generating unit

The recoverable amount of the financial planning and advisory services has been determined based on value in use calculation using cash flow projections covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 5% (30 June 2009: 5%) and cash flows are using a growth rate of 15% (30 June 2009: 15%) which is determined based on past performance and management's expectations for the market development.

#### (i) 財務策劃及諮詢服務現金產生單位

財務策劃及諮詢服務之可收回金額乃以使用價值為基準使用高級管理層所批准涵蓋五年期間之現金流預測釐定。現金流量預測所應用之折現率為5%(2009年6月30日:5%),而現金流量乃採用15%(2009年6月30日:15%)之增長率,此乃根據過去表現及管理層對市場發展之預期而釐定。

#### 14 Goodwill (continued)

#### Impairment testing of goodwill (continued)

# (ii) Asset and fund management services cash-generating unit

The recoverable amount of the asset and fund management services cash-generating unit has been determined based on value in use calculation using cash flow projections covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 5% (30 June 2009: 5%) and cash flows are using a growth rate of 10% (30 June 2009: 10%) (for investment fund management) and 20% (30 June 2009: 20%) (for other fund management) which are determined based on past performance and management's expectation for the market development.

Key assumptions were used in the value in use calculation of the financial planning and advisory services and asset and fund management services cash-generating units as at 31 December 2010 and 30 June 2009. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the period immediately before the budget period, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

#### 14 商譽(續)

#### 商譽減值測試(續)

#### (ii) 資產及基金管理服務現金產生單位

資產及基金管理服務現金產生單位之可收回金額乃以使用價值為基準,使用管理層所批准涵蓋五年期間之現金流預測釐定率,金流量預測所應用之折現率為5%(2009年6月30日:5%)、而現金流量之增長則採用10%(2009年6月30日:10%)(就投資基金管理而言)及20%(2009年6月30日:20%)(就其他基金管理而言)之增長率,此乃根據過去表現及管理層對市場發展之預期而釐定。

計算2010年12月31日及2009年6月30日 財務策劃及諮詢服務及資產及基金管理服 務現金產生單位之使用價值時,已使用若 干主要假設。以下載述管理層進行商譽減 值測試之現金流量預測所依據之各主要假 設:

預算邊際毛利-用作釐定預算邊際毛利所 指定價值之基準,為緊接預算期間前取得 之平均邊際毛利,並已就預期效率提升及 預期市場發展而作出相應調高。

折現率-所使用之折現率為未計税項前及 反映與相關單位有關之特定風險之比率。

#### 15 Other intangible assets

#### 15 其他無形資產

			oup
		本复 31 December	長圈 30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元 	千港元
Cost, net of accumulated amortisation	成本,扣除累積攤銷	4,609	4,609
Addition	添置	2,000	_
At the end of the period	於報告期末	6,609	4,609
At the end of the period	於 報 白 <del>初</del> 八	0,003	4,009
Cost (gross carrying amount)	成本(賬面總值)	10,131	8,131
Accumulated amortisation	累積攤銷	(3,522)	(3,522)
Net carrying amount	賬面淨值	6,609	4,609
sa, mg amount	VV ₩4 / 1. IŒ	2,000	1,000

Upon the adoption of HKAS 38 'Intangible assets' in 2005, the Group's eligibility rights to trade on or through the Stock Exchange of Hong Kong Limited and the Hong Kong Futures Exchange Limited of net carrying amount of HK\$4,609,000 (30 June 2009: HK\$4,609,000) are considered to have indefinite lives, which are not amortised, as the trading rights have no expiry date. The accumulated amortisation is brought forward from prior years before the adoption of HKAS 38 ("intangible assets").

The addition of HK\$2,000,000 represents the Group's investment in additional throttle rate for trading order to be transmitted to the Automated Matching System of the Stock Exchange. This intangible asset has no expiry date.

由於買賣權並無期限,於2005年採用 香港會計準則第38號「無形資產」時,本 集團於香港聯合交易所有限公司及香港 期貨交易所進行買賣之資格權利賬面淨 值為4,609,000港元(2009年6月30日: 4,609,000港元),被認為屬無限期,故沒 有計提攤銷。在採納香港會計準則第38號 (「無形資產」)前,累積攤銷乃承前自過往 年度計算。

為數2,000,000港元的增長乃本集團對額 外節流率的投資,以傳送交易指示至聯交 所的自動對盤系統。該無形資產並無到期 日。

#### 16 Other assets

# 16 其他資產

		Group 本集團	
		31 December	30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元	千港元
At cost:	按成本值:		
Deposits with the Stock Exchange:	於聯交所之按金:		
Compensation fund	賠償基金	600	300
Fidelity fund	互保基金	300	300
Dealers' deposit with the Securities	證券及期貨事務監察委員會		
and Futures Commission	交易商按金	350	350
Stamp duty deposit	印花税按金	500	500
Contributions to The Central	中央結算及交收系統		
Clearing and Settlement	保證基金供款		
System Guarantee Fund		300	350
Admission fee paid to Hong Kong	付予香港中央結算有限公司		
Securities Clearing Company Limited	之入會費	300	300
Reserve fund with The SEHK Options	香港聯合交易所期權結算所		
Clearing House Limited	有限公司之儲備金	24,723	1,937
Deposit with HKFE Clearing	於香港期貨結算有限公司		
Corporation Limited in contribution	儲備金之按金		
to the reserve fund		14,952	1,500
Cost of membership for a seat at	香港金銀業貿易場會籍成本		
The Chinese Gold and Silver			
Exchange Society		486	486
Compensation fund paid to The	付予深圳證券交易所有限公司		
Shenzhen Stock Exchange Co., Ltd.	之賠償基金	300	300
Settlement Risk Fund paid to	付予上海證券中央登記結算		
The Shanghai Securities Central	公司之交收風險共同基金		
Clearing & Registration Corporation	++ /-1	387	387
Others	其他	315	315
		43,513	7,025

# 17 Investments in subsidiaries and amounts due from/ to subsidiaries

The investments in subsidiaries and the amounts due from/to subsidiaries are as follows:

#### 17 於附屬公司之投資及應收/應付附 屬公司之款項

於附屬公司之投資及應收/應付附屬公司 之款項如下:

		Company		
		本位	)司	
		31 December	30 June	
		2010	2009	
		2010年	2009年	
		12月31日	6月30日	
		HK\$'000	HK\$'000	
		千港元	千港元	
Unlisted shares/investments, at cost	非上市股份/投資,按成本值	105,377	105,377	
Due from subsidiaries	應收附屬公司之款項	3,176,448	1,784,687	
Due to subsidiaries	應付附屬公司之款項	(756,097)	(804,009)	
		2,525,728	1,086,055	

The balances with subsidiaries are unsecured, interest-free and are repayable on demand. The carrying amounts of these amounts due from/to subsidiaries approximate their fair values.

與附屬公司結餘款項乃無抵押、免息及須 應要求償還。應收/應付附屬公司之款項 之賬面值與其公平值相若。

# 屬公司之款項(續)

The particulars of principal subsidiaries are as follows:

主要附屬公司詳情如下:

Name 公司名稱	Nominal value Place of of issued incorporation/ registration amount of and operations 註冊成立/ 註冊及 空營地點 写收資本金額	of issued share capital/	Percentage of equity attributable to the Company		Principal activities
		Direct 本公司			
			直接	百分比 間接	主要業務
Epro Global Services Limited*# 易寶環球服務有限公司*#	Hong Kong 香港	HK\$5,000,000 5,000,000港元	-	60	Provision of call centre services 提供呼叫中心服務
E-wealth Club Limited 創富會有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	-	100	Club association 會所組織
Grand Fortune Company Limited	Cayman Islands 開曼群島	HK <b>\$</b> 1 1港元	-	100	Investment 投資
Hai Tong Asset Management (HK) Limited³ 海通資產管理(香港)有限公司³	Hong Kong 香港	HK\$20,000,000 20,000,000港元	-	100	Provision of fund management services 提供資金管理服務
Hai Tong Capital (HK) Limited <sup>3</sup> 海通融資(香港)有限公司 <sup>3</sup>	Hong Kong 香港	HK\$10,000,000 10,000,000港元	-	100	Provision of corporate advisory services 提供企業諮詢服務
Haitong International Asset Management Limited (formerly known as Taifook Asset Management Limited) 海通國際資產管理有限公司 (前稱大福資產管理有限公司)	Hong Kong 香港	HK\$13,000,000 13,000,000港元	-	100	Investment holding and asset management 投資控股及資產管理

	Place of incorporation/ registration	Nominal value of issued share capital/ amount of	Percentage of equity attributable to the Company  Direct Indirect 本公司應佔之 股本百分比		Principal activities
Name	and operations 註冊成立/ 註冊及	paid-up capital 已發行股本之 票面值/			
公司名稱	經營地點	實收資本金額	直接	間接 —————	主要業務
Haitong International Asset Management Nominees Limited (formerly known as Taifook Asset Management Nominees Limited) 海通國際資產管理代理人有限公司 (前稱大福資產管理代理人 有限公司)	Hong Kong 香港	HK\$6,000,000 6,000,000港元	-	100	Proprietary trading 自營買賣
Haitong International Bullion Limited (formerly known as Taifook Bullion Limited) 海通國際金業有限公司 (前稱大福金業有限公司)	Hong Kong 香港	HK\$7,000,000 7,000,000港元	-	100	Bullion contracts dealing and trading 貴金屬合約買賣及 交易
Haitong International (BVI) Limited (formerly known as Taifook (BVI) Limited) Haitong International (BVI) Limited (前稱Taifook(BVI) Limited)	British Virgin Islands 英屬處女群島	HK\$11,576 11,576港元	100	-	Investment holding 投資控股
Haitong International Capital Limited (formerly known as Taifook Capital Limited) 海通國際資本有限公司 (前稱大福融資有限公司)	Hong Kong 香港	HK\$20,000,000 20,000,000港元	-	100	Provision of corporate advisory services 提供企業諮詢服務

	Place of incorporation/ registration	Nominal value of issued share capital/ amount of paid-up capital 已發行股本之 票面值/	Percentage of equity attributable to the Company  Direct Indirect 本公司應佔之 股本百分比		Principal activities
Name	and operations 註冊成立/ 註冊及				
公司名稱	經營地點 ————	實收資本金額 ————	直接 ———	間接 —————	主要業務
Haitong International Capital Management Limited (formerly known as Taifook Capital Management Limited and Tai Fook Fund Managers Limited) Haitong International Capital Management Limited (前稱Taifook Capital Management Limited及大福基金經理有限公司)	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Haitong International Consultants Limited (formerly known as Taifook Lexton Consultants Limited)# 海通國際顧問有限公司 (前稱大福歷斯頓顧問有限公司)#	Hong Kong 香港	HK\$5,000,000 5,000,000港元	-	60	Provision of financial advisory services 提供金融諮詢服務
Haitong International E-wealth Club Inc. (formerly known as Taifook E-wealth Club Inc.) Haitong International E-wealth Club Inc. (前稱Taifook E-wealth Club Inc.)	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Haitong International Finance Company Limited (formerly known as Taifook Finance Company Limited) 海通國際財務有限公司 (前稱大福財務有限公司)	Hong Kong 香港	HK\$300,000,002 (Non-voting deferred <sup>2</sup> HK\$100,700,001) 300,000,002港元 (無投票權遞延股 <sup>2</sup> 100,700,001港元)	-	100	Investment holding, money lending and securities trading 投資控股、借貸業務及證券買賣
Haitong International Financial Management Consultancy (Macau) Limited (formerly known as Taifook Lexton Wealth Management Consultants (Macau) Limited)* 海通國際創富理財顧問(澳門)有限公司 (前稱大福歷斯頓創富理財顧問(澳門)有限公司)*	Macau 澳門	MOP\$500,000 澳幣500,000元	-	59	Provision of support services 提供支援服務

	Place of incorporation/ registration	Nominal value of issued share capital/ amount of	Percent equity att to the Co	ributable	
Name 公司名稱	and operations 註冊成立/ 註冊及 經營地點	paid-up capital 已發行股本之 票面值/ 實收資本金額	Direct Indirect 本公司應佔之 股本百分比 直接 間接		Principal activities 主要業務
Haitong International Futures Limited (formerly known as Taifook Futures Limited) 海通國際期貨有限公司 (前稱大福期貨有限公司)	Hong Kong 香港	HK\$50,000,000 50,000,000港元	-	100	Futures and options broking and trading 期貨及期權經紀業務及買賣
Haitong International Immigration Consultants Limited (formerly known as Taifook Lexton Immigration Consultants Limited)** 海通國際移民顧問有限公司 (前稱大福歷斯頓移民顧問 有限公司)* *	Hong Kong 香港	HK\$100,000 100,000港元	-	60	Provision of immigration consultancy services 提供移民諮詢服務
Haitong International Information Systems Inc. (formerly known as Taifook Information Systems Inc.) Haitong International Information Systems Inc. (前稱Taifook Information Systems Inc.)	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Haitong International Information Systems Limited (formerly known as Taifook Information Systems Limited) 海通國際資訊系統有限公司 (前稱大福資訊系統有限公司)	Hong Kong 香港	HK\$11,000,000 11,000,000港元	-	100	Provision of information technology solutions 提供資訊科技解決方案
Haitong International Information Technology Inc. (formerly known as Taifook Information Technology Inc.) Haitong International Information Technology Inc. (前稱Taifook Information Technology Inc.)	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股

	Place of of issue incorporation/ share capita registration amount of		Percentage of equity attributable to the Company		
Name	and operations 註冊成立/ 註冊及	paid-up capital 已發行股本之 票面值/	Direct 本公司 股本百		Principal activities
公司名稱	經營地點 ————	實收資本金額	直接	間接 —————	主要業務
Haitong Investment Management Inc. (formerly known as Taifook Investment Management Inc.) Haitong Investment Management Inc. (前稱Taifook Investment Management Inc.)	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Haitong International Investment Managers Limited (formerly known as Taifook Investment Managers Limited) 海通國際投資經理有限公司 (前稱大福投資經理有限公司)	Hong Kong 香港	HK\$47,000,000 47,000,000港元	-	100	Provision of asset and fund management services 提供資產及資金管理服務
Haitong International Investment Services Limited (formerly known as Taifook Investment Services Limited) 海通國際投資服務有限公司 (前稱大福投資服務有限公司)	Hong Kong 香港	HK\$42,500,000 42,500,000港元	-	100	Securities broking and dealing 證券投資及買賣
Haitong International Management Consultancy Limited (formerly known as Taifook Management Consultancy Limited) 海通國際企業管理顧問有限公司 (前稱大福企業管理顧問有限公司	香港	HK\$2 2港元	-	100	Provision of consultancy services 提供諮詢服務
Haitong International Management Services Company Limited (formerly known as Taifook Management Services Company Limited) 海通國際管理服務有限公司 (前稱大福管理服務有限公司)	t Hong Kong 香港	HK\$2 2港元	-	100	Provision of management services 提供管理服務

	Place of incorporation/ registration	Nominal value of issued share capital/ amount of	Percent equity att to the C	ributable	Principal activities 主要業務
Name	and operations 註冊成立/ 註冊及 經營地點	paid-up capital 已發行股本之 票面值/ 實收資本金額	Direct 本公司。 股本百 直接		
Haitong International Net Inc. (formerly known as Taifook Net Inc.) Haitong International Net Inc. (前稱Taifook Net Inc.)	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Haitong International Net Limited (formerly known as Taifook Net Limited) 海通國際大福網有限公司 (前稱大福網有限公司)	Hong Kong 香港	HK\$1,000,000 1,000,000港元	-	100	Inactive 暫無營業
Haitong International Nominees Company Limited (formerly known as Taifook Nominees Company Limited) 海通國際代理人有限公司 (前稱大福代理人有限公司)	Hong Kong 香港	HK\$50,000,000 50,000,000港元	-	100	Securities trading 證券買賣
Haitong International On-line Inc. (formerly known as Taifook On-line Inc.) Haitong International On-line Inc. (前稱Taifook On-line Inc.)	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Haitong International On-line Services Limited (formerly known as Taifook On-line Services Limited) 海通國際電子網上服務有限公司 (前稱大福電子網上服務有限公司)	Hong Kong 香港	HK\$6,000,000 6,000,000港元	-	100	Provision of electronic financial services 提供電子金融服務
Haitong International Reserarch Limited (formerly known as Taifook Research Limited) 海通國際資料研究有限公司 (前稱大福資料研究有限公司)	Hong Kong 香港	HK\$1,000,000 1,000,000港元	-	100	Provision of research services 提供研究服務

# 17 Investments in subsidiaries and amounts due from/ 17 於附屬公司之投資及應收/應付附 to subsidiaries (continued)

# 屬公司之款項(續)

	Place of incorporation/ registration	Nominal value of issued share capital/ amount of	Percent equity attr to the Co	ributable	
Name	and operations 註冊成立/ 註冊及	paid-up capital 已發行股本之 票面值/	Direct 本公司》 股本百		Principal activities
公司名稱	經營地點 ————	實收資本金額	直接 ————	間接 ——————	主要業務
Haitong International Securities Company Limited (formerly known as Taifook Securities Company Limited) 海通國際證券有限公司 (前稱大福證券有限公司)	Hong Kong 香港	HK\$600,000,000 600,000,000港元	-	100	Securities broking and dealing and leveraged foreign exchange trading 證券經紀及買賣以及 槓桿外匯買賣
Haitong International Securities Nominees Limited (formerly known as Taifook Securities Nominees Limited) 海通國際證券代理人有限公司 (前稱大福證券代理人有限公司)	Hong Kong 香港	HK\$2 2港元	-	100	Provision of nominee and custodian services 提供代理人及保管服務
Haitong International Wealth Management Group Limited (formerly known as Taifook Wealth Management Group Limited) 海通國際創富理財集團有限公司 (前稱大福創富理財集團有限公司	Hong Kong 香港 )	HK\$3,500,000 3,500,000港元	-	100	Provision of financial planning services 提供財務策劃服務
Haitong International Wealth Management Limited (formerly known as Taifook Lexton Wealth Management Limited)# 海通國際創富理財有限公司 (前稱大福歷斯頓創富理財 有限公司)#	Hong Kong 香港	HK\$1,240,000 1,240,000港元	-	60	Provision of financial planning services and financial and insurance products brokerage 提供財務策劃服務以及金融及保險產品經紀服務
Haitong PE Investment Management Ltd. (formerly known as Haitong Drilex Investment Management Ltd.) Haitong PE Investment Management Ltd. (前稱Haitong Drilex Investment Management Ltd.)	Cayman Islands 開曼群島	US\$10 10美元	-	100	Investment management 投資管理

# 17 Investments in subsidiaries and amounts due from/ 17 於附屬公司之投資及應收/應付附 to subsidiaries (continued)

# 屬公司之款項(續)

	Place of incorporation/ registration	Nominal value of issued share capital/ amount of		tage of tributable ompany	
Name	and operations 註冊成立/ 註冊及	paid-up capital 已發行股本之 票面值/	Direct 本公司 股本語		Principal activities
公司名稱	經營地點	實收資本金額	直接	間接	主要業務
IB Capital Management Limited	Cayman Islands 開曼群島	US\$50,000 50,000美元	-	100	Investment 投資
iT Technology Company Limited 演天資訊科技有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding 投資控股
iT Technology Holdings Inc.	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
iT Technology (Shenzhen) Company Limited¹ 演天資訊科技(深圳)有限公司¹	People's Republic of China ("PRC") 中華人民共和國 (「中國」)	HK\$10,000,000 1,000,000港元	-	100	Provision of software development services 提供軟件開發服務
Ocean Pilot Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Prosper Ideal Limited 意盛有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding 投資控股
Taifook Investment Consultancy (Guangzhou) Company Limited¹ 大福投資諮詢顧問(廣州)有限公司¹	PRC 中國	HK\$2,000,000 2,000,000港元	-	100	Provision of investment consultancy services 提供投資諮詢顧問服務
Taifook Investment Consultancy (Shanghai) Company Limited¹ 大福投資諮詢顧問(上海)有限公司¹	PRC 中國	US\$700,000 700,000美元	-	100	Provision of investment consultancy services 提供投資諮詢顧問服務

# 17 Investments in subsidiaries and amounts due from/ to subsidiaries (continued)

- iT Technology (Shenzhen) Company Limited, Taifook Investment Consultancy (Guangzhou) Company Limited and Taifook Investment Consultancy (Shanghai) Company Limited are registered as whollyforeign-owned enterprises under the People's Republic of China law.
- The non-voting deferred shares carry no rights to dividends, attend or vote at general meetings and receive any surplus in a return of capital, winding-up or otherwise in respect of the first HK\$100,000,000,000,000 thereof.
- During the current 18-month period, the Group acquired the entire 100% equity interest in two subsidiaries, namely Hai Tong (HK) Asset Management Limited and Hai Tong Capital (HK) Limited from Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited), the immediate holding company of the Company. Further details of this acquisition are included in note 32 to the financial statements.
- \* Incorporated during the current 18-month period.
- # Subsidiaries not audited by PricewaterhouseCoopers. The aggregate net assets of subsidiaries not audited by PricewaterhouseCoopers approximates 1% (30 June 2009: 1%) of the Group's net assets.

# **17** 於附屬公司之投資及應收/應付附屬公司之款項(續)

- 1 演天資訊科技(深圳)有限公司、大福投資 諮詢顧問(廣州)有限公司及大福投資諮詢 顧問(上海)有限公司均根據中華人民共和 國法律註冊為外商獨資企業。
- 2 無投票權遞延股並不附帶享有股息、 出席股東大會或於會上投票之權利, 亦無權收取清盤或其他情況下之首 100,000,000,000,000港元之任何資本歸 還盈餘款項。
- 3 於18個月期間,本集團已向本公司之直接控股公司海通國際控股有限公司(前稱「海通(香港)金融控股有限公司」)收購兩間附屬公司(即海通資產管理(香港)有限公司及海通融資(香港)有限公司)的全部股本權益。有關此收購事項的進一步詳情載於財務報表附註32。
- \* 於18個月期間註冊成立。
- # 並非由羅兵咸永道會計師事務所審核的附屬公司。並非由羅兵咸永道會計師事務所審核的附屬公司資產淨值共佔本集團之資產淨值約1%(2009年6月30日:1%)。

#### 18 Interests in an associate

### 18 於聯營公司之權益

			Group 本集團		
		31 December	30 June		
		2010	2009		
		2010年	2009年		
		12月31日	6月30日		
		HK\$'000	HK\$'000		
		千港元	千港元		
Share of net assets	應佔淨資產	-	9,119		

During the period, the Group disposed of the entire 49% equity interest in CMTF Asset Management Limited to the other 51% equity holder for cash consideration of HK\$15,680,000. The transaction has resulted in a gain of HK\$4,843,000 in the consolidated income statement, calculated as follows:

期內,本集團以現金代價15,680,000港 元出售其於招商大福資產管理有限公司的 49%股本權益予其餘51%股權之持有人。 此項交易導致收益4,843,000港元,於綜 合收益表內計算如下:

		HK\$'000 千港元
Proceeds of disposal Less: carrying value as of the date of disposal	出售所得款項 減:於出售日期之賬面值	15,680 (10,837)
Gain recognised	已確認收益	4,843

The share of profit of an associate of HK\$1,718,000 in the consolidated income statement represents the Group's share of profit from 1 July 2009 to the date of disposal.

綜合收益表中分佔於一間聯營公司之溢利 1,718,000港元為本集團所佔自2009年7月 1日至出售日期期間之溢利。

#### 19 Available-for-sale investments

### 19 可供出售投資

		Gro 本質	
		31 December	30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元	千港元
At fair value (market value):	按公平值(市值):		
Listed equity investments	香港之上市股權投資		
in Hong Kong		19,393	20,075
Unlisted equity investment	中國大陸之非上市		
in Mainland China (Note)	股本投資(附註)	12,625	13,000
		32,018	33,075
An analysis of the issuers of the	可供出售投資發行機構之		
available-for-sale investments is as	分析如下:		
follows:	99 1 19 29		
Equity investments :	股本投資:		
Corporate	公司	32,018	33,075

Note: The balance represents the promoter foreign shares of Changmao Biochemical Engineering Company Limited ("Changmao"), a company listed on the Growth Enterprise Market Board of the Stock Exchange. Subject to certain restrictions on transfer and upon obtaining the requisite approvals from, among other bodies, the China Securities Regulatory Commission and the Stock Exchange, the promoter foreign shares may be convertible into listed H shares and shall thereafter carry the same rights and obligations of those listed H shares. Its fair value is based on the quoted market prices of the listed H shares.

附註:該結餘代表常茂生物化學工程股份有限公司(「常茂」)(一間於聯交所創業板上市的公司)之發起人外資股。在遵守轉讓股份之限制的前提下,在取得包括中國證券監督管理委員會及聯交所在內等機構的必要批准後,發起人外資股份可轉換成上市H股,轉換後附帶之權利及責任與上市H股相同。其公平值乃以上市H股之市場報價為準。

# 19 Available-for-sale investments (continued)

# **19** 可供出售投資(續)

The movement in available-for-sale investments is summarised as follow:

可供出售投資變動概述如下:

		Group 本集團	
		31 December	30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元	千港元_
At the beginning of the period	於期初	33,075	196,160
Disposal	出售	(6,788)	_
Classified as assets/liabilities held	持作待售資產/負債		
for sale		_	(104,501)
Fair value changes transferred to the	轉撥至投資重估儲備之		
investment revaluation reserve	公平值變動	5,731	(52,662)
Impairment loss on available-for-sale	於綜合收益表扣除之可供出售投資		
investments charged to consolidated	減值虧損		
income statement		_	(5,922)
At the end of the period	於期終	32,018	33,075

#### 20 Advances to customers

# 20 給予客戶之墊款

	31 December	30 June
	2010	2009
	2010年	2009年
	12月31日	6月30日
	HK\$'000	HK\$'000
	千港元	千港元_
孖展客戶之貸款	4,382,700	1,734,335
減:減值撥備	(7,111)	(7,667)
	4,375,589	1,726,668
		2010 2010年 12月31日 HK\$'000 千港元

- (a) The movements in impairment allowance of advances to customers, all assessed individually, are as follows:
- (a) 按個別情況評估之給予客戶之墊款之 減值撥備變動如下:

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至	截至
		2010年	2009年
		12月31日	6月30日
		止 <b>18</b> 個月	止18個月
		HK\$'000	HK\$'000
		千港元	千港元
At the beginning of the period	於期初	7,667	11,829
Write-off of fully impaired advances to	撇銷全數減值之		
customers	客戶墊款	(556)	(185)
Reversal of impairment losses	撥回減值虧損	_	(4,120)
Impairment losses recognised	已確認減值虧損	_	143
At the end of the period	於期終	7,111	7,667

### 20 Advances to customers (continued)

#### (a) (continued)

The credit facility limits granted to margin clients are determined by the discounted market value of the collateral securities accepted by the Group.

The majority of the loans to margin clients are secured by the underlying pledged securities and are interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call which the customers have to make good the shortfall.

As at 31 December 2010, advances to customers of HK\$4,376 million (30 June 2009: HK\$1,727 million) was secured by securities pledged by the customers to the Group as collateral with undiscounted market value of HK\$20,989 million (30 June 2009: HK\$10,759 million).

Advances to customers of HK\$7,111,000 (30 June 2009: HK\$7,667,000) was fully provided for impairment loss.

(b) The credit risk profiles of the advances to customers are as follows:

# 20 給予客戶之墊款(續)

#### (a) (續)

授予孖展客戶之融資額度,乃根據本 集團接納之抵押品之折讓市值而釐 定。

大部份給予孖展客戶之貸款由相關已 抵押證券作抵押且計息。本集團設有 一份認可股份清單,以按特定貸款抵 押品比率給予孖展借款。倘超逾借款 比率,則將觸發按金追繳通知,而客 戶須追補該差額。

於2010年12月31日 · 4,376,000,000 港元(2009年6月30日 : 1,727,000,000 港元)之給予客戶之墊款乃藉客戶向本集團抵押之證券作為抵押品而抵押,未折讓市值為20,989,000,000港元(2009年6月30日 : 10,759,000,000港元)。

給 予 客 戶 之 墊 款 7,111,000 港 元 (2009年6月30日:7,667,000港元) 已全數作出減值虧損撥備。

(b) 給予客戶之墊款之信貸風險組合如下:

		31 December 2010 2010年 12月31日 HK\$'000 千港元	30 June 2009 2009年 6月30日 HK\$'000 千港元
Neither past due nor impaired Past due but not impaired Impaired	並無逾期或減值 已逾期但無減值 已減值	4,049,732 325,857 7,111 4,382,700	1,604,015 122,653 7,667 1,734,335

Advances to customers classified under past due but not impaired represent those receivables from customers who have outstanding unfilled margin call position.

分類為已逾期但無減值的客戶之墊款 指應收而尚未繳付追繳按金款項持倉 之客戶款項。

# 20 Advances to customers (continued)

# 20 給予客戶之墊款(續)

(b) (continued)

The ageing analyses of the overdue advances to customers are as follows:

(b) (續)

給予客戶之逾期墊款之賬齡分析如 下:

		31 December 2010 2010年 12月31日 HK\$′000 千港元	30 June 2009 2009年 6月30日 HK\$'000 千港元
Overdue within 1 month Between 2 to 3 months Over 3 months	1個月內逾期 2至3個月 超過3個月	96,521 160,430 68,906 325,857	88,236 4,927 29,490 122,653

Majority of the overdue advances to customers are secured by listed securities held by the Group as collateral with undiscounted market value of HK\$2,870 million (30 June 2009: HK\$1,434 million).

大部份給予客戶之逾期墊款由本 集團所持上市證券作為抵押品抵 押,該等上市證券之未折讓市值 為2,870,000,000港元(2009年6月 30日: 1,434,000,000港元)。

# 21 Accounts receivable

# 21 應收賬款

		31 December 2010 2010年 12月31日 HK\$'000	30 June 2009 2009年 6月30日 HK\$'000
		千港元 ————————————————————————————————————	千港元 ————————————————————————————————————
Accounts receivable from:  - Clients  - Brokers, dealers and clearing house  - Subscription of new shares in IPO  - Others	以下各項產生之應收賬款: 一客戶 一經紀、交易商及結算所 一認購新股上市之新股份 一其他	51,757 872,513 - 42,676 966,946	47,534 1,043,292 1,646,881 8,262 2,745,969

### 21 Accounts receivable (continued)

# 21 應收賬款(續)

There is no impaired accounts receivable as of the balance sheet dates. The ageing analysis of the accounts receivable is as follows:

於各結算日,並無已減值之應收賬款。應收賬款之賬齡分析如下:

		31 December	30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元	千港元
Current or overdue within 3 months	即期或3個月內逾期	960,671	2,743,072
Between 4 and 6 months	4至6個月	2,791	2,099
Between 7 and 12 months	7至12個月	1,426	151
Over 1 year	超過1年	2,058	647
		966,946	2,745,969

Trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk. Overdue balances are regularly monitored by management.

客戶均設有交易限額。本集團對未償 還應收賬款採取嚴謹監控措施,以將 信貸風險減至最低。管理層會定期檢 討過期款項。

# 22 Prepayments, deposits and other receivables 22 預付款項、按金及其他應收賬項

			Group 本集團		pany 公司
		31 December	30 June	31 December	30 June
		2010	2009	2010	2009
		2010年	2009年	2010年	2009年
		12月31日	6月30日	12月31日	6月30日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Prepayments, deposits and other	預付款項、按金及				
receivables	其他應收賬項	133,600	40,510	5,994	2,985
		133,600	40,510	5,994	2,985

None of the above balance is considered impaired.

上述結餘並無任何減值。

# 23 Financial investments at fair value through profit or 23 按公平值計入損益之財務投資 loss

	Gro 本隻	•
	31 December	≅■ 30 June
	2010	2009
	2010年	2009年
	12月31日	6月30日
	HK\$'000	HK\$'000
	千港元	千港元
Held for trading: 持作買賣: Listed equity investments, at fair value: 上市股權投資,按公平值: — in Hong Kong —於香港  Unlisted investment funds, at fair value: 非上市投資基金,按公平值: — in overseas (including Mainland — 於海外(包括中國內地)	89,185	20,176
China)	3,066	2,452
	92,251	22,628

# 23 Financial investments at fair value through profit or 23 按公平值計入損益之財務投資(續) loss (continued)

An analysis of issuers of financial investments at fair value through profit or loss is as follows:

按公平值計入損益之財務投資之發行人分 析如下:

			oup
		本負	<b>美</b> 團
		31 December	30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元	千港元
Equity securities:	股本證券:		
Bank and other financial institutions	銀行及其他金融機構	3,912	_
Corporate entities	公司實體	88,339	22,628
		92,251	22,628

#### 24 Cash held on behalf of customers

The Group maintains segregated trust accounts with authorized institutions to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers under the current assets section of the consolidated balance sheet and recognised the corresponding accounts payable (note 25) to respective clients on the grounds that it is liable for any loss or misappropriation of clients' monies. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

#### 24 代客戶持有之現金

本集團於認可機構開設獨立信託賬戶,以存放客戶因正常業務過程中所產生之款項。本集團將此等客戶款項分類為綜合資產負債表之流動資產項下之代客持有之現金,並根據其須就客戶款項之任何損失或挪用負上責任之基礎上而確認為應付予相關客戶之賬款(附註25)。代客戶持有之現金受證券及期貨條例項下證券及期貨(客戶款項)規則所限制及規管。

### 25 Accounts payable

#### 25 應付賬款

	31 December	30 June
	2010	2009
	2010年	2009年
	12月31日	6月30日
	HK\$'000	HK\$'000
	千港元	千港元
Accounts payable to:  UNT各項產生之應付賬款:  Accounts payable to:  UNT各項產生之應付賬款:  ACCOUNTS Payable to:  ACCOUNTS Paya	6,045,387 6,307 799 6,052,493	4,647,021 43,834 3,214 4,694,069
	3,302,400	1,004,000

The majority of the accounts payable balances is repayable on demand except where certain accounts payable to clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

The Group has a practice to satisfy all the requests for payments immediately within the credit period. There is no overdue accounts payable balance as of the balance sheet dates.

Except for the accounts payable to clients which bear interest at 0.001% as at 31 December 2010 (30 June 2009: 0.001%), all the accounts payable are non-interest bearing.

Accounts payable to clients also include those payables placed in trust accounts with authorised institutions of HK\$5,158,603,000 (30 June 2009: HK\$3,661,886,000), Hong Kong Futures Exchange Clearing Corporation Limited, Stock Exchange Options Clearing House and other futures dealers totaling HK\$592,514,000 (30 June 2009: HK\$355,659,000).

大部份應付賬款結餘須於要求時償還,惟 若干應付予客戶之賬款除外,該等賬款乃 就客戶於正常業務過程中進行買賣活動而 收取客戶之孖展按金。只有超出規定孖展 按金之金額可因應要求發還客戶。

本集團慣於即時在信貸期內達成所有付款 要求。於各結算日,並無逾期應付賬款結 餘。

於2010年12月31日,除應付予客戶之賬 款按0.001%(2009年6月30日:0.001%) 計息外,所有應付賬款並不計息。

應付予客戶之賬款亦包括存放於認可機 構為數5,158,603,000港元(2009年6月 30日:3,661,886,000港元)之應付款項, 以及存放於香港期貨交易結算有限公司、 聯交所期權結算所及其他期貨交易商信託 賬戶之應付款項,合共為592.514.000港 元(2009年6月30日:355,659,000港元)。

# 26 Other payables and accruals

# 26 其他應付賬款及應計款項

		Group 本集團		Company 本公司	
		31 December	30 June	31 December	30 June
		2010	2009	2010	2009
		2010年	2009年	2010年	2009年
		12月31日	6月30日	12月31日	6月30日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Other payables and accruals	其他應付賬款及應計款項	136,792	52,933	39,681	12,246

Other payables are non-interest bearing and are repayable within 其他應付賬款為不計息及須於1年內償還。 one year.

# 27 Loans and other borrowings

# 27 貸款及其他借貸

			Group 本集團		Company	
				本公司		
		31 December	30 June	31 December	30 June	
		2010	2009	2010	2009	
		2010年	2009年	2010年	2009年	
		12月31日	6月30日	12月31日	6月30日	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	
Current Liabilities	即期負債					
Secured borrowing:	有抵押借貸:					
Bank overdrafts (note (a),(b))	銀行透支(附註(a),(b))	13,892	31,737	_	_	
Bank loans (note (b),(c))	銀行貸款(附註(b),(c))	1,421,000	235,000	-	-	
Unsecured borrowing:	無抵押借貸:					
Bank loans (note (c))	銀行貸款(附註(c))	799,375	1,817,500	749,375	47,500	
Other loans (note (c), (d))	其他貸款(附註(c),(d))	740,000	100,000	640,000	-	
		2,974,267	2,184,237	1,389,375	47,500	

### 27 Loans and other borrowings (continued)

- (a) The secured bank overdrafts are repayable on demand.
- (b) Bank overdrafts and bank loans of HK\$1,435 million (30 June 2009: HK\$267 million) are secured by the listed shares held by the Group as security for advances to customers (with the customers' consent) of HK\$3,252 million (30 June 2009: HK\$578 million).
- (c) Bank loans and other loans are repayable on demand or within 1 year.
- (d) The HK\$100 million brought forward from prior period was an unsecured other loan obtained from an independent third party, charged at 4% per annum. Interest expense of HK\$7,896,574 (18 months ended 30 June 2009: HK\$3,579,589) was paid in the current 18-month period.

During the period, the Group newly obtained another HK\$640 million unsecured other loan from Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited), the immediate holding company of the Company charged at 1.10% to 1.28% per annum. Interest expense of HK\$988,000 was paid.

All the Group's bank borrowings bear interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 0.55% to 1% per annum (30 June 2009: HIBOR plus 0.675% to 0.90% per annum or at a fixed rate from 0.90% to 1.15% per annum).

### 27 貸款及其他借貸(續)

- (a) 有抵押銀行透支須應要求償還。
- (b) 銀行透支及銀行貸款1,435,000,000 港元(2009年6月30日:267,000,000 港元)乃以本集團作為給予客戶之墊 款(在客戶同意下)3,252,000,000港 元(2009年6月30日:578,000,000港 元)之抵押品而持有之上市股份作抵 押。
- (c) 銀行貸款及其他貸款須應要求償還或 於1年內償還。
- (d) 自前期結轉之100,000,000港元為來自一名獨立第三方之無抵押其他貸款,按4%之年利率計算。於本18個月期間,已償還之利息開支為7,896,574港元(截至2009年6月30日止18個月:3,579,589港元)。

期內,本集團另外新獲得本公司之直 接控股公司海通國際控股有限公司 (前稱海通香港金融控股有限公司) 提供之無抵押其他貸款640,000,000 港元,按1.10%至1.28%之年利率計 算。已償還之利息開支為988,000港 元。

本集團所有銀行借貸均按香港銀行同業拆息加年利率0.55%至1%(2009年6月30日:香港銀行同業拆息加年利率0.675%至0.90%或按固定年利率0.90%至1.15%)計息。

#### 28 Deferred tax assets/liabilities

Deferred 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 relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

### 28 遞延税項資產/負債

當有法定權利可將即期稅項資產與即期稅 項負債抵銷,而遞延所得稅涉及同一財政 機關,則可將遞延稅項資產與負債互相抵 銷。在計入適當抵銷後,下列金額在綜合 資產負債表內列賬:

	Group	
	本集團	
	31 December	30 June
	2010	2009
	2010年	2009年
	12月31日	6月30日
	HK\$'000	HK\$'000
	千港元	千港元
Deferred tax assets to be settled 將在多於12個月後償付之 after more than 12 months	2,343 (19,832)	10,598 (14,207)
12 months	(13,032)	(14,207)
	(17,489)	(3,609)

The Company does not have any significant deferred tax assets and liabilities as at 31 December 2010 and 30 June 2009.

於2010年12月31日及2009年6月30日,本公司 並無任何重大遞延税項資產及負債。

# 28 Deferred tax assets/liabilities (continued)

The movements in deferred tax assets and liabilities of the Group during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

#### **Deferred tax assets – Group**

# 28 遞延税項資產/負債(續)

本集團遞延税項資產及負債於期內之變動 (並無計及抵銷同一徵税司法權區內之結 餘前)如下:

### 遞延税項資產-本集團

		Accelerated depreciation allowances 加速折舊撥備 HK\$'000 千港元	Tax losses 税項虧損 HK\$'000 千港元	<b>Total</b> 合計 HK\$'000 千港元
At 1 January 2008  Deferred tax credited to the consolidated income statement	於2008年1月1日 期內於綜合收益表記賬 之遞延税項	1,666	-	1,666
during the period (note 9)	(附註9)	2,799	7,657	10,456
At 30 June 2009 and 1 July 2009  Deferred tax charged to the	於2009年6月30日及 2009年7月1日 期內於綜合收益表內	4,465	7,657	12,122
consolidated income statement during the period (note 9)	扣除之遞延税項(附註9)	(3,580)	(5,073)	(8,653)
At 31 December 2010	於2010年12月31日	885	2,584	3,469

#### 28 Deferred tax assets/liabilities (continued)

# 28 遞延税項資產/負債(續)

#### **Deferred tax liabilities - Group**

遞延税項負債-本集團

Accelerated depreciation allowances 加速折舊撥備 HK\$'000

千港元

於2008年1月1日	6,006
期內於綜合收益表內扣除之	
遞延税項(附註9)	9,725
於2009年6月30日及2009年7月1日	15,731
收購附屬公司(附註32)	420
期內於綜合收益表記賬之	
遞延税項(附註9)	5,227
於2010年12月31日	21,378
	期內於綜合收益表內扣除之 遞延税項(附註9) 於2009年6月30日及2009年7月1日 收購附屬公司(附註32) 期內於綜合收益表記賬之 遞延税項(附註9)

#### Unrecognised deferred tax assets

Deferred tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of approximately HK\$23 million (30 June 2009: HK\$29 million) in respect of losses amounting to approximately HK\$141 million (30 June 2009: HK\$177 million) that can be carried forward against future taxable income. These tax losses have no expiry date.

#### 未確認遞延税項

遞延税項資產乃因應相關税務利益可透過未來應課税溢利變現而就所結轉之應課税收入之虧損作確認。本集團並未就可結轉以抵銷未來應課税收入之虧損約141,000,000港元(2009年6月30日:177,000,000港元)確認遞延所得税項資產約為23,000,000港元(2009年6月30日:29,000,000港元)。該等税項虧損並無屆滿日期。

# 29 Share capital

# 29 股本

		31 December 2010 2010年 12月31日 HK\$'000 千港元	30 June 2009 2009年 6月30日 HK\$'000 千港元
Authorised:	法定股本:		
2,000,000,000 (30 June 2009: 2,000,000,000) ordinary share of HK\$0.10 each	2,000,000,000股(2009年6月30日: es 2,000,000,000股)每股面值0.10港元 之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足股本:		
715,032,706 (30 June 2009: 706,448,228) ordinary shares of HK\$0.10 each	715,032,706股(2009年6月30日: 706,448,228股)每股面值0.10港元 之普通股	71,503	70,645

The movements in issued share capital were as follows: 已發行股本變動如下:

		Number of shares in issue 已發行股份數目	Share capital 已發行股本 HK\$'000 千港元
As at 1 January 2008  New shares issued due to exercise of share options	於2008年1月1日 因行使購股權而發行 的新股(附註(a))	653,949,699	65,395
(note (a)) Scrip dividends issues (note (b)) Share buyback (note (c))	已發行以股代息股息(附註(b)) 股份購回(附註(c))	1,901,830 64,564,699 (13,968,000)	190 6,457 (1,397)
As at 30 June 2009	於2009年6月30日	706,448,228	70,645
As at 1 July 2009  New shares issued due to exercise of share options	於2009年7月1日 因行使購股權而發行 的新股(附註(a))	706,448,228	70,645
(note (a)) Scrip dividends issued (note (b))		1,740,225 6,844,253	174 684
As at 31 December 2010	於2010年12月31日	715,032,706	71,503

### 29 Share capital (continued)

- (a) During the 18 months ended 31 December 2010, 1,740,225 (18 months ended 30 June 2009: 1,901,830) share options were exercised at subscription prices from HK\$5.874 per share to HK\$5.879 per share (18 months ended 30 June 2009: HK\$0.907 per share to HK\$1.20 per share), resulting in the issue of 1,740,225 (18 months ended 30 June 2009: 1,901,830) new ordinary shares of HK\$0.1 each for a total consideration of HK\$10,223,000 (18 months ended 30 June 2009: HK\$1,877,000).
- (b) At the annual general meeting held on 29 May 2008, the shareholders of the Company have approved a final dividend of HK25 cents per share in scrip form with a cash option. 40,572,800 shares were issued on 17 July 2008 in scrip form.

At a meeting of the Board of Directors held on 11 September 2008, the directors resolved to declare a first interim dividend of HK5 cents per share in scrip form with a cash option. 23,991,899 shares were issued on 28 November 2008 in scrip form.

At the annual general meeting held on 1 December 2009, the shareholders of the Company have approved a final dividend of HK8 cents per share in cash with a scrip option. 1,246,860 shares were issued on 15 January 2010 in scrip form.

At a meeting of the Board of Directors held on 19 August 2010, the directors resolved to declare a second interim dividend of HK6 cents per share in scrip form with a cash option. 5,597,393 shares were issued on 10 November 2010 in scrip form.

(c) During the 18 months ended 30 June 2009, the Company bought back 13,968,000 shares from the market at an average price from HK\$0.905 to HK\$0.937 per share.

#### 29 股本(續)

- (a) 截至2010年12月31日止18個月,1,740,225份(截至2009年6月30日止18個月:1,901,830份)購股權已按每股5.874港元至每股5.879港元(截至2009年6月30日止18個月:每股0.907港元至每股1.20港元)之認購價獲行使,導致以總代價10,223,000港元(截至2009年6月30日止18個月:1,877,000港元)發行1,740,225股(截至2009年6月30日止18個月:1,901,830股)每股面值0.1港元之新普通股。
- (b) 於2008年5月29日舉行之股東週年大會 上,本公司股東批准藉以股代息方式(附 現金選擇權)派發末期股息每股25港仙。 於2008年7月17日,40,572,800股股份藉 以股代息方式發行。

於2008年9月11日舉行之董事會會議上,董事決議藉以股代息方式(附現金選擇權)宣派第一次中期股息每股5港仙。於2008年11月28日,23,991,899股股份藉以股代息方式發行。

於2009年12月1日舉行之股東週年大會中,本公司股東批准末期股息每股8港仙,以現金分派,惟股東可選擇按以股代息方式收取股息。於2010年1月15日,1,246,860股股份按以股代息方式發行。

於2010年8月19日舉行之董事會會議中,董事決議藉以股代息方式(附現金選擇權)宣派第二次中期股息每股6港仙。5,597,393股股份藉以股代息方式於2010年11月10日發行。

(c) 截至2009年6月30日止18個月,本公司按 平均價格每股0.905港元至0.937港元從市 場上購回13.968.000股股份。

#### 30 Share option scheme

On 23 August 2002, the shareholders of the Company approved the adoption of a share option scheme (the "2002 Share Option Scheme").

A summary of the principal terms of the 2002 Share Option Scheme, as disclosed in accordance with the Listing Rules, is set out as follows:

The 2002 Share Option Scheme was adopted for the purpose of attracting, retaining and motivating talented employees to strive towards long term performance targets set by the Company and its subsidiaries and at the same time allowing the participants to enjoy the results of the Company attained through their effort and contribution. Under the 2002 Share Option Scheme, options may be granted to any full time employees, executive and non-executive directors of the Company or any of its subsidiaries or associates.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the date of adoption of the 2002 Share Option Scheme (the "Scheme Mandate Limit") but the Company may seek approval of its shareholders at general meetings to refresh the Scheme Mandate Limit, save that the maximum number of shares in respect of which options may be granted by directors of the Company under the 2002 Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the issued share capital of the Company as at the date of approval by the shareholders of the Company at general meetings where such limit is refreshed. Options previously granted under the 2002 Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised options) will not be counted for the purpose of calculating such 10% limit as refreshed. Notwithstanding the aforesaid in this paragraph, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time. As at 31 December 2010, the total number of shares available for issue under the 2002 Share Option Scheme was 1,687,426 shares, which represented approximately 0.236% of the issued share capital of the Company at that day. The maximum number of shares issued and to be issued upon exercise of the options granted to each participant under the 2002 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of the Company's shares in issue. Any further grant of share options in excess of this limit is subject to approval by the shareholders of the Company at a general meeting.

#### 30 購股權計劃

於2002年8月23日,本公司股東批准採納 一項購股權計劃(「2002年購股權計劃」)。

2002年購股權計劃之主要條款摘要根據上 市規則之規定披露如下:

本公司採納2002年購股權計劃,旨在吸引、挽留及鼓勵能幹之員工以達成本公司及其附屬公司制定之長遠表現目標,同時讓參與者共同分享他們為本公司業務付出的努力及貢獻帶來之成果。根據2002年購股權計劃,購股權可授予本公司或其任何附屬公司或聯營公司之任何全職員工、執行董事及非執行董事。

根據2002年購股權計劃及本公司任何其 他購股權計劃准予授出之購股權若獲悉數 行使,因此而可予發行之最高股份數目, 不得超過本公司於採納2002年購股權計 劃日期已發行股份總數之10%(「計劃授 權限額1),惟本公司可於股東大會尋求股 東批准更新計劃授權限額,但本公司董事 根據2002年購股權計劃及本公司任何其 他購股權計劃可授出購股權有關之最高股 份數目,不得超過本公司股東於股東大會 批准更新此等授權之日本公司已發行股本 10%。於計算此等已更新之10%限額時, 之前已根據2002年購股權計劃及本公司 任何其他購股權計劃授出之購股權(包括 尚未行使、已註銷、已失效或已行使之購 股權)不會計算在內。儘管有本段以上所 述規定,根據2002年購股權計劃及本公 司任何其他購股權計劃已授出但尚未行使 之購股權若獲悉數行使,因此而可予發行 之最高股份數目,不得超過本公司不時之 已發行股份總數30%(或上市規則容許之 較高百分比)。於2010年12月31日,根據 2002年購股權計劃可供發行之股份總數為 1,687,426股,佔本公司於當日已發行股 份約0.236%。根據2002年購股權計劃及 本公司任何其他購股權計劃授予各個別參 與者之購股權(包括已行使及尚未行使之 購股權)獲行使而已發行及將予發行之股 份之最高數目,於任何12個月期間不得超 過本公司已發行股份總數1%。如欲進一 步授出超越此限額之任何購股權,須獲本 公司股東於股東大會批准。

Share options granted to a director, chief executive or substantial shareholders of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the total number of shares of the Company in issue at the date on which such grant is proposed by the directors or with an aggregate value (based on the closing price of the Company's shares at the date on which such grant is proposed by the directors) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance at a general meeting of the Company.

The offer of a grant of share options may be accepted within 30 days from the date of the offer upon payment of a consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the directors, and such period shall commence not earlier than 6 months from the date of grant of the options and expire not later than 10 years after the date of grant of the options. The vesting period of the share options is from the date of the grant until the commencement of the exercise period. All share options under the 2002 Share Option Scheme are subject to a 6-month vesting period.

The exercise price of the share options is determinable by the directors, and shall be at least the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The 2002 Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date on which it is conditionally adopted by resolution of the Company at a general meeting and will expire on 22 August 2012.

#### 30 購股權計劃(續)

向本公司董事、主要行政人員或主要股東或其任何聯繫人士授出購股權,須事先獲獨立非執行董事批准。此外,向本公司主要股東或獨立非執行董事或其任何聯繫人士授出任何購股權,如於任何12個月期間內,超過於董事作出授予購股權建議之日本公司已發行股份總數之0.1%,或總值(按本公司股份於董事作出授予購股權建議之日之收市價計算)超過5,000,000港元,均須事先獲得本公司股東在股東大會批准。

購股權之獲授人可於授出購股權要約日期起計 30日內接納該要約,接納購股權時須支付代價 1港元。購股權之行使期由董事釐定,在授出 購股權之6個月期限後,該購股權可於授出購 股權日期計10年內行使。購股權之歸屬期由 授出日期起計直至行使期開始為止。所有根據 2002年購股權計劃授出之購股權均有6個月歸 屬期限。

購股權之行使價由董事釐定,不得少於下列各項之最高數值(i)本公司股份於要約日期於聯交所每日報價表所示之收市價:(ii)本公司股份於緊接要約日期前5個交易日於聯交所每日報價表所示之平均收市價:及(iii)本公司股份之面值。

購股權持有人無權收取股息或於股東大會上投 票。

2002年購股權計劃經本公司股東大會決議有條件採納後,由採納之日起計有效期為10年,將 於2012年8月22日屆滿。

### 30 購股權計劃(續)

Movements of share options outstanding under the 2002 Share Option Scheme during the period are as follows:

於2002年購股權計劃下之尚未行使購股權於期 內變動如下:

		For the 18 months ended 31 December 2010		For the 18 months ended 30 June 2009	
		截止2010年12月	31日止18個月	截止2009年6月30日止18個	
		Weighted		Weighted	
		average	Number of	average	Number of
		exercise price	options	exercise price	options
		加權平均行使價	購股權數目	加權平均行使價	購股權數目
		HK\$		HK\$	
		per share	′000	per share	′000
		每股港元	千份	每股港元	千份
At 1 July 2009/1 January 2008	於2009年7月1日/				
	2008年1月1日	5.88	26,693	5.73	30,900
Granted during the period	期內授出	4.85	33,480	-	-
Adjusted during the period	期內調整	5.24	(46)	5.87	1,013
Exercised during the period	期內行使	5.87	(1,740)	0.99	(1,902)
Forfeited during the period	期內沒收	5.70	(3,580)	5.52	(3,318)
At 31 December 2010/30 June 2009	於2010年12月31日/				
	2009年6月30日	5.26	54,807	5.88	26,693

The weighted average share price at the date of exercise for share options exercised during the period was HK\$6.93 (18 months ended 30 June 2009: HK\$3.73).

期內,已行使購股權於行使日期之加權平均股 價為6.93港元(截至2009年6月30日止18個月: 3.73港元)。

The exercise prices and exercise periods of the share options outstanding as at that balance sheet date are as follows:

於結算日未行使購股權之行使價及行使期如 下:

31 December 2010 2010年12月31日		
Number of options	Exercise price <sup>1</sup>	Exercise period
購股權數目	行使價1	行使期
′000	HK\$ per share	
千份	每股港元	
21,956	5.879	1 June 2008 to 31 May 2016
32,851	4.854	2008年6月1日至2016年5月31日 3 March 2011 to 2 March 2019 2011年3月3日至2019年3月2日
54,807		

### 30 購股權計劃(續)

30 June 2009 2009年6月30日		
Number of options	Exercise price <sup>1</sup>	Exercise period
購股權數目	行使價1	行使期
′000	HK\$ per share	
千份	每股港元	
26,693	5.875	1 June 2008 to 31 May 2016
.,		2008年6月1日至2016年5月31日
26,693		

The exercise price of the share option is subject to adjustment in case of rights, scrip dividend or bonus issues, or other similar changes in the Company's share capital.

#### New share option granted in September 2010

On 3 September 2010, the Company granted 33,480,000 share options (of which 32,880,000 shares options were accepted) to its employees (including directors) under the 2002 Share Option Scheme pursuant to a board of directors resolution with a 6-month vesting period from 3 September 2010 to 2 March 2011 and exercisable from 3 March 2011 to 2 March 2019.

The fair value of the equity settled share options granted above is estimated at the date of grant using the binomial model.

The fair value of the share options granted above was HK\$ 30,726,712 (HK\$0.92 each) of which the Group recognised a share option expense of HK\$12,791,000 during the current 18-month period.

購股權之行使價可就供股、以股代息或紅 股發行或本公司股本之其他類似變動而作 出調整。

#### 於2010年9月授出之新購股權

於2010年9月3日,根據一項董事會決議 案,本公司按2002年購股權計劃,向僱員 (包括董事)授出33,480,000份購股權(當 中有32,880,000份購股權獲接納),歸屬 期為2010年9月3日起至2011年3月2日止 6個月,可於2011年3月3日至2019年3月 2日期間行使。

上述已授出之以股本支付購股權,其公平 值於授出日期使用二項式估算。

上述已授出購股權之公平值為30,726,712 港元(每份0.92港元),本集團就此於本 18個月期間確認購股權開支12,791,000港 元。

#### New share option granted in September 2010 (continued)

The following table lists the key inputs to the model used:

Share price at the date of grant	HK\$4.85
Contractual option life	8.5 years
Exercise price	HK\$4.85
Expected volatility	52.56%
Expected option life	8.5 years
Expected dividend yield (%)	5.61%
Risk-free interest rate (%)	
(based on Exchange Fund Notes)	1.7456%

The expected volatility is based on the historic volatility, and calculated based on the contractual life of the share options. Expected dividend yield is based on historical dividends. Estimation of fair value could be materially affected due to the changes in the input assumptions disclose above.

#### **Outstanding share options**

The 1,740,225 (2009: 1,901,830) share options exercised during the current period resulted in the issue of 1,740,225 (2009: 1,901,830) ordinary shares of the Company and new share capital of HK\$174,023 (2009: HK\$190,183) and share premium of HK\$10,048,559 (2009: HK\$1,687,827) (before issue expenses), as further detailed in note 29 to the consolidated financial statements

At the balance sheet date, the Company had 54,806,688 (30 June 2009: 26,692,988) share options outstanding under the 2002 Share Option Scheme, which represented approximately 7.66 % (30 June 2009: 3.78%) of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 54,806,688 (30 June 2009: 26,692,988) additional ordinary shares of the Company and additional share capital of HK\$5,480,669 (30 June 2009: HK\$2,669,299) and share premium of HK\$283,055,453 (30 June 2009: HK\$154,152,006) (before issue expenses).

At the date of approval of these consolidated financial statements, the Company had 54,806,688 (30 June 2009: 24,412,422) share options outstanding under the 2002 Share Option Scheme, which represents approximately 7.66% (30 June 2009: 3.46%) of the Company's shares in issue at that date.

### 30 購股權計劃(續)

#### 於2010年9月授出之新購股權(續)

下表載列所使用模式之主要輸入數據:

於授出日期之股價	4.85港元
合約購股權年期	8.5年
行使價	4.85港元
預期波幅	52.56%
預期購股權年期	8.5年
預期股息率(%)	5.61%
無風險利率(%)	
(根據外匯基金債券)	1.7456%

預期波幅是根據過往之波幅,並按照購股 權合約年期計算。預期股息乃根據過往的 股息。上文披露之輸入假設的變動,可能 對公平值的估計造成重大影響。

#### 尚未行使之購股權

於本期間,1,740,225份購股權 (2009年:1,901,830份)獲行使導致本公 司發行1,740,225股(2009年:1,901,830 股),及新增股本174,023港元(2009年: 190,183 港 元 ) , 以 及 股 份 溢 價 增 加 10,048,559港元(2009年:1,687,827港元 (未扣除發行開支),詳情載於綜合財務報 表附註29。

於結算日,本公司根據2002年購股權計 劃尚未獲行使之購股權共有54,806,688 份(於2009年6月30日:26,692,988份), 約佔本公司於該日已發行股份之7.66% (於2009年6月30日:3.78%)。若餘下 購股權獲悉數行使,在本公司目前資本 結構之下,將須額外發行54,806,688 股(於2009年6月30日:26,692,988股) 本公司普通股,而本公司之股本將增 加5,480,669港元(於2009年6月30日: 2,669,299港元),股份溢價賬將增加 283,055,433港元(於2009年6月30日: 154,152,006港元)(未扣除發行開支)。

於該等綜合財務報表批准日,本公司根 據2002年購股權計劃尚未行使之購股權 共有54,806,688份(於2009年6月30日: 24,412,422份),約佔本公司於該日已 發行股份之7.66%(於2009年6月30日: 3.46%) •

#### 31 Reserves

The amounts of the Group's reserves and the movements therein for the current period and prior period are presented in the consolidated statement of changes in equity.

The amounts of the Company's reserves and the movements therein for the current and prior period are as follows:

#### 31 儲備

本集團儲備內之金額及其於本期間及上一 期間之變動,呈列於綜合權益變動表。

本公司儲備內之金額及其於本期間及上一期間之變動如下:

#### Company

# 本公司

		Share premium	Share option	Capital redemption	Contributed	Retained	
		account	reserve	reserve	surplus	profits	Total
		股份溢價賬	購股權儲備	股本贖回儲備	繳入盈餘	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於2008年1月1日	780,078	2,903	3,705	4,094	8,002	798,782
Profit for the period – note 10	本期間溢利-附註10	-	_	_	_	89,526	89,526
Share options exercised – note 30	已行使之購股權-附註30	1,688	_	_	_	· _	1,688
New share options granted to	授予僱員之新購股權-附註30						
employees – note 30		_	13,425	_	_	_	13,425
2007 final and 2008 interim dividend declared a	nd 宣派並以股份及現金支付之2007年末期及						
settled in shares and cash – note 11	2008年中期股息-附註11	122,476	-	-	-	(35,206)	87,270
Proposed final 2009 dividend – note 11	擬派2009年末期股息-附註11	-	-	-	-	(56,516)	(56,516)
Share options lapsed	已失效購股權	1,844	(1,844)	-	-	-	-
Purchase of share – note 29	購回股份-附註29	(11,409)	-	1,397	(1,397)	-	(11,409)
At 30 June 2009	於2009年6月30日	894,677	14,484	5,102	2,697	5,806	922,766
Profit for the period – note 10	本期間溢利-附註10	_	_	_	_	176,648	176,648
Share options exercised – note 30	已行使之購股權-附註30	11,337	(1,288)	-	_	-	10,049
New share options granted to	授予僱員之新購股權一附註30						
employees – note 30		-	12,791	-	-	-	12,791
2009 final and 2010 first and second interim	宣派並以股份及現金支付2009年						
dividend declared and settled in shares	末期及2010年第1次及第2次	00.040				(440,404)	(70 500)
and cash – note 11	中期股息-附註11	39,842	-	-	-	(113,434)	(73,592)
Proposed final 2010 dividend – note 11	擬派2010年末期股息-附註11	1.010	/1 610\	-	-	(57,203)	(57,203)
Share options lapsed	已失效購股權	1,616	(1,616)	-	-	-	-
At 31 December 2010	於2010年12月31日	947,472	24,371	5,102	2,697	11,817	991,459

#### 31 Reserves (continued)

The contributed surplus of the Group and the Company arose in 1996 as a result of the group reorganisation in preparation for the listing of the Company and represented the difference between the nominal value of the share capital issued by the Company and the aggregate net asset value of the subsidiaries acquired at the date of acquisition. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its members out of the contributed surplus provided certain conditions are met.

The share option reserve of the Group and the Company comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.18 to the consolidated financial statements. The amount will be transferred to the share premium account when the related options are expired or forfeited.

#### 32 Business combination

On 2 September 2010, the Group acquired the entire issued share capital in Hai Tong Asset Management (HK) Limited and its subsidiaries (collectively referred to as the "Hai Tong Asset Group") and Hai Tong Capital (HK) Limited ("Hai Tong Capital") for an aggregate cash consideration of HK\$30,132,276 from Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited), the immediate holding company of the Company.

Hai Tong Asset Group is engaged in provision of assets and investment management services and Hai Tong Capital is engaged in provision of corporate finance and advisory services. As a result of the acquisition, the Group is expected to augment its business and resources by reorganising with certain subsidiaries of Haitong International Holdings Limited engaging in similar activities with companies within the Group.

#### 31 儲備(續)

本集團及本公司於1996年為籌備本公司 上市而進行集團重組產生繳入盈餘,乃指 本公司已發行股本面值與所收購附屬公司 於收購當日之資產淨值總額兩者之間的差 異。根據百慕達1981年公司法(經修訂), 本公司可從繳入盈餘中向其股東作出分 派,惟此必須符合若干條件。

本集團及本公司之購股權儲備包括已授出 但尚未行使之購股權之公平值,詳見綜 合財務報表附註2.18有關以股份支付之交 易之會計政策。若相關購股權到期或被沒 收,則轉撥往保留溢利。

#### 32 業務合併

於2010年9月2日,本集團收購海通資產管理(香港)有限公司及其附屬公司(統稱「海通資產集團」)及海通融資(香港)有限公司(「海通融資」)之全部已發行股本,向本公司之直接控股公司海通國際控股有限公司(前稱海通(香港)金融控股有限公司)收取總現金代價30,132,276港元。

海通資產集團主要從事提供資產及投資管理服務之業務,而海通融資則主要從事提供企業融資及顧問服務之業務。由於進行收購事項,預期本集團將會透過與海通國際控股有限公司之若干附屬公司重組,擴展業務及增加資源。該等附屬公司與本集團旗下之公司進行類似業務。

### 32 Business combination (continued)

The following table summarises the consideration paid for the acquisitions and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

#### 32 業務合併(續)

下表概述就該等收購事項支付之代價,以 及於收購日期確認之所收購資產及所承擔 負債金額。

HK\$'000

千港元

Consideration  Cash consideration paid to Haitong International	<b>代價</b> 向海通國際控股有限公司支付之	
Holdings Limited	現金代價	30,132
Less: Cash and bank balances acquired	減:已收購之現金及銀行結存	(29,763)
Net cash consideration transferred	已轉讓之現金代價淨額	369
Recognised amounts of identifiable assets	所收購之可資識別資產及所承擔之	
acquired and liabilities assumed (excluding	負債的已確認金額(不包括所收購之	
the cash and bank balances acquired)	現金及銀行結存)	
Fixed assets	固定資產	2,029
Accounts receivable	應收賬款	2,071
Accounts payable	應付賬款	(2,377)
Tax payable	應付税項	(934)
Deferred tax liabilities	遞延税項負債	(420)
Total identifiable net assets (excluding the cash	可資識別淨資產總值(不包括所收購之	
and bank balances acquired)	現金及銀行結存)	369

The fair value of accounts receivable approximates its gross contractual amounts. No receivable is expected to be uncollectible.

應收賬款之公平值與合約總額相若。並無 預期不能收回之應收款項。

Since the acquisition on 2 September 2010, Hai Tong Asset Group contributed revenue and net profit of HK\$5,517,553 and HK\$133,812 respectively to the Group. Contribution from Hai Tong Capital is immaterial to the Group.

自2010年9月2日之收購事項起,海通資產集團向本集團帶來5,517,553港元收入及133,812港元純利。來自海通融資之部份對本集團而言並不重大。

### 33 Operating lease arrangements

The Group leases certain of its office properties and computer equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from six months to six years, and those for computer equipment for terms of three to four years.

As at 31 December 2010, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

#### 33 經營租賃安排

本集團以經營租賃安排租賃若干寫字樓 物業和電腦設備。寫字樓物業租賃期由 六個月至六年, 而電腦設備租賃期為三至 四年。

於2010年12月31日,本集團及本公司根 據不可撤銷之經營租賃在下述期限內屆滿 未來需支付之最低租金總額如下:

			Group 本集團		pany 公司
		31 December 2010 2010年 12月31日 HK\$'000	30 June 2009 2009年 6月30日 HK\$'000	31 December 2010 2010年 12月31日 HK\$'000	30 June 2009 2009年 6月30日 HK\$'000
		千港元	千港元	千港元	千港元
Within one year In the second to fifth years, inclusive	1年內 第2至第5年	83,141	47,692	903	341
	(包括首尾兩年)	97,410	22,052	301	298
		180,551	69,744	1,204	639

### 34 Other commitments

In addition to the operating lease commitments detailed in note 33 above, the Group had the following commitments at the balance sheet date:

# 34 其他承擔

除上文附註33詳述之經營租賃承擔外,本 集團於結算日之承擔如下:

	Gro 本集	-
	31 December 2010 2010年 12月31日 HK\$′000 千港元	30 June 2009 2009年 6月30日 HK\$'000 千港元
Contracted, but not provided for: 已訂約,但未撥備: Computer equipment 電腦設備	10,764	1,221

### 35 Related party transactions

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:
  - During the period, the Group leased from New World (i) Tower Company Limited, an indirect wholly-owned subsidiary of New World Development Company Limited ("NWD"), which was itself the ultimate holding company of the Company until 21 December 2009, certain office premises at New World Tower, 16-18 Queen's Road Central, Hong Kong, at a monthly rental, including rates, management and air-conditioning fees, of approximately HK\$1,855,956 (18 months ended 30 June 2009: HK\$2,030,555) for a term of 3 years. During the period from 1 July 2009 to 21 December 2009, the Group paid total rentals of HK\$11,135,736 (18 months ended 30 June 2009: HK\$36,550,000). The rentals paid were calculated by reference to open market rentals as confirmed to the Group by an independent professional valuer.
  - (ii) During the period, the Group leased from New World First Bus Services Limited, an indirect jointly-controlled entity of Chow Tai Fook Enterprises Limited ("CTF") (which is itself a company controlled by the family of Dr. Cheng Kar Shun, Henry, an executive director of the Company until 13 January 2010) and NWS Holdings Limited (which is itself a listed holding company of the Company until 21 December 2009), certain office premises at No. 8 Chong Fu Road, Chai Wan, Hong Kong. During the period from 1 July 2009 to 21 December 2009, the Group paid total rentals, including rates, management and air-conditioning fees of approximately HK\$436,020 (18 months ended 30 June 2009: HK\$342,000).

#### 35 關連人士交易

- (a) 除已於本財務報表之其他部份內已詳 述之交易及結餘金額外,本集團於期 內與關連人士之重要交易詳情概述如 下:
  - 期內,本集團向新世界大廈有 限公司(新世界發展有限公司 (「新世界發展」)之間接全資附 屬公司,而新世界發展於直至 2009年12月21日止為本公司之 最終控股公司)租用香港皇后 大道中16-18號新世界大廈若 干辦公室單位,每月租金(包 括差餉、管理費及冷氣費)約 為1,855,956港元(截至2009年 6月30日止18個月:2,030,555 港元),租約年期為3年。本集 團於2009年7月1日至2009年 12月21日期間支付之租金總額 為11,135,736港元(截至2009年 6月30日止18個月:36,550,000 港元)。所支付之租金乃參考經 獨立專業估值師向本集團確認 之公開市值租金計算。
  - (ii) 期內,本集團向新世界第一巴 士服務有限公司租用香港柴灣 創富道8號若干辦公室單位。 新世界第一巴士服務有限公司 為周大福企業有限公司(「周大 福」)(為鄭家純博士(彼於直至 2010年1月13日為本公司執行 董事)家族控制之公司)與新創 建集團有限公司(直至2009年 12月21日為本公司之上市控股 公司)的間接共同控制實體。本 集團於2009年7月1日至2009年 12月21日期間支付之租金(包 括差餉、管理費及冷氣費)總額 約為436,020港元(截至2009年 6月30日止18個月:342,000港 元)。

### 35 Related party transactions (continued)

- (iii) During the period, the Group provided various corporate advisory services to International Entertainment Corporation ("IEC"), a subsidiary of CTF, which is itself a company controlled by the family of Dr. Cheng Kar Shun, Henry. Dr. Cheng Kar Shun, Henry and Mr. To Hin Tsun, Gerald, an executive director and a non-executive director of the Company respectively until 13 January 2010, are also executive directors of IEC. Mr. Tsui Hing Chuen, William and Mr. Lau Wai Piu, Bill, independent non-executive directors of the Company, are also independent non-executive directors of IEC. The income from these transactions amounted to HK\$297,500 (18 months ended 30 June 2009: HK\$818,000) for the period and was recognised in accordance with the terms of the underlying agreements.
- (iv) During the period, the Group provided placing services to Vision Values Holdings Limited (formerly known as New World Mobile Holdings Limited). Mr. Tsui Hing Chuen, William and Mr. Lau Wai Piu, Bill, independent non-executive directors of the Company, are also independent non-executive directors of Vision Values Holdings Limited. The income from these transactions amounted to HK\$974,925 (18 months ended 30 June 2009: Nil) for the period and was charged in accordance with the terms of the underlying agreement.
- (v) During the period, the Group obtained an unsecured loan from Chow Tai Fook Jewellery Company Limited, a company controlled by the family of Dr. Cheng Kar Shun, Henry, who was an executive director of the Company until 13 January 2010. The loan was repaid during the period. The interest expense for such other loan amounted to HK\$540,000 (18 months ended 30 June 2009: Nil) during the period which Dr. Cheng Kar Shun, Henry was an executive director of the Company and was charged at 0.75% to 1.1%.

#### 35 關連人士交易(續)

- (iii) 期內,本集團向周大福(為鄭 家純博士家族控制之公司)之 附屬公司國際娛樂有限公司 (「國際娛樂」)提供各種企業諮 詢服務。鄭家純博士及杜顯俊 先生(彼等直至2010年1月13日 分別為本公司執行董事及非執 行董事)亦為國際娛樂的執行 董事。本公司獨立非執行董事 徐慶全先生及劉偉彪先生亦為 國際娛樂之獨立非執行董事。 該等交易於期內所產生之收入 為297,500港元(截至2009年 6月30日止18個月:818,000港 元),已按照相關協議之條款確 認。
- (iv) 期內,本集團向Vision Values Holdings Limited (前稱新世界移動控股有限公司)提供配售服務。本公司獨立非執行董事徐慶全先生及劉偉彪先生亦為Vision Values Holdings Limited之獨立非執行董事。該等交易於期內所產生之收入為974,925港元(截至2009年6月30日止18個月:無),已按照相關協議之條款收取。
- (v) 期內,本集團獲得周大福珠寶金行有限公司提供無抵押貸款,該公司乃由鄭家純博士(彼於直至2010年1月13日為本公司執行董事)之家族控制。該貸款已於期內償還。於鄭斯間,該其他貸款之利息費用為540,000港元(截2009年6月30日止18個月:無),乃按0.75%至1.1%計息。

### 35 Related party transactions (continued)

- (vi) During the period, the Group obtained an unsecured loan from Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited), the immediate holding company of the Company. Interest expense of HK\$988,000 was paid during the period (18 months ended 30 June 2009: Nil).
- (vii) During the period, the Group acquired Hai Tong Asset Management (HK) Limited and its subsidiaries and Hai Tong Capital (HK) Limited from Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited), the immediate holding company of the Company. Details of the acquisitions have been disclosed in note 32 above.
- (viii) On 2 September 2010, the Company entered into a master services agreement with Haitong Securities Co., Ltd., the ultimate holding company of the Company, which the Company and Haitong Securities Co., Ltd. has each agreed to provide services to companies of the Group or Haitong Securities Co., Ltd. and its subsidiaries. Services pursuant to the master services agreement include brokerage transactions, research transactions, investment management and advisory services transactions, seed injection or financing transactions, corporate finance transactions and information technology support transactions. The provisions of services pursuant to the master services agreement are subsequently approved by a special general meeting on 13 October 2010. The income and expenses from these transactions amounted to HK\$9,000 (18 months ended 30 June 2009: Nil) and HK\$275,000 (18 months ended 30 June 2009: Nil) respectively for the period in accordance with the terms of the master services agreement.

The related party transactions disclosed in note 35(a)(i) to 35(a)(iii) and 35(a)(vi) to 35(a)(viii) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

#### 35 關連人士交易(續)

- (vi) 期內,本集團自本公司之直接 控股公司海通國際控股有限公司(前稱海通(香港)金融控股 有限公司取得無抵押貸款。期 內已付利息為988,000港元(截 至2009年6月30日止18個月: 無)。
- (vii) 期內,本集團自本公司之直接 控股公司海通國際控股有限公司(前稱海通(香港)金融控股有 限公司)收購海通資產管理(香港)有限公司及其附屬公司,以 及海通融資(香港)有限公司。 收購詳情於上文附註32中披露。
- (viii) 於2010年9月2日,本公司與 本公司之最終控股公司海通證 券股份有限公司訂立服務總協 議,據此,本公司與海通證券 股份有限公司已各自同意,向 本集團旗下公司或海通證券股 份有限公司及其附屬公司提供 服務。根據服務總協議提供之 服務,包括經紀交易、研究交 易、投資管理及顧問服務交 易、種子注入或融資交易、企 業融資交易及資訊科技支援交 易。其後,於2010年10月13日 召開之股東特別大會已批准根 據服務總協議提供服務。根據 服務總協議,該等交易於期內 產生之收益及開支分別為9,000 港元(截至2009年6月30日止18 個月:無)及275,000港元(截 至2009年6月30日止18個月: 無)。

上文附註35(a)(i)至35(a)(iii)及35(a)(vi)至35(a)(viii)所披露之關連人士交易亦構成上市規則第14A章所定義之關連交易或持續關連交易。

# 35 Related party transactions (continued)

# 35 關連人士交易(續)

- (b) Compensation of key management personnel of the Group: (b) 本集團主要管理人員之薪酬:

		For the	For the
		18 months	18 months
		ended	ended
		31 December	30 June
		2010	2009
		截至2010年	截至2009年
		12月31日	6月30日
		止18個月	止18個月
Short term employee benefits	短期僱員福利	58,742	46,171
Post-employment benefits	退休福利支出	239	2,368
Share-based payments	以股權支付之款項	11,564	5,239
Total compensation paid to	付給主要管理人員之		
key management personnel	薪酬總額	70,545	53,778
, 0		.,,,,,	

Further details of directors' emoluments are included in note 7 to the consolidated financial statements.

有關董事之薪酬詳情載於綜合財務報表附 註7。

# 36 Maturity profile of assets and liabilities

# 36 資產及負債之到期日組合

An analysis of the maturity profile of certain assets and liabilities of the Group analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

本集團若干資產及負債按於結算日至合約 到期日之餘下期間分析之到期日組合如 下:

		Repayable on demand 按要求償還 HK\$'000 千港元	3 months or less 3個月或以下 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2010 Assets Advances to customers Cash held on behalf of customers Cash and bank balances	2010年12月31日 資產 給予客戶之墊款 代客戶持有之現金 現金及銀行結存	4,375,589 2,711,586 244,733	- 2,447,017 172,947	4,375,589 5,158,603 417,680
Liabilities  Account payables to clients   excluding payables to brokers,   dealers and clearing house Loans and other borrowings	負債 應付客戶賬款(不包括 應付經紀、交易商及 結算所之款項) 貸款及其他借貸	7,331,908 5,915,773 113,892 6,029,665	2,619,964 129,614 2,860,375 2,989,989	9,951,872 6,045,387 2,974,267 9,019,654

### 36 Maturity profile of assets and liabilities (continued)

# 36 資產及負債之到期日組合(續)

		Repayable	3 months	
		on demand	or less	Total
		按要求償還	3個月或以下	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
30 June 2009	2009年6月30日			
Assets	資產			
Accounts receivable from subscription of new shares	來自認購新股上市之新股份之應收賬款			
in IPO		-	1,646,881	1,646,881
Advances to customers	給予各戶之墊款	1,726,668	_	1,726,668
Cash held on behalf of customers	代客戶持有之現金	3,661,886	_	3,661,886
Cash and bank balances	現金及銀行結存	224,044	179,746	403,790
		5,612,598	1,826,627	7,439,225
Liabilities  Account payables to clients  excluding payables to brokers,	<b>負債</b> 應付客戶賬款(不包括 應付經紀、交易商及			
dealers and clearing house	結算所之款項)	4,295,664	351,357	4,647,021
Loans and other borrowings	貸款及其他借貸	131,737	2,052,500	2,184,237
		4,427,401	2,403,857	6,831,258

#### 37 Financial instruments by category

All the financial assets and financial liabilities (including advances to customers, accounts receivable/payable, deposits, cash, loans and other borrowings, other assets and payables) in the consolidated balance sheet are carried at amortised cost using the effective interest method as "loans and receivables" except for the "available-for-sale investments" and "financial investments at fair value through profit or loss" which are both carried at fair value.

#### 37 按類別劃分之金融工具

所有於綜合資產負債表的財務資產及財務 負債(包括給予客戶之墊款、應收賬款/ 應付賬款、按金、現金、貸款及其他借 貸、其他資產及應付款項)以攤銷成本計 值按適用利率計入「貸款及應收款項」,惟 「可供出售投資」及「按公平值計入損益之 財務投資」以公平值計值除外。

#### 38 Financial risk management objectives and policies

The Group's principal financial instruments comprise advances to customers, accounts receivable, accounts payable, cash and bank balances and loans and other borrowings. Advances to customers, accounts receivable and accounts payable mainly arise from the Group's operations while cash and bank balances and loans and other borrowings are to maintain liquidity or to raise financing for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank deposits, advances to customers, loans and other borrowings as well as other interest-bearing accounts receivables and payables.

The Group's major interest-bearing asset is the advances to customers, whose financing and interest rate risk exposure are matched by the Group's loans and other borrowings. Management actively monitors the Group's net interest rate exposure through setting limits on the level of mismatch of interest rate repricing and duration gap and aims at maintaining an interest rate spread, such that the Group is always in a net interest-bearing asset position and derives net interest income.

The Group's interest rate risk lies in fluctuations of HIBOR or Hong Kong Dollar Best Lending Rate, as the Group's interestbearing assets and liabilities are mainly Hong Kong dollar denominated.

All the interest bearing financial assets and liabilities are subject to an interest re-pricing risk of 3 months or below. There is no concentration of interest risk exposure.

#### 38 財務風險管理之目的及政策

本集團之主要金融工具包括給予客戶之墊 款、應收賬款、應付賬款、現金及銀行 結存以及貸款及其他借貸。給予客戶之墊 款、應收賬款及應付賬款主要來自本集團 之經營,而現金及銀行結存以及貸款及其 他借貸用作維持流通量或籌集本集團經營 用之融資。

本集團金融工具所涉及之主要風險為利率 風險、外匯風險、信貸風險、流動資金 風險及股本證券價格風險。董事會已審議 並同意管理上述各項風險之政策,概要如 下。

#### 利率風險

本集團面對之市場利率變動風險主要涉及 本集團之銀行存款、給予客戶之墊款、貸 款及其他借貸以及其他附息應收賬款及應 付賬款。

本集團主要附息資產為給予客戶之墊款, 其融資及利率風險與本集團貸款及其他借 貸相應。管理層透過訂立重設利率價格之 不符合程度及時差密切監控本集團利率淨 額風險,目標乃維持利率,使本集團可經 常處於附息資產淨值狀況並產生利息收入 淨額。

由於本集團之附息資產及負債主要以港元 計值,因此本集團之利率風險為香港銀行 同業拆息或港元最優惠借貸利率之波動。

所有附息財務資產及負債按3個月或以下 重設利率風險計算。概無集中利率風險。

### Interest rate risk (continued)

At 31 December 2010, if market interest rates at that date had been 25 basis points (30 June 2009: 25 basis points) higher/lower with all other variables held constant, profit before taxation for the period would have been HK\$6,620,000 higher/lower (30 June 2009: HK\$817,000 higher/lower), mainly as a result of higher/lower net interest income earned on floating rate bank balances, advances to customers, accounts receivables, accounts payable and loans and other borrowings.

The Company's interest rate risk exposure is considered insignificant.

#### Foreign exchange risk

The Group's foreign currency risk arises principally from its leveraged foreign exchange business as well as the Group's transactions denominated in currencies other than HKD.

The Group hedges majority of its client trades in its leveraged foreign exchange business back-to-back with external counterparties, such that the Group is not exposed to significant foreign currency risk.

Apart from this foreign exchange exposure, the majority of the Group's and the Company's assets and liabilities are denominated in Hong Kong dollars and United States dollars of which the exchange rates have remained relatively stable during the period.

#### Credit risk

The advances to customers, accounts and other receivables, cash and bank balances and other assets represent the Group's major exposure to the credit risk arising from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets in the consolidated balance sheet.

## 38 財務風險管理之目的及政策(續)

#### 利率風險(續)

於2010年12月31日,倘當日市場利率增加/減少25個基點(2009年6月30日:25個基點)而其他因素維持不變,期內除稅前溢利將增加/減少6,620,000港元(2009年6月30日:增加/減少817,000港元),主要由於自銀行結餘、給予客戶之墊款、應收賬款、應付賬款、以及貸款及其他借貸之浮息賺取之利息收入淨額。

本公司認為其利率風險並不重大。

#### 外匯風險

本集團外匯風險主要來自其槓桿外匯業務 以及本集團以港幣以外貨幣計值之交易。

本集團將其大部份槓桿外匯業務之貿易客 戶與外界對沖,使本集團不會有重大外匯 風險。

除外匯風險外,本集團及本公司之主要資 產及負債以港元及美元計值,其中匯率於 期內維持相對穩定。

#### 信貸風險

給予客戶之墊款、應收賬款及其他應收款項、現金及銀行結存以及其他資產乃本 集團因交易對方違約所承受之主要信貸風 險,上限相等於該等財務資產在綜合資產 負債表中之賬面值。

### Credit risk (continued) 信貸風險(續)

The Credit Committee of the Group has appointed a group of authorised persons who are charged with the responsibility of approving credit limit of each customer. The Committee is responsible for approval of share acceptable for margin lending, setting stock margin ratio for each approved share. The approved share list is updated bimonthly, and will be revised as and when deemed necessary by the Committee. The Committee will prescribe from time to time lending limits on individual share or on any individual customer and his/her associates.

The Credit Control Department of the Group is responsible for making margin calls to customers whose trades exceed their respective limits. Any such excess is required to be made good within two days for securities and the next day for futures of the deficiency report. The deficiency report will be monitored daily by the Group's finance director and responsible officers. Failure to meet margin calls may result in the liquidation of the customers' positions.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from both its advances to customers (margin loan) and cash and bank balances based on the following:

- Advances to customers (margin loan) are backed by collateral. The Group only accepts collateral in the form of cash and liquid stocks.
- Majority of cash and balances with banks were deposited in reputable large commercial banks with credit rating of Baa3 or above issued by Moody's or BBB or above issued by Standard & Poor's.

For accounts and other receivables, approximately HK\$76 million (30 June 2009: HK\$45 million) was receivables from clients arising from dealing in securities, which normally had a delivery-against-payment settlement term of 2 days. There is no concentration of credit risk with respect to the receivables, as the Group has a large number of clients who are internationally dispersed. Most of the accounts and other receivables from clients with overdue more than 30 days are fully secured by listed securities with market value significantly higher than the carrying amount. The ageing analysis of the advances to customers and accounts receivable are included in note 20 and note 21 respectively.

本集團之信貸委員會已委任若干認可人士,負責批核每位客戶之信貸限額。該委員會亦負責就每種可接納作孖展借貸之股份制定股份孖展比率。獲批准之股份名單每兩個月更新一次,並於該委員會認為有需要時作出修訂。該委員會將不時訂定個別股份之貸款限額或任何個別客戶及其聯繫人士之貸款限額。

38 財務風險管理之目的及政策(續)

本集團之信貸控制部門負責向買賣超出限額之客戶發出孖展補倉通知。任何超出限額之證券均須於通知虧絀兩日內填補缺額,而期貨則須於下一日內填補缺額。虧絀報告將每日由本集團之財務總監及負責人員進行監察。未能補倉之證券及期貨客戶將被斬倉。

基於下列因素,管理層對繼續控制及維持 自其給予客戶之墊款(孖展貸款)及現金及 銀行結存產生之本集團信貸之最低風險抱 有信心:

- 給予客戶之墊款(孖展貸款)以抵押品 作擔保。本集團僅接受現金及流通股 份形式之抵押品。
- 大部份現金及銀行結存存放於具知名及信譽評級達穆迪Baa3或以上,或標準普爾BBB或以上之大型商業銀行。

至於應收賬項及其他應收款項,約76,000,000港元(2009年6月30日:45,000,000港元)產生自證券交易之應收客戶款項,一般有收款交付結算期2日。由於本集團大部份客戶位於全球各地,因此概無有關應收款項之信貸集中風險。大部份逾期30日以上之賬項及來自客戶之應收賬款乃全數由市價明顯較賬面值高之上市證券所抵押。給予客戶之墊款及應收賬款之賬齡分析分別載於附註20及附註21。

### Credit risk (continued)

Accounts receivable from brokers, dealers and clearing house are placed with large international financial institutions which are governed by regulators including Hong Kong Securities and Futures Commission (the "SFC"). The risk of default in repayment is considered to be minimal.

As at 30 June 2009, accounts receivable of HK\$1,647 million was arising from subscription of new shares in IPO. The amount has already been settled within one week in July 2009. There was no outstanding accounts receivable in IPO as at 31 December 2010.

Other assets are mainly deposits placed with the regulators which are considered to have minimum credit risk.

Other than the above, the Company's credit risk exposure mainly represents the amounts due from subsidiaries. These intercompany balances are considered to have minimum credit risk.

#### Liquidity risk

A number of the Group's activities are subject to various statutory liquidity requirements as prescribed by the Securities and Futures Commission in accordance with the Hong Kong Securities and Futures Ordinance (the "HKSFO"). The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant Financial Resources Rules under the HKSFO.

As part of the measures to safeguard liquidity, the Group has maintained substantial long term and other stand-by banking facilities, diversifying the funding sources and spacing out the maturity dates.

### 38 財務風險管理之目的及政策(續)

#### 信貸風險(續)

應收經紀、交易商及結算所之應收賬款乃 存放於由監管機構包括香港證券及期貨事 務監察委員會(「證監會」)監管之大型財務 機構。拖欠還款風險被視為輕微。

於2009年6月30日,來自認購新股上市之新股份之應收賬款為1,647,000,000港元。該金額已於一星期內,在2009年7月支付。截至2010年12月31日,概無尚未收回之新股上市應收賬款。

其他資產主要為存放於監管機構並被視為 具有低信貸風險之存款。

除上文所述者外,本公司之信貸風險主要 為應收附屬公司款項。此等公司間結餘被 視為具有低信貸風險。

### 流動資金風險

本集團之若干活動須符合證監會根據香港 證券及期貨條例(「證券及期貨條例」)所 規定之各項法定流動資金規定。本集團已 設立監管系統,以確保維持充裕之流動資 金,以為其業務所需提供資金,以及遵守 證券及期貨條例有關之財務資源規則。

作為保障流動資金措施之一部份,本集團 備有充裕之長期及其他備用銀行信貸,以 分散資金來源及延長到期日。

# 38 Financial risk management objectives and policies 38 財務風險管理之目的及政策(續) (continued)

#### **Liquidity risk (continued)**

The maturity profile of the Group's and Company's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

#### 流動資金風險(續)

本集團及本公司於結算日之財務負債根據 已訂約未折現付款計算之到期日組合如 下:

Group 本集團

		On	Less than	1 to 5	
		demand	3 months	Years	Total
		應要求	少於3個月	1至5年	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元 —————	千港元	千港元
Loans and other borrowings	貸款及其他借貸	113,892	2,861,997		2,975,889
Accounts payable	應付賬款	5,922,879	129,614	_	6,052,493
Financial liabilities included in other		5,522,675	123,014	_	0,052,455
payables and accruals	計入其他應付款項及 應計款項之財務負債	136,792	_	_	136,792
payables allu acciuals	心目 孙炽之别 肋 只 良	130,732			130,732
		6,173,563	2,991,611	-	9,165,174
			30 June : 2009年6月		
		On	Less than	130 □ 1 to 5	
		demand	3 months	Years	Total
		merriand 應要求	少於3個月	1至5年	總計
		應女小 HK\$′000	シバ3回力 HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Lange and albert barrensing	<b>化</b> 劫豆甘ル卅代	101 707	2.052.072		2 104 010
Loans and other borrowings	貸款及其他借貸	131,737	2,052,873	-	2,184,610
Accounts payable	應付賬款	4,342,712	351,357	_	4,694,069
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計款項之財務負債	52,933	-	_	52,933
1 /					

### 38 Financial risk management objectives and policies 38 財務風險管理之目的及政策(續) (continued)

Liquidity risk (continued)

流動資金風險(續)

Company

本公司

		31 December 2010 2010年12月31日						
		On demand	Less than 3 months	1 to 5 Years	Tota			
		應要求	少於3個月	1至5年	總計			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000			
		千港元 ————————————————————————————————————	千港元 —————	千港元 —————	千港元			
Loans and other borrowings	貸款及其他借款	_	1,390,803		1,390,803			
Financial liabilities included in	計入其他應付款項及	_	1,550,005	_	1,000,000			
other payables and accruals	應計款項之財務負債	39,681	_	_	39,68			
Amounts due to subsidiaries	應付附屬公司款項	756,097	-	-	756,097			
		795,778	1,390,803	_	2,186,58			
			30 June : 2009年6月					
		On						
		On demand	2009年6月	30∃	Tota			
		•	2009年6月 Less than	]30日 1 to 5	Tota 總言			
		demand 應要求 HK\$'000	2009年6月 Less than 3 months 少於3個月 HK\$'000	1 to 5 Years 1至5年 HK\$'000	總言 HK\$'00			
		demand 應要求	2009年6月 Less than 3 months 少於3個月	1 to 5 Years 1至5年	總言 HK\$'00			
Loans and other borrowings	貸款及其他借款	demand 應要求 HK\$'000	2009年6月 Less than 3 months 少於3個月 HK\$'000 千港元	1 to 5 Years 1至5年 HK\$'000	總 HK\$'00 千港 <i>ī</i>			
•	貸款及其他借款計入其他應付款項及	demand 應要求 HK\$'000	2009年6月 Less than 3 months 少於3個月 HK\$'000	1 to 5 Years 1至5年 HK\$'000	總 HK\$'00 千港 <i>ī</i>			
Loans and other borrowings Financial liabilities included in other payables and accruals	貸款及其他借款 計入其他應付款項及 應計款項之財務負債	demand 應要求 HK\$'000	2009年6月 Less than 3 months 少於3個月 HK\$'000 千港元	1 to 5 Years 1至5年 HK\$'000	總言			
Financial liabilities included in	計入其他應付款項及	demand 應要求 HK\$'000 千港元	2009年6月 Less than 3 months 少於3個月 HK\$'000 千港元	1 to 5 Years 1至5年 HK\$'000	總記 HK\$'00 千港元 47,54			

# 38 Financial risk management objectives and policies 38 財務風險管理之目的及政策(續) (continued)

#### **Equity price risk**

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as financial investment at fair value through profit or loss and available-for-sale investments as at 31 December 2010 and 30 June 2009. The Group's equity investments are listed on the Hong Kong stock exchanges and are valued at quoted market prices at the balance sheet date.

The table below summarises the impact of increases in the Hong Kong Hang Seng Index on the equity's profit before taxation for the period and on the investment revaluation reserve. The analysis is based on the assumption that the equity index had changed by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index.

#### 股本證券價格風險

股本證券價格風險為股票指數水平及個別證券價值變動導致股票公平值下降之風險。於2010年12月31日及2009年6月30日,本集團面對之股價風險來自分類為按公平值計入損益之財務投資之個別股權投資及可供出售投資。本集團之股權投資乃於香港聯合交易所上市,並按結算日所報市場價格估值。

下表概述香港恒生指數增加對期內除稅前股本溢利及投資重估儲備之影響。分析乃以假設股票指數變動10%而其他因素維持不變、以及所有股票工具根據指數之歷史關連變動為依據。

#### **Hong Kong Hang Seng Index**

#### 香港恒生指數

		t	Impact on he investment
		Impact on	revaluation
		profit before	reserve
		taxation	in equity
		對除税前	對投資重估
		溢利之影響	儲備之影響
		HK\$'000	HK\$'000
		千港元	千港元
31 December 2010	2010年12月31日		
Increase by 10%	增加10%	9,008	2,796
Decrease by 10%	減少10%	(9,008)	(2,796)
30 June 2009	2009年6月30日		
Increase by 10%	增加10%	1,765	2,720
Decrease by 10%	減少10%	(2,323)	(2,162)

#### Fair value of financial instruments

Apart from the financial investments at fair value through profit or loss and available-for-sale investments, which are carried at fair value, the carrying amounts of all other financial assets and liabilities approximated their fair value.

The fair value hierarchy for the financial investments at fair value through profit or loss and available-for-sale investments is analysed as follows:

#### Fair value hierarchy

HKFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Hong Kong Stock Exchange) and exchanges traded derivatives like futures (for example, Nasdaq, S&P 500).

Level 2 – 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). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debts. The sources of input parameters like HIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

### 38 財務風險管理之目的及政策(續)

#### 金融工具之公平值

除按公平值計入損益之財務投資及按公平 值列賬之可供出售投資外,所有其他財務 資產及負債之賬面值與其公平值相若。

按公平值計入損益之財務投資及可供出售 投資之公平值架構分析如下:

#### 公平值體系

香港財務報告準則第7號根據輸入估值技術使用之數據是否可觀察或不可觀察,而界定估值方法分類之體系。可觀察之數據反映來自獨立來源之市場資料。不可觀察之數據反映本公司之市場假設。該兩種使用之數據建立在下列之公平值體系:

第1級-相同資產或負債於活躍市場中之報價(未經調整)。本級別包括於交易所(如香港交易所)上市之權益性證券及債務工具,以及於交易所買賣之衍生工具,例如期貨(如納斯達克、標準普爾500)。

第2級一除第1級別所包括之報價外,其他 資產或負債能直接(即價格)或間接(即從 價格導出)地可觀察之數據,該級別包括 大多數場外衍生工具合約、交易貸款及已 發行之結構性債券。香港銀行同業拆息收 益曲線或交易對手信貸風險等之數據參數 來源為彭博社及路透社。

第3級一資產或負債數據並非根據可觀察 之市場數據(不可觀察之數據)。本級別包 括具有大部份不顯著成份之股本投資及債 券工具。

此公平值體系要求當能取得可觀察之市場數據時,則須運用相關資料。如可能,本 集團於估值時會考慮相關的及可觀察之市 場價格。

# 38 Financial risk management objectives and policies 38 財務風險管理之目的及政策(續) (continued)

#### Fair value of financial instruments (continued)

#### Fair value hierarchy (continued)

An analysis of the Group's financial assets measured at fair value as at 31 December 2010 and 30 June 2009 are as follows:

#### 金融工具之公平值(續)

#### 公平值體系(續)

截 至 2010 年 12 月 31 日 及 2009 年 6 月 30日,本集團按公平值計量之財務資產分析如下:

Group 本集團

31 December 2010	於2010年12月31日	Level 1 第1級 HK\$′000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments Financial investments at fair value through profit or loss	可供出售投資 按公平值計入損益之 財務投資	19,393 89,185	12,625	-	32,018 92,251
30 June 2009	於2009年6月30日	Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments Financial investments at fair value	可供出售投資 按公平值計入損益之	20,075	13,000	-	33,075
through profit or loss	財務投資	20,176	2,452	-	22,628

The Group did not have any level 3 financial instruments during the period.

期內,本集團並無任何第3級財務工具。

#### **Capital management**

The capital represents the Group's equity. The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries engaged in securities and futures dealings and broking, corporate finance and advisory, nominee and custodian services, leveraged foreign exchange trading, and fund management, which are regulated entities under the Hong Kong Securities and Futures Commission ("SFC") and subject to the respective minimum liquid capital requirements from HK\$0.1 million to HK\$15 million as at 31 December 2010 and 30 June 2009.

During the period, the subsidiaries of the Group, which are regulated by SFC, complied with all the minimum capital requirement.

# 38 財務風險管理之目的及政策(續)

#### 資本管理

資本指本集團之股本。本集團資本管理之 首要目標是保障本集團能夠持續經營及維 持穩健之資本比率,以支持其業務所需及 盡其所能提升股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構,本集團或會調整派付予股東之股息款額、返還資本予股東或發行新股份。於期內,並無就目標、政策及程序作出任何變動。

本集團毋須受外部實施之任何資本規定限制,惟若干從事證券及期貨買賣與經紀、企業融資與顧問、代理人與保管服務、槓桿式外匯買賣及基金管理之附屬公司除外,該等附屬公司乃受香港證券及期貨事務監察委員會(「證監會」)規管之實體,須維持各自之最低規定速動資金,於2010年12月31日及2009年6月30日,其分別為100,000港元至15,000,000港元。

於期內,受證監會規管之本集團附屬公司 已符合最低資本規定。

# 38 財務風險管理之目的及政策(續)

#### Capital management (continued)

The Group monitors capital using a gearing ratio, which is total borrowings divided by the total shareholders' equity. Total borrowings include interest-bearing bank and other borrowings. Total shareholders' equity comprises all components of equity attributable to the equity holders. The Group's policy is to maintain the gearing ratio at a reasonable level. The gearing ratios as at the balance sheet dates were as follows:

# 資本管理(續)

本集團採用資本負債比率監察其資本情況,而資本負債比率乃以總借貸除以股東權益總額計算。總借貸包括計息銀行貸款及其他借款。股東權益總額包括權益持有人應佔權益之所有部份。本集團之政策是維持合理水平之資本負債比率。於結算日之資本負債比率如下:

### Group

本集團

		31 December	30 June
		2010	2009
		2010年	2009年
		12月31日	6月30日
		HK\$'000	HK\$'000
		千港元	千港元
Total borrowings	總借貸	2,974,267	2,184,237
Total shareholders' equity	股東權益總額	2,170,580	1,925,464
Gearing ratio	資本負債比率	137%	113%

The increase in gearing ratio as at 31 December 2010 is resulted from the unsecured loans from Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited), the immediate holding company of the Company. Taking out the above unsecured loans, the Group's gearing ratio as at 31 December 2010 would have been 108%.

於2010年12月31日,資本負債比率增加 乃由於來自本公司之直接控股公司海通 國際控股有限公司(前稱海通(香港)金融 控股有限公司)的無抵押貸款。如不計入 上述無抵押貸款,本集團於2010年12月 31日之資本負債比率應為108%。

### 39 Immediate holding company and ultimate holding company

At 30 June 2009, the immediate holding company and ultimate holding company are NWS Holdings Limited and New World Development Company Limited, which are incorporated in Bermuda and Hong Kong respectively.

On 21 December 2009, Haitong International Holdings Limited (formerly known as Hai Tong (HK) Financial Holdings Limited) acquired approximately 52.86% of the entire issued share capital of the Company from NWS Holdings Limited. Since then, Haitong International Holdings Limited, a company incorporated in Hong Kong, and Haitong Securities Co., Ltd., a company incorporated in PRC, become the immediate holding company and ultimate holding company of the Company respectively.

#### 40 Approval of the financial statements

The financial statements were approved by the board of directors on 16 March 2011.

### 39 直接控股公司及最終控股公司

於2009年6月30日,直接控股公司及最終 控股公司分別為新創建集團有限公司及新 世界發展有限公司,其分別於百慕達及香 港註冊成立。

於2009年12月21日,海通國際控股有限 公司(前稱海通(香港)金融控股有限公司) 向新創建集團有限公司收購本公司全部已 發行股本約52.86%。自此,海通國際控 股有限公司(於香港註冊成立之公司)及海 通證券股份有限公司(於中國註冊成立之 公司)分別成為本公司之直接控股股東及 最終控股股東。

#### 40 財務報表之批核

本財務報表已於2011年3月16日獲董事會 批准。

# Ten Years Financial Summary

# 十年財務摘要 For the 18 months ended 31 December 2010 截至2010年12月31日止18個月

		1/7/2009- 31/12/2010 2009年 7月1日至 2010年	1/1/2008- 30/6/2009 2008年 1月1日至 2009年	31/12/2007 2007年	31/12/2006 2006年	31/12/2005 2005年	31/12/2004 2004年	1/4/2003- 31/12/2003 2003年 4月1日至 2003年	31/3/2003 2003年	31/3/2002 2002年	31/3/2001 2001年	31/3/2000 2000年	31/3/1999 1999年
		12月31日 HK\$'000	6月30日 HK\$'000	12月31日 HK\$'000	12月31日 HK\$'000	12月31日 HK\$'000	12月31日 HK\$'000	12月31日 HK\$'000	3月31日 HK\$'000	3月31日 HK\$'000	3月31日 HK\$'000	3月31日 HK\$'000	3月31日 HK\$'000
RESULTS	業績	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元_	千港元	千港元	千港元
Revenue	收入	1,459,935	1,084,604	1,465,213	726,913	390,781	356,776	245,258	273,779	270,669	403,849	560,323	343,505
OPERATING PROFIT/(LOSS) Share of profits/(losses) of an associate	<b>經營溢利/(虧損)</b> 應佔聯營公司及共同控制	396,827	202,058	582,362	197,689	68,663	77,919	45,881	(40,092)	(121,614)	99,243	245,576	46,251
and jointly-controlled entities	實體之溢利/(虧損)	1,718	6,324	198	252	335	1,456	(4)	(372)	(48)	365	541	776
PROFIT/(LOSS) BEFORE TAX Tax (charge)/credit	<b>除税前溢利/(虧損)</b> 税項(開支)/計入	398,545 (53,386)	208,382 (20,054)	582,560 (92,329)	197,941 (22,971)	68,998 (6,040)	79,375 (9,095)	45,877 (4,297)	(40,464) 1,033	(121,662) 15,860	99,608 2,601	246,117 (30,768)	47,027 (7,591)
PROFIT/(LOSS) FOR THE PERIOD/YEAR	期間/年間溢利/(虧損)	345,159	188,328	490,231	174,970	62,958	70,280	41,580	(39,431)	(105,802)	102,209	215,349	39,436
ATTRIBUTABLE TO: Equity holders of the Company Non-controlling Interests	以下人士應佔溢利: 本公司股本持有人 非控制性權益	345,795 (636)	188,974 (646)	484,847 5,384	172,325 2,645	62,958 -	70,280 -	41,580 -	(39,431)	(105,802)	103,048 (839)	216,554 (1,205)	39,738 (302)
		345,159	188,328	490,231	174,970	62,958	70,280	41,580	(39,431)	(105,802)	102,209	215,349	39,436
ASSETS, LIABILITIES AND NON- CONTROLLING INTERESTS: TOTAL ASSETS	資產、負債及非控制性 權益: 總資產	11,412,151	8,904,160	7,771,610	4,405,092	3,152,524	2,793,151	2,883,828	2,146,237	2,032,843	2,185,873	2,506,861	1,909,245
TOTAL LIABILITIES	總負債										,,.	(1,809,964)	, .
NON-CONTROLLING INTERESTS	非控制性權益	(6,758)	(5,394)	(8,660)	(4,476)	-	-	-	-	-	-	(2,290)	(1,099)
SHAREHOLDERS' FUNDS	股東資金	2,170,580	1,925,464	1,856,490	1,179,216	1,004,031	986,957	822,452	766,141	829,994	960,299	694,607	493,116