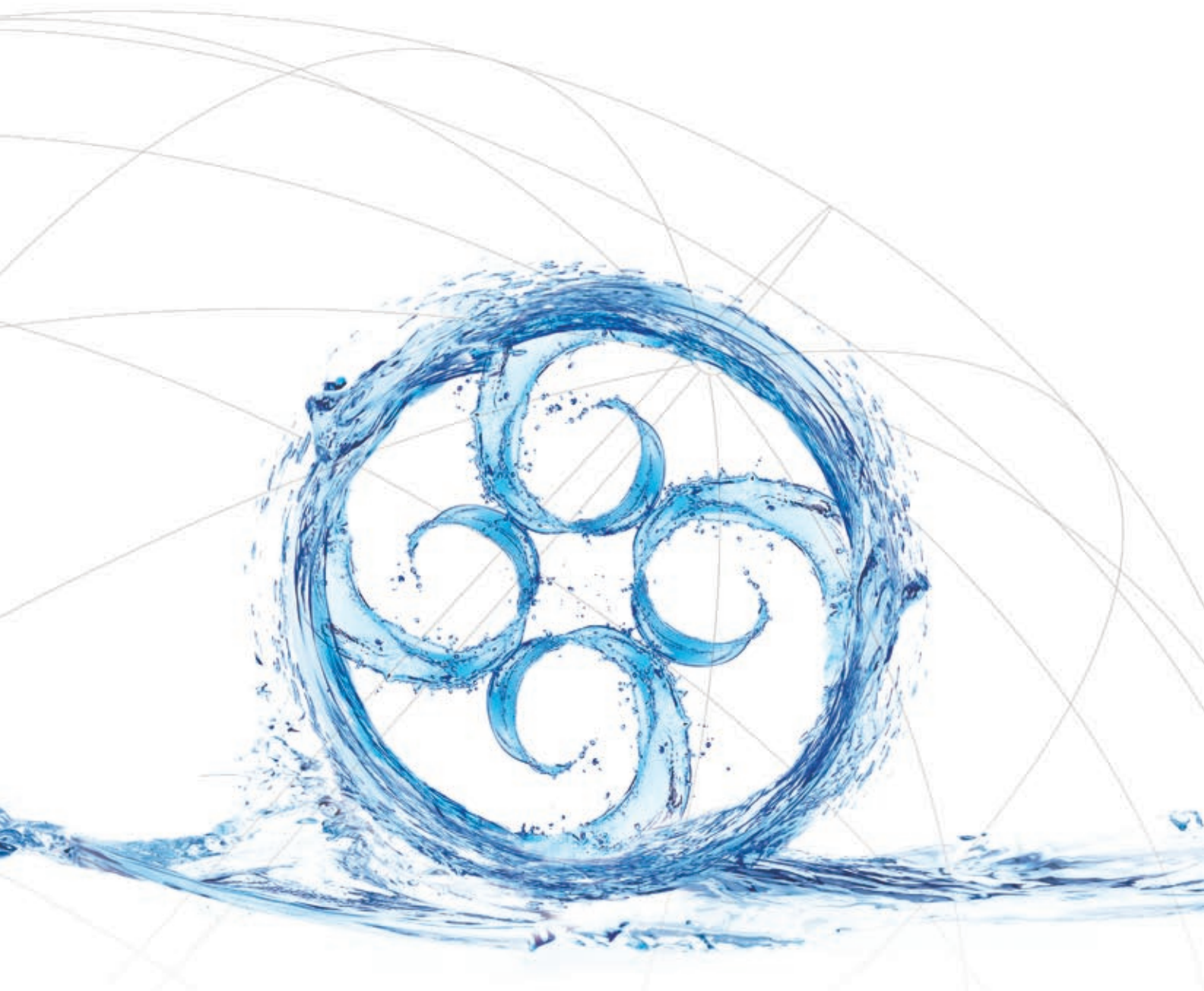




股份代號 Stock Code: 665

海通國際證券集團有限公司
Haitong International Securities Group Limited



年報 2011 Annual Report

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。

Vision Statement

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

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
- 樹立風範、日益創新、不斷求知、融洽溝通及持續改善。

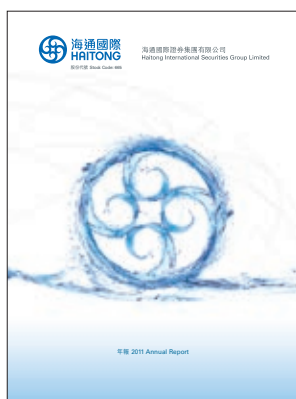
Mission Statement

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 clients first;
- maintain the trust of our clients 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.

目錄

Contents



海納百川，有容乃大。海通國際時刻秉持以客為先的經營理念，集思廣益，推陳出新，為全球客戶尋求源源不絕的投資良機，達致財富增值，故一直贏得客戶的信任及愛戴，並屢獲殊榮。

集團凝聚了一支優秀高效的團隊，儘管環球經濟充滿挑戰，亦能波瀾不驚，破浪前進，闖出一片浩瀚藍海，推動業務邁向國際領域，成為一家具領導地位的國際金融服務機構。

The sea admits hundreds of rivers for its capacity to hold. Haitong International has earned significant trust and recognition from its clients and received numerous accolades, built on its strict adherence to the client-first principle, collective wisdom and continuous innovation, striving to help global clients achieve wealth creation from enormous streams of investment opportunities abound.

The Group has amalgamated a tremendously talented team with high degree of adaptability, competence and efficiency. Despite global economic challenges, we are capable of weathering through the turbulent storms in the endless sea of wealth opportunities. Ultimately, we will be successful to pursue our ambitious goal of spearheading towards the international arena and establishing a leading presence in the global financial market.

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財務日誌

Financial Calendar

公佈經審核之末期業績
2012年3月13日

Announcement of the audited final results
13 March 2012

為確定股東有權出席股東週年大會
並於會上投票之資格
暫停辦理股東登記之日期
2012年4月25日至4月27日(包括首尾兩天)
遞交過戶文件之最遲時間
2012年4月24日下午4時30分
記錄日期
2012年4月27日
股東週年大會
2012年4月27日

For ascertaining shareholders' right to attend
and vote at the annual general meeting
Book close dates
25 April to 27 April 2012 (both dates inclusive)
Latest time to lodge transfers
4:30 p.m. on 24 April 2012
Record date
27 April 2012
Annual General Meeting
27 April 2012

為確定股東享有領取擬派末期股息
之資格
暫停辦理股東登記之日期
2012年5月4日至5月8日(包括首尾兩天)
遞交過戶文件之最遲時間
2012年5月3日下午4時30分
記錄日期
2012年5月8日
末期股息之派付日期
2012年5月29日或前後

For ascertaining shareholders' entitlement to
the proposed final dividend
Book close dates
4 May to 8 May 2012 (both dates inclusive)
Latest time to lodge transfers
4:30 p.m. on 3 May 2012
Record date
8 May 2012
Final dividend payment date
on or about 29 May 2012

公司資料

Corporate Information

一般資料

執行董事

李建國	副主席
林涌	副主席兼董事總經理
李耀榮	聯席董事總經理
陳志安	
潘慕堯	
許儀	

非執行董事

吉宇光	主席
吳斌	
陳春錢	
宮里啓暉	
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

香港
皇后大道中16-18號
新世界大廈25樓

網址

主網頁：www.htisec.com

General Information

Executive Directors

LI Jianguo	Deputy Chairman
LIN Yong	Deputy Chairman and Managing Director
LEE Yiu Wing, William	Joint Managing Director
CHAN Chi On, Derek	
POON Mo Yiu, Patrick	
HUI Yee, Wilson	

Non-executive Directors

JI Yuguang	Chairman
WU Bin	
CHEN Chungqian	
Hiroki MIYAZATO	
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

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(香港分行)
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
交通銀行股份有限公司(香港分行)

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 Co., Ltd., Hong Kong Branch

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

林涌
李耀榮
潘慕堯
許儀
張信軍
孫彤
胡國良
盧偉浩
陳慧民

執行委員會

林涌
李耀榮
陳志安
潘慕堯
許儀
張信軍
孫劍鋒
孫彤
胡國良
盧偉浩

薪酬委員會

吉宇光
鄭志明
文暮良
徐慶全
劉偉彪

戰略發展委員會

吉宇光
李建國
林涌
李耀榮
鄭志明

Board Committees

Audit Committee

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

Credit Committee

LIN Yong
LEE Yiu Wing, William
POON Mo Yiu, Patrick
HUI Yee, Wilson
ZHANG Xinjun, Jeff
SUN Tong, Tony
WU Kwok Leung, Edmond
LO Wai Ho, Kendy
CHAN Wai Man, Cilla

Executive Committee

LIN Yong
LEE Yiu Wing, William
CHAN Chi On, Derek
POON Mo Yiu, Patrick
HUI Yee, Wilson
ZHANG Xinjun, Jeff
SUN Jianfeng
SUN Tong, Tony
WU Kwok Leung, Edmond
LO Wai Ho, Kendy

Remuneration Committee

Ji Yuguang
CHENG Chi Ming, Brian
MAN Mo Leung
TSUI Hing Chuen, William
LAU Wai Piu, Bill

Strategic Development Committee

Ji Yuguang
LI Jianguo
LIN Yong
LEE Yiu Wing, William
CHENG Chi Ming, Brian

專責委員會

投資委員會

林涌
李耀榮
潘慕堯
張信軍
盧偉浩

資訊科技統籌委員會

李耀榮
潘慕堯
張信軍
胡國良
盧偉浩
陳家駒
盧任培
楊國章

成本管理委員會

潘慕堯
張信軍
盧偉浩
王美蓮
陳家駒
許初好
洪志信
曾蘭花

Sub-committees

Investment Committee

LIN Yong
LEE Yiu Wing, William
POON Mo Yiu, Patrick
ZHANG Xinjun, Jeff
LO Wai Ho, Kendy

IT Steering Committee

LEE Yiu Wing, William
POON Mo Yiu, Patrick
ZHANG Xinjun, Jeff
WU Kwok Leung, Edmond
LO Wai Ho, Kendy
CHAN Kar Kui, Carl
LO Yam Pui, Eric
YANG Kwok Cheung, Marcus

Cost Management Committee

POON Mo Yiu, Patrick
ZHANG Xinjun, Jeff
LO Wai Ho, Kendy
WONG Mei Lin, April Fiona
CHAN Kar Kui, Carl
HUI Chor Ho, Mixgo
HUNG Chi Shuen, David
TSANG Lan Fa, Jennifer

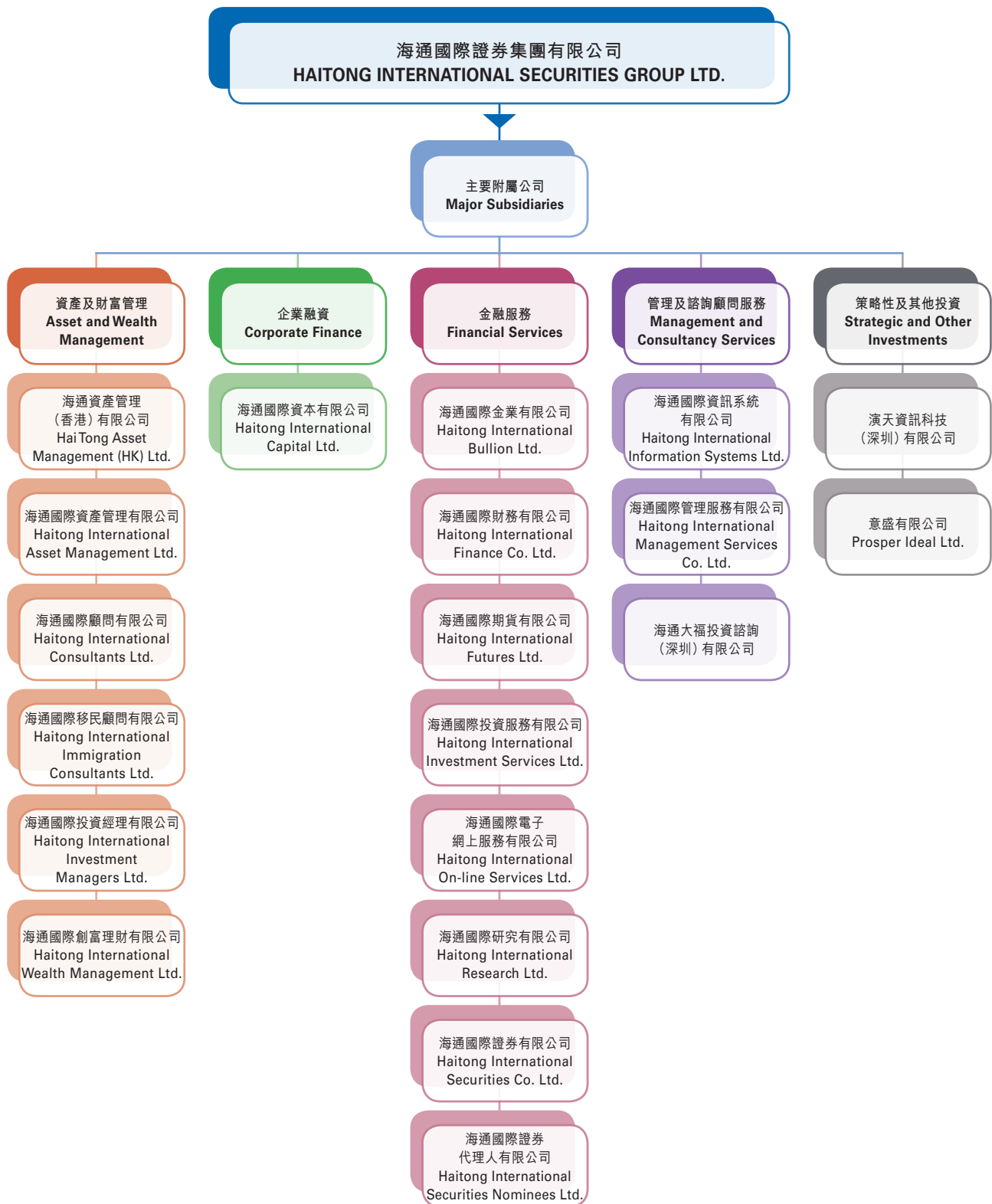
財務摘要

Financial Highlights

		截至2011年 12月31日 止年度 Year ended 31 December 2011	截至2010年 12月31日 止18個月 18 months ended 31 December 2010	變動百分比 增加／(減少) Percentage change Increase/ (Decrease)
截至年底／期底	For the year end/period end			
收入(千港元)	Revenue (HK\$'000)	959,157	1,459,935	(34)
純利(千港元)	Net Profit (HK\$'000)	153,204	345,795	(56)
至年底／期底	At the year end/period end			
股東資金(千港元)	Shareholders' Funds (HK\$'000)	3,054,588 <i>(附註)</i> <i>(Note)</i>	2,170,580	41
總資產(千港元)	Total Assets (HK\$'000)	10,962,126	11,412,151	(4)
已發行股份數目	Number of Shares in Issue	915,342,706	715,032,706	28
每股	Per share			
每股基本盈利(港仙)	Basic Earnings Per Share (HK Cents)	19.37	48.80	(60)
每股攤薄盈利(港仙)	Diluted Earnings Per Share (HK Cents)	19.35	48.68	(60)
每股股息(港仙)	Dividend Per Share (HK Cents)	8	24	(67)
每股資產淨值(港元)	NAV Per Share (HK\$)	3.34	3.04	10
股價	Share Price			
— 高(港元)	— High (HK\$)	6.04	7.39	(18)
— 低(港元)	— Low (HK\$)	1.90	2.09	(9)
財務比率	Financial ratios			
資本負債率	Gearing Ratio			
— 借貸與總資產	— Borrowing to Total Assets	0.15	0.26	(42)
— 借貸與資產淨值	— Borrowing to NAV	0.55	1.37	(60)
總資產回報(%)	Return on Total Assets (%)	1.40	3.03	(54)
股東資金回報(%)	Return on Shareholders' Fund (%)	5.02 <i>(附註)</i> <i>(Note)</i>	15.93	(68)

附註： 股東資金已包括2011年8月資本化股東貸款共850,000,000港元。

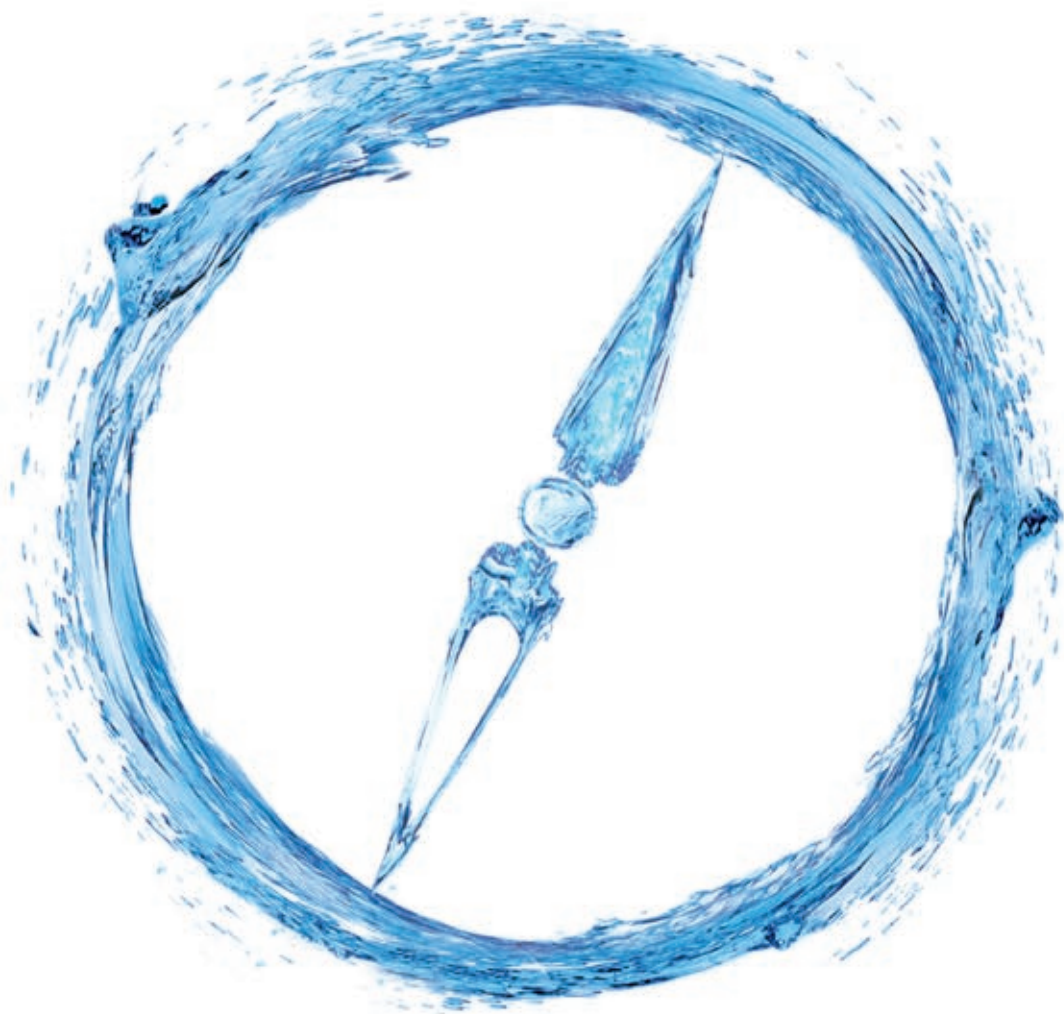
Note: Shareholders' fund includes the capitalisation of HK\$850,000,000 shareholder loan in August 2011.



附註：本圖為一簡化集團架構圖，只顯示主要附屬公司。

Note: This chart is a simplified corporate structure chart, with only major subsidiaries being shown.

Maximizing Future Opportunities with Visionary Foresight



Business Review

During the past year, the global economy faced stern challenges. The simmering European sovereign debt crisis, slow economic recovery in the United States, tight money supply in Mainland China and the unstable political condition in the Middle East all caused increasing uncertainties. As Hong Kong is highly sensitive to the global market, the local stock market has been greatly impacted by the European, United States and Mainland markets and performed far poorer than the major European and United States indices. Due to the bleak investment sentiment and weak market condition, our business suffered inevitably to some extent. However, by virtue of stringent risk management, business innovation and collaboration and a diversified business development model, our business lines maintained stable and healthy growth in general.

For the year ended 31 December 2011 (12 months), total revenue of the Group maintained stable growth to HK\$1,015.75 million. However, due to the sharp downturn in market environment in the second half of 2011, there was pressure on our profit in the second half year despite a 23% growth in profit during the first half year. Net profit attributable to shareholders for the year was HK\$153.20 million, representing a decrease from the corresponding period last year (12 months ended 31 December 2010), while earnings per share was HK19.37 cents. At the end of 2011, shareholders' equity increased by 41% as compared with the end of 2010 to HK\$3,054.59 million. Our Board has proposed a final dividend of HK2 cents per share, which is expected to be paid on or about 29 May 2012. Together with the interim dividend of HK6 cents per share already paid, total dividend payable for the 12 months ended 31 December 2011 amounts to HK8 cents per share.

During the period under review, the Hang Seng Index ("HSI") demonstrated a wave pattern with a high start followed by a downward trend. The HSI traded within a narrow range during most of the time in the first half year, but market sentiment turned sour starting from the second quarter as worries mounted over the further tightening of money supply in Mainland China and the devastating blow of the Japanese earthquake and



Ji Yuguang
Chairman

the ensuing nuclear crisis on the country's economy. Although the market condition for the first half year was less satisfactory than expected, the Group still achieved an encouraging operating result during that period. During the first half year, the Group's total revenue increased by over 30% as compared with the corresponding period of the previous year, while net profit attributable to shareholders amounted to HK\$107.62 million, representing a year-on-year increase of 23%. However, negative factors began to pour in starting from the third quarter. The HSI dropped continually in the backdrop of the simmering European debt crisis and the tightening of money supply in Mainland China. On the other hand, bad news such as the historical lowering of the long term sovereign credit rating of the United States, the lowering of the sovereign debt rating of Italy by Standard & Poor, and the filing for bankruptcy by MF Global, a futures brokerage firm in the United States with a history of 200 years,

triggered capital withdrawal from emerging markets and investors fled from risky assets, which dragged the HSI further down to a trough of 16,170 in October, the second worst record for the last decade, and plummeted by 20% for the whole year. In mid-November, investors' confidence was gradually restored due to a series of measures launched by the Mainland government, such as a Renminbi ("RMB") 100 billion bond issue by the Ministry of Railway and guaranteed by the Ministry of Finance and the recommencement of suspended railway works, reflecting a switching to a more aggressive fiscal policy. By the end of the year, the People's Bank of China lowered the deposit reserve requirement ratio, and such loosening monetary policy boosted market confidence significantly.

Overall, the local stock market performed weakly in 2011 as compared with the previous year. Although the overall average daily turnover on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") reached HK\$69.7 billion, a slight increase of 1% over 2010, such increase was mainly driven by the trading of derivative warrants. Daily turnover of derivative products such as warrants and callable bull/bear contracts grew from HK\$16.58 billion in 2010 to HK\$17.96 billion in 2011, representing a year-on-year growth of 8%, while stock trades regressed from HK\$52 billion to HK\$51.5 billion over the same period, representing a year-on-year decrease of 1%. Due to the downturn of investor sentiment and adjustment in stock prices, total market capitalization of 1,496 companies listed on the Stock Exchange dropped by 17% to HK\$17.5 trillion at the end of 2011. Under the uncertain market conditions, fund raising activities also reduced significantly, with funds raised by IPO fell 42% from HK\$445 billion in 2010 to HK\$258.9 billion this year.

Outlook

Looking forward to 2012, it is expected that the European debt issues will continue to be the biggest unstable factor to trouble the global investment market. In the

United States, gradual recovery driven by household consumption and corporate investment is expected under a relatively relaxed policy mix. In Mainland China, economic growth will continue to be driven by investment. We anticipate that there will be a loosening of policy in 2012, including a reduction in the deposit reserve requirement ratio. On one hand, the government will adopt an expanding fiscal policy to stimulate investment by the expansion of public construction, such as investment in railway infrastructures and construction of affordable housing. On the other hand, it will continue to expand domestic demand and stimulate household consumption. Both policies are expected to enhance corporate profitability. As the present valuation of Hong Kong stocks has already dropped back to the level during the Asian Financial Crisis in 1998, while negative factors such as the slowing down of the Mainland economy and the European debt crisis are already being reflected in such valuation, room for a further drop will be limited. Meanwhile, a series of fiscal, monetary, taxation and industrial policies to be introduced by the Mainland government will help to drive up the stock market. We expect that under such policy loosening, Hong Kong stock prices for 2012 will be more favourable than 2011, which will in turn increase trading volume.

During the period, the new management went through a smooth transition and made certain strategic adjustments to the operating concepts and development objectives of our business lines. By making strategic adjustments to the business development objectives and relevant departments, the development path and business direction of Haitong International have become clearer. Moreover, with a more orderly client-oriented service system and a significantly optimized business structure, we are moving in line with the development requirement for an international investment bank, and laid down a good foundation for our future business development.

With the sincere cooperation of our staff and support from our existing and new customers, our various business lines achieved a stable and healthy development

during the period. In respect of broking business, we have further strengthened our retail client base, bringing the total number of clients to a record high of around 160,000. The Group has refined its management at the retail client level, and perfected our client segmentation and core client positioning. During the period, the Group established its private and corporate sales department targeting to provide services for high net worth clients. The Group has always been committed to develop its broking business through technological advancement of its trading platform. During the year, we rolled out our comprehensive MSSE settlement system, which integrated various functions for multiple markets, products and currencies, and "MetaTrader 4", a bullion and foreign exchange trading system, on schedule, which greatly enhanced the functions and stability of our online trading system. Moreover, we have actively started extensive and in-depth cooperation with the sales departments of our parent company in different cities in Mainland China. Leveraging on our brand recognition in Hong Kong market and the strong network and formidable strength of our parent company in Mainland China, we will be able to provide more superior and advance international financial services to our clients. In respect of asset management, following the successful launch of the first RMB-denominated global fixed income fund in 2010, we have launched the first RQFII product in Hong Kong recently, which has attracted extensive market attention. The gradual development of RMB-denominated products will be extremely crucial for Hong Kong to establish itself as an offshore RMB trading centre. The Stock Exchange has strengthened its infrastructure long ago to cope with the future launch of RMB products, and it is expected that RMB denominated products will continue to be the market focus. During the period, our corporate finance department has spent great efforts to promote our RMB products and acted as the joint bookrunner and joint lead manager for the RMB bond issues of various companies. In the future, we shall firmly grasp and carefully manage the opportunities brought by the RMB internationalization to further consolidate and highlight our leadership in RMB products in the Hong Kong market.

At the same time of pushing for continuous business growth, the Group adheres to sound and prudent financial principles to maintain steady cash flow and adequate capital in order to make rapid and flexible responses to the various challenges and opportunities arising during different economic cycles. In August 2011, in order to satisfy the growing capital requirement of the Group and provide support for the Group to implement its development plan, our parent company capitalized the whole sum of HK\$850 million previously advanced to the Group for shares, which further enhanced the capital strength of the Company and laid a solid capital base for the future business development of the Group.

In the National Financial Work Conference held at the beginning of this year, Premier Wen Jiabao explicitly stressed the need to accelerate the construction of the capital market and promote a balance and healthy development of the primary and secondary markets in order to restore stock market confidence. We can say that a rare opportunity is lying ahead for China's capital market. The real economy has established a solid foundation as its sustainable growth continues, while economic restructuring and industrial upgrading, household wealth accumulation and high savings rate and the construction of the social security system all have contributed to the increasing demand for capital market. Therefore, I am fully confident on the prospects of the capital market and Haitong International. I believe with the joint efforts of all staffs and the continuing support from our customers, we will soon be able to achieve the goal of transforming into an international-class investment bank.

Ji Yuguang

Chairman

Hong Kong, 13 March 2012



LIN Yong

Deputy Chairman and Managing Director

Review of Operations

During the period under review, the Group successfully made strategic adjustments to the development direction of various business lines of Haitong International. Many of these strategic measures have started to pay off, and we have set up the core business framework of a modern investment bank. By making strategic adjustments to the business development objectives and the relevant departments, our development path and business direction have become clearer. Moreover, with a more orderly client-oriented service system and a significantly optimized business structure, we are moving in line with the development requirement for an international investment bank, and laid down a good foundation for our future business development.

In addition to the strategic adjustments on various departments relating to business development, the Group also significantly strengthened the support to its middle and back office operations during the year. In respect of

middle office operations, the Group has established a centralized trading platform, providing unified operational support to various operations teams responsible for different trading products, which effectively control various types of operational risks and improve the security and efficiency of our operations. Regarding back office operations, the Group has always been committed to technological innovations in securities trading. Continuous investment was made to upgrade our IT system to provide efficient, secure and stable technical support to our business operations. During the year, several information systems were launched on schedule, including our self-developed MSSE settlement system, which is a comprehensive settlement system integrating various functions for multiple markets, products and currencies. In addition to providing regular securities, cash and risk management and settlement listing, the system also provides extended functions for securities options, share placements, securities lending and IPO settlement, etc., while generating hundreds of analysis reports for those activities. The introduction of the MSSE system not only enhanced the support to securities dealings, but also released some resources of our middle and back office operations to satisfy the growing transactions volume of our clients for the next few years.

Haitong International has always been people-oriented. We placed strong emphasis on staff training and growth, with huge efforts being spent on establishing a team with top talents. During the period, the Group, through strategic deployment of talents to our business lines, actively recruited relevant professionals with experience in large financial organizations and international vision, which further enhanced our talents deployment and business teams. In particular, we made remarkable breakthrough in various aspects such as research, institutional sales, asset management and investment banking, and built a solid talent base for the rapid expansion of business and market coverage in the future.

Due to various factors such as the European debt crisis and downgrade of the sovereign rating of the United States, the global stock markets slumped and performed weakly, which dragged down the investment sentiment. Trading activities, especially those from retail investors, were reduced. Under the circumstances, performances from our five business segments were mixed. However, the Group was able to maintain steady growth in revenue and good profitability by virtue of a balanced and

diversified business model. Meanwhile, in order to cope with market volatility, the Group has only made moderate increase in business investments and controlled the scale of margin financing, which resulted in a regression in profits as compared with the previous year.

Broking

The Group's broking business offers a wide array of financial products and one-stop service to local and overseas investors in order to satisfy their growing demand for different financial products. During the period, due to the tense atmosphere surrounding the market, most retail investors stayed on the sideline, and with the commission war amongst local securities houses heating up, our broking business suffered inevitably to some extent. During the period, the division recorded a revenue of HK\$443.13 million, representing a decrease of 14% as compared with HK\$516.22 million recorded for the corresponding period last year (12 months ended 31 December 2010), and a net profit of HK\$39.48 million.

Although the broking business still represented our main source of revenue, its contribution to our total revenue decreased from 55% for the last financial period (18 months) to 46% for the current year (12 months), which demonstrated the result of our diversification strategy, and a more balanced development of our various business lines. The number of new clients reached almost 15,000, bringing the total number of clients to a record high of around 160,000 at the end of December 2011. Our flagship branch in Central and Tsimshatsui branch were opened as scheduled during the year, increasing our total number of branches in Hong Kong and Macau to 13. On the other hand, Haitong International adheres to its client demand-oriented principle and leverage on our competitive edge in retail operations, we strive to develop high-end retail and institutional clients through business innovation and collaboration with our parent company. Our institutional sales division performed remarkably during the second half year, with a substantial increase in the number of institutional clients during the period, and the contribution from institutional clients to our total trading volume has also increased significantly. We anticipated that with the continuous strengthening of our institutional sales team and enhancement in the quality of our research services, commission contribution from institutional clients to the Group will be further increased.

At metroBox Magazine's "Prime Awards for Banking and Finance Corporations 2011", the Group was awarded the "Best Equity House" and the "Best Corporate Finance Adviser". 2011 also marked the 12th consecutive year which the Group was named as the "Best Equity House in Hong Kong" by various international and local professional institutions.

Corporate Finance

Despite a significant decrease in funds raising activities and funds raised by IPO in Hong Kong stock market, our corporate finance business performed admirably and made further contribution to the Group's revenue. In order to better reflect the performance of this division, the Group reclassified certain fees and interest income derived from corporate finance clients from margin financing to corporate finance. During the period, the division recorded a revenue of HK\$234.71 million, an increase of 29% when compared with HK\$182.08 million recorded for the corresponding period last year (12 months ended 31 December 2010). Profit contribution totaled HK\$70.23 million. During the period, the Group undertook several IPO projects in exclusive capacity, including the listing of Winox Holdings Limited (as the sole sponsor and lead manager) and the transfer of listing status of Courage Marine Group Limited from Singapore to Hong Kong by way of introduction (as the sole sponsor). These projects have not only improved the international brand awareness of Haitong International, but also demonstrated our strong investment banking capabilities to the market. On the other hand, the Group has also been actively expanding its RMB bond issuance business, acting as the joint bookrunner and joint lead manager for the offshore RMB bond issues of various medium to large scale companies, and the joint bookrunner and joint lead manager of the RMB bond issues of Credit China. Looking forward, the Group will continue to develop our capability of undertaking large scale investment bank projects, and continue to enhance our RMB bond underwriting capabilities at the same time of expanding securities financing projects. During the period, the Group participated in 16 IPO book-running and underwritings, 3 bond underwritings and 35 financial advising projects.

Margin and other financing

During the period, the Group's margin financing business still performed remarkably well. Revenue rose by 16% from HK\$138.19 million for the corresponding period last year (12 months ended 31 December 2010) to HK\$160.45 million. In particular, during the first half of 2011, the division's revenue surged by 57%. In the second half of 2011, in view of the fluctuation of the Hong Kong stock market, the Group tightened up its credit policy and reduced the advances to customers in order to prevent risk and safeguard our assets. Therefore, advances to customers reduced from HK\$4.4 billion as at 31 December 2010 to HK\$3.4 billion as at 31 December 2011. Under the stringent credit risk control and flexible credit policy, impairment on our loan book was almost non-existent. In the future, the Group will continue to actively develop our margin financing business to satisfy the capital needs from our corporate and high net worth clients, while strictly control risks and further optimize our loan portfolio. With adequate capital and a vast customer network, our margin financing business should still have tremendous growth potential.

Asset Management

During the period, our asset management division recorded significant growth in revenue. As the first RMB-denominated and settled public fund in Hong Kong, asset size of Haitong Global RMB Fixed Income Fund continued to rise in 2011, leading similar products in the industry by a wide margin. At the end of 2011, the Group obtained a place in the first batch of Mainland-funded securities firms in Hong Kong qualified for RQFII business. In January 2012, the Group took the lead to launch the first RQFII fund in Hong Kong. Although it took only a month from obtaining authorization to carry out RQFII business to formally launching a RQFII fund, the Group had been preparing its RQFII products for a long time. We believe the Group has possessed certain advantages in RMB products in the Hong Kong market, while still continuing to build up its asset management business by developing innovative RMB products. In 2012, it is expected that demand from domestic enterprises for RMB bond financing will continue to grow, and the Hong Kong RMB bond market will likely enjoy an unprecedented period of rapid development. Haitong International will take full advantage of the valuable opportunity given by the breakthrough development in RQFII and RMB business to expand the scale of asset management by developing

innovative RMB products, to improve the investment returns of RMB funds, and to achieve a fundamental improvement of the asset management business. Meanwhile, the Group has also been actively exploring cooperation opportunities with other international financial institutions. After launching the first RMB product in Japan in cooperation with Japanese corporations Sparx and Toyo Securities in November 2010, we continued to work with our Japanese partners to raise capital for the fund and achieved interim progress in 2011. During the period, Haitong International also entered into an agreement with a Japanese bank during the period to act as the investment adviser for its fund products. During this cooperation, the Group will fully utilize our experience and expertise in securities and asset management related businesses in the Mainland and Hong Kong markets to further increase the influence of Haitong International brand.

Other Investment Services and Activities

During the period, the Group made certain strategic adjustments to its business development objectives and relevant departments and demonstrated a definite client-oriented service system, marching towards the goal of transforming into an international investment bank. Extra resources have been devoted to our research department, and a series of adjustments has been made to the style of research report, preparation of the research team and areas of industry coverage, with institutional investors being identified as its main service target. Judging from the feedback from our users, our research reports have shown considerable improvements in terms of vision, depth and timeliness, and the exposure on the mainstream high-end media has also increased rapidly. To cater with the development of our high-end retail business, the Group formed its private and corporate sales department during the period to provide services targeting high net worth clients. The Group also made considerable attempts and innovations on cross-sales and business collaboration during the period. We carried out in-depth study on the possibilities of inter-departmental cross-sales and collaboration with various business lines of the parent company, and started close business cooperation with the parent company by taking full advantage of the platform provided by its international business coordination committee, which in turn promoted the business development of both parties. In the future, Haitong International will leverage on the policy advantages under the framework permitted by the policy to actively promote the in-depth and innovative development

of cross-border business in order to attain business growth and establish new profit sources for the Group.

Future Plans

2012 is a crucial year for Haitong International as it attempts to drive its business growth through strategic transformation. Facing an uncertain market environment, the Group needs to step up its strategic transformation efforts. On one hand, we shall continue to strengthen our traditional broking business, while at the same time establish and improve our client-oriented service system and one-stop online trading platform. On the other hand, subject to strict control on trading risk, investment risk and credit risk, we shall be creative and proactive in developing new types of equity business such as flow-based and capital-investment businesses in order to promote and supplement the development and profitability of our traditional business. Capital-investment business is non-cyclical in nature, which is mainly influenced by the development prospect of the investment object and less relevant to the market. This business will complement our traditionally cyclical securities operations such as broking and investment banking during market downturn and play an important role in strengthening our results of operations.

During the past year, there was significant progress on cross-border usage of RMB and development of Hong Kong as an offshore RMB business centre. With more favourable policies likely to rollout in the future, a wide array of RMB products will be launched in Hong Kong, which will serve as an important platform for the internationalization of RMB. In respect of RMB products, Haitong International was the first issuer of RMB fixed income fund and the first securities firm to launch a RQFII product in Hong Kong. In the future, we will strive to become the first mover in RMB bond index products, RMB-denominated IPO and RMB bond trading, with an aim to further consolidate our leading position in RMB products in the Hong Kong market, and to promote the brand building and scale of our asset management business.

In respect of corporate finance, while maintaining the stable growth of our financial advisory business, we shall actively set up a new team to enhance our capability in soliciting, undertaking and underwriting large scale projects. In addition, leveraging on our competitive edges in RMB products, we shall continue to actively participate in RMB bond underwriting, RMB-denominated IPO and bond financing.

We anticipate that the demand of Mainland investors for margin financing will continue to rise. In addition, due to tight liquidity in the market, we expect that there will be significant room for the development of personal loans and collateral loans business. Therefore, we will maintain our leverage at a certain level by bank borrowings and continue to devote more resources to our financing business.

In addition, the Group will fully utilize our Mainland-funded background and take advantage of the huge customer network of our parent company in Mainland China to promote the in-depth development of our cross-border business under the framework permitted by the policy with an aim to find new profit sources.

Internally, the Group will continue to implement rigorous risk and credit monitoring and take timely measures in correspondence to market changes to ensure proper management of liquidity risk and margin loans receivable. The Group will also actively improve management efficiency and control costs in order to further enhance our profitability.

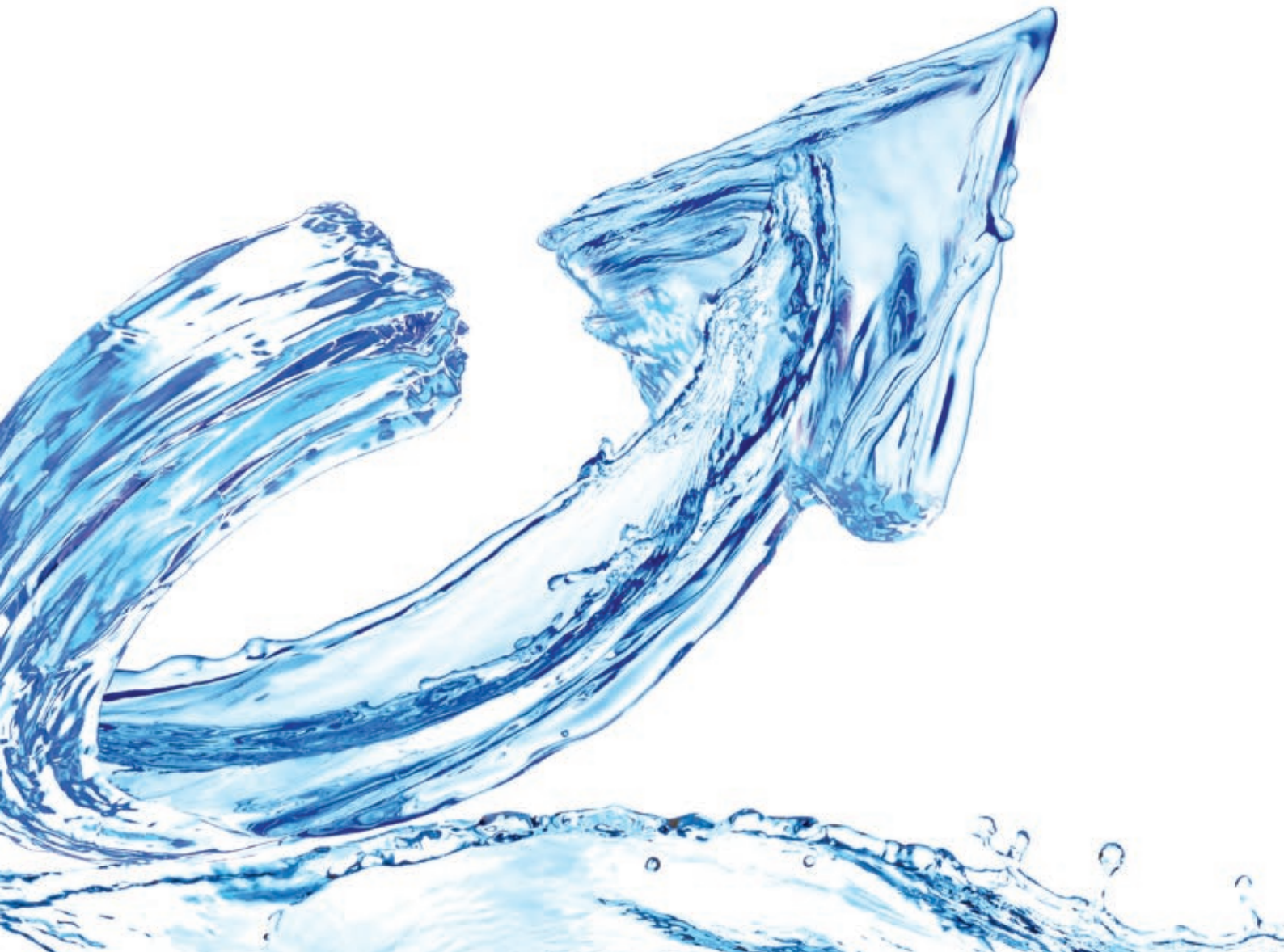
Facing the dynamic market environment, the Group will adhere to its client-oriented principle in the future. We shall improve our customer service by accurate client positioning and service refinement, and continue to keep abreast of time by actively seeking financial innovation. In such a competitive and challenging financial market, the Group regards our loyal, hardworking, creative and passionate staffs as the most valuable assets. Taking this opportunity, I would like to express my sincere gratitude to all the board members and staff of the Group for their hard work, loyalty and contribution. The success and sustainable development of the Company would not be possible without their sincere cooperation and tireless efforts. With the joint efforts of our fellow colleagues, I am determined and confident of leading the Group to achieve its strategic objective of transforming into an "international-class investment bank" as soon as possible.

LIN Yong

Deputy Chairman and Managing Director

Hong Kong, 13 March 2012

Striving for Excellence to Achieve Superb Performance



Financial Performance

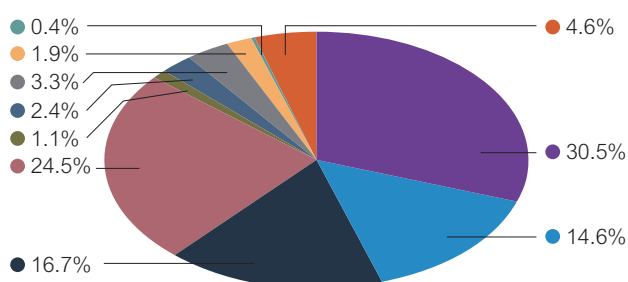
Revenue

Revenue of the Group for the year ended 31 December 2011 was HK\$959.2 million (18 months ended 31 December 2010: HK\$1,459.9 million). A summary of the revenue from different operations of the Group is set out below:

	For the year ended 31 December 2011 HK\$'000	%	For the 18 months ended 31 December 2010 HK\$'000	%
Securities dealing and broking	292,826	30.5	591,720	40.5
Futures, options and commodities dealing and broking	140,478	14.6	199,822	13.7
Interest income	160,446	16.7	197,087	13.5
Corporate finance and advisory	234,710	24.5	256,454	17.6
Bullion contracts dealing	9,826	1.1	12,342	0.8
Income earned from the provision of nominee and custodian services	22,985	2.4	29,049	2.0
Fund management	32,008	3.3	24,419	1.7
Income from proprietary investment	18,331	1.9	64,296	4.4
Income from leveraged foreign exchange trading, net	3,520	0.4	29,912	2.0
Commission income from the provision of financial planning and advisory services	44,027	4.6	54,834	3.8
	959,157	100.0	1,459,935	100.0

Analysis of 2011 Revenue

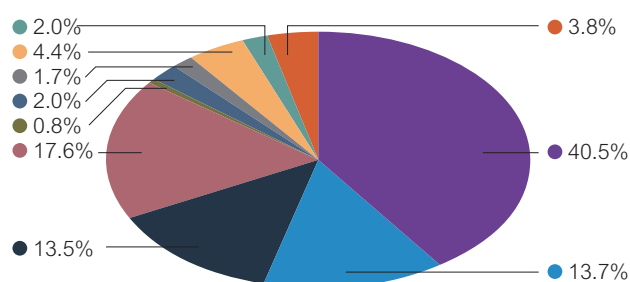
(For the year ended 31 December 2011)



- Securities dealing and broking
- Corporate finance and advisory
- Fund management
- Income from leveraged foreign exchange trading, net

Analysis of 2010 Revenue

(For the 18 months ended 31 December 2010)



- Futures, options and commodities dealing and broking
- Interest income
- Income earned from the provision of nominee and custodian services
- Income from proprietary investment
- Commission income from the provision of financial planning and advisory services

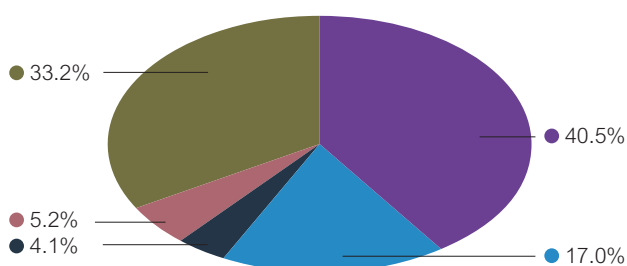
Operating Expenses

Total Operating Expenses for the year ended 31 December 2011 was HK\$836.7 million (18 months ended 31 December 2010: HK\$1,118.1 million). An analysis of these expenses are as follows:

	For the year ended 31 December 2011 HK\$'000	%	For the 18 months ended 31 December 2010 HK\$'000	%
Salaries and allowances, bonuses and pension scheme contributions	339,265	40.5	439,213	39.3
Commission to accounts executives	141,587	17.0	252,410	22.6
Finance costs	34,126	4.1	39,194	3.5
Depreciation	43,558	5.2	49,370	4.4
Other operating expenses	278,152	33.2	339,962	30.4
Gain on re-measurement of assets/liabilities classified as held for sale	–	–	(2,023)	(0.2)
	836,688	100.0	1,118,126	100.0

Analysis of 2011 Operating Expenses

(For the year ended 31 December 2011)



● Salaries and allowances, bonuses and pension scheme contributions

● Commission to accounts executives

● Finance costs

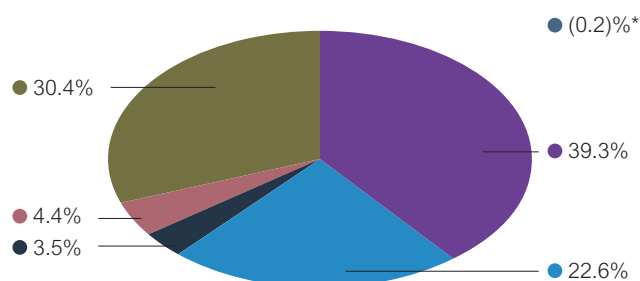
● Depreciation

● Other operating expenses

● Gain on re-measurement of assets/liabilities classified as held for sale

Analysis of 2010 Operating Expenses

(For the 18 months ended 31 December 2010)



* Negative presenting figure not shown in the chart.

The financial information for the 12 months ended 31 December 2010 used in the analysis below was derived based on a simple pro-rata of the Group's audited 18 months results ended 31 December 2010.

On an average monthly basis, salaries and allowances, bonuses and pension scheme contributions increased by 15.9%. This is mainly attributable to increase in manpower, incentives and bonuses paid.

Commission to accounts executives are generally in line with business turnover and brokerage income.

Finance costs increased year-on-year by 30.6% due to increase in average bank borrowings mainly used for financing the higher average advances to customers in 2011.

Year-on-year depreciation increased by 32.3% due to rollout of the new back office system during the year.

Other operating expenses rose 22.7% compared to the proceeding 12 months mainly due to higher rental expenses and maintenance cost of the front and new back office system.

Net Profit Attributable to Shareholders

Net Profit Attributable to Shareholders for the year ended 31 December 2011 was HK\$153.2 million, as compared to HK\$345.8 million for the 18 months ended 31 December 2010.

Treasury Policies

The Group generally finances its operations with internally generated cash flow, bank borrowings and unsecured term loans from independent third parties. Moreover, on 22 June 2011, the Company entered into a 3-year facilities agreement (the "Facilities") with a syndicate of 6 banks whereby the Company obtained a term loan facility in an aggregate amount of HK\$552 million and a revolving loan facility in an aggregate amount of HK\$828 million. Part of the Facilities was applied towards repayment of the syndicated loan of HK\$500 million which expired in June 2011 and the rest towards the general working capital requirements of the Group. Except for the above-mentioned Facilities, 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 2011, the Group's cash balance totalled HK\$1,001.2 million, compared with HK\$417.7 million at the beginning of the year. Cash held on behalf of customers decreased to HK\$4,992.0 million, compared with HK\$5,158.6 million as at 31 December 2010. The current ratio of the Group was healthy at 1.34 times.

As at 31 December 2011, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 55%, compared with 137% as at 31 December 2010. Lower gearing ratio as at 31 December 2011 was mainly due to increase in shareholders' equity through the issue of 200,000,000 new shares of the Company at a price of HK\$4.25 per share to Haitong International Holdings Limited ("Haitong Holdings"), a controlling shareholder of the Company during the year. Apart from the aforementioned 3-year term and revolving loan facilities, all borrowings are of short-term maturities. Bank and other borrowings totalled HK\$1,694.5 million (31 December 2010: HK\$2,974.3 million), against total margin loans of HK\$3,438.3 million (31 December 2010: HK\$4,375.6 million). The ratio of interest income to interest expense was 6 times, compared with 5.8 times for the 18 months ended 31 December 2010 (interest income refers to interest income from margin and other financing and bank deposits). The increase was mainly attributable to increase in bank interest income.

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\$5,870.7 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

On 23 June 2011, the Company entered into a Loan Capitalization Agreement with Haitong Holdings, under which Haitong Holdings subscribed for 200,000,000 new shares of the Company at a price of HK\$4.25 per share. The aggregate subscription price payable by Haitong Holdings under the Loan Capitalization Agreement was satisfied by the capitalization of a sum of HK\$850 million Shareholder's Loans owed by the Company to Haitong Holdings.

During the year ended 31 December 2011, the subscription rights attaching to 310,000 share options were exercised at the subscription price of HK\$4.854 per share resulting in the issue of 310,000 shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$1,504,740.

As at 31 December 2011, the total issued share capital of the Company stood at HK\$91.5 million, comprising 915,342,706 shares of HK\$0.10 each.

Material Acquisition and Disposal of Subsidiaries and Associated Companies

There was no material acquisition or disposal of subsidiaries and associated companies by the Group for the year.

Employees

The Group's total staff costs for the year ended 31 December 2011, excluding commissions paid to commission-based staff, amounted to HK\$339.3 million, representing an increase of 15.9%, on an average monthly basis, from the 18 months ended 31 December 2010. This is mainly due to an increase in manpower and performance-based bonuses and incentives. As at 31 December 2011, the Group employed a total of 969 (31 December 2010: 1,131) permanent staff of which 162 (31 December 2010: 188) were commission-based staff.

Advocating Corporate Governance and Integrity



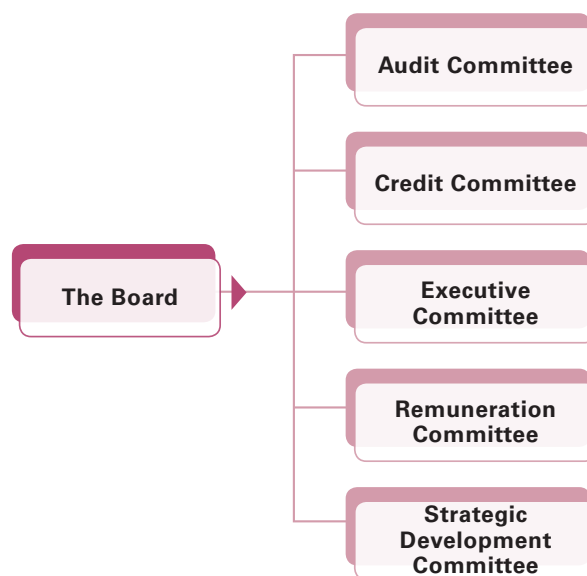
Corporate Governance Practices

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 year ended 31 December 2011, 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 direction, strategy, performance and control of the Group.

Corporate Governance Report

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 year ended 31 December 2011:

Name of Members of the Board/ the respective Board Committees	Attendance/Number of Meetings held					
	Board Meeting	Audit Committee Meeting	Credit Committee Meeting	Executive Committee Meeting	Remuneration Committee Meeting	Strategic Development Committee Meeting
The Board						
Chairman and Non-executive Director						
Li Mingshan (Note 1)	1/1	n/a	n/a	n/a	0/0	0/1
Ji Yuguang (Note 2)	5/5	2/2	n/a	n/a	1/1	1/1
Deputy Chairman and Executive Director						
Li Jianguo	5/5	n/a	n/a	n/a	n/a	1/1
Deputy Chairman, Managing Director and Executive Director						
Wong Shiu Hoi, Peter (Note 3)	1/1	n/a	1/1	4/4	n/a	1/1
Lin Yong (Note 4)	5/5	n/a	1/4	14/18	n/a	1/1
Joint Managing Director and Executive Director						
Lee Yiu Wing, William (Note 5)	5/5	n/a	4/4	17/18	n/a	1/1
Executive Directors						
Chan Chi On, Derek	4/5	n/a	n/a	15/18	n/a	n/a
Poon Mo Yiu, Patrick	5/5	n/a	4/4	17/18	n/a	n/a
Hui Yee, Wilson (Note 6)	3/4	n/a	4/4	17/18	n/a	n/a
Non-executive Directors						
Wu Bin	4/5	n/a	n/a	n/a	n/a	n/a
Chen Chungqian	4/5	n/a	n/a	n/a	n/a	n/a
Hiroki Miyazato (Note 7)	4/4	n/a	n/a	n/a	n/a	n/a
Cheng Chi Ming, Brian (Note 8)	2/5	n/a	n/a	n/a	0/1	1/1
Independent Non-executive Directors						
Man Mo Leung	3/5	1/2	n/a	n/a	0/1	n/a
Tsui Hing Chuen, William	5/5	2/2	n/a	n/a	1/1	n/a
Lau Wai Piu, Bill	5/5	2/2	n/a	n/a	1/1	n/a
Senior Management Executives						
Zhang Xinjun, Jeff	n/a	n/a	4/4	17/18	n/a	n/a
Sun Jianfeng	n/a	n/a	n/a	10/18	n/a	n/a
Sun Tong, Tony	n/a	n/a	1/4	16/18	n/a	n/a
Wu Kwok Leung, Edmond	n/a	n/a	4/4	16/18	n/a	n/a
Lo Wai Ho, Kendy	n/a	n/a	4/4	17/18	n/a	n/a
Ying Tak Sun, Nelson (Note 9)	n/a	n/a	n/a	4/4	n/a	n/a
Lau Yiu Wai, Joseph (Note 10)	n/a	n/a	n/a	13/18	n/a	n/a
Others						
Chan Wai Man, Cilla	n/a	n/a	3/4	n/a	n/a	n/a
Average Attendance:	87%	88%	81%	86%	60%	86%

Notes:

1. Mr. Li Mingshan resigned as a non-executive director and the chairman of the Company on 29 April 2011. Mr. Li also resigned as a member of the Remuneration Committee and the chairman of the Strategic Development Committee of the Company on the same date.
2. Mr. Ji Yuguang was appointed as the chairman of the Company with effect from 29 April 2011. Mr. Ji was also appointed as the chairman of the Strategic Development Committee of the Company with effect from 1 June 2011.
3. Mr. Wong Shiu Hoi, Peter retired as an executive director, a deputy chairman and the managing director of the Company on 29 April 2011. Mr. Wong also resigned as the chairman of each of the Credit Committee and the Executive Committee as well as a member of the Strategic Development Committee of the Company on the same date. In addition, Mr. Wong ceased to act as the Chief Executive Officer of the Group on 29 April 2011.
4. Mr. Lin Yong was appointed as a deputy chairman and the managing director of the Company on 29 April 2011. Mr. Lin was also appointed as the chairman of the Credit Committee of the Company and acts as the Chief Executive Officer of the Group on the same date. In addition, on 1 June 2011, Mr. Lin was also appointed as the chairman of the Executive Committee of the Company.
5. Mr. Lee Yiu Wing, William was appointed as the joint managing director of the Company with effect from 29 April 2011.
6. Mr. Hui Yee, Wilson was appointed as an executive director of the Company with effect from 29 April 2011.
7. Mr. Hiroki Miyazato was appointed as a non-executive director of the Company with effect from 17 March 2011.
8. Mr. Cheng Chi Ming, Brian was appointed as a member of the Remuneration Committee of the Company with effect from 29 April 2011.
9. Mr. Ying Tak Sun, Nelson resigned as a member of the Executive Committee of the Company on 1 June 2011.
10. Mr. Lau Yiu Wai, Joseph resigned as a member of the Executive Committee of the Company on 1 March 2012.

The Board

The Board currently comprises a total of 14 directors, with 6 executive directors, namely Messrs. Li Jianguo (Deputy Chairman), Lin Yong (Deputy Chairman and Managing Director), Lee Yiu Wing, William (Joint Managing Director), Chan Chi On, Derek, Poon Mo Yiu, Patrick and Hui Yee, Wilson; 5 non-executive directors, namely Messrs. Ji Yuguang (Chairman), Wu Bin, Chen Chunqian, Hiroki Miyazato 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 80 to 85 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 Bye-laws of the Company. Throughout the year ended 31 December 2011, 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 year ended 31 December 2011.

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 non-executive directors of the Company, namely Messrs. Man Mo Leung (Chairman of the Committee), Tsui Hing Chuen, William and Lau Wai Piu, Bill and a 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 year ended 31 December 2011, the Committee met on 2 occasions and discharged its responsibilities in its review of the interim and final results and the effectiveness of the internal control and risk management system of the Group. The works performed by the Committee for the year ended 31 December 2011 included reviews of the followings:

- the directors' report and the consolidated financial statements for the 18 months ended 31 December 2010 of the Group, with a recommendation to the Board for approval;
- the consolidated financial statements for the 6 months ended 30 June 2011 of the Group, with a recommendation to the Board for approval;
- the audit fees for the year ended 31 December 2011 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 6 months ended 30 June 2011.

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 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.



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

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 Mr. Ji Yuguang and Cheng Chi Ming, Brian. 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 year ended 31 December 2011, the works performed by the Committee included reviews of the followings:

- the proposal for remuneration adjustment for Messrs. Lin Yong, Lee Yiu Wing, William and Hui Yee, Wilson.
- the service agreements/contracts of Messrs. Hui Yee, Wilson and Hiroki Miyazato; and
- the new service agreement of Mr. Lin Yong.

Strategic Development Committee

The Committee is currently composed of 3 executive directors and 2 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.

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. Ji Yuguang and Mr. Lin Yong. 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 year ended 31 December 2011. Securities interests in the Company and its associated corporations held by each of the directors of the Company are disclosed in pages 102 to 104 of this Annual Report.

Sub-committees

Owing to the complexity of the Group’s business, sub-committees are formed and members of the sub-committees 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 year ended 31 December 2011 and their average attendance rates:

Name of Sub-committees	Number of Meetings held	Percentage of Average Attendance
Investment Committee	7	89%
IT Steering Committee	10	89%
Operation Cost Committee*	3	68%

* The Operation Cost Committee was renamed as Cost Management Committee on 9 February 2012.

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 compliance status. Through the Audit Committee, the Board has reviewed the effectiveness of the Group’s internal control 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.

In addition, 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 with the maximum exposure limit of HK\$120,000,000 for short term securities investment and a cap equivalent to 10% of the Group's NAV for short term investment of fixed income financial products.
- *For exposed underwriting commitments*
 - underwriting limit per issue should not exceed 25% of the "Adjusted NAV" of Haitong International Securities Company Limited ("HTISC"), being the 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\$30M	US\$30M	US\$60M
Monthly Trading			
Loss Limit	US\$600K	US\$900K	US\$1.5M

* Gross Open Position is 60 times of Liquid Capital

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

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

Type of Services	Fee charged	
	for the year ended 31 December 2011 HK\$'000	for the 18 months ended 31 December 2010 HK\$'000
Audit fee for the Group	3,840	4,940
Taxation services	331	370

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 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.



The management hosting the 2011 Final Results Announcement press conference.

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 year ended 31 December 2011, members of the Haitong International Caring Ambassadors and our colleagues took part in caring visits, fund raising charity programmes, blood donation and other activities organized by major charities, such as Community Chest, Helping Hand, Hong Kong Red Cross, Orbis Hong Kong, YMCA of Hong Kong, Rotary International 3450, St. James' Settlement, Oxfam Hong Kong, Young Entrepreneurs Development Council, Sino-Hong Kong Green Nature Union, Wofoo Social Enterprises and Society for Community Organization. We hope our staff will further develop their potential and sense of social responsibility through participation in these community activities.



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



The Group supports "Community Chest Corporate Challenge".

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 at Oxfam Rice Sale.

Fostering Continuous Innovation and Client-focus Service



Through taking a proactive approach in pursuing diversified business development opportunities in the 12-month period ended 31 December 2011, the Group saw stable development in both its business scope and market penetration despite the continued global economic uncertainty, fast-changing industry landscape and strong local market competition.

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 2011, the Group completed 2 IPO sponsorship assignments, 15 IPO underwriting deals and about 50 advisory assignments. As at 31 December 2011, the Group was the retained compliance adviser of 19 listed issuers.



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

Although the global economic and financial environment were exceptionally volatile in 2011 mainly due to the lacklustre rebound in US economic growth and the ongoing European debt crisis, the Government of the HKSAR has actively advocated RMB related products

and services so as to solidify its position as a major RMB offshore settlement centre. Thus, the Group has equipped itself to explore and capture such opportunity.

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. 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.



The asset management arm of Haitong International pioneered the successful roll-out of a SFC-approved RQFII product.

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, and pioneered the successful roll-out of a SFC-approved RQFII product in January 2012, as a means to contribute to the steady development of Renminbi globalization.

Brokerage Services



The Group has officially launched smart phone applications.

Haitong International provides innovative and flexible securities trading and investment services to hundreds of global institutional and corporate clients as well as close to 160,000 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. Throughout the years, the Group has taken a proactive approach in further developing and upgrading its online platform. With the increasing popularity of mobile Internet products in recent years, smart phone and tablet computer applications are on the rise rapidly. In keeping pace with this new trend, Haitong International officially launched iPhone/iPad and Android applications in July 2011 which enable clients to capture every market opportunity by investing in Hong Kong stocks anytime and anywhere.

During the period, the Group has launched Haitong International MetaTrader4 Bullion Trading Platform. Being a one-stop online trading platform, it comes with many advanced features which help customers conduct online trading in Loco London Gold & Loco London Sliver with ease.

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 and investment companies from the United States, Russia, 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 has opened a Tsim Sha Tsui branch.

Last year, the Group opened its Central and Tsim Sha Tsui Branches, and relocated its Kwun Tong Branch within the same district in a bid to create a more friendly and relaxing environment for clients. These branches are equipped with advanced trading facilities and manned by professional investment consultants and service staff. The Group will continue to expand its territory-wide presence in future in order to maintain its leadership position.

Wealth Management

The Wealth Management Division of the Group provides comprehensive wealth management services for clients to meet their individual financial targets and needs. Among these services, Privilege Client Portfolio Management Service is managed by experienced investment specialists, who strive to enhance clients' investment returns and reduce investment risks by quickly adjusting their investment portfolios subject to market changes and client needs.



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

Currently, its wealth management services encompass a wide array of products and services, including global funds, investment-linked insurance plans, stocks, bonds, trusts, MPF schemes and insurance, tailored to fully support multiple facets of the client needs. Additionally, it specializes in one-stop professional immigration consulting services in Hong Kong, ranging from immigration advisory, assisting in processing applications, to offering investment advice and related arrangement going forward.

To cope with more stringent compliance regulations in which clients can receive better protection for their investments, additional resources have been invested to further strengthen standards of compliance management and client service, with the ultimate goal of reaffirming itself in a leading position in the industry.

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 key cities in China.



The Group's investment consultancy centre network in China.

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

Corporate Highlights

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 end 2011, Haitong International Research was awarded "Best Equity House for Research Team" by Hong Kong Commercial Daily, affirming the Group's superior market and stock analysis among the peers.

Human Capital Management

Staff Learning and Development

The Group has always regarded human resources as the 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, customer service, product knowledge, industry trends and language proficiency, via various workshops and seminars.



The Group consistently provides staff with ample training opportunities.

To enhance cooperation and teamwork within department, the Group organized 3 departmental team building and business workshops during the period in which staff were provided the opportunity to exchange views on enhancing business performance. On the language front, the Group organized 4 Putonghua classes of various levels and a Cantonese class to assist staff to enhance the language proficiency as well as effective communication with clients and staff.

In light of the development of the China market, the Group also provided training to the PRC staff in the areas of corporate information, business ethics, performance management, presentation skills, etc.

Professional Standards

47 training sessions covering 35 topics were organized and coordinated to fulfill the Continuous Professional Training (CPT) requirements for SFC licensed persons; and Continuing Professional Development (CPD) requirements for MPF Intermediaries and Chinese Gold and Silver Exchange Registration System. For the management level, 3 classes of supervisory skills training for middle management were organized to enhance their effectiveness of supervision.



A training session of the Group's Management Trainee Programme.

In 2011, 7 university graduates were recruited under the one-year Management Trainee Programme. Foundation training in the financial market and job attachments were arranged so that the trainees could enhance their understanding about the financial industry, the Group's business and its operations across various departments and be well-equipped to apply their learning into workplace after the 12-month training.

Given that staff are most valuable assets, the Group always encourages staff at all levels to achieve the annual target of 20 training hours per year. During the period, the total staff training hours over-achieved the annual target by 84%.

Last year, the Group was accredited as the "Manpower Developer" under ERB Manpower Developer Award Scheme by the Employees Retraining Board, in recognition of its outstanding performance in manpower training and development.

Corporate Social Responsibility

Over the course of 39 years since the Group was established, corporate social responsibility has become embedded in Haitong International's culture. The Group has committed considerable resources towards 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



Professionalism and integrity are core values of the Group.

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 strategies and wealth management.

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 the general public, professionals of various international and local institutions and, most importantly, its staff.



The Group proactively promotes investor education through investment seminars, workshops and discussion forums.

Looking forward, the Group will continue to keep up and enhance its effort in investor education to ensure that its 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.

As an advocate of caring culture, the Group emphasizes the caring of employees. To further fulfill its promise in this regard, the Group has set up a "Staff Care Fund" during the period to assist staff or their immediate family members suffering from adversities, such as fatal diseases or serious accidents, that lead to serious financial difficulties to overcome the adversity.

Corporate Highlights

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, Charity Mooncake, Love Teeth Day and Dress Special Day organized by the Community Chest of Hong Kong; Rotary 10K Race organized by Rotary International District 3450; Blood Donation Day co-organized by the Group and Hong Kong Red Cross; Helping Hand Cookie Campaign and elderly visits co-organized by the Group and Helping Hand; Oxfam Hong Kong’s Oxfam Rice Selling; ORBIS Hong Kong’s World Sight Day; YMCA of Hong Kong’s Bare Foot Walkathon; Homeless World Cup co-organized by Society for Community Organization and Wofoo Social Enterprises.



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 the Community Chest Green Day, which encouraged the staff to “Act Green & Live Green”; and the Hoi Ha Wan Marine Park Sightseeing Tour organized by Sino-Hong Kong Green Nature Union, which allowed the staff to get close to the natural habitat to learn about the importance of environmental conservation. Also, the volunteer team Haitong International Caring Ambassadors staged a charity sale of aged corporate souvenirs to promote environmental protection as well as charitable cause. Funds raised from the sale were donated to the Community Chest of Hong Kong.



The Group proactively organizes and supports environmental protection activities.

Education

To promote education in business administration and finance-related disciplines, the Group set up the “Haitong International New Generation Leaders Scholarship” in 2010 to recognize outstanding undergraduates and MBA students from these disciplines across eight universities in Hong Kong.



The Group sets up “Haitong International New Generation Leaders Scholarship” to promote education and development among tertiary students.

The Group also sponsored the “ACCA National Job Hunting Competition”, and provided internship opportunities for the participants. As part of its dedicated efforts in providing investor education to the public, the Group sponsored the “Sina ETNet HK Stocks Simulation Investment Competition 2011”, 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.

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 seven consecutive years; while metroBOX Magazine awarded us the "Prime Award for Sustainable Corporate Social Responsibility" in 2011.

Awards and Achievements

The Group has won numerous accolades for its outstanding achievements in innovation and service excellence. During the period, the Group received the "Best Equity House in Hong Kong" and the "Best Corporate Finance Advisor" awards by metroBOX magazine; the "Best Equity House in Hong Kong Stocks 2010" and the "Top Ten Online Trading Equity House in Hong Kong Stocks 2010" awards by QQ.COM; the "Excellent Equity House Brand" award by Metro Finance; the "Best Equity House Services Award" by Sing Tao Daily; and the "Best Overseas Equity House Brand" award by hexun.com. On the whole, the Group has been named the "Best Equity House in Hong Kong" by numerous international, mainland and local institutions for 12 consecutive years since 2000.



The Group receiving the "Best Equity House" and "Best Corporate Finance Advisor" awards from metroBOX magazine.

On the quality management front, as early as 1999 Haitong International was the first securities firm in Hong Kong and China to acquire ISO9002 Quality Management System Certification, which was later upgraded to ISO9001:2008 Certification in 2009.



The Group receiving the "Best Equity House Brand" by metroBOX magazine.

The Group is renowned for its outstanding achievements in information technology application. During the period, the Group won "The Most Valuable Enterprise for E-commerce 2010" award from two mainland IT magazines Business Value and IT Value, in recognition of the Group's efforts in developing electronic commerce business and establishing corporate added value.

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

Board of Directors and Senior Management

The Board of Directors

Executive Directors

LI Jianguo, aged 48, was appointed as an Executive Director of the Company on 13 January 2010 and a Deputy Chairman of the Company on 10 March 2010. He is also a member of the Strategic Development Committee of the Company. Mr. Li holds a doctorate degree in economics from Xi'an Jiaotong University. He has 20 years of experience in securities industry. Mr. Li was a general manager of Henan 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. Mr. Li 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 42, 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 has been a Deputy Chairman and the Managing Director of the Company as well as the Chief Executive Office of the Group since 29 April 2011. He is also the Chairman of the Credit Committee and the Executive Committee as well as a member of the Strategic Development Committee of the Company. In addition, Mr. Lin is the chairman and/or 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 2006 Top Ten Outstanding Young Person in Financial Sector in Shanghai (2006年上海首届十大金融杰出青年). 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. He was also an independent non-executive director of Mingfa Group (International) Company Limited from 9 October 2009 to 20 May 2011. The shares of this company are listed on The Stock Exchange of Hong Kong Limited.

LEE Yiu Wing, William, aged 51, first joined the Group in 1988 and subsequently rejoined in 1997 after his departure in 1995. He was appointed as an Executive Director of the Company on 29 June 2000 and the Joint Managing Director of the Company on 29 April 2011. He is also 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. He 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 25 years of experience in the financial services industry. Mr. Lee is a Permanent Honorary President and a Director 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. In addition, Mr. Lee 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 48, 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. Mr. Chan is also 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. He 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. He is an adjunct professor in the School of Accounting and Finance of the Hong Kong Polytechnic University. Mr. Chan possesses over 20 years of experience in the financial services industry. He 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 Yuexiu Real Estate Investment Trust (formerly known as "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 47, 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.

Board of Directors and Senior Management

HUI Yee, Wilson, aged 53, joined the Group in 1995 and was appointed as an Executive Director of the Company on 29 April 2011. He is the Director of Sales and Marketing for the Group as well as a member of the Credit Committee and the Executive Committee of the Company. In addition, Mr. Hui is the Managing Director of Haitong International Futures Limited and Haitong International Securities Company Limited. He is also a director of various subsidiaries of the Company 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. Before joining the Group, Mr. Hui possessed 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 as well as a director of The Hong Kong Association of Online Brokers Limited.

Non-executive Directors

JI Yuguang, aged 54, was appointed as a Non-executive Director of the Company on 13 January 2010 and the Chairman of the Company on 29 April 2011. He is also the Chairman of the Strategic Development Committee and a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Ji holds a bachelor degree in economics from Beijing Vocational College of Finance and Commerce. He has 28 years of experience in finance and commerce industry. Mr. Ji 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. Mr. Ji has been the deputy general manager of Haitong Securities Co., Ltd. since 1997 and a director of the Overseas Business Committee of Haitong Securities Co., Ltd. since February 2011. In addition, Mr. Ji has been a director of Haitong International Holdings Limited (formerly known as "Hai Tong (HK) Financial Holdings Limited") since 9 August 2010 and the chairman of the board of Haitong International Holdings Limited since 17 March 2011.

WU Bin, aged 39, was appointed as a Non-executive Director of the Company on 13 January 2010. Mr. Wu is a lawyer. He holds a doctorate degree in economics from Shanghai Fudan University. He has 14 years of experience in securities industry. Mr. Wu joined Haitong Securities Co., Ltd. in 1998 and has been the chief compliance officer of Haitong Securities Co., Ltd. from 2007 to July 2010 and the head of the compliance department of Haitong Securities Co., Ltd. from 2007 to March 2011. 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 the head of the general manager office of Haitong Securities Co., Ltd. since 2007 as well as the director of the Strategic Development and IT Governance Committee of Haitong Securities Co., Ltd. and the head of preparatory group of Haitong Asset Management Company since March 2011. In addition, 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 48, 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 Southwestern University of Finance and Economics from 1995 to 1997. He has 15 years of experience in the securities industry. Mr. Chen joined Haitong Securities Co., Ltd. in 1997 and has been the general manager of the Sales Department of Haitong Securities Co., Ltd. since 2006. He was also a deputy director of the Brokerage Business Committee of Haitong Securities Co., Ltd. since March 2011. In addition, Mr. Chen was the general manager of institutional business department from 2007 to March 2009.

Hiroki MIYAZATO, aged 46, was appointed as a Non-executive Director of the Company on 17 March 2011. Mr. Miyazato holds a Degree of Bachelor of Science in Fudan University and a Master Degree of Science in the University of Tokyo. He has 18 years of experience in securities industry. Mr. Miyazato worked for Credit Suisse First Boston from 1993 to 1994 and DG Bank Deutsche Genossenschaftsbank AG (currently named as DZ Bank AG Deutsche Zentral-Genossenschaftsbank) from 1994 to 1996, and Long Term Credit Bank (currently named as Shinsei Bank) from 1996 to 1998. After that he worked as an investment manager in J.P. Morgan (Chase) from 1998 to 1999. From 1999 to 2009, Mr. Miyazato served as the managing director and head of Greater China of Nikko Asset Management Co., Ltd. and was a non-executive director and shareholders' representative of Rongtong Fund Management Co., Ltd. from 2007 to 2009. Mr. Miyazato joined Haitong Securities Co., Ltd. in 2009 and has been the general manager of the International Business Department and a member of the Executive Committee for International Business Coordination and Development of Haitong Securities Co., Ltd.. In addition, Mr. Miyazato is the general secretary of the Overseas Business Committee of Haitong Securities Co., Ltd. and has been a member of the Strategic Development and IT Governance Committee of Haitong Securities Co., Ltd. since 28 February 2011. Mr. Miyazato is also a member of Japan Securities & Dealers Association and has China Security Practitioner Qualification.

CHENG Chi Ming, Brian, aged 29, 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 on 13 January 2010. Mr. Cheng is also a member of the Remuneration Committee and the Strategic Development Committee of the Company. Mr. Cheng holds a Bachelor of Science Degree from Babson College in Massachusetts, U.S.A.. Mr. Cheng was a non-executive director of Freeman Financial Corporation Limited from 19 January 2011 to 30 August 2011. He is currently an executive director of NWS Holdings Limited and a non-executive director of Fook Woo Group Holdings Limited and Newton Resources Ltd.. The shares 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 59, 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 Brightoil Petroleum (Holdings) Limited (formerly known as "First Sign International Holdings Limited") from 1 June 2004 to 11 July 2008. The shares of this company are listed on The Stock Exchange of Hong Kong Limited.

Board of Directors and Senior Management

TSUI Hing Chuen, William JP, aged 60, 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 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 47, 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. He possesses over 20 years of extensive experience in accounting and financial management. Mr. Lau 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.

Senior Management

ZHANG Xinjun, Jeff, aged 36, 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 35, 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 35, is a member of the Executive Committee and the Credit Committee of the Company, and the Managing Director of Haitong International Securities Company Limited as well as 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. Mr. Sun 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.

WU Kwok Leung, Edmond, aged 57, is the Head of Retail Business of the Group, a member of the Executive Committee and the Credit Committee of the Company, the Managing Director of Haitong International Securities Company Limited 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 committee member of the Hong Kong Securities Professionals Association and also a member of the Hong Kong Institute of Directors.

LO Wai Ho, Kendy, aged 49, is the Finance Director of the Group, a member of the Executive Committee and the Credit Committee of the Company, 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 25 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 51, 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 25 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 44, is the Company Secretary and Head of Company Secretariat, legal and Compliance Division of the Group. He 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 year ended 31 December 2011.

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, the provision of 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 year ended 31 December 2011.

Results and dividends

The Group's profit for the year ended 31 December 2011 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 114 to 247.

The directors have resolved to recommend a final dividend of HK2 cents per share in cash for the year ended 31 December 2011 to shareholders whose names appear on the register of members of the Company on 8 May 2012. Together with the interim dividend of HK6 cents per share paid on 30 September 2011, the total distribution per share for the year ended 31 December 2011 will thus be HK8 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 29 May 2012.

The register of members of the Company will be closed from Friday, 4 May 2012 to Tuesday, 8 May 2012, 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 and Transfer Office 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 Thursday, 3 May 2012.

Summary financial information

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the year ended 31 December 2011 and the previous 10 financial periods/years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 248 of this Annual Report. This summary does not form part of the audited financial statements.

Charitable contributions

During the year ended 31 December 2011, the Group made charitable contributions totalling HK\$85,000.

Reserves

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2011 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 2011, 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\$79,524,000, of which HK\$18,307,000 has been proposed as a final dividend for the year ended 31 December 2011. In addition, the Company's share premium account, in the amount of HK\$1,780,454,000, 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 year ended 31 December 2011 are set out in note 13 to the financial statements.

Share capital

Details of movements in the Company's share capital during the year ended 31 December 2011, 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 year ended 31 December 2011 other than as an agent for clients of the Company or its subsidiaries.

Major customers and suppliers

In the year ended 31 December 2011 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 year ended 31 December 2011.

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 year ended 31 December 2011 were:

Executive directors:

Li Jianguo
Lin Yong
Lee Yiu Wing, William
Chan Chi On, Derek
Poon Mo Yiu, Patrick
Hui Yee, Wilson (appointed on 29 April 2011)
Wong Shiu Hoi, Peter (retired on 29 April 2011)

Non-executive directors:

Ji Yuguang
Wu Bin
Chen Chunqian
Hiroki Miyazato (appointed on 17 March 2011)
Cheng Chi Ming, Brian
Li Mingshan (resigned on 29 April 2011)

Independent non-executive directors:

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

In accordance with the Company's Bye-laws, Messrs. Li Jianguo, Lee Yiu Wing, William, Poon Mo Yiu, Patrick, Ji Yuguang and Cheng Chi Ming, Brian shall retire and, being eligible, shall offer themselves 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 80 to 85 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.

Report of the Board of Directors

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 year ended 31 December 2011.

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

As at 31 December 2011, 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

Name of directors	Class of shares	Number of shares held			Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
		Personal interests	Family interests	Corporate interests			
Li Jianguo	Share options	-	-	-	799,297 (Note 1)	799,297	0.09
Lin Yong	Share options	-	-	-	799,297 (Note 1)	799,297	0.09
Lee Yiu Wing, William	Share options	-	-	-	3,152,306 (Note 2)	3,152,306	0.34
Chan Chi On, Derek	Ordinary shares/ share options	879,485 (Note 3)	-	-	3,052,393 (Note 4)	3,931,878	0.43
Poon Mo Yiu, Patrick	Share options	-	-	-	1,198,946 (Note 1)	1,198,946	0.13
Hui Yee, Wilson	Share options	-	-	-	2,034,927 (Note 5)	2,034,927	0.22
Ji Yuguang	Share options	-	-	-	499,561 (Note 1)	499,561	0.05
Wu Bin	Share options	-	-	-	499,561 (Note 1)	499,561	0.05

Name of directors	Class of shares	Number of shares held			Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
		Personal interests	Family interests	Corporate interests			
Chen Chunqian	Share options	–	–	–	499,561 (Note 1)	499,561	0.05
Cheng Chi Ming, Brian	Share options	–	–	–	499,561 (Note 1)	499,561	0.05
Man Mo Leung	Share options	–	–	–	499,561 (Note 1)	499,561	0.05
Tsui Hing Chuen, William	Share options	–	–	–	499,561 (Note 1)	499,561	0.05
Lau Wai Piu, Bill	Share options	–	–	–	499,561 (Note 1)	499,561	0.05

Notes:

- 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 2011, were exercisable 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 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 2011, 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.
- These shares are held by Mr. Chan Chi On, Derek as beneficial owner.
- 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 2011, 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.
- These shares would be allotted and issued to Mr. Hui Yee, Wilson upon the exercise in full of the share options granted to Mr. Hui under the 2002 share option scheme of the Company. These share options, all of which remained exercisable as at 31 December 2011, were exercisable as to (i) 1,035,806 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) 999,121 share options at the subscription price of HK\$4.854 per share during the period from 3 March 2011 to 2 March 2019.

Report of the Board of Directors

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 2011, 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 year ended 31 December 2011 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 71,503,270 shares, which represented approximately 7.81 % 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.

Report of the Board of Directors

Details of the movement of share options under the 2002 Share Option Scheme during the year ended 31 December 2011 were as follows:

Name or category of participants	Number of share options					At 31 December 2011	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$ per share	Price of Company's shares***	
	At 1 January 2011	Granted during the year	Adjusted during the year	Exercised during the year	Lapsed during the year					At immediately preceding the grant date of share options HK\$ per share	At immediately preceding the exercise date of share options HK\$ per share
Directors											
Li Jianguo	799,297	-	-	-	-	799,297	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Lin Yong	799,297	-	-	-	-	799,297	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Lee Yiu Wing, William	1,553,711	-	-	-	-	1,553,711	1 December 2007	1 June 2008 – 31 May 2016	5.879	5.69	N/A
	1,598,595	-	-	-	-	1,598,595	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Chan Chi On, Derek	1,553,711	-	-	-	-	1,553,711	1 December 2007	1 June 2008 – 31 May 2016	5.879	5.69	N/A
	1,498,682	-	-	-	-	1,498,682	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Poon Mo Yiu, Patrick	1,198,946	-	-	-	-	1,198,946	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Hui Yee, Wilson	1,035,806	-	-	-	-	1,035,806	1 December 2007	1 June 2008 – 31 May 2016	5.879	5.69	N/A
	999,121	-	-	-	-	999,121	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Ji Yuguang	499,561	-	-	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Wu Bin	499,561	-	-	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Chen Chungqian	499,561	-	-	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Cheng Chi Ming, Brian	499,561	-	-	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Man Mo Leung	499,561	-	-	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Tsui Hing Chuen, William	499,561	-	-	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Lau Wai Piu, Bill	499,561	-	-	-	-	499,561	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A

Name or category of participants	Number of share options					At 31 December 2011	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$ per share	Price of Company's shares***	
	At 1 January 2011	Granted during the year	Adjusted during the year	Exercised during the year	Lapsed during the year					At immediately preceding the grant date of share options HK\$ per share	At immediately preceding the exercise date of share options HK\$ per share
Wong Shiu Hoi, Peter	2,071,616	-	-	-	(2,071,616) (Note 1)	-	1 December 2007	1 June 2008 – 31 May 2016	5.879	5.69	N/A
	1,998,243	-	-	-	(1,998,243) (Note 1)	-	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
Li Mingshan	799,297	-	-	-	(799,297) (Note 2)	-	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	N/A
	19,403,249	-	-	-	(4,869,156)	14,534,093					
Continuous contract employees											
In aggregate	15,740,725	-	-	-	(3,314,585) (Note 3)	12,426,140	1 December 2007	1 June 2008 – 31 May 2016	5.879	5.69	N/A
In aggregate	19,662,714	-	-	(310,000)	(3,097,189) (Note 3)	16,255,525	3 September 2010	3 March 2011 – 2 March 2019	4.854	4.79	5.084
	35,403,439	-	-	(310,000)	(6,411,774)	28,681,665					
	54,806,688	-	-	(310,000)	(11,280,930)	43,215,758					

* 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.

*** 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. These share options lapsed during the year ended 31 December 2011 as a result of the retirement of Mr. Wong Shiu Hoi, Peter.
2. These share options lapsed during the year ended 31 December 2011 as a result of the resignation of Mr. Li Mingshan.
3. These share options lapsed during the year ended 31 December 2011 as a result of staff resignations.

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

As at 31 December 2011, 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	Notes	Number of shares held and nature of interests		Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
		Direct	Deemed			
Haitong Securities Co., Ltd. ("HSCL")	(1)	–	636,511,077	–	636,511,077	69.54
Haitong International Holdings Limited ("HIHL")	(1)	636,511,077	–	–	636,511,077	69.54
Cheng Yu Tung Family (Holdings) Limited ("CYTF")	(2)	–	64,213,732	–	64,213,732	7.02
Cheng Yu Tung Family (Holdings II) Limited ("CYTF II")	(2)	–	64,213,732	–	64,213,732	7.02
Chow Tai Fook Capital Limited ("CTFC")	(2)	–	64,213,732	–	64,213,732	7.02
Chow Tai Fook (Holding) Limited ("CTFH")	(2)	–	64,213,732	–	64,213,732	7.02
Chow Tai Fook Enterprises Limited ("CTFE")	(2)	–	64,213,732	–	64,213,732	7.02
New World Development Company Limited ("NWD")	(2)	–	64,213,732	–	64,213,732	7.02
NWS Holdings Limited ("NWS")	(2)	–	64,213,732	–	64,213,732	7.02
NWS Service Management Limited (incorporated in the Cayman Islands) ("NWSSM (Cayman)")	(2)	–	64,213,732	–	64,213,732	7.02

Name of substantial shareholders	Notes	Number of shares held and nature of interests		Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
		Direct	Deemed			
NWS Service Management Limited (incorporated in the British Virgin Islands) ("NWSSM (BVI)")	(2)	–	64,213,732	–	64,213,732	7.02
NWS Financial Management Services Limited ("NWSFM")		64,213,732	–	–	64,213,732	7.02

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 and CYTF II held respectively an interest of 48.98% and 40.23% in CTFC, which in turn held an interest of approximately 74.07% in CTFH and CTFH in turn held the entire issued share capital of CTFE. CTFE and its subsidiaries held an interest of approximately 40.87% in NWD, which in turn and its subsidiaries held approximately 60.38% of the issued share capital of NWS. NWS, through its wholly-owned subsidiary, NWSSM (Cayman), held the entire issued share capital of NWSSM (BVI), which in turn held the entire issued share capital of NWSFM. By virtue of the provisions of the SFO, each of CYTF, CYTF II, CTFC, CTFH, 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 2011, 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

Mr. Li Jianguo (a Deputy Chairman of the Company) is the deputy chairman of the board of HIHL, which is a wholly-owned subsidiary of HSCL and the assistant of the general manager of HSCL. Mr. Lin Yong (a Deputy Chairman and the Managing Director of the Company) is the chief executive officer of HIHL. Mr. Ji Yuguang (the Chairman of the Company) is the deputy general manager and a director of the Overseas Business Committee of HSCL as well as the chairman of the board of HIHL. Mr. Wu Bin (a non-executive director) is the director of the Strategic Development and IT Governance Committee as well as the head of the general manager office of HSCL, and also the head of preparatory group of Haitong Asset Management Company and a director of HIHL. Mr. Chen Chunqian (a non-executive director) is the deputy director of the Brokerage Business Committee and the general manager of the Sales Department of HSCL. Mr. Hiroki Miyazato (a non-executive director) is the general manager of the International Business Department, a member of the Executive Committee for International Business Coordination and Development, the general secretary of the Overseas Business Committee and a member of the Strategic Development and IT Governance Committee of HSCL. HSCL competes or may compete, either directly or indirectly, with the business of the Group.

The board of directors of the Company considers 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. Ji Yuguang, Mr. Wu Bin, Mr. Chen Chunqian and Mr. Hiroki Miyazato (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 3 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 have 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 quality 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) Mr. Li Jianguo, Mr. Lin Yong, Mr. Ji Yuguang, Mr. Wu Bin, Mr. Chen Chunqian and Mr. Hiroki Miyazato (collectively, 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, competes with the Company and/or the business of the Group.

Based on the above, as at 31 December 2011, none of the directors of the Company and their associates was considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

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 34 to the financial statements.

The independent non-executive directors have reviewed the continuing connected transactions in note 34 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 34 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 57 to 67 of this Annual Report.

Auditors

The financial statements for the year ended 31 December 2011 of the Company have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for reappointment.

On behalf of the Board

JI Yuguang

Chairman

Hong Kong, 13 March 2012

獨立核數師報告書

Independent Auditor's Report



羅兵咸永道

獨立核數師報告
致海通國際證券集團
有限公司股東

(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第114至第247頁海通國際證券集團有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於2011年12月31日的綜合和公司資產負債表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見,並按照百慕達1981年《公司法》第90條僅向整體股東報告我們的意見,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HAITONG INTERNATIONAL SECURITIES GROUP LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Haitong International Securities Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 114 to 247, which comprise the consolidated and Company balance sheets as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the 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.

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羅兵咸永道

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

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2011年12月31日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，2012年3月13日

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 13 March 2012

綜合收益表

Consolidated Income Statement

截至2011年12月31日止年度

For the year ended 31 December 2011

			截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
收入	Revenue	5	959,157	1,459,935
其他收入	Other income	5	56,589	55,018
			1,015,746	1,514,953
僱員福利開支：	Employee benefits costs:			
薪金及佣金、花紅及 退休金計劃供款	Salaries and allowances, bonuses and pension scheme contributions	6	(339,265)	(439,213)
客戶主任佣金	Commission to accounts executives	6	(141,587)	(252,410)
折舊	Depreciation	13	(43,558)	(49,370)
其他經營開支	Other operating expenses		(278,152)	(339,962)
重新計量分類為持作待售的 資產／負債之收益	Gain on re-measurement of assets/liabilities classified as held for sale		-	2,023
			(802,562)	(1,078,932)
財務成本	Finance costs	6	(34,126)	(39,194)
經營溢利	Operating profit		179,058	396,827
應佔聯營公司溢利	Share of profit of an associate		-	1,718
除稅前溢利	Profit before taxation	6	179,058	398,545
稅項開支	Taxation expenses	9	(25,973)	(53,386)
年內／期內溢利	Profit for the year/period		153,085	345,159

綜合收益表 Consolidated Income Statement

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截至2011年12月31日止年度
For the year ended 31 December 2011

			截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
以下人士應佔：	Attributable to:			
本公司股本持有人	Equity holders of the Company	10	153,204	345,795
非控制性權益	Non-controlling interests		(119)	(636)
			153,085	345,159
股息	Dividends	11		
第一次中期股息	First interim dividend		-	70,896
第二次中期股息	Second interim dividend		-	42,538
中期股息	Interim dividend		54,920	-
擬派末期股息	Proposed final dividend		18,307	57,203
			73,227	170,637
本公司股本持有人 應佔每股盈利 基本	Earnings per share attributable to equity holders of the Company Basic	12	19.37港仙 19.37 cents	48.80港仙 48.80 cents
攤薄	Diluted		19.35港仙 19.35 cents	48.68港仙 48.68 cents

第126至第247頁之附註為本綜合財務報表之組成部份。

The notes on pages 126 to 247 form an integral part of this consolidated financial statements.

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至2011年12月31日止年度

For the year ended 31 December 2011

		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
年內／期內溢利	Profit for the year/period	153,085	345,159
出售可供出售投資	Disposal of available-for-sale investments	(8,406)	–
可供出售投資之公平值 變動	Changes in fair value of available-for-sale investments	(2,792)	5,731
年內／期內其他全面收益	Other comprehensive income for the year/period	(11,198)	5,731
年內／期內全面收益總額	Total comprehensive income for the year/period	141,887	350,890
以下人士應佔：	Attributable to:		
本公司股本持有人	Equity holders of the Company	142,006	351,526
非控制性權益	Non-controlling interests	(119)	(636)
		141,887	350,890

第126至第247頁之附註為本綜合財務報表之組成部份。

The notes on pages 126 to 247 form an integral part of this consolidated financial statements.

綜合資產負債表

Consolidated Balance Sheet

於2011年12月31日
As at 31 December 2011

			2011年12月31日 31 December 2011 千港元 HK\$'000	2010年12月31日 31 December 2010 千港元 HK\$'000
		附註 Note		
資產	ASSETS			
非流動資產	Non-current assets			
固定資產	Fixed assets	13	178,171	151,420
商譽	Goodwill	14	9,854	9,854
其他無形資產	Other intangible assets	15	6,609	6,609
其他資產	Other assets	16	14,811	43,513
遞延稅項資產	Deferred tax assets	28	2,714	2,343
可供出售投資	Available-for-sale investments	18	11,250	32,018
持有至到期之投資	Held-to-maturity investments	19	142,695	–
其他應收賬項	Other receivables	20	51,807	–
			417,911	245,757
流動資產	Current assets			
給予客戶之貸款	Advances to customers	21	3,438,293	4,375,589
應收賬款	Accounts receivable	22	946,980	966,946
預付款項、按金及 其他應收賬項	Prepayments, deposits and other receivables	20	119,913	133,600
預付稅項	Tax prepaid		28,041	21,725
按公平值計入損益之 財務投資	Financial investments at fair value through profit or loss	23	17,724	92,251
代客戶持有之現金	Cash held on behalf of customers	24	4,992,026	5,158,603
現金及銀行結存	Cash and bank balances		1,001,238	417,680
			10,544,215	11,166,394
資產總額	Total assets		10,962,126	11,412,151
股權及負債	EQUITY AND LIABILITIES			
本公司股本持有人 應佔股權	Equity attributable to equity holders of the Company			
已發行股本	Issued capital	29	(91,534)	(71,503)
儲備	Reserves	31	(2,944,747)	(2,041,874)
擬派末期股息	Proposed final dividend	11	(18,307)	(57,203)
			(3,054,588)	(2,170,580)
非控制性權益	Non-controlling interests		(6,639)	(6,758)
股權總額	Total equity		(3,061,227)	(2,177,338)

綜合資產負債表 Consolidated Balance Sheet

於2011年12月31日

As at 31 December 2011

			2011年12月31日 31 December 2011 千港元 HK\$'000	2010年12月31日 31 December 2010 千港元 HK\$'000
負債	Liabilities			
非流動負債	Non-current liabilities			
遞延稅項負債	Deferred tax liabilities	28	(24,726)	(19,832)
			(24,726)	(19,832)
流動負債	Current liabilities			
應付賬款	Accounts payable	25	(6,044,889)	(6,052,493)
應付稅項	Tax payable		(34,414)	(51,429)
其他應付賬款及應計款項	Other payables and accruals	26	(102,345)	(136,792)
貸款及其他借貸	Loans and other borrowings	27	(1,694,525)	(2,974,267)
			(7,876,173)	(9,214,981)
負債總額	Total liabilities		(7,900,899)	(9,234,813)
股權及負債總額	Total equity and liabilities		(10,962,126)	(11,412,151)
流動資產淨額	Net current assets		2,668,042	1,951,413
資產總額減流動負債	Total assets less current liabilities		3,085,953	2,197,170

林涌
LIN Yong
董事
Director

李耀榮
LEE Yiu Wing, William
董事
Director

第126至第247頁之附註為本綜合財務報表之組成部份。

The notes on pages 126 to 247 form an integral part of this consolidated financial statements.

資產負債表

Balance Sheet

於2011年12月31日
As at 31 December 2011

			2011年12月31日 31 December 2011 千港元 HK\$'000	2010年12月31日 31 December 2010 千港元 HK\$'000
		附註 Note		
資產	ASSETS			
非流動資產	Non-current assets			
固定資產	Fixed assets	13	17,796	15,120
於附屬公司之投資	Investment in subsidiaries	17	105,377	105,377
			123,173	120,497
流動資產	Current assets			
應收附屬公司款項	Amount due from subsidiaries	17	4,024,331	3,176,448
預付款項、按金及 其他應收賬項	Prepayments, deposits and other receivables	20	8,527	5,994
現金及銀行結存	Cash and bank balances		15,060	8,969
			4,047,918	3,191,411
資產總額	Total assets		4,171,091	3,311,908
股權及負債	EQUITY AND LIABILITIES			
本公司股本持有人 應佔股權	Equity attributable to equity holders of the Company			
已發行股本	Issued capital	29	(91,534)	(71,503)
儲備	Reserves	31	(1,871,056)	(991,459)
擬派末期股息	Proposed final dividend	11	(18,307)	(57,203)
股權總額	Total equity		(1,980,897)	(1,120,165)

資產負債表 Balance Sheet

於2011年12月31日

As at 31 December 2011

			2011年12月31日 31 December 2011 千港元 HK\$'000	2010年12月31日 31 December 2010 千港元 HK\$'000
		附註 Note		
流動負債	Current liabilities			
應付附屬公司款項	Amounts due to subsidiaries	17	(1,468,719)	(756,097)
應付稅項	Tax payable		(11,136)	(6,590)
其他應付賬款及應計款項	Other payables and accruals	26	(13,814)	(39,681)
貸款及其他借貸	Loans and other borrowings	27	(696,525)	(1,389,375)
負債總額	Total liabilities		(2,190,194)	(2,191,743)
股權及負債總額	Total equity and liabilities		(4,171,091)	(3,311,908)
流動資產淨額	Net current assets		1,857,724	999,668
資產總額減流動負債	Total assets less current liabilities		1,980,897	1,120,165

林涌
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董事
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董事
Director

第126至第247頁之附註為本綜合財務報表之組成部份。

The notes on pages 126 to 247 form an integral part of this consolidated financial statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至2011年12月31日止年度

For the year ended 31 December 2011

		本公司股本持有人應佔												
		Attributable to equity holders of the Company												
		已發行股本	股份溢價賬	購股權儲備	股本贖回儲備	繳入盈餘	資本儲備	投資重估儲備	匯兌儲備	建議現金股息/以股代息		非控制性權益	股權總額	
										保留溢利	合計			
		Issued capital	Share premium account	Share option reserve	Capital redemption reserve	Contributed surplus	Capital reserve	Investment revaluation reserve	Exchange reserve	Proposed cash/scrip dividend	Retained profits	Total	Non-controlling interests	Total equity
		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
		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
於2011年1月1日	At 1 January 2011	71,503	947,472	24,371	5,102	21	45,501	17,851	(30)	57,203	1,001,586	2,170,580	6,758	2,177,338
年內溢利	Profit for the year	-	-	-	-	-	-	-	-	-	153,204	153,204	(119)	153,085
年內其他全面收益	Other comprehensive income for the year	-	-	-	-	-	-	(8,406)	-	-	-	(8,406)	-	(8,406)
出售可供出售投資	Disposal of available-for-sale investments	-	-	-	-	-	-	(8,406)	-	-	-	(8,406)	-	(8,406)
可供出售投資之公平值變動	Changes in fair value of available-for-sale investments	-	-	-	-	-	-	(2,792)	-	-	-	(2,792)	-	(2,792)
全面收益總額	Total comprehensive income	-	-	-	-	-	-	(11,198)	-	-	153,204	142,006	(119)	141,887
發行新股份 – 貸款資本化 – 附註29	Issue of new shares – loan capitalisation – note 29	20,000	826,225	-	-	-	-	-	-	-	-	846,225	-	846,225
宣派2010年末期股息及以現金支付	2010 final dividend declared and settled in cash	-	-	-	-	-	-	-	-	(57,203)	-	(57,203)	-	(57,203)
宣派2011年中期股息及以現金支付	2011 interim dividend declared and settled in cash	-	-	-	-	-	-	-	-	-	(54,920)	(54,920)	-	(54,920)
授予僱員之新購股權 – 附註30	New share options granted to employees – note 30	-	-	6,396	-	-	-	-	-	-	-	6,396	-	6,396
發行新股份 – 購股權計劃 – 附註30	Issue of new shares – share option scheme – note 30	31	1,651	(178)	-	-	-	-	-	-	-	1,504	-	1,504
已失效購股權	Share options lapsed	-	6,306	(6,306)	-	-	-	-	-	-	-	-	-	-
擬派2011年末期股息 – 附註11	Proposed 2011 final dividend – note 11	-	-	-	-	-	-	-	-	18,307	18,307	-	-	-
於2011年12月31日	At 31 December 2011	91,534	1,781,654	24,283	5,102	21	45,501	6,653	(30)	18,307	1,081,563	3,054,588	6,639	3,061,227

¹ 此等儲備賬包括載入綜合資產負債表之綜合儲備2,944,747,000港元(2010年12月31日: 2,041,874,000港元)。

¹ These reserve accounts comprise the consolidated reserves of HK\$2,944,747,000 (31 December 2010: HK\$2,041,874,000) in the consolidated balance sheet.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至2011年12月31日止年度

For the year ended 31 December 2011

		本公司股本持有人應佔												
		Attributable to equity holders of the Company												
		已發行 股本	股份 溢價	購股權 儲備	股本 贖回儲備	撥入盈餘	資本儲備	投資 重估儲備	匯兌儲備	建議現金 股息/ 以股代息	保留溢利	合計	非控制性 權益	股權總額
		Share Issued capital	Share premium account	Share option reserve	Capital redemption reserve	Contributed surplus	Capital reserve	Investment revaluation reserve	Exchange reserve	Proposed dividend	Retained profits	Total	Non- controlling interests	Total equity
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000 (附註30) (note 30)	千港元 HK\$'000 (附註31) (note 31)	千港元 HK\$'000 (附註31) (note 31)	千港元 HK\$'000 (附註31) (note 31)	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於2009年7月1日	At 1 July 2009	70,645	894,677	14,484	5,102	21	45,501	12,120	(30)	56,516	826,428	1,925,464	5,394	1,930,858
期內溢利	Profit for the period	-	-	-	-	-	-	-	-	-	345,795	345,795	(636)	345,159
期內其他全面收益	Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
可供出售投資之 公平值變動	Changes in fair value of available-for-sale investments	-	-	-	-	-	-	5,731	-	-	-	5,731	-	5,731
全面收益總額	Total comprehensive income	-	-	-	-	-	-	5,731	-	-	345,795	351,526	(636)	350,890
註冊成立新附屬公司	Incorporation of a new subsidiary	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
宣派2009年末期股息 及以股份及現金支付	2009 final dividend declared and settled in shares and cash	124	5,599	-	-	-	-	-	-	(56,516)	-	(50,793)	-	(50,793)
宣派2010年第1次及 第2次中期股息及 以股份及現金支付	2010 first and second interim dividend declared and settled in shares and cash	560	34,243	-	-	-	-	-	-	-	(113,434)	(78,631)	-	(78,631)
授予僱員之新購股權 - 附註30	New share options granted to employees - note 30	-	-	12,791	-	-	-	-	-	-	-	12,791	-	12,791
發行新股份 - 購股權 計劃 - 附註30	Issue of new shares - share option scheme - note 30	174	11,337	(1,288)	-	-	-	-	-	-	-	10,223	-	10,223
已失效購股權	Share options lapsed	-	1,616	(1,616)	-	-	-	-	-	-	-	-	-	-
擬派2010年末期股息 - 附註11	Proposed 2010 final dividend - note 11	-	-	-	-	-	-	-	-	57,203	(57,203)	-	-	-
於2010年12月31日	At 31 December 2010	71,503	947,472	24,371	5,102	21	45,501	17,851	(30)	57,203	1,001,586	2,170,580	6,758	2,177,338

第126至第247頁之附註為本綜合財務報表之組成部份。

The notes on pages 126 to 247 form an integral part of this consolidated financial statements.

綜合現金流量表

Consolidated Statement of Cash Flows

截至2011年12月31日止年度

For the year ended 31 December 2011

		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
經營業務之現金流量	Cash flows from operating activities		
除稅前溢利	Profit before taxation	179,058	398,545
經作出下列調整：	Adjustments for:		
出售聯營公司 收益	Gain on disposal of an associate	-	(4,843)
應佔聯營公司之溢利	Share of profit of an associate	-	(1,718)
利息收入	Interest income	(360,607)	(326,754)
財務成本	Finance costs	34,126	39,194
上市投資之股息 收入	Dividend income from listed investments	(2,620)	(2,564)
出售固定資產之 虧損	Loss on disposal of fixed assets	38	452
折舊	Depreciation	43,558	49,370
出售可供出售投資之 收益，淨額	Gain on disposal of available- for-sale investments, net	(8,406)	(11,267)
重新計量分類為持作 待售資產／負債 之收益	Gain on re-measurement of assets/liabilities classified as held for sale	-	(2,023)
以股本支付之購股權 開支	Equity-settled share option expense	6,396	12,791
出售持作待售資產 ／負債之收益	Gain on disposal of assets/ liabilities classified as held for sale	-	(2,950)
給予客戶之貸款減少／ (增加)	Decrease/(increase) in advances to customers	937,296	(2,648,921)
應收賬款減少	Decrease in accounts receivable	22,751	1,799,560
預付款項、按金及其他 應收賬項減少／ (增加)	Decrease/(increase) in prepayments, deposits and other receivables	17,286	(73,820)
按公平值計入損益之 財務投資減少／ (增加)	Decrease/(increase) in financial investments at fair value through profit or loss	74,527	(69,623)
代客戶持有之現金減少 ／(增加)	Decrease/(increase) in cash held on behalf of customers	166,577	(1,496,717)
應付賬款(減少)／增加	(Decrease)/increase in accounts payable	(7,604)	1,356,047
其他應付賬款及應計款項 (減少)／增加	(Decrease)/increase in other payables and accruals	(35,183)	81,006
貸款及其他借貸 (減少)／增加 (不包括銀行透支)	(Decrease)/increase in loans and other borrowings (excluding bank overdraft)	(415,850)	807,875
已收利息	Interest received	352,990	308,288
已付財務成本	Finance costs paid	(33,851)	(39,194)
已付稅項	Tax paid	(44,781)	(219)
已收上市投資之股息	Dividends received from listed investments	2,620	2,564
經營業務之現金流入淨額	Net cash inflow from operating activities	928,321	175,079

綜合現金流量表

Consolidated Statement of Cash Flows

截至2011年12月31日止年度

For the year ended 31 December 2011

		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
經營業務之現金流入淨額	Net cash inflow from operating activities	928,321	175,079
投資活動之現金流量	Cash flows from investing activities		
購買固定資產	Purchases of items of fixed assets	13 (70,454)	(80,228)
出售固定資產所得款項	Proceeds from disposal of fixed assets	107	51
收購附屬公司 於其他無形資產之投資	Acquisition of subsidiaries Investment in other intangible assets	–	(369)
其他資產減少／(增加)	Decrease/(increase) in other assets	15 –	(2,000)
出售可供出售投資之 所得款項	Proceeds from disposal of available-for-sale investments	18 17,976	18,054
投資持有至到期之投資	Investment in held-to-maturity investments	19 (142,481)	–
投資非上市債務證券	Investment in unlisted debt securities	20 (51,807)	–
出售持作待售資產／負債 之所得款項	Proceeds from disposal of assets/liabilities classified as held for sale	–	59,157
出售聯營公司之所得款項	Proceeds from disposal of an associate	5 –	15,680
投資債務證券之已收利息	Interest received from investment in debt securities	1,019	–
投資活動之現金 流出淨額	Net cash outflow from investing activities	(216,938)	(26,143)
融資活動之現金流量	Cash flows from financing activities		
發行股份之所得款項 (包括已獲行使購股權)	Proceeds from issue of shares (including shares options exercised)	30 1,504	10,223
已付股份發行成本	Share issuing costs paid	29 (3,314)	–
非控制性權益之供款	Contribution from non-controlling interests	–	2,000
付給股東之股息	Dividends paid to shareholders	(112,123)	(129,424)
融資活動之現金流出淨額	Net cash outflow from financing activities	(113,933)	(117,201)
現金及現金等值項目之 增加淨額	Net increase in cash and cash equivalents	597,450	31,735
年初／期初之現金及 現金等值項目	Cash and cash equivalents at beginning of year/period	403,788	372,053
年末／期末之現金及 現金等值項目	Cash and cash equivalents at end of year/period	1,001,238	403,788
現金及現金等值項目結存 之分析	Analysis of balances of cash and cash equivalents		
現金及銀行結存	Cash and bank balances	1,001,238	417,680
銀行透支	Bank overdrafts	–	(13,892)
		1,001,238	403,788

非現金交易

於2011年6月23日，本集團與本公司直接控股公司海通國際控股有限公司訂立貸款資本化協議，據此海通國際控股有限公司通過將於2011年6月23日到期的應收本集團公司間貸款850,000,000港元進行資本化，按每股4.25港元之價格認購200,000,000股股份。公司間貸款的資本化隨後於2011年8月8日舉行的股東特別大會上獲批准，而股份已於2011年8月16日發行。

Non-cash transaction

On 23 June 2011, the Group entered into a loan capitalisation agreement with Haitong International Holdings Limited, the immediate holding company of the Company, which Haitong International Holdings Limited subscribed 200,000,000 shares at HK\$4.25 per share by way of capitalisation of HK\$850,000,000 intercompany loans due from the Group as at 23 June 2011. The capitalisation of intercompany loans was subsequently approved in a special general meeting convened on 8 August 2011 and the shares were issued on 16 August 2011.

第126至第247頁之附註為本綜合財務報表之組成部份。

The notes on pages 126 to 247 form an integral part of this consolidated financial statements.

財務報表附註

Notes to Financial Statements

1 公司資料

海通國際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。

本公司於香港聯合交易所有限公司上市。

截至2011年12月31日止年度，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2009年12月21日，本公司之前控股公司新創建集團有限公司向海通國際控股有限公司（前稱「海通（香港）金融控股有限公司」）出售其控股權益。因此，為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）之財政年度結算日已由6月30日更改為12月31日。

因此，前一財政期內涵蓋由2009年7月1日至2010年12月31日止18個月期內。

1 Corporate information

Haitong International 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.

The Company is listed on the Stock Exchange of Hong Kong Limited.

During the year ended 31 December 2011, 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 years

On 21 December 2009, the former holding company, 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 previous financial period covered a 18-month period from 1 July 2009 to 31 December 2010.

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。除另有說明外，該等政策在所呈報的所有期內貫徹應用。

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。該等綜合財務報表乃根據歷史成本慣例編製，並經可供出售投資及按公平值計入損益之財務投資修訂。

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計，其亦要求管理層在應用本集團之會計政策時作出判斷。上述範疇涉及高度估計或極為複雜，或者涉及對綜合財務報表而言十分重要的預測或估計，詳情載於附註3。

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 years 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 and financial assets at fair value through profit or loss.

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.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 於年內生效並與本集團業務有關之準則、修訂及詮釋

- 香港會計準則第1號(修訂本)「財務報表之呈報」，於2010年1月1日或之後的期間生效。本修訂釐清，可能以發行權益工具清償負債，與其作為流動負債或非流動負債之分類無關。通過修改流動負債之定義，儘管實體可能被交易對方要求隨時以股份結算，本修訂准許負債分類為非流動負債，惟實體須擁有無條件權利，將以轉讓現金或其他資產結算之期限延遲至會計期間起計至少十二個月。由於本集團於目前年度內並無發行可換股工具，本修訂對本集團之財務報表並無任何影響。

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

- HKAS 1 (amendment), 'Presentation of financial statements', effective for the period 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 amendment has not resulted in any impact on the Group's financial statements as the Group had not issued convertible instrument during the current year.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 於年內生效並與本集團業務有關之準則、修訂及詮釋 (續)

- 香港會計準則第24號(經修訂)「關聯方披露」。該準則取代了2003年公佈的香港會計準則第24號「關聯方披露」。經修訂準則澄清並簡化了關聯方的定義，同時取消了政府相關實體披露與政府及其他政府相關實體所作全部交易細節的要求。經修訂準則同樣要求本集團與母公司披露附屬公司與聯營公司之間的任何交易。本集團已就關聯方交易採納香港會計準則第24號(經修訂)，詳情於綜合財務報表附註34中披露。採納該準則對本集團並無重大影響。

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

- HKAS 24 (Revised), 'Related party disclosures'. It supersedes HKAS 24, 'Related party disclosures', issued in 2003. 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 revised standard also requires the Group and the parent to disclose any transactions between its subsidiaries and its associates. The Group has adopted HKAS 24 (Revised) in relation to the related party transactions as disclosed in note 34 to the consolidated financial statements. The adoption of this standard does not have material impact to the Group.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 於年內生效並與本集團業務有關之準則、修訂及詮釋 (續)

- 香港會計準則第34號「中期財務報告」(修訂本)，自二零一一年一月一日起或其後開始之期間生效。該修訂乃2010年5月公佈之香港會計師公會之年度改進項目的一部分。該修訂強調香港會計準則第34號現行之披露原則，並加入更多指引以闡明如何應用此等原則，且更強調對重大事項及交易之披露原則。新增規定包括對公平值計量變動(倘重大)之披露，及要求對最近年度報告起之有關資料作出更新。該修訂將只導致在本集團中期財務資料中作出更多披露，從而並無導致本綜合財務報表中進行任何更多披露。
- 香港會計準則第36號(修訂本)「資產減值」，於2010年1月1日或之後期間生效。此修訂澄清就減值測試目的，獲分配商譽的最大現金產生單位(或單位組別)為經營分部，如香港財務報告準則第8號所定義。本集團已就現行年度商譽減值測試採納香港會計準則第36號(修訂本)。

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

- Amendment to HKAS 34 'Interim financial reporting', effective for the period beginning on or after 1 January 2011. The amendment is part of the HKICPA's annual improvements project published in May 2010. It emphasizes the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change only results in additional disclosures in the interim financial information of the Group and thus did not result in any additional disclosure in these consolidated financial statements.
- HKAS 36 (amendment), 'Impairment of assets', effective for the period 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 has adopted this amendment to HKAS 36 to the impairment testing performed on the goodwill in current year.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 於年內生效並與本集團業務有關之準則、修訂及詮釋 (續)

- 香港財務報告準則第7號(修訂本)「財務工具：披露」，於2011年1月1日或之後的期間生效。該修訂乃2010年5月公佈之香港會計師公會之年度改進項目的一部分。該修訂準則澄清了有關財務工具的七項披露要求，特別關注定性披露和信貸風險披露。本集團已就本集團的信貸風險採納此香港財務報告準則第7號之修訂。
- 香港(國際財務報告詮釋委員會)－詮釋第19號「以權益工具取代財務負債」，於2010年7月1日或以後開始之期間生效。該項詮釋闡明當財務負債的條款獲重新磋商並導致實體向實體債權人發行股本工具以抵銷全部或部分金融負債(債權轉股權)時實體的會計方法。其規定於損益內確認按財務負債賬面值與已發行股本工具的公允值間之差額計量的盈虧。倘已發行股本工具的公平值難以準確計量，則應以反映清償財務負債公平值計量股本工具。然而，與直接控股公司訂立之債轉股(貸款資本化)並不適用此詮釋。

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

- Amendment to HKFRS 7 'Financial instruments: disclosures', effective for the period beginning on or after 1 January 2011. The amendment is part of the HKICPA's annual improvements project published in May 2010. It clarifies seven disclosure requirements for financial instruments, with a particular focus on the qualitative disclosures and credit risk disclosures. The Group adopted this amendment to HKFRS 7 in relation to credit risk exposures of the Group.
- HK(IFRIC) – Int 19, 'Extinguishing financial liabilities with equity instruments', effective for the period beginning on or after 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. This interpretation however does not apply to the debt to equity swap (loan capitalization) entered with the immediate holding company. This incorporation however does not apply to the debt to equity swap (loan capitalization) entered with the immediate holding company.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 於年內生效並與本集團業務有關之準則、修訂及詮釋 (續)

- 香港 (國際財務報告詮釋委員會) – 詮釋第13號 (修訂本)「客戶忠誠度計劃」。該修訂乃2010年5月公佈之香港會計師公會之年度改進項目的一部分。該修訂澄清了於計量忠誠度獎勵的公平值時，實體應考慮將向顧客所提供獎賞的價值以及預期不會獲顧客贖回之獎賞部份的價值。該修訂版並無對本集團財務報表造成重大影響。

(b) 於年內生效但與本集團業務無關之準則、修訂及詮釋

- 香港會計準則第17號 (修訂本)「租賃」
- 香港財務報告準則第2號 (修訂本)「集團以現金結算以股份為基礎的支付交易」
- 香港財務報告準則第5號 (修訂本)「持作出售之非流動資產及已終止經營業務」
- 香港會計準則第32號 (修訂本)「供股權分類」

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

- HK(IFRIC) – Int 13 (amendment), 'Customer loyalty programmes'. The amendment is part of the HKICPA's annual improvements published in May 2010. It clarifies that when measuring the fair value of loyalty incentive, entities should take into account both the value of the award that would be offered to customers and the proportion of the award credit is not expected to be redeemed by customers. The amendment does not result in a material impact to the Group's financial statements.

(b) Standards, amendments and interpretations effective for the year but not relevant to the Group's operation

- HKAS 17 (amendment), 'Leases'
- HKFRS 2 (amendment), 'Group cash-settled share-based payment transactions'
- HKFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'
- HKAS 32 (amendment), 'Classification of rights issues'

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(b) 於年內生效但與本集團業務無關的準則、修訂及詮釋 (續)

- 香港 (國際財務報告詮釋委員會) – 詮釋第14號 (修訂本)「最低資金要求預付款」
- 香港會計準則第19號 (修訂本)「僱員福利」
- 2010年香港財務報告準則之第三次改進乃於2010年5月由香港會計師公會頒佈，惟上文附註2.1(a)所披露之對香港會計準則第34號「中期財務資料」、香港財務報告準則第7號「財務工具：披露」及香港 (國際財務報告詮釋委員會) – 詮釋第13號「客戶忠誠度計劃」之修訂除外，所有該等修訂目前均與本集團無關。所有改進均於2011年1月1日開始之財務期間生效。

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments and interpretations effective for the year but not relevant to the Group's operation (continued)

- HK(IFRIC) – Int 14 (amendment), 'Prepayments of a minimum funding requirement'
- HKAS 19 (amendment), 'Employee benefits'
- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the Hong Kong Institute of Certified Public Accountants, except for amendments to HKAS 34 'interim financial information', HKFRS 7 'financial instruments: disclosures', and HK(IFRIC) – Int 13 'customer loyalty programmes' as disclosed in note 2.1(a) above, all are not currently relevant to the Group. All improvements are effective in the financial periods beginning 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

- 香港財務報告準則第9號「財務工具」於2015年1月1日或之後開始之期間生效。該準則闡述了財務資產及財務負債的分類、計量及確認。香港財務報告準則第9號於2009年11月及2010年10月頒佈。該準則取代了香港會計準則第39號中與財務工具的分類及計量相關的部分。香港財務報告準則第9號規定財務資產分類為兩個計量類別：按公平值計量類別及按攤銷成本計量類別。此釐定需於初步確認時作出。分類視乎實體管理其財務工具的業務模型及該工具的合約現金流量特徵而定。就財務負債而言，該準則保留了香港會計準則第39號的大部分規定。主要變動為倘財務負債選擇以公平值列賬，因實體本身信貸風險而產生的公平值變動部分於其他全面收益而非收益表入賬，除非這會導致會計錯配。本集團尚未評估香港財務報告準則第9號的全面影響及擬於其生效日期對其進行採納，即2015年1月1日或之後開始的會計期間。

2 Summary of significant accounting policies (continued)

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

- HKFRS 9, 'Financial instruments', effective for the periods beginning on or after 1 January 2015. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is 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. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess HKFRS 9's full impact and intends to adopt HKFRS 9 upon its effective date, which is for the accounting period beginning on or after 1 January 2015.

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7號(修訂本)「披露－轉讓財務資產」，自2011年7月1日或之後開始的會計期間生效。該修訂介紹了轉讓財務資產的新披露要求。被轉移至另一方但仍在實體的資產負債表中的財務資產，需按資產類別披露其性質、賬面金額及對其風險回報的描述。已轉移資產的損益以及該等資產中的任何保留權益必須披露。此外，其他披露事項必須能夠令使用者了解任何相關負債的金額，以及財務資產與相關負債之間的關係。披露須按繼續涉入的類型進行呈列。例如，保留的風險可按財務工具類型呈列(例如擔保，看漲或看跌期權)，或按轉移的類型(例如計入應收款項、證券化或證券借貸)。本集團將於2012年1月1日起採納該修訂。

2 Summary of significant accounting policies (continued)

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 7 (amendment) 'Disclosures – Transfers of financial assets', effective for the period beginning on or after 1 July 2011. The amendment introduces new disclosure requirement on transfers of financial assets. Disclosure is required by class of asset of the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity's balance sheet. The gain or loss on the transferred assets and any retained interest in those assets must be given. In addition, other disclosures must enable users to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. The disclosures must be presented by type of ongoing involvement. For example, the retained exposure could be presented by type of financial instrument (such as guarantees, call or put options), or by type of transfer (such as factoring of receivables, securitisations or securities lending). The Group will apply the amendment from 1 January 2012.

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)「呈列財務報表」，自2012年7月1日或之後開始的會計期間生效。該修訂規定實體須將呈列於「其他全面收益」的項目進行分組，而分組基準為該等項目之後是否可能重新分類至損益(重新分類調整)。該等修訂並未說明哪些項目將於「其他全面收益」內呈列。本集團將自2013年1月1日起採納該修訂本。
- 香港財務報告準則第10號「綜合財務報表」，自2013年1月1日或之後開始之會計期間生效。新準則基於現有原則，將控制權之概念視為決定實體是否應納入母公司綜合財務報表的因素。該準則提供了於控制權難以評估時協助釐定控制權的額外指引。本集團尚未評估香港財務報告準則第10號的全面影響，並擬於不遲於自2013年1月1日或之後開始的會計期間予以採納。

2 Summary of significant accounting policies (continued)

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 accounting period beginning on or after 1 July 2012. The amendment requires entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The Group will apply the amendment from 1 January 2013.
- HKFRS 10 'Consolidated financial statements', effective for the accounting period beginning on or after 1 January 2013. The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess HKFRS 10's full impact and intends to adopt HKFRS 10 no later than the accounting period beginning on or after 1 January 2013.

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11號「合營安排」，自2013年1月1日或之後開始的會計期間生效。該準則透過重點關注安排的權利及義務，而非其法律形式，對之進行了更實質地反映。聯合安排的形式有兩種：共同經營及合營企業。若一名共同經營商有權獲得與安排有關的資產及義務，並交代其於資產、負債、收入及開支的權益，則產生共同經營。按比例合併合營企業將不再允許。因發佈香港財務報告準則第11號，香港會計準則第28號已經修訂並重新命名為「聯營和合營」，並亦自2013年1月1日或之後開始的會計期間生效。經修訂的準則包括合營及聯營須以權益會計法入賬的要求。本集團將自2013年1月1日起應用香港財務報告準則第11號及香港會計準則第28號（經修訂）。由於本集團並無任何合營安排或聯營，故預計該等準則將不會對本集團的財務報表產生重大影響。

2 Summary of significant accounting policies (continued)

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 11 'Joint arrangement', effective for the accounting period beginning on or after 1 January 2013. The standard is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. As a result of the pronouncement of HKFRS 11, HKAS 28 has been revised and renamed as 'Associates and joint ventures', which is also effective for the accounting period beginning on or after 1 January 2013. The revised standard includes the requirements that both joint ventures, as well as associates to be equity accounted. The Group will apply HKFRS 11 and HKAS 28 (revised) from 1 January 2013. It is not expected to have a material impact on the Group's financial statement as the Group does not have any joint arrangement and associate.

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12號「在其他主體權益的披露」，自2013年1月1日或之後開始的會計期間生效。新準則納入披露在其他實體的所有形式權益的要求，包括合營安排、聯營、特殊目的工具及其他表外工具。本集團將自2013年1月1日起採納香港財務報告準則第12號。
- 香港財務報告準則第13號「公平值計量」，自2013年1月1日或之後開始的會計期間生效。新準則旨在提供對公平值的精確定義、單一的公平值計量來源以及用於香港財務報告準則的披露要求，改善一致性及降低複雜性。該等要求並不擬擴大公平值會計方法的使用，但提供了於其他香港財務報告準則內有其他準則要求或容許使用的情況下，應如何應用公平值會計方法的指引。本集團將自2013年1月1日起採納香港財務報告準則第13號。

2 Summary of significant accounting policies (continued)

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 12 'Disclosures of interests in other entities', effective for the accounting period beginning on or after 1 January 2013. The new standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group will adopt HKFRS 12 from 1 January 2013.
- HKFRS 13 'Fair value measurement' effective for the accounting period beginning on or after 1 January 2013. This new standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group will adopt HKFRS 13 from 1 January 2013.

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2011年12月31日之財務報表。

附屬公司乃指本集團有權監控其財務及營運政策的實體且一般擁有其半數以上投票權之股權。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換之潛在投票權之存在及影響。附屬公司在控制權轉移至本集團之日全部綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

本集團採用收購法計算業務合併。收購附屬公司的轉讓代價為所轉讓資產、所產生負債及本集團所發行股權的公平值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平值。收購相關成本於產生時列為開支。於業務合併時所收購的可辨別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。按逐項收購基準，本集團以公平值或非控制性權益按比例應佔被收購方資產淨值，確認被收購人非控制性權益。

2 Summary of significant accounting policies (continued)

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 2011.

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 acquisition-by-acquisition basis, the Group recognises any 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.

2 重要會計政策摘要 (續)

2.2 綜合基準 (續)

(a) 附屬公司 (續)

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然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。

已轉讓的代價、被購買方任何非控制性權益，以及被收購方任何先前權益在收購日期的公平值超過本集團應佔所購買可辨認淨資產公平值的數額，均列為商譽。就廉價購買而言，若該數額低於所購入附屬公司淨資產的公平值，該差額直接在綜合收益表中確認。

集團公司間交易、結餘、收入及交易開支均會對銷。於資產中確認的集團公司間交易的損益亦將對銷。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。

2 Summary of significant accounting policies (continued)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

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.

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

2 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

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。就向非控制性權益進行的購買而言，所支付的任何代價與所收購的附屬公司資產淨值賬面值相關部份的差額，乃於權益中入賬。向非控制性權益進行出售所產生的盈虧亦於權益入賬。

倘本集團不再擁有控制權或重大影響力，其於該實體之任何保留權益按其公平值重新計量，而賬面值變動則於損益中確認。就其後入賬列作聯營、合營或財務資產之保留權益而言，公平值指初始賬面值。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收益內確認之金額重新分類為溢利或虧損。

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）。

2 Summary of significant accounting policies (continued)

2.2 Basis of consolidation (continued)

(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.

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.

2 重要會計政策摘要 (續)

2.2 綜合基準 (續)

(c) 商譽

收購附屬公司產生之商譽乃已轉讓代價超逾本集團於被收購方可識別資產、負債及或然負債淨值之公平值淨額以及被收購方非控制性權益公平值的部份。

就減值測試而言，由業務合併取得之商譽會分配至預期將受惠於業務合併之協同效益之各現金產生單位（「現金產生單位」）或現金產生單位組別。獲分配商譽之各現金產生單位或現金產生單位組別代表實體基於內部管理之目的所記錄之商譽最低水平。商譽以經營分部為基礎進行監察。

商譽須每年作減值檢討，若有事件發生或情況改變顯示可能發生減值時，則會更頻密地進行檢討。商譽之賬面值會與可收回金額（即使用價值與公平值減銷售成本的較高者）進行比較。產生的任何減值即時確認為費用，且其後不得撥回。

2 Summary of significant accounting policies (continued)

2.2 Basis of consolidation (continued)

(c) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

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 (遞延稅項資產、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)，否則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。減值虧損於所產生年度計入收益表內。

於每個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年度的收益表入賬。

2 Summary of significant accounting policies (continued)

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 year 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 year in which it arises.

2 重要會計政策摘要 (續)

2.4 固定資產

(a) 物業、機器及設備與折舊

物業、機器及設備乃按成本減累積折舊及任何減值虧損列賬。一項物業、機器及設備成本包括其購買價格及令該項資產達至其運作狀況及運送至其預期使用位置的任何直接成本。物業、機器及設備項目投入運作後產生的支出，如修理與維護費用等，一般均會計入該等支出產生年度的收益表內。

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經濟利益增加，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：

租賃土地及樓宇	按租賃年期與 2.5%兩者 中較短者
租賃物業裝修	20%
傢俬、裝置及設備	20%
電腦硬件	30%

2 Summary of significant accounting policies (continued)

2.4 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 year 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 buildings	Over the shorter of the lease terms and 2.5%
Leasehold improvements	20%
Furniture, fixtures and equipment	20%
Computer hardware	30%

2 重要會計政策摘要 (續)

2.4 固定資產 (續)

(a) 物業、機器及設備與折舊 (續)

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。

於各報告期結束時，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。

物業、機器及設備項目於出售或當預期不會從其使用或出售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報廢所產生的任何收益或虧損，為按銷售款項淨額與有關資產賬面值間的差額。

(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；

2 Summary of significant accounting policies (continued)

2.4 Fixed assets (continued)

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

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 the end of each reporting period.

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;

2 重要會計政策摘要 (續)

2.4 固定資產 (續)

(b) 電腦軟件及系統開發 (續)

- (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相關生產費用的適當部份。

不符合以上條件的其他開發成本在產生時確認為費用。過往確認為費用的開發成本不會在往後年度確認為資產。

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十年攤銷。

2 Summary of significant accounting policies (continued)

2.4 Fixed assets (continued)

(b) Computer software and system development (continued)

- (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.

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 year.

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

2 重要會計政策摘要 (續)

2.5 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。

本集團的無形資產乃可通過聯交所或期交所進行買賣的合資格權利，以及將買賣指令傳輸至聯交所自動對盤及成交系統的節流率，該等無形資產具有無限可使用期，並每年均逐個進行減值測試，或於現金產生單位水平進行測試。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。

2.6 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 Summary of significant accounting policies (continued)

2.5 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 year 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, and throttle rate for trading order to be transmitted to the Automated Matching System of the Stock Exchange, with indefinite useful lives are tested for impairment annually either individually or at the cash-generating 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.

2.6 Other assets

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

2 重要會計政策摘要 (續)

2.7 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。

2.8 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、持有至到期之投資、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，在此情況下需要進行重估。

2 Summary of significant accounting policies (continued)

2.7 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.

2.8 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, held-to-maturity investments, 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.

2 重要會計政策摘要 (續)

2.8 投資及其他財務資產 (續)

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。

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為持作交易之財務資產。財務資產如主要以短期賣出為目的而購買，則分類為持作交易財務資產。衍生工具同樣分類為持作交易，除非該等衍生工具被指定為對沖。公平值變動產生的損益於收益表呈列。該等財務資產的股息收入按本集團收取款項的權利確立時於收益表確認。

2 Summary of significant accounting policies (continued)

2.8 Investments and other financial assets (continued)

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.

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 are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Gains or losses arising from changes in the fair value are presented in the income statement. Dividend income from these financial assets is recognised in the income statement when the Group's right to receive payments is established.

2 重要會計政策摘要 (續)

2.8 投資及其他財務資產 (續)

(ii) 貸款及應收賬款

貸款及應收賬款為具有固定或可確定現金付款，但在活躍市場中無報價之非衍生財務資產。該等資產隨後按攤銷成本使用實際利率法減任何減值撥備列賬。攤銷成本經計及收購時之任何折讓或溢價後計算並計入實際利率及交易成本成份之費用。該等貸款及應收賬款取消確認、出現減值或進行攤銷時產生之盈虧計入該年度之收益表。

(iii) 持有至到期之投資

持有至到期投資乃具有固定或可確定付款及固定到期日之非衍生財務資產，而且本集團之管理層有意並有能力持有至到期日，但以下情況除外：

- 本集團於初次確認後指定為按公平值計入損益；
- 本集團指定為可供出售；及
- 符合貸款及應收款項定義。

2 Summary of significant accounting policies (continued)

2.8 Investments and other financial assets (continued)

(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.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designated as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

2 重要會計政策摘要 (續)

2.8 投資及其他財務資產 (續)

(iii) 持有至到期之投資 (續)

持有至到期之投資其後使用實際利率法按攤銷成本減任何減值撥備計量。攤銷成本經考慮收購的任何折讓或溢價計算，並包括作為實際利率及交易成本組成部分的費用。當投資取消確認或減值以及經過攤銷過程時，損益於收益表確認。

(iv) 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，其收益或虧損則在其他全面收益中確認，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。

2 Summary of significant accounting policies (continued)

2.8 Investments and other financial assets (continued)

(iii) Held-to-maturity investments (continued)

Held-to-maturity investments are subsequently measured at amortised cost using 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 statements when the investments are derecognised or impaired, as well as through amortisation process.

(iv) 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 in other comprehensive income 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 available-for-sale financial assets" and are transferred from the available-for-sale investment revaluation reserve.

2 重要會計政策摘要 (續)

2.8 投資及其他財務資產 (續)

(v) 公平值

在金融市場活躍交易之投資之公平值，乃參考結算日業務結束時所報之市場買入價釐定。倘某項投資之市場並不活躍，公平值將採用估值方法確定。該等方法包括使用近期進行之公平市場交易，並參考其他大致類同之財務工具之現行市場價值及現金流量折現分析。

2.9 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

倘有客觀跡象表明以攤銷成本計值之財務資產已發生減值，資產賬面值與估算未來之現金流量（不包括尚未產生之未來信貸損失）以最初實際利率折現之現值之間差額確認減值。有關資產之賬面值可通過直接沖減或通過備抵賬目作出抵減。有關減值在收益表中確認。當預料日後收回不可實現時，貸款及應收款項連同任何有關的撥備將予撇銷。

2 Summary of significant accounting policies (continued)

2.8 Investments and other financial assets (continued)

(v) 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.

2.9 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 financial assets 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.

2 重要會計政策摘要 (續)

2.9 財務資產減值 (續)

(i) 按攤銷成本列賬之資產 (續)

倘若以後年度減值虧損之數額減少，而減少之原因客觀上與減值虧損確認後所發生之事件相關聯，則先前確認之減值虧損透過調整撥備賬目可予回撥。於回撥當日，倘若資產賬面值並無超出其攤銷成本，則任何減值虧損之其後回撥將於收益表內確認入賬。

就向給予客戶之貸款及應收賬款而言，倘有客觀證據（如債務人可能無力償債或出現重大財政困難，以及科技、市場經濟或法律環境有重大變動以致對債務人有不良影響）顯示本集團將未能收回所有根據原先發票期已逾期之款項，則就減值作出撥備。應收款項之賬面值透過使用撥備賬減少。減值債務於評定為不可收回時解除確認。

2 Summary of significant accounting policies (continued)

2.9 Impairment of financial assets (continued)

(i) Assets carried at amortised cost (continued)

If, in a subsequent year, 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)

2.9 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。當可供出售的股權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。

2.10 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 Summary of significant accounting policies (continued)

2.9 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.

2.10 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 "pass-through" 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)

2.11 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。

2.12 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 Summary of significant accounting policies (continued)

2.11 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.

2.12 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)

2.13 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）。

2.14 所得稅

所得稅包含即期稅項及遞延稅項。所得稅乃於收益表確認，除非與在其他全面收益中確認或直接與股本有關的項目則除外，在此情況下，稅項則分別於其他全面收益或直接於股本中確認。

本期間及過往年度之即期稅項資產及負債使用於結算日已頒佈或實質上已頒佈的稅率（及稅法）按預期可自稅務機關收取或支付予稅務機關之金額計算。

遞延所得稅乃採用負債法，對於結算日資產及負債之計稅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。

2 Summary of significant accounting policies (continued)

2.13 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.

2.14 Income tax

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

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted on substantively enacted at the balance sheet date.

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.

2 重要會計政策摘要 (續)

2.14 所得稅 (續)

所有應課稅暫時性差額均確認為遞延稅項負債，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
- 對於附屬公司及共同控制實體之投資所產生之應課稅暫時性差額（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稅項資產，且在交易時，並不影響會計溢利或應課稅溢利或虧損；及

2 Summary of significant accounting policies (continued)

2.14 Income tax (continued)

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

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

2 重要會計政策摘要 (續)

2.14 所得稅 (續)

- 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，遞延稅項資產僅可在暫時性差額將於可預見之將來撥回，並且應課稅溢利將可用以抵銷暫時性差額之情況下予以確認。

遞延稅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稅溢利可供所有或部份遞延稅項資產動用為止。相反，先前未確認之遞延稅項資產於各個財務結算日重新評估並予以確認，直至有足夠之應課稅溢利可供所有或部份遞延稅項資產動用為止。

遞延稅項資產及負債乃按預期適用於變現資產或清償負債年度之稅率衡量，並以結算日已制定或已實質上制定之稅率（及稅法）為基準。

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 Summary of significant accounting policies (continued)

2.14 Income tax (continued)

- 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 year 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.

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 重要會計政策摘要 (續)

2.15 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投資之盈虧在簽署有關成交單據之成交日或訂立日予以確認；
- (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 Summary of significant accounting policies (continued)

2.15 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 investment at fair value through profit or loss, on the transaction dates when the relevant contract notes are executed or entered;
- (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 year 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 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。

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年度（於有關僱員完全有權獲得授出之日（「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，反映歸屬年度已到期部份及本集團對最終將會歸屬的股權工具數目的最佳估計。在某一年度內在收益表內扣除或進賬，乃反映累計開支於年初與年終確認時之變動。

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 Summary of significant accounting policies (continued)

2.16 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.

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 year 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 year 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 year represents the movement in the cumulative expense recognised as at the beginning and end of that year.

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)

2.16 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變更，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。

2.17 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，按僱員於年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 Summary of significant accounting policies (continued)

2.16 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.

2.17 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 year by the employees and carried forward.

2 重要會計政策摘要 (續)

2.17 其他僱員福利 (續)

(ii) 退休金計劃

本集團根據強制性公積金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」)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，以用作抵銷本年度提撥之供款。

2.18 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 Summary of significant accounting policies (continued)

2.17 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 recognised in the consolidated income statement to offset the current year contribution made.

2.18 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 外匯

本財務報表以港元（即本公司之功能及呈列貨幣）呈列。本集團屬下各實體自行決定功能貨幣，而各實體財務報表內之項目均以該功能貨幣計算。外匯交易首先按交易日期適用之功能貨幣匯率入賬。於結算日以外幣為單位之貨幣資產與負債按該日適用之功能貨幣匯率重新換算。所有差額列入收益表。根據外幣歷史成本計算之非貨幣項目按首次交易日期之匯率換算。以外匯按歷史成本計算的非貨幣項目使用首次交易日期匯率換算。根據外幣公平值計算之非貨幣項目按釐定公平值當日之匯率換算。

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。匯兌差額計入其他全面收益。於出售外地實體時，就特定外地實體在全面收益表內確認之遞延累計數額亦將於收益表內確認。

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。海外附屬公司年內經常產生之現金流量，按年內之平均匯率換算為港元。

2 Summary of significant accounting policies (continued)

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

The functional currencies of certain overseas subsidiaries 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 recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised as other comprehensive income 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 year are translated into Hong Kong dollars at the average exchange rates for the year.

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) 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現金產生單位之現值。本集團估計現值，須要估計帶來自現金產生單位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2011年12月31日商譽之賬面值為9,854,000港元（2010年12月31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2011年12月31日毋須計提任何減值。其他詳情載列於附註14。

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 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 2011 was HK\$9,854,000 (31 December 2010: HK\$9,854,000). No impairment is considered necessary as at 31 December 2011 as the prospect of the cash-generating units is favorable to the Company. More details are given in note 14.

3 重要的會計估計和判斷 (續)

(ii) 客戶貸款之減值撥備

本集團最少每月一次審閱給予客戶之貸款以便評估減值。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。

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。

有關給予客戶之貸款信貸風險之其他詳情載列於附註21。

3 Critical accounting estimates and judgements (continued)

(ii) 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.

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 21.

3 重要的會計估計和判斷 (續)

(iii) 可變現遞延稅項資產之估計

釐定所得稅準備涉及對若干交易日後稅務處理之判斷。本集團審慎檢驗交易之稅務影響，並據此訂立稅項準備。對該等交易之稅務處理會定期重新考慮，以計及稅務法例之所有變更。遞延稅項資產乃就未動用稅損及因固定資產折舊而產生之短暫可扣減差額確認。只有在很有可能將未來應課稅溢利與可動用之未用稅項抵免額抵銷之該等遞延稅項資產，方會確認。評估未來應課稅溢利之可能性需要管理層之判斷。管理層之判斷須經常加以檢討，倘若未來應課稅溢利讓遞延稅項資產獲收回之可能性增加，會確認額外遞延稅項資產。

於2011年12月31日，本集團確認遞延稅項資產約為2,700,000港元（2010年12月31日：2,300,000港元）。倘若日後全無任何應課稅溢利，本集團將需要就本年內削減遞延稅項資產及增加遞延稅項支出約2,700,000港元（截至2010年12月31日止18個月：2,300,000港元）。

此外，於2011年12月31日，本集團有來自附屬公司之未確認遞延稅項資產約25,000,000港元（2010年12月31日：22,000,000港元），管理層認為該等附屬公司產生未來應課稅溢利，從而可使用遞延稅項利益之可能性很低。

3 Critical accounting estimates and judgements (continued)

(iii) 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 2011, the Group recognised deferred tax assets of approximately HK\$2.7 million (31 December 2010: HK\$2.3 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\$2.7 million for the year (18 months ended 31 December 2010: HK\$2.3 million).

Furthermore, as at 31 December 2011, the Group has unrecognised deferred tax assets of approximately HK\$25 million (31 December 2010: HK\$22 million) arising from the subsidiaries of the Group which management consider that these subsidiaries are less probable to generate available future taxable profit to utilise the deferred tax benefit.

3 重要的會計估計和判斷 (續)

(iv) 衍生財務工具公平值

並非在活躍市場買賣的衍生財務工具 (例如場外衍生工具)，其公平值使用估值方式計量。本集團主要根據各報告期末現行市況使用判斷選擇方式並作出估計。有關該等方法及估計變動可能會影響衍生財務工具的報告公平值。

(v) 分類為持有至到期之投資

本集團根據香港會計準則第39號的指引將擁有固定或可確定款項以及固定到期日的非衍生財務資產分類為持有至到期。該分類要求重大判斷。在作出判斷時，本集團評估其持有該等投資至到期的意向及能力。如果本集團無法持有該等投資至到期 (特殊情況除外，例如接近到期時出售少量金額)，將需要將整個類別重新分類為可供出售投資。從而，投資將按公平值而非攤銷成本計量。如果整個持有至到期投資類別受損，公平值與攤銷成本相比將減少11,000,000港元，相應減值開支將於綜合收益表內扣除。

3 Critical accounting estimates and judgements (continued)

(iv) Fair value of derivative financial instruments

The fair value of derivative financial instruments which are not traded in active markets (for example, over-the-counter derivatives) are determined using valuation techniques. The Group uses its judgement to select methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in assumptions about these methods and assumptions could affect reported fair value of derivative financial instruments.

(v) Classification of held-to-maturity investments

The Group follows the guidance of HKAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale investments. The investments would therefore be measured at fair value instead of amortised cost. If the entire class of held-to-maturity investments is tainted, the fair value would be decreased by HK\$11 million as compared to the amortised costs, with corresponding charge of impairment loss to the consolidated income statement.

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；
- (b) 孖展及其他借貸業務，乃從事向孖展客戶提供孖展借貸及向個人及公司客戶提供私人及公司借貸，但不包括向企業顧問、配售及包銷業務分部內的企業融資客戶的借貸；
- (c) 企業諮詢、配售及包銷業務，乃從事提供企業諮詢、配售及包銷服務，以及向企業融資客戶提供借貸；
- (d) 買賣及投資業務，乃從事投資控股，以及證券、期貨、期權、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，以及提供代理人及保管服務。

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, but excluding the provision of financing to corporate finance clients which is covered under the corporate advisory, placing and underwriting segment;
- (c) the corporate advisory, placing and underwriting segment engages in the provision of corporate advisory, placing and underwriting services as well as the provision of financing to corporate finance clients;
- (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.

4 分部資料 (續)

於本年度，本集團將其向企業融資客戶提供借貸所得利息收入自孖展及其他借貸業務重新分類為企業諮詢、配售及包銷業務，以反映本集團向企業融資客戶提供的全面資本市場及企業借貸產品。截至2010年12月31日止18個月的分部資料乃經重新分類以反映可報告分部的組成變動。

下表載列本集團業務分部之收入及溢利：

4 Segment information (continued)

During the year, the Group reclassified its interest income arising from provision of financing to corporate finance clients from margin and other financing segment to corporate advisory, placing and underwriting segment to reflect the Group's provision of full range of capital markets and corporate finance products to its corporate finance clients. Segment information for the 18 months ended 31 December 2010 was reclassified to reflect the change in composition of reportable segments.

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

		經紀業務		孖展及其他借貸		企業諮詢、配售及包銷		買賣及投資		財務策劃及諮詢服務		其他		撇銷		綜合	
		Broking		Margin and other financing		Corporate advisory, placing and underwriting		Trading and investment		Financial planning and advisory services		Others		Eliminations		Consolidated	
		截至2011年12月31日止年度	截至2010年12月31日止18個月	截至2011年12月31日止年度	截至2010年12月31日止18個月	截至2011年12月31日止年度	截至2010年12月31日止18個月	截至2011年12月31日止年度	截至2010年12月31日止18個月	截至2011年12月31日止年度	截至2010年12月31日止18個月	截至2011年12月31日止年度	截至2010年12月31日止18個月	截至2011年12月31日止年度	截至2010年12月31日止18個月	截至2011年12月31日止年度	截至2010年12月31日止18個月
		For the year ended 31 December 2011	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the 18 months ended 31 December 2010
		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	千港元
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
分部收入：	Segment revenue:																
銷售予外來客戶	Sales to external customers	443,130	803,884	160,446	197,087	234,710	256,454	21,851	94,208	44,027	54,834	54,993	53,468	-	-	959,157	1,459,935
各分部間之銷售	Intersegment sales	26	32	44,365	39,807	-	-	-	-	-	-	-	-	(44,391)	(39,839)	-	-
總計	Total	443,156	803,916	204,811	236,894	234,710	256,454	21,851	94,208	44,027	54,834	54,993	53,468	(44,391)	(39,839)	959,157	1,459,935
其他收入	Other income	-	-	44,788	28,924	1,650	4,404	8,835	16,847	-	-	1,316	4,843	-	-	56,589	55,018
減：	Less:																
僱員福利開支	Employee benefit costs	(274,443)	(464,127)	(58,201)	(60,435)	(85,140)	(78,639)	(7,926)	(28,888)	(34,420)	(41,909)	(20,722)	(17,625)	-	-	(480,852)	(691,623)
其他開支	Other expenses	(129,233)	(168,574)	(112,378)	(107,193)	(80,987)	(103,529)	(15,575)	(25,263)	(9,003)	(14,213)	(50,140)	(46,676)	44,391	39,839	(352,925)	(425,609)
分部業績	Segment results	39,480	171,215	79,020	98,190	70,233	78,690	7,185	56,904	604	(1,288)	(14,553)	(5,990)	-	-	181,969	397,721
未分配開支	Unallocated expenses															(2,911)	(894)
應佔聯營公司之溢利	Share of profit of an associate															-	1,718
除稅前溢利	Profit before taxation															179,058	398,545
稅項開支	Taxation expenses															(25,973)	(53,386)
年內/期內溢利	Profit for the year/the period															153,085	345,159

5 收入及其他收入

收入（亦指本集團之營業額）及其他收入之分析如下：

5 Revenue and other income

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

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
收入	Revenue		
證券買賣及經紀業務： 證券買賣及經紀業務 之佣金	Securities dealing and broking: Commission on securities dealing and broking	292,826	591,720
期貨、期權及商品買賣 及經紀業務： 期貨、期權及商品買賣 及經紀業務之佣金	Futures, options and commodities dealing and broking: Commission on futures, options and commodities dealing and broking	140,478	199,822
孖展及其他借貸： 孖展及其他借貸活動之 利息收入	Margin and other financing: Interest income on margin and other financing activities	160,446	197,087
企業融資及諮詢： 顧問及融資諮詢費收入	Corporate finance and advisory: Consultancy and financial advisory fee income	46,670	64,428
配售、包銷及分包銷佣金	Placing, underwriting and sub-underwriting commission	37,499	91,283
向企業融資客戶提供借貸	Provision of financing to corporate finance clients	150,541	100,743
貴金屬合約買賣： 買賣貴金屬合約之佣金	Bullion contracts dealing: Commission on bullion contracts dealing	9,826	12,342

5 收入及其他收入 (續)

5 Revenue and other income (continued)

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
收入 (續)	Revenue (continued)		
提供代理人及保管服務：	Provision of nominee and custodian services:		
代理人及保管服務費	Custodian and handling service fees	22,985	29,049
基金管理：	Fund management:		
管理費收入	Management fee income	31,487	23,910
表現費收入	Performance fee income	521	509
自營買賣之收入：	Income from proprietary investment:		
按公平值計入損益之財務 投資(虧損)/溢利，淨額	(Loss)/profit on financial assets at fair value through profit or loss, net	(16,209)	24,821
期貨、期權、商品及 貴金屬合約買賣之 溢利，淨額	Profit on futures, options, commodities and bullion contracts trading, net	27,088	36,911
股息收入	Dividend income	2,620	2,564
投資債務證券之利息收入	Interest income from investment in debt securities	4,832	-
槓桿外匯買賣：	Leveraged foreign exchange trading:		
槓桿外匯買賣之收入，淨額	Income from leveraged foreign exchange trading, net	3,520	29,912
財務策劃及諮詢服務：	Financial planning and advisory services:		
提供財務策劃及諮詢服務 之佣金	Commission on the provision of financial planning and advisory services	44,027	54,834
		959,157	1,459,935

5 收入及其他收入 (續)

5 Revenue and other income (continued)

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
其他收入	Other income		
銀行利息收入	Bank interest income	44,788	28,924
出售可供出售投資之 收益·淨額	Gain on disposal of available-for-sale investments, net	8,406	11,267
出售分類為持作待售 資產／負債之收益	Gain on disposal of assets/liabilities classified as held for sale	—	2,950
出售聯營公司收益 (附註)	Gain on disposal of an associate (note)	—	4,843
其他	Others	3,395	7,034
		56,589	55,018

附註：

截至2010年12月31日止18個月，本集團向其他51%權益持有人以現金代價15,680,000港元出售於招商大福資產管理有限公司全部49%股本權益。該項交易帶來收益4,843,000港元。

Note:

During the 18 months ended 31 December 2010, 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.

6 除稅前溢利

本集團之除稅前溢利乃扣減／(計入) 下列各項後得出：

6 Profit before taxation

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

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日止 18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
其他經營開支包括：	The other operating expenses include:		
經營租賃下支付之	Minimum lease payments under		
最低租金：	operating leases:		
土地及樓宇	Land and buildings	71,845	80,576
電腦設備	Computer equipment	16,112	13,426
核數師酬金	Auditors' remuneration	3,840	4,940
外匯差額，淨額	Foreign exchange differences, net	(11,612)	(3,467)
出售固定資產之虧損	Loss on disposal of fixed assets	38	452
維修及維護（包括系統維護）	Repair and maintenance (including system maintenance)	41,245	54,119
報價服務	Quotemeter services	5,412	10,086
市場推廣、廣告及宣傳開支	Marketing, advertising and promotion expense	22,159	49,313
設備租賃及服務	Equipment rental and servicing	41,313	42,533
撇銷壞賬	Bad debts written off	354	194
僱員福利開支（包括董事酬金 及五名最高薪僱員）：	Employee benefits costs (including directors' remuneration and five highest paid employees:		
薪金及津貼（附註7及8）	Salaries and allowances (note 7 and 8)	252,880	302,078
花紅	Bonuses	72,399	114,715
客戶主任佣金	Commission to accounts executives	141,587	252,410
以股本支付之購股權開支 （附註30）	Equity-settled share option expense (note 30)	6,396	12,791
退休金計劃供款	Pension scheme contributions	7,812	10,581
減：沒收供款	Less: Forfeited contributions	(222)	(952)
		480,852	691,623

6 除稅前溢利 (續)

6 Profit before taxation (continued)

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日止 18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
經營證券經紀及孖展借貸業務 之利息開支：	Interest expense for securities broking and margin financing operations:		
— 銀行貸款及透支	– bank loans and overdrafts	23,504	28,078
— 其他貸款 (附註27及34(a)(i))	– other loans (notes 27 and 34(a)(i))	10,520	10,394
— 應付客戶賬款	– accounts payable to clients	102	722
		34,126	39,194

7 董事酬金

以下為根據上市規則及香港公司條例第161條規定披露之年度董事酬金詳情：

7 Directors' remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
袍金：	Fees:		
執行董事	Executive directors	500	1,554
非執行董事	Non-executive directors	1,156	1,780
獨立非執行董事	Independent non-executive directors	700	1,050
		2,356	4,384
其他酬金：	Other emoluments:		
執行董事：	Executive directors:		
薪金及津貼	Salaries and allowances	11,161	15,615
花紅(附註(a))	Bonuses (note (a))	10,060	19,070
僱員購股權福利 (附註(b))	Employee share option benefits (note (b))	1,319	4,833
退休金計劃供款	Pension scheme contributions	72	117
非執行董事：	Non-executive directors:		
僱員購股權福利 (附註(b))	Employee share option benefits (note (b))	384	1,713
獨立非執行董事：	Independent non-executive directors:		
僱員購股權福利 (附註(b))	Employee share option benefits (note (b))	288	918
		23,284	42,266
		25,640	46,650

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，該花紅按本集團除稅後溢利之某個百分比釐定。
- (b) 截至2010年12月31日止18個月，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2010年授出日期釐定而本年度財務報表之金額已包括在董事酬金披露之內。

7 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 18 months ended 31 December 2010, 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 in 2010 and the amount in the financial statements for the current year is included in the directors' remuneration disclosures.

7 董事酬金 (續)

7 Directors' remuneration (continued)

(a) 獨立非執行董事

(a) Independent non-executive directors

截至2011年12月31日止年度

For the year ended 31 December 2011

		袍金	薪金及津貼	花紅	僱員 購股權福利	退休金 計劃供款	酬金總額
		Fees	Salaries and allowances	Bonuses	Employee share option benefits	Pension scheme contributions	Total remuneration
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
文晷良	Man Mo Leung	250	-	-	96	-	346
徐慶全	Tsui Hing Chuen, William	250	-	-	96	-	346
劉偉彪	Lau Wai Piu, Bill	200	-	-	96	-	296
		700	-	-	288	-	988

截至2010年12月31日止18個月

For the 18 months ended 31 December 2010

		袍金	薪金及津貼	花紅	僱員 購股權福利	退休金 計劃供款	酬金總額
		Fees	Salaries and allowances	Bonuses	Employee share option benefits	Pension scheme contributions	Total remuneration
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
文晷良	Man Mo Leung	375	-	-	306	-	681
徐慶全	Tsui Hing Chuen, William	375	-	-	306	-	681
劉偉彪	Lau Wai Piu, Bill	300	-	-	306	-	606
		1,050	-	-	918	-	1,968

7 董事酬金 (續)

(b) 執行董事及非執行董事

截至2011年12月31日止年度

		袍金	薪金及津貼	花紅	僱員 購股權福利	退休金 計劃供款	酬金總額
		Fees	Salaries and allowances	Bonuses	Employee share option benefits	Pension scheme contributions	Total remuneration
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
執行董事：	Executive directors:						
李建國	Li Jianguo	300	-	-	153	12	465
林涌	Lin Yong	200	1,120	2,560	153	12	4,045
黃紹開 (附註(a))	Wong Shiu Hoi, Peter (Note (a))	-	1,213	-	-	4	1,217
李耀榮	Lee Yiu Wing, William	-	2,760	2,350	306	12	5,428
陳志安	Chan Chi On, Derek	-	2,460	2,010	287	12	4,769
潘慕堯	Poon Mo Yiu, Patrick	-	2,400	1,800	229	12	4,441
許儀 (附註(b))	Hui Yee, Wilson (Note (b))	-	1,208	1,340	191	8	2,747
		500	11,161	10,060	1,319	72	23,112
非執行董事：	Non-executive directors:						
李明山 (附註(c))	Li Mingshan (Note (c))	198	-	-	-	-	198
吉宇光	Ji Yuguang	200	-	-	96	-	296
吳斌	Wu Bin	200	-	-	96	-	296
宮里啓暉 (附註(d))	Hiroki Miyazato (Note (d))	158	-	-	-	-	158
陳春錢	Chen Chunqian	200	-	-	96	-	296
鄭志明	Cheng Chi Ming, Brian	200	-	-	96	-	296
		1,156	-	-	384	-	1,540
		1,656	11,161	10,060	1,703	72	24,652

(a) 於2011年4月29日退任。

(b) 於2011年4月29日獲委任。

(c) 於2011年4月29日辭任。

(d) 於2011年3月17日獲委任。

(a) Retired on 29 April 2011.

(b) Appointed on 29 April 2011.

(c) Resigned on 29 April 2011.

(d) Appointed on 17 March 2011.

7 董事酬金 (續)

7 Directors' remuneration (continued)

(b) 執行董事及非執行董事 (續)

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

截至2010年12月31日止18個月

For the 18 months ended 31 December 2010

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

7 董事酬金 (續)

(b) 執行董事及非執行董事 (續)

- (e) 於2009年7月1日獲委任為執行董事及於2010年1月13日調任為非執行董事。

年內／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 五名薪金最高之僱員

年內五名薪金最高之僱員包括5名(截至2010年12月31日止18個月: 4名) 董事, 其酬金之詳情於上文附註7載列。於年內, 1名僱員獲委任為本公司董事。截至2011年12月31日止年度的酬金總額載列如下。截至2010年12月31日止18個月的總額代表僱員之酬金。

7 Directors' remuneration (continued)

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

- (e) Appointed as executive director on 1 July 2009 and re-designated as non-executive director on 13 January 2010.

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

8 Five highest paid employees

The five highest paid employees during the year included five (18 months ended 31 December 2010: four) directors, details of whose remuneration are set out in note 7 above. One of the directors was appointed as director during the year. The total remuneration for the year ended 31 December 2011 disclosed as follows. For the 18 months ended 31 December 2010, the amount represents an employee's remuneration.

		本集團 Group	
		截至2011年 12月31日 止年度*	截至2010年 12月31日 止18個月
		For the year ended 31 December 2011*	For the 18 months ended 31 December 2010
		千港元 HK\$'000	千港元 HK\$'000
薪金及津貼	Salaries and allowances	3,020	5,727
退休金計劃供款	Pension scheme contribution	12	18
僱員購股權福利	Employee share option benefits	191	306
		3,223	6,051

8 五名薪金最高之僱員 (續)

酬金在下列範圍內之最高薪非董事僱員人數如下：

8 Five highest paid employees (continued)

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

		僱員人數	
		Number of employees	
		截至2011年	截至2010年
		12月31日	12月31日
		止年度	止18個月
		For the	For the
		year ended	18 months ended
		31 December	31 December
		2011	2010
3,000,001港元至3,500,000港元	HK\$3,000,001 to HK\$3,500,000	1	–
3,500,001港元至4,000,000港元	HK\$3,500,001 to HK\$4,000,000	–	–
4,000,001港元至4,500,000港元	HK\$4,000,001 to HK\$4,500,000	–	–
4,500,001港元至5,000,000港元	HK\$4,500,001 to HK\$5,000,000	–	–
5,000,001港元至5,500,000港元	HK\$5,000,001 to HK\$5,500,000	–	–
5,500,001港元至6,000,000港元	HK\$5,500,001 to HK\$6,000,000	–	–
6,000,001港元至6,500,000港元	HK\$6,000,001 to HK\$6,500,000	–	1
		1	1

* 截至2011年12月31日止年度，薪金最高之僱員指許儀，其於2011年4月29日獲委任為本公司董事。其作為僱員及董事的薪金詳情已於本附註作出披露。

附註：上文所披露之薪金詳情並不包括由本集團僱員產生的已付或應付佣金。

* The remuneration of highest paid employees for the year ended 31 December 2011 refers to remuneration of Hui Yee, Wilson, who was appointed as a director of the Company on 29 April 2011. Details of his remuneration as an employee and as a director are included in this note.

Note: Details of the remuneration disclosed above do not include amounts paid or payable by way of commissions generated by employees of the Group.

9 稅項開支

香港利得稅乃就年內在香港產生之估計應課稅溢利按稅率16.5% (2010年：16.5%) 撥備。在其他地區之應課稅溢利乃根據本集團經營業務所在司法權區的現行法例、詮釋及慣例，按當地之現行稅率計算。

9 Taxation expenses

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. 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.

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
本期稅項－香港	Current taxation – Hong Kong		
年內／期內稅項	Charge for the year/period	21,379	41,217
過往期間超額撥備	Over-provision in prior periods	(851)	(3,239)
本期稅項－海外	Current taxation – overseas	1,342	1,528
遞延稅項 (附註28)	Deferred taxation (note 28)	4,103	13,880
		25,973	53,386
年內／期內稅項開支	Taxation charge for the year/period		

9 稅項開支 (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：

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:

		本集團 Group	
		截至2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
除稅前溢利	Profit before taxation	179,058	398,545
按稅率16.5% (2010年：16.5%) 計算之稅項	Tax calculated at 16.5% (2010: 16.5%)	29,545	65,760
毋須繳納稅項之收入	Income not subject to tax	(24,047)	(24,679)
不可扣稅之支出	Expenses not deductible for tax purposes	14,282	17,999
過往期間超額撥備	Over-provision in prior periods	(851)	(3,239)
並無確認之稅務虧損	Tax losses not recognised	2,642	204
動用過往並無確認之 稅務虧損	Utilisation of previously unrecognised tax losses	(896)	(6,912)
海外稅率差異之影響	Effect of different overseas tax rates	168	(367)
其他	Others	5,130	4,620
年內／期內稅項開支	Taxation charge for the year/period	25,973	53,386

截至2011年12月31日止年度，本集團之平均實際稅率為14.5% (截至2010年12月31日止18個月：13.4%)。

The average effective tax rate of the Group was 14.5% for the year ended 31 December 2011 (for the 18 months ended 31 December 2010: 13.4%).

10 本公司股本持有人應佔溢利

截至2011年12月31日止年度，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119,930,000港元 (截至2010年12月31日止18個月：176,648,000港元)。

10 Profit attributable to equity holders of the Company

The consolidated profit attributable to equity holders of the Company for the year ended 31 December 2011 includes a profit of HK\$119,930,000 (18 months ended 31 December 2010: HK\$176,648,000) which has been dealt with in the financial statements of the Company.

11 股息

11 Dividends

		截至 2011年 12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至 2010年 12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
就截至2009年12月31日止 6個月宣派之第一次中期股息 — 每股普通股10港仙	First interim dividend declared for the 6 months ended 31 December 2009 — HK10 cents per ordinary share	—	70,896
就截至2010年6月30日止 12個月宣派之第二次中期股息 — 每股普通股6港仙	Second interim dividend declared for the 12 months ended 30 June 2010 — HK6 cents per ordinary share	—	42,538
就截至2011年6月30日止 6個月宣派之中期股息 — 每股普通股6港仙	Interim dividend declared for the 6 months ended 30 June 2011 — HK6 cents per ordinary share	54,920	—
截至2011年12月31日止年度 之擬派末期股息 — 每股普通股2港仙 (截至2010年12月31日 日止18個月：8港仙)	Proposed final dividend for the year ended 31 December 2011 — HK2 cents (18 months ended 31 December 2010: HK8 cents) per ordinary share	18,307	57,203
		73,227	170,637

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。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。

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, 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.

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。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7,735,000港元，並按以股代息方式發行5,597,393股股份。

於2011年8月4日舉行之董事會會議上，董事決議向於2011年9月19日(星期一)名列本公司股東名冊之股東，宣派截至2011年6月30日止6個月之中期股息每股6港仙，並以現金分派。第一次中期股息已於2011年9月30日(星期五)派付，向股東派付之現金股息合共54,920,000港元。

於2012年3月13日，董事建議就截至2011年12月31日止年度派發末期股息每股2港仙，並以現金分派(截至2010年12月31日止18個月：每股8港仙，並以現金分派)。

本年度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。

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, 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\$7,735,000 cash dividend paid to the shareholders and 5,597,393 shares were issued in scrip form.

At a meeting of the Board of Directors held on 4 August 2011, the directors resolved to declare an interim dividend of HK6 cents per share in cash for the 6 months ended 30 June 2011, to shareholders whose names appear on the register of members of the Company on Monday, 19 September 2011. The first interim dividend was paid on Friday, 30 September 2011, with a total of HK\$54,920,000 cash dividend paid to the shareholders.

On 13 March 2012, the directors recommended the payment of a final dividend of HK2 cents per share in cash for the year ended 31 December 2011 (18 months ended 31 December 2010: HK8 cents per share in cash).

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

12 本公司股本持有人應佔每股盈利

每股基本盈利金額乃根據年內本公司普通股本持有人應佔溢利，以及年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年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年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。

(a) 每股基本盈利

		截至 2011年 12月31日 止年度 For the year ended 31 December 2011	截至 2010年 12月31日 止18個月 For the 18 months ended 31 December 2010
本公司股本持有人應佔溢利 (千港元)	Profit attributable to equity holders of the Company (HK\$'000)	153,204	345,795
已發行普通股加權平均數 (千股)	Weighted average number of ordinary shares in issue (in thousands)	790,847	708,554
每股基本盈利 (每股港仙)	Basic earnings per share (HK cents per share)	19.37	48.80

12 Earnings per share attributable to equity holders of the Company

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

The calculation of diluted earnings per share amounts is based on the profit for the year 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 year, 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.

(a) Basic earnings per share

12 本公司股本持有人應佔每股盈利 (續)

12 Earnings per share attributable to equity holders of the Company (continued)

(b) 每股攤薄盈利

(b) Diluted earnings per share

		截至 2011年 12月31日 止年度 For the year ended 31 December 2011	截至 2010年 12月31日 止18個月 For the 18 months ended 31 December 2010
本公司股本持有人應佔溢利 (千港元)	Profit attributable to equity holders of the Company (HK\$'000)	153,204	345,795
已發行普通股加權平均數 (千股)	Weighted average number of ordinary shares in issue (in thousands)	790,847	708,554
就購股權之調整 (千股)	Adjustments for share options (in thousands)	911	1,792
		791,758	710,346
每股攤薄盈利 (每股港仙)	Diluted earnings per share (HK cents per share)	19.35	48.68

13 固定資產

13 Fixed assets

本集團

Group

		租賃土地 及樓宇	租賃物業裝修	傢俬、 裝置及設備	電腦硬件	電腦軟件 及系統發展	合計
		Leasehold land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Computer hardware	Computer software and system development	Total
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2011年12月31日	31 December 2011						
於2011年1月1日	At 1 January 2011						
成本	Cost	3,092	62,694	52,298	81,892	216,039	416,015
累積折舊	Accumulated depreciation	(1,061)	(55,171)	(44,122)	(73,564)	(90,677)	(264,595)
賬面淨值	Net carrying amount	2,031	7,523	8,176	8,328	125,362	151,420
於2011年1月1日	At 1 January 2011, net of						
扣除累積折舊	accumulated depreciation	2,031	7,523	8,176	8,328	125,362	151,420
添置	Additions	-	6,959	2,254	11,983	49,258	70,454
出售	Disposals	-	(1)	(144)	-	-	(145)
折舊	Depreciation	(77)	(3,496)	(3,318)	(7,276)	(29,391)	(43,558)
於2011年12月31日	At 31 December 2011, net of						
扣除累積折舊	accumulated depreciation	1,954	10,985	6,968	13,035	145,229	178,171
於2011年12月31日：	At 31 December 2011:						
成本	Cost	3,092	69,639	53,409	88,933	265,297	480,370
累積折舊	Accumulated depreciation	(1,138)	(58,654)	(46,441)	(75,898)	(120,068)	(302,199)
賬面淨值	Net carrying amount	1,954	10,985	6,968	13,035	145,229	178,171

13 固定資產 (續)

13 Fixed assets (continued)

本集團 (續)

Group (continued)

		租賃土地 及樓宇	租賃物業裝修	傢俬、 裝置及設備	電腦硬件	電腦軟件 及系統發展	合計
		Leasehold land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Computer hardware	Computer software and system development	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於2010年12月31日	31 December 2010						
於2009年7月1日：	At 1 July 2009:						
成本	Cost	3,092	59,641	48,425	76,186	148,462	335,806
累積折舊	Accumulated depreciation	(945)	(50,723)	(38,673)	(64,940)	(61,489)	(216,770)
賬面淨值	Net carrying amount	2,147	8,918	9,752	11,246	86,973	119,036
於2009年7月1日 扣除累積折舊	At 1 July 2009, net of accumulated depreciation	2,147	8,918	9,752	11,246	86,973	119,036
添置	Additions	-	4,094	4,081	6,132	65,921	80,228
出售	Disposals	-	(369)	(102)	(32)	-	(503)
於業務合併中購入 固定資產	Fixed assets acquired in business combination	-	-	121	253	1,655	2,029
折舊	Depreciation	(116)	(5,120)	(5,676)	(9,271)	(29,187)	(49,370)
於2010年12月31日 扣除累積折舊	At 31 December 2010, net of accumulated depreciation	2,031	7,523	8,176	8,328	125,362	151,420
於2010年12月31日：	At 31 December 2010:						
成本	Cost	3,092	62,694	52,298	81,892	216,039	416,015
累積折舊	Accumulated depreciation	(1,061)	(55,171)	(44,122)	(73,564)	(90,677)	(264,595)
賬面淨值	Net carrying amount	2,031	7,523	8,176	8,328	125,362	151,420

13 固定資產 (續)

13 Fixed assets (continued)

本公司

Company

		租賃土地 及樓宇	租賃物業裝修	傢俬、 裝置及設備	電腦硬件	電腦軟件 及系統發展	合計
		Leasehold land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Computer hardware	Computer software and system development	Total
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2011年12月31日	31 December 2011						
於2011年1月1日：	At 1 January 2011:						
成本	Cost	1,178	37,625	31,014	238	62	70,117
累積折舊	Accumulated depreciation	(316)	(30,377)	(24,010)	(232)	(62)	(54,997)
賬面淨值	Net carrying amount	862	7,248	7,004	6	-	15,120
於2011年1月1日	At 1 January 2011, net of						
扣除累積折舊	accumulated depreciation	862	7,248	7,004	6	-	15,120
添置	Additions	-	6,959	1,984	26	-	8,969
出售	Disposals	-	(1)	(44)	-	-	(45)
折舊	Depreciation	(30)	(3,396)	(2,791)	(31)	-	(6,248)
於2011年12月31日	At 31 December 2011, net of						
扣除累積折舊	accumulated depreciation	832	10,810	6,153	1	-	17,796
於2011年12月31日：	At 31 December 2011:						
成本	Cost	1,178	44,570	32,025	272	62	78,107
累積折舊	Accumulated depreciation	(346)	(33,760)	(25,872)	(271)	(62)	(60,311)
賬面淨值	Net carrying amount	832	10,810	6,153	1	-	17,796

13 固定資產 (續)

13 Fixed assets (continued)

本公司 (續)

Company (continued)

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

13 固定資產 (續)

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：

13 Fixed assets (continued)

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

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
按賬面淨值：	At net carrying amount:		
中期租賃	Medium term leases	1,954	2,031

14 商譽

14 Goodwill

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
商譽	Goodwill	9,854	9,854

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：

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

(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% (2010年12月31日：5%)，而現金流量乃採用15% (2010年12月31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

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 cash-generating units is as follows:

(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 year approved by senior management. The discount rate applied to the cash flow projections is 5% (31 December 2010: 5%) and cash flows are using a growth rate of 15% (31 December 2010: 15%) which is determined based on past performance and management's expectations for the market development.

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。現金流量預測所應用之折現率為5% (2010年12月31日：5%)，而現金流量之增長則採用10% (2010年12月31日：10%) (就投資基金管理而言) 及10% (2010年12月31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2011年12月31日及2010年12月31日財務策劃及諮詢服務以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，為緊接預算年度前一年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稅項前及反映與相關單位有關之特定風險之比率。

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% (31 December 2010: 5%) and cash flows are using a growth rate of 10% (31 December 2010: 10%) (for investment fund management) and 10% (31 December 2010: 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 2011 and 31 December 2010. 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 year immediately before the budget year, 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.

15 其他無形資產

15 Other intangible assets

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
成本，扣除累積攤銷 添置	Cost, net of accumulated amortisation Addition	6,609 —	4,609 2,000
於年終／期末	At the end of the year/period	6,609	6,609
成本（賬面總值）	Cost (gross carrying amount)	10,131	10,131
累積攤銷	Accumulated amortisation	(3,522)	(3,522)
賬面淨值	Net carrying amount	6,609	6,609

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（2010年12月31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。

其餘2,000,000港元乃本集團對節流率的投資，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。

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 (31 December 2010: 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 remaining HK\$2,000,000 represents the Group's investment in throttle rate for trading order to be transmitted to the Automated Matching System of the Stock Exchange. This intangible asset has no expiry date.

16 其他資產

16 Other assets

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
按成本值：	At cost:		
於聯交所之按金：	Deposits with the Stock Exchange:		
賠償基金	Compensation fund	650	600
互保基金	Fidelity fund	350	300
證券及期貨事務監察委員會 交易商按金	Dealers' deposit with the Securities and Futures Commission	350	350
印花稅按金	Stamp duty deposit	500	500
中央結算及交收系統保證 基金供款	Contributions to The Central Clearing and Settlement System Guarantee Fund	550	300
付予香港中央結算有限公司 之入會費	Admission fee paid to Hong Kong Securities Clearing Company Limited	300	300
香港聯合交易所期權結算所 有限公司之儲備金	Reserve fund with The SEHK Options Clearing House Limited	9,123	24,723
於香港期貨結算有限公司 儲備金之按金	Deposit with HKFE Clearing Corporation Limited in contribution to the reserve fund	1,500	14,952
香港金銀業貿易場會籍成本	Cost of membership for a seat at The Chinese Gold and Silver Exchange Society	486	486
付予深圳證券交易所有限公司 之賠償基金	Compensation fund paid to The Shenzhen Stock Exchange Co., Ltd.	300	300
付予上海證券中央登記結算 公司之交收風險共同基金	Settlement Risk Fund paid to The Shanghai Securities Central Clearing & Registration Corporation	387	387
其他	Others	315	315
		14,811	43,513

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：

17 Investments in subsidiaries and amounts due from/to subsidiaries

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

		本公司 Company 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
非上市股份／投資，按成本值	Unlisted shares/investments, at cost	105,377	105,377
應收附屬公司之款項	Due from subsidiaries	4,024,331	3,176,448
應付附屬公司之款項	Due to subsidiaries	(1,468,719)	(756,097)
		2,660,989	2,525,728

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。

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.

17 於附屬公司之投資及應收／應付附屬公司之款項 (續)

主要附屬公司詳情如下：

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

The particulars of principal subsidiaries are as follows:

公司名稱 Name	註冊成立／ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本 之票面值／ 實收資本金額 Nominal value of issued share capital/amount of paid-up capital	本公司應佔之 股本百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
易寶環球服務有限公司* Epro Global Services Limited*	香港 Hong Kong	5,000,000港元 HK\$5,000,000	–	60	提供呼叫中心及系統維護服務 Provision of call centre and system maintenance services
創富會有限公司* E-wealth Club Limited*	香港 Hong Kong	1,000,000港元 HK\$1,000,000	–	100	正在撤銷登記 Under deregistration
Grand Fortune Company Limited	開曼群島 Cayman Islands	1港元 HK\$1	–	100	投資 Investment
海通資產管理(香港)有限公司 Hai Tong Asset Management (HK) Limited	香港 Hong Kong	20,000,000港元 HK\$20,000,000	–	100	提供資金管理服務 Provision of fund management services
海通融資(香港)有限公司 Hai Tong Capital (HK) Limited	香港 Hong Kong	10,000,000港元 HK\$10,000,000	–	100	提供企業諮詢服務 Provision of corporate advisory services
海通國際資產管理有限公司 Haitong International Asset Management Limited	香港 Hong Kong	13,000,000港元 HK\$13,000,000	–	100	投資控股及資產管理 Investment holding and asset management
Haitong International Asset Management (Cayman) Limited	開曼群島 Cayman Islands	10,000日圓 YEN10,000	–	100	提供投資管理服務 Provision of investment management services
海通國際資產管理代理人有限公司 Haitong International Asset Management Nominees Limited	香港 Hong Kong	6,000,000港元 HK\$6,000,000	–	100	自營買賣 Proprietary trading

17 於附屬公司之投資及應收／應付附屬公司之款項 (續)

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

公司名稱 Name	註冊成立／ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本 之票面值／ 實收資本金額 Nominal value of issued share capital/amount of paid-up capital	本公司應佔之 股本百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
海通國際金業有限公司 Haitong International Bullion Limited	香港 Hong Kong	7,000,000港元 HK\$7,000,000	–	100	貴金屬合約買賣及交易 Bullion contracts dealing and trading
Haitong International (BVI) Limited	英屬處女群島 British Virgin Islands	11,576港元 HK\$11,576	100	–	投資控股 Investment holding
海通國際資本有限公司 Haitong International Capital Limited	香港 Hong Kong	20,000,000港元 HK\$20,000,000	–	100	提供企業諮詢服務 Provision of corporate advisory services
Haitong International Capital Management Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding
海通國際顧問有限公司* Haitong International Consultants Limited#	香港 Hong Kong	5,000,000港元 HK\$5,000,000	–	60	提供金融諮詢服務 Provision of financial advisory services
Haitong International E-wealth Club Inc.	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding
海通國際財務有限公司 Haitong International Finance Company Limited	香港 Hong Kong	300,000,002港元 (無投票權遞延股 ¹) 100,700,001港元) HK\$300,000,002 (Non-voting deferred ¹) HK\$100,700,001)	–	100	投資控股、借貸業務及 證券買賣 Investment holding, money lending and securities trading

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

公司名稱 Name	註冊成立／ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本 之票面值／ 實收資本金額 Nominal value of issued share capital/amount of paid-up capital	本公司應佔之 股本百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
海通國際創富理財顧問(澳門) 有限公司# Haitong International Financial Management Consultancy (Macau) Limited#	澳門 Macau	澳幣500,000元 MOP500,000	–	59	提供支援服務 Provision of support services
海通國際期貨有限公司 Haitong International Futures Limited	香港 Hong Kong	100,000,000港元 HK\$100,000,000	–	100	期貨及期權經紀業務及買賣 Futures and options broking and trading
海通國際移民顧問有限公司# Haitong International Immigration Consultants Limited#	香港 Hong Kong	100,000港元 HK\$100,000	–	60	提供移民諮詢服務 Provision of immigration consultancy services
Haitong International Information Systems Inc.	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding
海通國際資訊系統有限公司 Haitong International Information Systems Limited	香港 Hong Kong	11,000,000港元 HK\$11,000,000	–	100	提供資訊科技解決方案 Provision of information technology solutions
Haitong International Information Technology Inc.	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding
Haitong International Investment Management Inc.	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding

17 於附屬公司之投資及應收／應付附屬公司之款項 (續)

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

公司名稱 Name	註冊成立／ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本 之票面值／ 實收資本金額 Nominal value of issued share capital/amount of paid-up capital	本公司應佔之 股本百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
海通國際投資經理有限公司 Haitong International Investment Managers Limited	香港 Hong Kong	47,000,000港元 HK\$47,000,000	–	100	提供資產及資金管理服務 Provision of asset and fund management services
海通國際投資服務有限公司 Haitong International Investment Services Limited	香港 Hong Kong	42,500,000港元 HK\$42,500,000	–	100	證券投資及買賣 Securities broking and dealing
海通國際企業管理顧問有限公司* Haitong International Management Consultancy Limited*	香港 Hong Kong	2港元 HK\$2	–	100	正在撤銷登記 Under deregistration
海通國際管理服務有限公司 Haitong International Management Services Company Limited	香港 Hong Kong	2港元 HK\$2	–	100	提供管理服務 Provision of management services
Haitong International Net Inc.	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding
海通國際網有限公司* Haitong International Net Limited*	香港 Hong Kong	1,000,000港元 HK\$1,000,000	–	100	正在撤銷登記 Under deregistration
海通國際代理人有限公司 Haitong International Nominees Company Limited	香港 Hong Kong	50,000,000港元 HK\$50,000,000	–	100	證券買賣 Securities trading
Haitong International On-line Inc.	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding

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

公司名稱 Name	註冊成立／ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本 之票面值／ 實收資本金額 Nominal value of issued share capital/amount of paid-up capital	本公司應佔之 股本百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
海通國際電子網上服務有限公司 Haitong International On-line Services Limited	香港 Hong Kong	6,000,000港元 HK\$6,000,000	–	100	提供電子金融服務 Provision of electronic financial services
海通國際研究有限公司 Haitong International Research Limited	香港 Hong Kong	1,000,000港元 HK\$1,000,000	–	100	提供研究服務 Provision of research services
海通國際證券有限公司 Haitong International Securities Company Limited	香港 Hong Kong	1,500,000,000港元 HK\$1,500,000,000	–	100	證券經紀及買賣以及 槓桿外匯買賣 Securities broking and dealing and leveraged foreign exchange trading
海通國際證券代理人有限公司 Haitong International Securities Nominees Limited	香港 Hong Kong	2港元 HK\$2	–	100	提供代理人及保管服務 Provision of nominee and custodian services
海通國際創富理財集團有限公司* Haitong International Wealth Management Group Limited*	香港 Hong Kong	3,500,000港元 HK\$3,500,000	–	100	正在撤銷登記 Under deregistration
海通國際創富理財有限公司# Haitong International Wealth Management Limited#	香港 Hong Kong	1,240,000港元 HK\$1,240,000	–	60	提供財務策劃服務以及金融及 保險產品經紀服務 Provision of financial planning services and financial and insurance products brokerage
Haitong PE Investment Management Ltd.	開曼群島 Cayman Islands	10美元 US\$10	–	100	投資管理 Investment management

17 於附屬公司之投資及應收／應付附屬公司之款項 (續)

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

公司名稱 Name	註冊成立／ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本 之票面值／ 實收資本金額 Nominal value of issued share capital/amount of paid-up capital	本公司應佔之 股本百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
IB Capital Management Limited**	開曼群島 Cayman Islands	50,000美元 US\$50,000	–	100	暫無營業 Inactive
演天資訊科技有限公司 iT Technology Company Limited	香港 Hong Kong	2港元 HK\$2	–	100	投資控股 Investment holding
iT Technology Holdings Inc.	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding
Ocean Pilot Investments Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	投資控股 Investment holding
意盛有限公司 Prosper Ideal Limited	香港 Hong Kong	2港元 HK\$2	–	100	投資控股 Investment holding
大福投資諮詢顧問(廣州)有限公司 ²	中華人民共和國 (「中國」) People's Republic of China ("PRC")	2,000,000港元 HK\$2,000,000	–	100	提供投資諮詢顧問服務 Provision of investment consultancy services
大福投資諮詢顧問(上海)有限公司 ²	中國 PRC	700,000美元 US\$700,000	–	100	提供投資諮詢顧問服務 Provision of investment consultancy services
演天資訊科技(深圳)有限公司 ²	中國 PRC	10,000,000港元 HK\$10,000,000	–	100	提供軟件開發服務 Provision of software development services

17 於附屬公司之投資及應收／應付附屬公司之款項 (續)

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

公司名稱 Name	註冊成立／ 註冊及經營地點 Place of incorporation/ registration and operations	已發行股本 之票面值／ 實收資本金額 Nominal value of issued share capital/amount of paid-up capital	本公司應佔之 股本百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
易普電子商務(深圳)有限公司 ^{2#}	中國 PRC	人民幣3,000,000元 RMB3,000,000	–	60	提供呼叫中心及系統維護服務 Provision of call centre and system maintenance services
海通大福投資諮詢(深圳) 有限公司 ^{2***}	中國 PRC	2,000,000港元 HK\$2,000,000	–	100	提供投資諮詢顧問服務 Provision of investment consultancy services
海通大福投資諮詢(上海) 有限公司 ^{2***}	中國 PRC	2,000,000港元 HK\$2,000,000	–	100	提供投資諮詢顧問服務 Provision of investment consultancy services

1 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。

2 根據中華人民共和國法律註冊為外商獨資企業的實體。

* 年內，相關附屬公司全體成員決議撤銷登記及解散附屬公司，惟須根據香港公司條例第291AA條待稅務局發出並無異議的通知及於政府憲報刊登擬撤銷登記的通知。於2011年12月31日，撤銷登記程序尚未完成。

** 年內，附屬公司全體成員決議撤銷登記及解散該附屬公司。於2011年12月31日，撤銷登記程序已經完成，該附屬公司將於2012年3月30日解散。

*** 於年內註冊成立。

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% (2010年12月31日：1%)。

1 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.

2 Entities registered as wholly-foreign-owned enterprises under the People's Republic of China law.

* During the year, all members of the respective subsidiaries resolved to deregister and dissolve the subsidiaries, which subject to the issue of the notice of no objection by the Inland Revenue Department and publication of a notice of the proposed deregistration in the Government Gazette pursuant to the section 291AA of the Hong Kong Companies Ordinance. As at 31 December 2011, deregistration procedures have not yet been completed.

** During the year, all members of the subsidiary resolved to deregister and dissolve the subsidiary. As at 31 December 2011, deregistration procedures have been completed and the subsidiary will be dissolved on 30 March 2012.

*** Incorporated during the year.

Subsidiaries not audited by PricewaterhouseCoopers. The aggregate net assets of subsidiaries not audited by PricewaterhouseCoopers approximates 1% (31 December 2010: 1%) of the Group's net assets.

18 可供出售投資

18 Available-for-sale investments

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
按公平值(市值):	At fair value (market value):		
香港之上市股權投資	Listed equity investments in Hong Kong	-	19,393
中國大陸之非上市股本投資 (附註)	Unlisted equity investment in Mainland China (Note)	11,250	12,625
		11,250	32,018

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。在遵守若干轉讓限制的前提下，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。

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.

18 可供出售投資 (續)

可供出售投資變動概述如下：

		截至 2011年12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至 2010年12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
於年初／期初	At the beginning of the year/period	32,018	33,075
出售	Disposal	(17,976)	(6,788)
轉撥至投資重估儲備之 公平值變動	Fair value changes transferred to the investment revaluation reserve	(2,792)	5,731
於年終／期終	At the end of the year/period	11,250	32,018

18 Available-for-sale investments (continued)

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

19 持有至到期之投資

		本集團 Group 12月31日 31 December 2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
非上市債務證券	Unlisted debt securities	142,695	–
		142,695	–

19 Held-to-maturity investments

19 持有至到期之投資 (續)

持有至到期之投資變動概述如下：

19 Held-to-maturity investments (continued)

The movement in held-to-maturity investments is summarised as follow:

		截至 2011年12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至 2010年12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
於年初／期初	At the beginning of the year/period	-	-
添置	Additions	142,481	-
攤銷	Amortization	214	-
於年終／期終	At the end of the year/period	142,695	-

於2011年12月31日，持有至到期之投資的公平值約為131,508,000港元。

As at 31 December 2011, the fair value of the held-to-maturity investments was approximately HK\$131,508,000.

20 預付款項、按金及其他應收賬項

20 Prepayments, deposits and other receivables

		本集團 Group 12月31日 31 December		本公司 Company 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000	2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
預付款項、按金及其他 應收賬項	Prepayments, deposits and other receivables	119,913	133,600	8,527	5,994
非上市債務證券	Unlisted debt securities	51,807	–	–	–
		171,720	133,600	8,527	5,994
減非流動部份： – 非上市債務證券	Less non-current portion: – unlisted debt securities	(51,807)	–	–	–
流動部份	Current portion	119,913	133,600	8,527	5,994

於2011年12月31日，非上市債務證券的公平值約為51,807,000港元。

結餘概無任何減值。

As at 31 December 2011, the fair value of unlisted debt securities was approximately HK\$51,807,000.

None of the balances are considered as impaired.

21 給予客戶之貸款

21 Advances to customers

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
孖展客戶之貸款	Loans to margin clients	3,445,404	4,382,700
減：減值撥備	Less: Impairment allowance	(7,111)	(7,111)
		3,438,293	4,375,589

21 給予客戶之貸款 (續)

- (a) 按個別情況評估之給予客戶之貸款之減值撥備變動如下：

		截至 2011年12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至 2010年12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
於年初／期初	At the beginning of the year/period	7,111	7,667
撇銷全數減值之客戶貸款	Write-off of fully impaired advances to customers	-	(556)
於年終／期終	At the end of the year/period	7,111	7,111

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。本集團設有一份經認可股份清單，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2011年12月31日，3,438,000,000港元（2010年12月31日：4,376,000,000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15,937,000,000港元（2010年12月31日：20,989,000,000港元）。

21 Advances to customers (continued)

- (a) The movements in impairment allowance of advances to customers, all assessed individually, are as follows:

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 2011, advances to customers of HK\$3,438 million (31 December 2010: HK\$4,376 million) was secured by securities pledged by the customers to the Group as collateral with undiscounted market value of HK\$15,937 million (31 December 2010: HK\$20,989 million).

21 給予客戶之貸款 (續)

(b) 給予客戶之貸款之信貸風險組合如下：

21 Advances to customers (continued)

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

		12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
並無逾期或減值	Neither past due nor impaired	3,012,285	4,049,732
已逾期但無減值	Past due but not impaired	426,008	325,857
已減值	Impaired	7,111	7,111
		3,445,404	4,382,700

分類為已逾期但無減值的客戶之貸款指應收尚未繳付追繳按金款項持倉之客戶款項。該等款項由客戶向本集團抵押的上市證券作為抵押品抵押，未折讓市值為3,952,000,000港元（2010年12月31日：2,870,000,000港元）。如上文附註21(a)所披露，已計提減值撥備7,111,000港元（2010年12月31日：7,111,000港元）。

Advances to customers classified under past due but not impaired represent those receivables from customers who have outstanding unfilled margin call position. The amount was secured by listed securities pledged by the customer to the Group as collateral with undiscounted market value of HK\$3,952 million (31 December 2010: HK\$2,870 million). An impairment allowance of HK\$7,111,000 (31 December 2010: HK\$7,111,000) has been provided as disclosed in note 21(a) above.

21 給予客戶之貸款 (續)

給予客戶之逾期貸款之賬齡分析如下：

21 Advances to customers (continued)

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

		12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
1個月內逾期	Overdue within 1 month	177,633	96,521
2至3個月逾期	Overdue between 2 to 3 months	155,120	160,430
超過3個月逾期	Overdue over 3 months	93,255	68,906
		426,008	325,857

22 應收賬款

22 Accounts receivable

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
以下各項產生之應收賬款：	Accounts receivable from:		
– 客戶	– Clients	52,741	51,757
– 經紀、交易商及結算所	– Brokers, dealers and clearing house	874,987	872,513
– 認購新股上市之新股份	– Subscription of new shares in IPO	53	–
– 其他	– Others	19,199	42,676
		946,980	966,946
減：減值撥備	Less: Impairment allowance	–	–
		946,980	966,946

22 應收賬款 (續)

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：

22 Accounts receivable (continued)

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

		12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
即期或3個月內逾期	Current or overdue within 3 months	940,164	960,671
4至6個月逾期	Overdue between 4 and 6 months	2,659	2,791
7至12個月逾期	Overdue between 7 and 12 months	1,381	1,426
超過1年逾期	Overdue over 1 year	2,776	2,058
		946,980	966,946

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。管理層會定期檢討逾期款項。管理層會確保本集團持有的上市股本證券足以抵銷逾期款項。

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. The management ensure that the listed equity securities held by the Group is sufficient to cover the overdue position.

23 按公平值計入損益之財務投資

23 Financial investments at fair value through profit or loss

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
持作買賣：	Held for trading:		
上市股權投資，按公平值：	Listed equity investments, at fair value:		
－ 於香港	－ in Hong Kong	6,889	89,185
非上市投資基金，按公平值：	Unlisted investment funds, at fair value:		
－ 於海外（包括中國內地）	－ in overseas (including Mainland China)	2,511	3,066
衍生財務工具	Derivative financial instruments		
－ 掉期	－ swap	8,324	–
		17,724	92,251

於2011年12月31日，衍生財務工具的名義本金為30,000,000美元。

The notional principal amounts of the derivative financial instruments as at 31 December 2011 were US\$30,000,000.

於結算日，信貸風險上限為綜合資產負債表內衍生資產之帳面值。

The maximum exposure to credit risk at the balance sheet date is the carrying value of the derivative assets in the consolidated balance sheet.

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，以存放於正常業務過程中所產生之客戶款項。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而確認應付予相關客戶之相應賬款（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。

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.

25 應付賬款

25 Accounts payable

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
以下各項產生之應付賬款：	Accounts payable to:		
– 客戶	– Clients	6,029,890	6,045,387
– 經紀、交易商及結算所	– Brokers, dealers and clearing house	14,199	6,307
– 其他	– Others	800	799
		6,044,889	6,052,493

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。

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.

25 應付賬款 (續)

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2011年12月31日，除應付予客戶之賬款按0.001% (2010年12月31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信託賬戶為數4,992,026,000港元 (2010年12月31日：5,158,603,000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575,183,000港元 (2010年12月31日：592,514,000港元)。

26 其他應付賬款及應計款項

其他應付賬款及應計款項

25 Accounts payable (continued)

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 2011 (31 December 2010: 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\$4,992,026,000 (31 December 2010: HK\$5,158,603,000), Hong Kong Futures Exchange Clearing Corporation Limited, Stock Exchange Options Clearing House and other futures dealers totaling HK\$575,183,000 (31 December 2010: HK\$592,514,000).

26 Other payables and accruals

	本集團 Group 12月31日 31 December		本公司 Company 12月31日 31 December	
	2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000	2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
其他應付賬款及應計款項	102,345	136,792	13,814	39,681

其他應付賬款為不計息及須於1年內償還。

Other payables are non-interest bearing and are repayable within one year.

27 貸款及其他借貸

27 Loans and other borrowings

		本集團 Group 12月31日 31 December		本公司 Company 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000	2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
即期負債	Current Liabilities				
有抵押借貸：	Secured borrowing:				
銀行透支（附註(a),(b)）	Bank overdrafts (note (a),(b))	-	13,892	-	-
銀行貸款（附註(b),(c)）	Bank loans (note (b),(c))	648,000	1,421,000	-	-
無抵押借貸：	Unsecured borrowing:				
銀行貸款（附註(c)）	Bank loans (note (c))	961,325	799,375	611,325	749,375
其他貸款（附註(c), 附註34）	Other loans (note (c), note 34)	85,200	740,000	85,200	640,000
		1,694,525	2,974,267	696,525	1,389,375

(a) 有抵押銀行透支須應要求償還。

(a) The secured bank overdrafts are repayable on demand.

(b) 銀行透支及銀行貸款648,000,000港元（2010年12月31日：1,435,000,000港元）乃以本集團作為給予客戶貸款（在客戶同意下）2,104,000,000港元（2010年12月31日：3,252,000,000港元）之抵押品而持有之上市股份作抵押。

(b) Bank overdrafts and bank loans of HK\$648 million (31 December 2010: HK\$1,435 million) are secured by the listed shares held by the Group as security for advances to customers (with the customers' consent) of HK\$2,104 million (31 December 2010: HK\$3,252 million).

(c) 銀行貸款及其他貸款須應要求償還或於1年內償還。

(c) Bank loans and other loans are repayable on demand or within 1 year.

本集團所有銀行借貸均按香港銀行同業拆息加年率0.55%至1.75%（2010年12月31日：香港銀行同業拆息加年率0.55%至1%）計息。

All the Group's bank borrowings bear interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 0.55% to 1.75% per annum (31 December 2010: HIBOR plus 0.55% to 1% per annum).

28 遞延稅項資產／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：

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.

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
將在多於12個月後償付 之遞延稅項資產	Deferred tax assets to be settled after more than 12 months	2,714	2,343
將在多於12個月後償付 之遞延稅項負債	Deferred tax liabilities to be settled after more than 12 months	(24,726)	(19,832)
		(22,012)	(17,489)

於2011年及2010年12月31日，本公司並無任何重大遞延稅項資產及負債。

The Company does not have any significant deferred tax assets and liabilities as at 31 December 2011 and 2010.

28 遞延稅項資產／負債 (續)

本集團遞延稅項資產及負債於年內之變動 (並無計算及抵銷同一徵稅司法權區內之結餘) 如下：

遞延稅項資產 – 本集團

		加速折舊撥備 Accelerated depreciation allowances 千港元 HK\$'000	稅項虧損 Tax losses 千港元 HK\$'000	合計 Total 千港元 HK\$'000
於2009年7月1日	At 1 July 2009	4,465	7,657	12,122
期內於綜合收益表 扣除之遞延稅項 (附註9)	Deferred tax charged to the consolidated income statement during the period (note 9)	(3,580)	(5,073)	(8,653)
於2010年12月31日 及2011年1月1日	At 31 December 2010 and 1 January 2011	885	2,584	3,469
年內於綜合收益表內 (扣除)／記賬之 遞延稅項 (附註9)	Deferred tax (charged)/ credited to the consolidated income statement during the year (note 9)	(270)	366	96
於2011年12月31日	At 31 December 2011	615	2,950	3,565

28 Deferred tax assets/liabilities (continued)

The movements in deferred tax assets and liabilities of the Group during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets – Group

28 遞延稅項資產／負債 (續)

28 Deferred tax assets/liabilities (continued)

遞延稅項負債 – 本集團

Deferred tax liabilities – Group

		加速折舊撥備 Accelerated depreciation allowances 千港元 HK\$'000
於2009年7月1日	At 1 July 2009	15,731
收購附屬公司	Acquisition of subsidiaries	420
期內於綜合收益表內扣除 之遞延稅項 (附註9)	Deferred tax charged to the consolidated income statement during the period (note 9)	5,227
於2010年12月31日 及2011年1月1日	At 31 December 2010 and 1 January 2011	21,378
年內於綜合收益表內扣除 之遞延稅項 (附註9)	Deferred tax charged to the consolidated income statement during the year (note 9)	4,199
於2011年12月31日	At 31 December 2011	25,577

未確認遞延稅項資產

Unrecognised deferred tax assets

遞延稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。本集團並未就可結轉以抵銷未來應課稅收入之虧損約150,000,000港元(2010年12月31日: 134,000,000港元) 確認遞延稅項資產約25,000,000港元(2010年12月31日: 22,000,000港元)。該等稅項虧損並無屆滿日期。

Deferred tax assets are recognised for tax loss carryforward 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\$25 million (31 December 2010: HK\$22 million) in respect of losses amounting to approximately HK\$150 million (31 December 2010: HK\$134 million) that can be carried forward against future taxable income. These tax losses have no expiry date.

29 股本**29 Share capital**

		12月31日	
		31 December	
		2011年	2010年
		2011	2010
		千港元	千港元
		HK\$'000	HK\$'000
法定股本：	Authorised:		
2,000,000,000股 (2010年12月31日： 2,000,000,000股) 每股面值0.10港元之普通股	2,000,000,000 (31 December 2010: 2,000,000,000) ordinary shares of HK\$0.10 each	200,000	200,000
已發行及繳足股本：	Issued and fully paid:		
915,342,706股 (2010年12月31日： 715,032,706股) 每股面值0.10港元之普通股	915,342,706 (31 December 2010: 715,032,706) ordinary shares of HK\$0.10 each	91,534	71,503

已發行股本變動如下：

The movements in issued share capital were as follows:

		已發行股份數目	已發行股本
		Number of	Share capital
		shares in issue	千港元
			HK\$'000
於2009年7月1日	As at 1 July 2009	706,448,228	70,645
因行使購股權而發行的新股 (附註(a))	New shares issued due to exercise of share options (note (a))	1,740,225	174
已發行以股代息股息(附註(b))	Scrip dividends issued (note (b))	6,844,253	684
於2010年12月31日	As at 31 December 2010	715,032,706	71,503
於2011年1月1日	As at 1 January 2011	715,032,706	71,503
因行使購股權而發行的新股 (附註(a))	New shares issued due to exercise of share options (note (a))	310,000	31
因資本化公司間貸款 而發行的新股份(附註(c))	New shares issued due to capitalization of intercompany loans (note (c))	200,000,000	20,000
於2011年12月31日	As at 31 December 2011	915,342,706	91,534

29 股本 (續)

(a) 截至2011年12月31日止年度，310,000份（截至2010年12月31日止18個月：1,740,225份）購股權已按每股4.854港元（截至2010年12月31日止18個月：每股5.874港元至每股5.879港元）之認購價獲行使，導致以總代價1,504,740港元（截至2010年12月31日止18個月：10,223,000港元）發行310,000股（截至2010年12月31日止18個月：1,740,225股）每股面值0.1港元之新普通股。

(b) 於2009年12月1日舉行之股東週年大會上，本公司股東批准藉以股代息選擇權以現金派發末期股息每股8港仙。於2010年1月15日，1,246,860股股份藉以股代息方式發行。

於2010年8月19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）宣派第二次中期股息每股6港仙。於2010年11月10日，5,597,393股股份藉以股代息方式發行。

(c) 於2011年6月23日，本集團與海通國際控股有限公司（本公司之直接控股公司）訂立一項貸款資本化協議。據此，海通國際控股有限公司通過將本集團於2011年6月23日之應付集團內公司間貸款850,000,000港元資本化的方式以每股4.25港元之價格認購200,000,000股股份。公司間貸款之資本化已於其後在2011年8月8日舉行之本公司股東特別大會獲批准，而有關股份已於2011年8月16日發行。所產生之股份發行成本約為3,775,000港元。

29 Share capital (continued)

(a) During the year ended 31 December 2011, 310,000 (18 months ended 31 December 2010: 1,740,225) share options were exercised at subscription price of HK\$4.854 per share (18 months ended 31 December 2010: at subscription prices from HK\$5.874 per share to HK\$5.879 per share), resulting in the issue of 310,000 (18 months ended 31 December 2010: 1,740,225) new ordinary shares of HK\$0.1 each for a total consideration of HK\$1,504,740 (18 months ended 31 December 2010: HK\$10,223,000).

(b) 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) On 23 June 2011, the Group entered into a loan capitalisation agreement with Haitong International Holdings Limited, the immediate holding company of the Company. Pursuant to the agreement, Haitong International Holdings Limited subscribed 200,000,000 shares at HK\$4.25 per share by way of capitalisation of HK\$850,000,000 intercompany loans due from the Group as at 23 June 2011. The capitalisation of intercompany loans was subsequently approved in a special general meeting of the Company held on 8 August 2011 and the shares were issued on 16 August 2011. Share issuing costs of approximately HK\$3,775,000 was incurred.

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。

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.

30 購股權計劃 (續)

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，合共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」），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限額之日本公司已發行股本的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已發行股份總數之30%（或上市規則容許之較高百分比）。於2011年12月31日，根據2002年購股權計劃可供發行之股份總數為71,503,270股，佔本公司於當日已發行股本約7.81%。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之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。

30 Share option scheme (continued)

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 2011, the total number of shares available for issue under the 2002 Share Option Scheme was 71,503,270 shares, which represented approximately 7.81% 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 (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起計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。

30 Share option scheme (continued)

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.

30 購股權計劃 (續)

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。

於2002年購股權計劃下之尚未行使購股權於年內／期內變動如下：

30 Share option scheme (continued)

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.

Movements of share options outstanding under the 2002 Share Option Scheme during the year/period are as follows:

		截止2011年12月31日 止年度 For the year ended 31 December 2011		截止2010年12月31日 止18個月 For the 18 months ended 31 December 2010	
		加權平均 行使價		加權平均 行使價	
		購股權數目		購股權數目	
		Weighted Average Exercise Price		Weighted Average Exercise price	
		Number of options		Number of options	
		港元 每股 千份		港元 每股 千份	
		HK\$ per share '000		HK\$ per share '000	
於2011年1月1日／ 於2009年7月1日	At 1 January 2011/1 July 2009	5.26	54,807	5.88	26,693
年內／期內授出	Granted during the year/period	-	-	4.85	33,480
年內／期內調整	Adjusted during the year/period	-	-	5.24	(46)
年內／期內行使	Exercised during the year/period	4.85	(310)	5.87	(1,740)
年內／期內沒收	Forfeited during the year/period	5.34	(11,281)	5.70	(3,580)
於2011年12月31日／ 於2010年12月31日	At 31 December 2011/ 31 December 2010	5.25	43,216	5.26	54,807

30 購股權計劃 (續)

年內，已行使購股權於行使日期之加權平均股價為5.05港元（截至2010年12月31日止18個月：6.93港元）。

於結算日未行使購股權之行使價及行使期如下：

2011年12月31日 31 December 2011		
購股權數目 Number of options	行使價 ¹ Exercise price ¹	行使期 Exercise period
千份 '000	每股港元 HK\$ per share	
16,570	5.879	2008年6月1日至2016年5月31日 1 June 2008 to 31 May 2016
26,646	4.854	2011年3月3日至2019年3月2日 3 March 2011 to 2 March 2019
43,216		

2010年12月31日 31 December 2010		
購股權數目 Number of options	行使價 ¹ Exercise price ¹	行使期 Exercise period
千份 '000	每股港元 HK\$ per share	
21,956	5.879	2008年6月1日至2016年5月31日 1 June 2008 to 31 May 2016
32,851	4.854	2011年3月3日至2019年3月2日 3 March 2011 to 2 March 2019
54,807		

¹ 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。

¹ The exercise price of the share options is subject to adjustment in case of rights, scrip dividend or bonus issues, or other similar changes in the Company's share capital.

30 購股權計劃 (續)

本年內並無授出新購股權。本集團就上一期間授出的若干購股權而於本年內確認購股權的開支為6,396,000港元(截至2010年12月31日止18個月: 12,791,000港元)。

於本年度, 310,000份(2010年12月31日: 1,740,225份)購股權獲行使導致本公司發行310,000股(2010年12月31日: 1,740,225股)普通股, 及新增股本31,000港元(2010年12月31日: 174,023港元), 以及股份溢價增加1,473,740港元(2010年12月31日: 10,048,559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43,215,758份(於2010年12月31日: 54,806,688份), 約佔本公司於該日已發行股份之4.72%(於2010年12月31日: 7.66%)。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43,215,758股(於2010年12月31日: 54,806,688股)本公司普通股, 而本公司之股本將增加4,321,576港元(於2010年12月31日: 5,480,669港元), 股份溢價賬將增加222,431,316港元(於2010年12月31日: 283,055,453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43,215,758份(於2010年12月31日: 54,806,688份), 約佔本公司於該日已發行股份之4.72%(於2010年12月31日: 7.66%)。

30 Share option scheme (continued)

No new share options were granted during the year. During the year, the Group recognised a share option expense of HK\$6,396,000 (18 months ended 31 December 2010: HK\$12,791,000) in relation to certain share options granted in prior period.

The 310,000 (31 December 2010: 1,740,225) share options exercised during the current year resulted in the issue of 310,000 (31 December 2010: 1,740,225) ordinary shares of the Company and new share capital of HK\$31,000 (31 December 2010: HK\$174,023) and share premium of HK\$1,473,740 (31 December 2010: HK\$10,048,559) (before issue expenses), as further detailed in note 29 to the consolidated financial statements.

At the balance sheet date, the Company had 43,215,758 (31 December 2010: 54,806,688) share options outstanding under the 2002 Share Option Scheme, which represented approximately 4.72% (31 December 2010: 7.66%) 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 43,215,758 (31 December 2010: 54,806,688) additional ordinary shares of the Company and additional share capital of HK\$4,321,576 (31 December 2010: HK\$5,480,669) and share premium of HK\$222,431,316 (31 December 2010: HK\$283,055,453) (before issue expenses).

At the date of approval of these consolidated financial statements, the Company had 43,215,758 (31 December 2010: 54,806,688) share options outstanding under the 2002 Share Option Scheme, which represents approximately 4.72% (31 December 2010: 7.66%) of the Company's shares in issue at that date.

31 儲備

本集團儲備內之金額及其於本年度及上一期間之變動，已於綜合權益變動表呈列。

本公司儲備內之金額及其於本年度及上一期間之變動如下：

本公司

		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
		Share premium account	Share option reserve	Capital redemption reserve	Contributed surplus	Retained profits	Total
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2009年6月30日	At 30 June 2009	894,677	14,484	5,102	2,697	5,806	922,766
期內溢利 – 附註10	Profit for the period – note 10	–	–	–	–	176,648	176,648
發行新股份 – 購股權計劃	Issue of new shares – share options scheme	11,337	(1,288)	–	–	–	10,049
授予僱員之新購股權 – 附註30	New share options granted to employees – note 30	–	12,791	–	–	–	12,791
宣派並以股份及現金支付之2009年末期股息及2010年第一次及第二次中期股息 – 附註11	2009 final and 2010 first and second interim dividend declared and settled in shares and cash – note 11	39,842	–	–	–	(113,434)	(73,592)
擬派2010年末期股息 – 附註11	Proposed final 2010 dividend – note 11	–	–	–	–	(57,203)	(57,203)
已失效購股權	Share options lapsed	1,616	(1,616)	–	–	–	–
於2010年12月31日	At 31 December 2010	947,472	24,371	5,102	2,697	11,817	991,459
發行新股份 – 貸款資本化 – 附註29	Issue of new shares – loan capitalisation – note 29	825,025	–	–	–	–	825,025
年內溢利 – 附註10	Profit for the year – note 10	–	–	–	–	119,930	119,930
授予僱員之新購股權 – 附註30	New share options granted to employees – note 30	–	6,396	–	–	–	6,396
發行新股份 – 購股權計劃 – 附註30	Issue of new shares – share options scheme – note 30	1,651	(178)	–	–	–	1,473
宣派並以現金支付之2011年中期股息 – 附註11	2011 interim dividend declared and settled in cash – note 11	–	–	–	–	(54,920)	(54,920)
擬派2011年末期股息 – 附註11	Proposed final 2011 dividend – note 11	–	–	–	–	(18,307)	(18,307)
已失效購股權	Share options lapsed	6,306	(6,306)	–	–	–	–
於2011年12月31日	At 31 December 2011	1,780,454	24,283	5,102	2,697	58,520	1,871,056

31 Reserves

The amounts of the Group's reserves and the movements therein for the current year 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 year and prior period are as follows:

Company

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2.16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，則轉撥往股份溢價賬。

32 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。物業租賃期經磋商釐定，介乎6個月至6年，而電腦設備租賃期為3至4年。

於2011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的未來需支付之最低租金總額如下：

31 Reserves (continued)

The contributed surplus of the Group and the Company also 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 2.16 to the consolidated financial statements. The amount will be transferred to the share premium account when the related options are expired or forfeited.

32 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 6 months to 6 years, and those for computer equipment for terms of 3 to 4 years.

At 31 December 2011, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		本集團 Group 12月31日 31 December		本公司 Company 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000	2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
1年內	Within one year	83,432	83,141	315	903
第2至第5年 (包括首尾兩年)	In the second to fifth years, inclusive	33,642	97,410	-	301
		117,074	180,551	315	1,204

33 其他承擔

除上文附註32詳述之經營租賃承擔外，本集團於結算日之承擔如下：

33 Other commitments

In addition to the operating lease commitments detailed in note 32 above, the Group had the following commitments at the balance sheet date:

		本集團 Group 12月31日 31 December	
		2011年 2011 千港元 HK\$'000	2010年 2010 千港元 HK\$'000
已訂約，但未撥備： 電腦設備	Contracted, but not provided for: Computer equipment	480	10,764

34 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，本集團於年內與關連人士之重要交易詳情概述如下：

- (i) 於本年內，本集團獲得本公司之直接控股公司海通國際控股有限公司提供無抵押貸款。於2011年12月31日，本公司之未償還結餘為85,200,000港元（2010年12月31日：640,000,000港元）。該項無抵押貸款之年息為0.8%至1.55%（2010年12月31日：1.10%至1.28%）。年內已付利息為7,167,381港元（截至2010年12月31日止18個月：988,000港元）。

34 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 year:

- (i) During the year, the Group obtained an unsecured loan from Haitong International Holdings Limited, the immediate holding company of the Company. As at 31 December 2011, the Company had outstanding balance of HK\$85,200,000 (31 December 2010: HK\$640,000,000). The unsecured loan is chargeable at an interest rate of 0.8% to 1.55% per annum (31 December 2010: 1.10% to 1.28% per annum). Interest expense of HK\$7,167,381 was paid during the year (18 months ended 31 December 2010: HK\$988,000).

34 關連人士交易 (續)

(a) (續)

- (ii) 於本年內，本集團與本公司之直接控股公司海通國際控股有限公司簽訂一項貸款資本化協議。根據該貸款資本化協議，海通國際控股有限公司將本集團於2011年6月23日結欠的公司間貸款850,000,000港元以資本化的方式以每股4.25港元之價格認購本公司之200,000,000股股份。公司間貸款之資本化已於其後在2011年8月8日舉行之本公司股東特別大會獲批准，而有關股份已於2011年8月16日發行。
- (iii) 根據本公司與其最終控股公司海通證券股份有限公司訂立之服務總協議，雙方已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、海通證券股份有限公司及其附屬公司應佔之包銷及分包銷承擔以及資訊科技支援交易。根據服務總協議之條款，該等服務於年內產生之收益及開支分別為187,333港元（截至2010年12月31日止18個月：9,000港元）及474,485港元（截至2010年12月31日止18個月：275,000港元）。

34 Related party transactions (continued)

(a) (continued)

- (ii) During the year, the Group signed a loan capitalisation agreement with Haitong International Holdings Limited, the immediate holding company of the Company. Pursuant to the loan capitalisation agreement, Haitong International Holdings Limited subscribed 200,000,000 shares of the Company at HK\$4.25 per share by way of capitalisation of HK\$850,000,000 intercompany loan owed by the Group as at 23 June 2011. The capitalisation of intercompany loans was subsequently approved in a special general meeting convened on 8 August 2011 and the shares were issued on 16 August 2011.
- (iii) Pursuant to a master services agreement entered into between the Company and Haitong Securities Co., Ltd., the ultimate holding company of the Company, both parties have agreed to provide services to the 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, underwriting or sub-underwriting commitments attributable to Haitong Securities Co., Ltd. and its subsidiaries, and information technology support services. The income and expenses from these services amount to HK\$187,333 (18 months ended 31 December 2010: HK\$9,000) and HK\$474,485 (18 months ended 31 December 2010: HK\$275,000) respectively for the year in accordance with the terms of the master services agreement.

34 關連人士交易 (續)

(a) (續)

- (iv) 於本年內，本集團就向本公司之直接控股公司海通國際控股有限公司提供全權委託賬戶管理服務而收取管理費738,000港元（截至2010年12月31日止18個月：無）。該費用按每月月底相關投資組合之資產淨值以年利率0.5%計算。

上文附註(i)至(iv)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。

(b) 本集團主要管理人員之薪酬：

34 Related party transactions (continued)

(a) (continued)

- (iv) During the year, the Group received a management fee of HK\$738,000 (18 months ended 31 December 2010: HK\$Nil) on provision of discretionary account management services to Haitong International Holdings Limited, the immediate holding company of the Company. The fee is charged at 0.5% per annum on the net asset value of the underlying investment portfolio at the end of each month.

The related party transactions disclosed in note (i) to (iv) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Compensation of key management personnel of the Group:

		截至 2011年12月31日 止年度 For the year ended 31 December 2011 千港元 HK\$'000	截至 2010年12月31日 止18個月 For the 18 months ended 31 December 2010 千港元 HK\$'000
短期僱員福利	Short term employee benefits	37,616	58,742
退休福利支出	Post-employment benefits	153	239
以股權支付之款項	Share-based payments	2,846	11,564
付給主要管理人員之薪酬總額	Total compensation paid to key management personnel	40,615	70,545

有關董事之薪酬詳情載於綜合財務報表附註7。

Further details of directors' emoluments are included in note 7 to the consolidated financial statements.

35 資產及負債之到期日組合

本集團若干資產及負債按於結算日至合約到期日之餘下年度分析之到期日組合如下：

35 Maturity profile of assets and liabilities

An analysis of the maturity profile of certain assets and liabilities of the Group analysed by the remaining year at the balance sheet date to the contractual maturity date is as follows:

		按要求償還 Repayable on demand 千港元 HK\$'000	3個月或以下 3 months or less 千港元 HK\$'000	總計 Total 千港元 HK\$'000
2011年12月31日	31 December 2011			
資產	Assets			
給予客戶之貸款	Advances to customers	3,438,293	–	3,438,293
代客戶持有之現金	Cash held on behalf of customers	1,954,196	3,037,830	4,992,026
現金及銀行結存	Cash and bank balances	545,780	455,458	1,001,238
		5,938,269	3,493,288	9,431,557
負債	Liabilities			
應付客戶賬款 (不包括應付經紀、 交易商及結算所 之款項)	Account payables to clients excluding payables to brokers, dealers and clearing house	5,777,652	252,238	6,029,890
貸款及其他借貸	Loans and other borrowings	–	1,694,525	1,694,525
		5,777,652	1,946,763	7,724,415

35 資產及負債之到期日組合 (續)

35 Maturity profile of assets and liabilities (continued)

		按要求償還 Repayable on demand 千港元 HK\$'000	3個月或以下 3 months or less 千港元 HK\$'000	總計 Total 千港元 HK\$'000
2010年12月31日	31 December 2010			
資產	Assets			
給予客戶之貸款	Advances to customers	4,375,589	–	4,375,589
代客戶持有之現金	Cash held on behalf of customers	2,711,586	2,447,017	5,158,603
現金及銀行結存	Cash and bank balances	244,733	172,947	417,680
		7,331,908	2,619,964	9,951,872
負債	Liabilities			
應付客戶賬款 (不包括應付經紀、 交易商及結算所 之款項)	Account payables to clients excluding payables to brokers, dealers and clearing house	5,915,773	129,614	6,045,387
貸款及其他借貸	Loans and other borrowings	113,892	2,860,375	2,974,267
		6,029,665	2,989,989	9,019,654

36 按類別劃分之財務工具

所有於綜合資產負債表的財務資產及財務負債(包括持有至到期投資、其他應收賬項、給予客戶之貸款、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)按實際利率法以攤銷成本計值,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。

36 Financial instruments by category

All financial assets and financial liabilities (including held-to-maturity investments, other receivables, 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 effective interest method except for “available-for-sale investments” and “financial investments at fair value through profit or loss” which are both carried at fair value.

37 財務風險管理之目的及政策

本集團之主要財務工具包括持有至到期投資、其他應收賬項、按公平值計入損益之財務投資、給予客戶之貸款、應收賬款、應付賬款、現金及銀行結存以及貸款及其他借貸。給予客戶之貸款、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動資金或籌集本集團經營所用之融資。

本集團財務工具所產生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、給予客戶之貸款、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貸款，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之利率淨額風險，目標乃維持息差，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。

37 Financial risk management objectives and policies

The Group's principal financial instruments comprise held-to-maturity investments, other receivables, financial investments at fair value through profit or loss, 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 interest-bearing 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.

37 財務風險管理之目的及政策 (續)

利率風險 (續)

於2011年12月31日，倘當日市場利率增加／減少25個基點(2010年12月31日：25個基點)而其他因素維持不變，年內除稅前溢利將增加／減少2,780,000港元(2010年12月31日：增加／減少6,620,000港元)，主要由於浮息銀行結餘、給予客戶之貸款、應收賬款及其他應收賬項、應付賬款、以及貸款及其他借貸賺取之利息收入淨額增加／減少。

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元以外貨幣計值之交易。

於2011年12月31日，本集團未對沖之外幣淨短倉總額為10,900,000美元(即10,900,000美元之淨長倉)倘美元兌其他外幣的匯率上升5%，上述未對沖之外幣淨短倉將帶來約545,000美元的淨收益(相對於4,236,000港元)。本集團於2010年12月並無重大未對沖之外幣結餘。

除此外匯風險外，本集團及本公司之主要資產及負債以港元、美元及人民幣計值。港元及美元的匯率於年內維持相對穩定。

於2011年12月31日，倘人民幣兌港元的匯率上升／下降5%(2010年：5%)，而其他所有因素(包括稅率)維持不變，年內除稅前溢利將增加／減少26,783,000港元(截至2010年12月31日止18個月：增加／減少307,000港元)。由於年內購買以人民幣計值之財務資產，2011年之溢利對人民幣兌港元匯率的波動較2010年更為敏感。

37 Financial risk management objectives and policies (continued)

Interest rate risk (continued)

At 31 December 2011, if market interest rates at that date had been 25 basis points (31 December 2010: 25 basis points) higher/lower with all other variables held constant, profit before taxation for the year would have been HK\$2,780,000 higher/lower (31 December 2010: HK\$6,620,000 higher/lower), mainly as a result of higher/lower floating rate bank balances, advances to customers, accounts receivables and other 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 Hong Kong dollars ("HKD").

As of 31 December 2011, the Group has unhedged net short position in foreign currency of US\$10.9 million (net long position of US\$10.9 million). If US dollars strengthen against all other foreign currency by 5%, the above unhedged net position will result in a net gain of approximately US\$545,000 (equivalent to HK\$4,236,000). The Group has no significant unhedged net foreign currency position in December 2010.

Apart from this foreign exchange exposure, the majority of the Group's and the Company's assets and liabilities are denominated in HKD, United States dollars ("USD") and Renminbi ("RMB"). Exchange rates of HKD and USD have remained relatively stable during the year.

As at 31 December 2011, if RMB strengthened/weakened against HKD by 5% (2010: 5%) with all other variables including tax rate being constant, profit before taxation for the year would have been HK\$26,783,000 (18 months ended 31 December 2010: HK\$307,000) higher/lower. Profit is more sensitive to movement in RMB against HKD in 2011 than 2010 because of purchase of RMB denominated financial assets during the year.

37 財務風險管理之目的及政策 (續)

信貸風險

持有至到期之投資、應收賬款、衍生財務工具、給予客戶之貸款、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。

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。該委員會亦負責批核可接納作孖展借貸之股份、就各獲批准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。

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貸款(孖展貸款)、持有至到期投資及其他應收賬款、衍生財務工具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：

- 給予客戶之貸款(孖展貸款)以抵押品作擔保。本集團僅接受現金及流通股形式之抵押品。既未逾期亦無減值之給予客戶之貸款悉數以流通股作抵押(附註21)。

37 Financial risk management objectives and policies (continued)

Credit risk

The held-to-maturity investments, other receivables, derivative financial instruments, 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.

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 its advances to customers (margin loan), held-to-maturity investments and other receivables, derivative financial instruments 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. Advances to customer of neither past due nor impaired are fully secured by liquid stocks (Note 21).

37 財務風險管理之目的及政策 (續)

信貸風險 (續)

- * 持有至到期之投資及其他應收賬款乃由發行人或其票據信譽評級達穆迪Ba3或以上，或標準普爾BB-或以上之機構及知名大型商業銀行發行。就並無信貸評級財務工具而言，本集團已進行詳細的信貸評估審閱過程，並密切監察其信貸性質。
- 衍生財務工具乃與信譽評級達穆迪A2之知名大型商業銀行訂立。
- 大部分現金及銀行結存乃存放於擁有由穆迪發出的Baa3級或以上以及由標準普發出的BBB+級或以上信貸評級的銀行。

至於應收賬項及其他應收款項，約113,000,000港元(2010年12月31日：76,000,000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。給予客戶之貸款及應收賬款之賬齡分析分別載於附註21及附註22。

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。

37 Financial risk management objectives and policies (continued)

Credit risk (continued)

- Held-to-maturity investments and other receivables were issued by corporations and reputable large commercial banks with credit rating of either the issuers or the notes, of Ba3 or above issued by Moody's or BB- or above issued by Standard & Poor's. For instruments without credit rating, the Group has undergone a detailed credit assessment review process and closely monitor its creditworthiness.
- Derivative financial instruments were entered with a reputable large commercial bank with credit rating of A2 issued by Moody's.
- 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 Standards & Poor's.

For accounts and other receivables, approximately HK\$113 million (31 December 2010: HK\$76 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 21 and note 22 respectively.

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 ("SFC"). The risk of default in repayment is considered to be minimal.

37 財務風險管理之目的及政策 (續)

信貸風險 (續)

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。

37 Financial risk management objectives and policies (continued)

Credit risk (continued)

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 "HKSF"). 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 HKSF.

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.

37 財務風險管理之目的及政策 (續)

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：

本集團

		2011年12月31日 31 December 2011			
		應要求	少於3個月	1至5年	總計
		On demand	Less than 3 months	1 to 5 Years	Total
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
貸款及其他借貸	Loans and other borrowings	-	1,712,277	-	1,712,277
應付賬款	Accounts payable	5,792,651	252,238	-	6,044,889
計入其他應付款項及 應計款項之財務負債	Financial liabilities included in other payables and accruals	102,345	-	-	102,345
		5,894,996	1,964,515	-	7,859,511

		2010年12月31日 31 December 2010			
		應要求	少於3個月	1至5年	總計
		On demand	Less than 3 months	1 to 5 Years	Total
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
貸款及其他借貸	Loans and other borrowings	113,892	2,861,997	-	2,975,889
應付賬款	Accounts payable	5,922,879	129,614	-	6,052,493
計入其他應付款項及 應計款項之財務負債	Financial liabilities included in other payables and accruals	136,792	-	-	136,792
		6,173,563	2,991,611	-	9,165,174

37 Financial risk management objectives and policies (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:

Group

37 財務風險管理之目的及政策 (續)

37 Financial risk management objectives and policies (continued)

流動資金風險 (續)

Liquidity risk (continued)

本公司

Company

		2011年12月31日 31 December 2011			
		應要求	少於3個月	1至5年	總計
		On demand	Less than 3 months	1 to 5 Years	Total
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
貸款及其他借貸	Loans and other borrowings	-	714,043	-	714,043
計入其他應付款項及 應計款項之財務負債	Financial liabilities included in other payables and accruals	13,814	-	-	13,814
應付附屬公司款項	Amounts due to subsidiaries	1,468,719	-	-	1,468,719
		1,482,533	714,043	-	2,196,576

		2010年12月31日 31 December 2010			
		應要求	少於3個月	1至5年	總計
		On demand	Less than 3 months	1 to 5 Years	Total
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
貸款及其他借貸	Loans and other borrowings	-	1,390,803	-	1,390,803
計入其他應付款項及 應計款項之財務負債	Financial liabilities included in other payables and accruals	39,681	-	-	39,681
應付附屬公司款項	Amounts due to subsidiaries	756,097	-	-	756,097
		795,778	1,390,803	-	2,186,581

37 財務風險管理之目的及政策 (續)

價格風險

價格風險為股本證券及衍生財務工具因股票指數水平及個別投資價值變動導致公平值下降之風險。於2011年12月31日及2010年12月31日，本集團面對之個別股本價格風險來自分類為按公平值計入損益之投資及衍生財務工具和可供出售投資。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。衍生財務工具使用市場常用的估值方式計量。

股權投資

下表概述香港恒生指數增加對年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。

37 Financial risk management objectives and policies (continued)

Price risk

Price risk is the risk that the fair values of equity securities and derivative financial instruments decrease as a result of changes in the levels of equity indices and the values of individual investment. The Group is exposed to price risk arising from individual equity investment and derivative financial instruments classified as financial investment at fair value through profit or loss and available-for-sale investments as at 31 December 2011 and 31 December 2010. 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. Derivative financial instruments are measured using valuation techniques commonly used in the market.

Equity investments

The table below summarises the impact of increases in the Hong Kong Hang Seng Index on the equity's profit before taxation for the year 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.

香港恒生指數	Hong Kong Hang Seng Index	對除稅前溢利之影響 Impact on profit before taxation 千港元 HK\$'000	對投資重估儲備之影響 Impact on the investment revaluation reserve in equity 千港元 HK\$'000
2011年12月31日	31 December 2011		
增加10%	Increase by 10%	435	702
減少10%	Decrease by 10%	(435)	(702)
2010年12月31日	31 December 2010		
增加10%	Increase by 10%	9,008	2,796
減少10%	Decrease by 10%	(9,008)	(2,796)

37 財務風險管理之目的及政策 (續)

價格風險 (續)

衍生財務工具

衍生財務工具的公平值根據相關投資組合的回報計量。若相關投資組合公平值增加1%，衍生工具的公平值將增加約2,000,000港元。

財務工具之公平值

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）。

37 Financial risk management objectives and policies (continued)

Price risk (continued)

Derivative financial instruments

The fair value of the derivative financial instruments depends on the return of an underlying investment portfolio. Should the fair value of the underlying investment portfolio increase by 1%, the fair value of the derivative will increase by around HK\$2 million.

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).

37 財務風險管理之目的及政策 (續)

財務工具之公平值 (續)

第2級 – 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 – 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。

截至2011年12月31日及2010年12月31日，本集團按公平值計量之財務資產分析如下：

本集團

		第1級 Level 1 千港元 HK\$'000	第2級 Level 2 千港元 HK\$'000	第3級 Level 3 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於2011年12月31日	31 December 2011				
可供出售投資	Available-for-sale investments	-	11,250	-	11,250
按公平值計入損益之 財務投資	Financial investments at fair value through profit or loss	6,889	10,835	-	17,724

37 Financial risk management objectives and policies (continued)

Fair value of financial instruments (continued)

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.

An analysis of the Group's financial assets measured at fair value as at 31 December 2011 and 31 December 2010 are as follows:

Group

37 財務風險管理之目的及政策 (續)

37 Financial risk management objectives and policies (continued)

財務工具之公平值 (續)

Fair value of financial instruments (continued)

本集團 (續)

Group (continued)

		第1級 Level 1 千港元 HK\$'000	第2級 Level 2 千港元 HK\$'000	第3級 Level 3 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於2010年12月31日	31 December 2010				
可供出售投資	Available-for-sale investments	19,393	12,625	–	32,018
按公平值計入損益之 財務投資	Financial investments at fair value through profit or loss	89,185	3,066	–	92,251

於年／期內，本集團並無任何第3級財務工具。

The Group did not have any level 3 financial instruments during the year/period.

資本管理

Capital management

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。

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.

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。於年內，並無就目標、政策及程序作出任何變動。

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 year.

37 財務風險管理之目的及政策 (續)

資本管理 (續)

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2011年12月31日及2010年12月31日，其分別為100,000港元至15,000,000港元。

於年內，受證監會規管之本集團附屬公司已符合最低資本規定。

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：

本集團

		2011年 12年31日 31 December 2011 千港元 HK\$'000	2010年 12年31日 31 December 2010 千港元 HK\$'000
總借貸	Total borrowings	1,694,525	2,974,267
股東權益總額	Total shareholders' equity	3,054,588	2,170,580
資本負債比率	Gearing ratio	55%	137%

37 Financial risk management objectives and policies (continued)

Capital management (continued)

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 2011 and 31 December 2010.

During the year, the subsidiaries of the Group, which are regulated by SFC, complied with all the minimum capital requirement.

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:

Group

37 財務風險管理之目的及政策 (續)

資本管理 (續)

於2011年12月31日資本負債比率下降乃由於將與本公司直接控股公司海通國際控股有限公司的公司間貸款資本化所致。貸款資本化詳情於附註29(c)披露。

38 直接控股公司及最終控股公司

於香港註冊成立的海通國際控股有限公司以及於中華人民共和國註冊成立的海通證券股份有限公司分別為本公司的直接控股公司及最終控股公司。

39 財務報表之批核

本財務報表已於2012年3月13日獲董事會批准。

37 Financial risk management objectives and policies (continued)

Capital management (continued)

The decrease in gearing ratio as at 31 December 2011 is resulted from the loan capitalisation of the intercompany loan with Haitong International Holdings Limited, the immediate holding company of the Company. Details of the loan capitalisation has been disclosed in note 29(c).

38 Immediate holding company and ultimate holding company

Haitong International Holdings Limited, a company incorporated in Hong Kong, and Haitong Securities Co., Ltd., a company incorporated in the People's Republic of China, are the immediate holding company and ultimate holding company of the Company respectively.

39 Approval of the financial statements

The financial statements were approved by the board of directors on 13 March 2012.

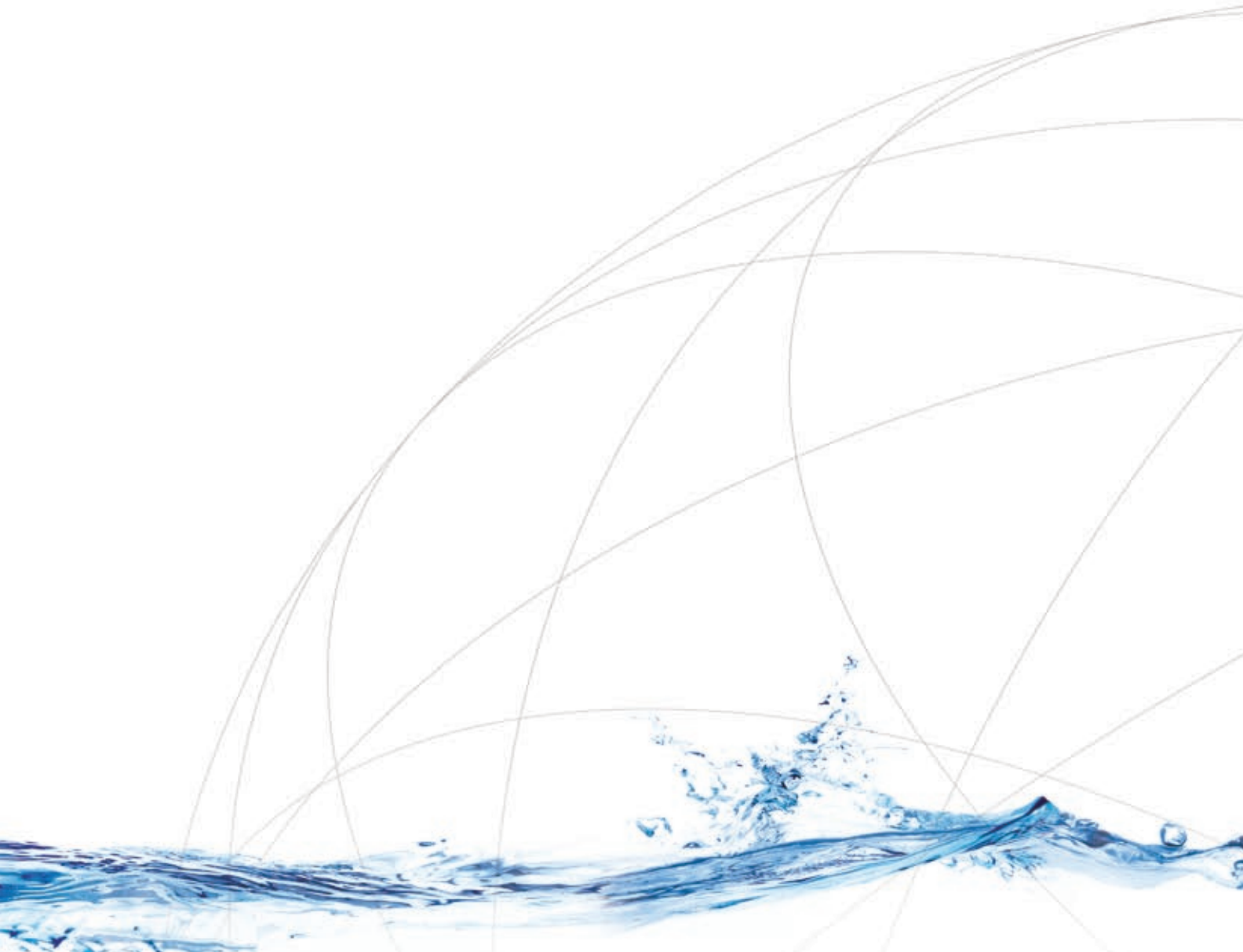
十年財務摘要

Ten Years Financial Summary

截至2011年12月31日止年度

For the year ended 31 December 2011

		2011年 12月31日 31/12/2011 千港元 HK\$'000	2009年 7月1日至 2010年 12月31日 31/12/2010 千港元 HK\$'000	2008年 1月1日至 2009年 6月30日 1/1/2008- 30/6/2009 千港元 HK\$'000	2007年 12月31日 31/12/2007 千港元 HK\$'000	2006年 12月31日 31/12/2006 千港元 HK\$'000	2005年 12月31日 31/12/2005 千港元 HK\$'000	2004年 12月31日 31/12/2004 千港元 HK\$'000	2003年 4月1日至 2003年 12月31日 31/12/2003 千港元 HK\$'000	2003年 3月31日 31/3/2003 千港元 HK\$'000	2002年 3月31日 31/3/2002 千港元 HK\$'000	2001年 3月31日 31/3/2001 千港元 HK\$'000
業績	RESULTS											
收入	Revenue	959,157	1,459,935	1,084,604	1,465,213	726,913	390,781	356,776	245,258	273,779	270,669	403,849
經營溢利 / (虧損)	OPERATING PROFIT/(LOSS)	179,058	396,827	202,058	582,362	197,689	68,663	77,919	45,881	(40,092)	(121,614)	99,243
應佔聯營公司及共同控制實體 之溢利 / (虧損)	Share of profits/(losses) of an associate and jointly-controlled entities	-	1,718	6,324	198	252	335	1,456	(4)	(372)	(48)	365
除稅前溢利 / (虧損)	PROFIT/(LOSS) BEFORE TAX	179,058	398,545	208,382	582,560	197,941	68,998	79,375	45,877	(40,464)	(121,662)	99,608
稅項 (開支) / 計入	Tax (charge)/credit	(25,973)	(53,386)	(20,054)	(92,329)	(22,971)	(6,040)	(9,095)	(4,297)	1,033	15,860	2,601
年內 / 期內溢利 / (虧損)	PROFIT/(LOSS) FOR THE YEAR/PERIOD	153,085	345,159	188,328	490,231	174,970	62,958	70,280	41,580	(39,431)	(105,802)	102,209
以下人士應佔溢利： 本公司股本持有人 非控制性權益	ATTRIBUTABLE TO: Equity holders of the Company Non-controlling Interests	153,204 (119)	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)
		153,085	345,159	188,328	490,231	174,970	62,958	70,280	41,580	(39,431)	(105,802)	102,209
資產、負債及非控制性 權益：	ASSETS, LIABILITIES AND NON- CONTROLLING INTERESTS:											
總資產	TOTAL ASSETS	10,962,126	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
總負債	TOTAL LIABILITIES	(7,900,899)	(9,234,813)	(6,973,302)	(5,906,460)	(3,221,400)	(2,148,493)	(1,806,194)	(2,061,376)	(1,380,096)	(1,202,849)	(1,225,574)
非控制性權益	NON-CONTROLLING INTERESTS	(6,639)	(6,758)	(5,394)	(8,660)	(4,476)	-	-	-	-	-	-
股東資金	SHAREHOLDERS' FUNDS	3,054,588	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



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