



Guotai Junan International Holdings Limited 國泰君安國際控股有限公司

(incorporated in the Hong Kong with limited liability 於香港註冊成立的有限公司)

Stock Code 股份代號：1788



2010 ANNUAL REPORT
年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Chairman and Non-executive Director

Dr. CHEN Geng

Executive Directors

Dr. YIM Fung

Mr. LI Guangjie

Mr. LI Sang, Edward

Mr. WONG Tung Ching

Independent Non-executive Directors

Dr. FU Tingmei

Dr. SONG Ming

Mr. TSANG Yiu Keung

Members of the Audit Committee

Mr. TSANG Yiu Keung (Chairman)

Dr. SONG Ming

Dr. FU Tingmei

Members of Remuneration Committee

Dr. FU Tingmei (Chairman)

Dr. YIM Fung

Dr. SONG Ming

Members of Nomination Committee

Dr. SONG Ming (Chairman)

Dr. CHEN Geng

Mr. TSANG Yiu Keung

COMPANY SECRETARY

Mr. LI Sang, Edward

REGISTERED OFFICE

27/F, Low Block

Grand Millennium Plaza

No.181 Queen's Road Central

Hong Kong

董事會

主席及非執行董事

陳耿博士

執行董事

閻峰博士

李光杰先生

李生先生

王冬青先生

獨立非執行董事

傅廷美博士

宋敏博士

曾耀強先生

審核委員會成員

曾耀強先生(主席)

宋敏博士

傅廷美博士

薪酬委員會成員

傅廷美博士(主席)

閻峰博士

宋敏博士

提名委員會成員

宋敏博士(主席)

陳耿博士

曾耀強先生

公司秘書

李生先生

註冊辦事處

香港

皇后大道中181號

新紀元廣場

低座27樓

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

SOLICITORS

Li & Partners, Solicitors

REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
No.183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

COMPLIANCE ADVISER

Cinda International Capital Limited
45th Floor, COSCO Tower
183 Queen's Road Central, Hong Kong

STOCK CODE

Stock Code of the Stock Exchange of Hong Kong Limited: 1788

COMPANY'S WEBSITE

www.gtja.com.hk

核數師

羅兵咸永道會計師事務所
執業會計師

律師

李偉斌律師行

股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17M樓

主要往來銀行

中國銀行(香港)有限公司
渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司

合規顧問

信達國際融資有限公司
香港皇后大道中183號
中遠大廈45樓

股份代號

香港聯合交易所有限公司股份代號：1788

本公司網站

www.gtja.com.hk

Corporate Profile

公司概況

Established in Hong Kong, one of the world's most vibrant global metropolises, Guotai Junan International Holdings Limited ("Guotai Junan International" or "the Company" or "the Group" or "We") serves as a bridge to connect enterprises and investors in China and the world. We provide channels for Chinese investors to access international capital markets while at the same time enable international investors to gain access to the dynamic growth of the Chinese markets.

We are a subsidiary of Guotai Junan Securities Company Limited ("Guotai Junan"), one of the China's largest securities houses, predominantly owned by Shanghai State-owned Asset Operation Company Limited, Central Hujin Investment Limited and Shenzhen Investment Holdings Company Limited. Backed by the strong operational support, we are the designated international flagship company of Guotai Junan, serving as the gateway for international expansion of Guotai Junan.

Today Guotai Junan International enjoys a host of tremendous growth opportunities and is well positioned to participate in capital markets expansion in Hong Kong. We have unparalleled access to our controlling shareholder's extensive business networks, not just in China but globally.

Guotai Junan International is the first Mainland-owned securities brokerage house with China Securities Regulatory Commission ("CSRC") approval to list its shares through initial public offering ("IPO") on the Main Board of the Stock Exchange of Hong Kong Limited ("Stock Exchange"). Established in Hong Kong in 1995, we provide our services in 4 core business areas: (i) dealing and broking in securities, futures and leveraged foreign exchange, (ii) margin and other financing, (iii) corporate finance, and (iv) asset management. By means of a sophisticated Internet platform, we are able to provide our clients with comprehensive services on global securities, derivative and leveraged foreign exchange trading, IPO subscriptions, margin financing, stock quotes, market news and research reports, etc. Led by a team of dedicated professionals who have in-depth knowledge and understanding of both China and Hong Kong capital markets, we have established a solid reputation for providing a wide range of high quality corporate finance solutions to our clients in Hong Kong, China and across the world.

We have proudly provided our clients with a superb range of high quality financial services through some of the most turbulent economic periods in the history. Looking into the future, we will continue to expand and invest in our existing platforms and customer profiles, and become a major regional financial services conglomerate. We will commit ourselves to assist our clients in making proper judgments in different market conditions while upholding our service commitment with integrity, client focus, expertise and innovation.

香港堪稱全球活躍大都市，藉此國泰君安國際控股有限公司（「國泰君安國際」或「本公司」或「本集團」或「我們」）立足本港，架橋連接中國及全球企業及投資者。我們為中國投資者開闢渠道，令其與國際資本市場接軌，同時力助國際投資者進軍中國蓬勃發展的市場。

我們乃國泰君安證券股份有限公司（「國泰君安」）的附屬公司。國泰君安為中國最大證券公司之一，主要由上海國有資產經營有限公司、中央匯金投資有限責任公司及深圳市投資控股有限公司擁有。憑藉強勁經營支持，我們成為國泰君安的指定國際旗艦公司，為國泰君安開拓進軍國際市場的大道。

現今，增長機會蜂擁而至，國泰君安國際已整裝待發，投身開拓香港資本市場的行列。我們前所未有接觸我們控股股東廣泛的業務網絡，不僅遍及中國亦是滲透全球。

國泰君安國際為獲中國證券監督管理委員會（「中國證監會」）批准將股份透過首次公開發售（「首次公開發售」）於香港聯合交易所有限公司（「聯交所」）主板上市的首家中資證券經紀行。成立於一九九五年，我們提供四大核心業務服務：(i) 證券、期貨及槓桿式外匯交易買賣及經紀服務；(ii) 孖展及其他融資服務；(iii) 企業融資；及(iv) 資產管理。利用發達的網絡平台，我們能夠為我們的客戶提供綜合性服務，涉及全球證券、衍生工具及槓桿式外匯交易、首次公開發售認購、孖展融資、股票報價、市場資訊及研究報告等。敬業專業團隊擁有中港資本市場的深厚知識及瞭解，而我們於此團隊引領下奠立穩固聲譽，為香港、中國乃至全球客戶提供一系列高質量企業融資方案。

回顧過去，我們曾於史上最紊亂經濟時期成功為我們客戶提供大量高質量融資服務。展望未来，我們將會持續擴展投資我們現有平台及客戶組合，力爭成為區內主要金融服務巨頭。我們將會竭誠力助客戶於各類不同市況作出適當判斷，並與此同時堅守「誠信、親和、專業、創新」的服務承諾。

Milestones 里程碑

1995	Guotai Junan (Hong Kong) Limited was incorporated.	一九九五年	國泰君安(香港)有限公司註冊成立。
	Guotai Junan Securities (Hong Kong) Limited became a member of the Stock Exchange and commenced business.		國泰君安證券(香港)有限公司成為聯交所成員並開展業務。
1997	Guotai Junan Futures (Hong Kong) Limited commenced business.	一九九七年	國泰君安期貨(香港)有限公司開始業務。
2001	Online trading platform for Hong Kong securities was launched.	二零零一年	香港證券的網上交易平台推出。
2003	Online trading platform for futures business was launched.	二零零三年	期貨業務的網上交易平台推出。
2007	Our first SFC authorized fund: Guotai Junan Investment Funds – Guotai Junan Greater China Growth Fund was launched	二零零七年	我們的首個香港證監會授權基金：國泰君安投資基金－國泰君安大中華增長基金推出。
2009	Online trading platform for United States securities was launched.	二零零九年	美國證券的網上交易平台推出。
	CSRC approval on China B shares trading qualification obtained.		取得中國證監會批准中國B股交易資格。
2010	CSRC approval for Hong Kong listing obtained.	二零一零年	取得中國證監會批准香港上市。
	Guotai Junan International Holdings Limited was incorporated and listed at the Main Board of the Stock Exchange of Hong Kong Limited		國泰君安國際控股有限公司註冊成立並於聯交所主板上市。
	Guotai Junan FX Limited commenced leveraged foreign exchange trading service.		國泰君安外匯有限公司開始提供槓桿式外匯交易服務。

Financial Highlights

財務摘要

		For the year ended 31 December		
		截至十二月三十一日止年度		
		2010	2009	Change
		二零一零年	二零零九年	變動
		(HK\$'000)	(HK\$'000)	
		Audited	Audited	%
		(千港元)	(千港元)	百分比
Income from dealing and broking	買賣及經紀業務收入	368,113	357,763	2.9%
Income from margin and other financing	孖展及其他融資收入	101,396	70,775	43.3%
Income from corporate finance	企業融資收入	126,412	74,446	69.8%
Income from asset management	資產管理收入	44,570	24,061	85.2%
Revenue from core business activities	核心業務收益	640,491	527,045	21.5%
Income from investment holding (Note 1)	投資業務收入 (附註 1)	11,826	56,325	-79.0%
Other income	其他收入	5,777	3,715	55.5%
Total revenue	總收益	658,094	587,085	12.1%
Profit from continuing operations	持續經營業務溢利	252,624	244,040	3.5%
Profit from discontinued operations (Note 2)	已終止經營業務溢利 (附註 2)	—	56,354	-100%
Profit attributable to equity holders of the Company	本公司股權持有人 應佔溢利	250,685	298,307	-16.0%
Profit from core business activities (Note 3)	核心業務溢利 (附註 3)	235,021	184,000	27.7%

Notes

- Income from financial assets at fair value through profit and loss.
- Profit from discontinued operations mainly represents the results of the fund investment business which has been disposed of in late 2009.
- Profit from core business activities represents profit from continuing operations after deducting income from investment holding and other income.

附註

- 按公平值計入損益的金融資產收入。
- 已終止經營業務溢利主要指已於二零零九年底出售的基金投資業務的業績。
- 核心業務溢利指經扣除投資業務收入及其他收入後的持續經營業務溢利。

A summary of the published results and of the assets and liabilities of the Group for the last four financial years is set out below:

本集團過去四年的刊發業績及資產與負債概要載列如下：

RESULTS

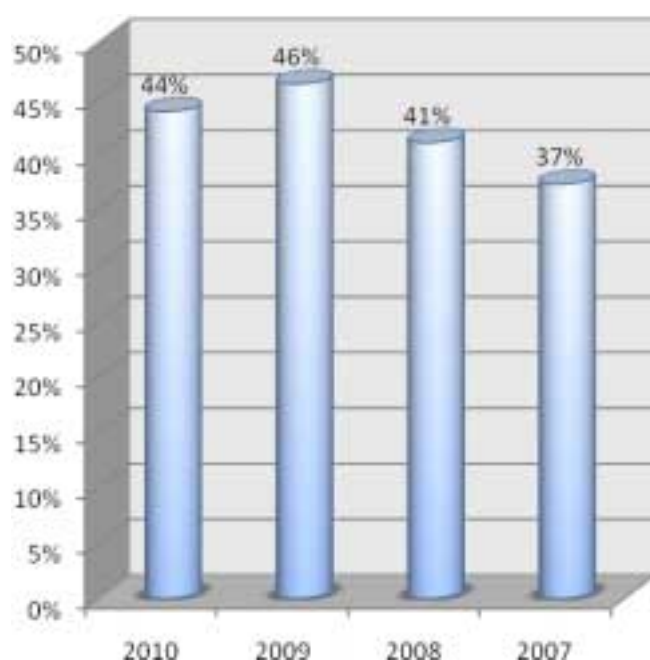
業績

For the year ended 31 December

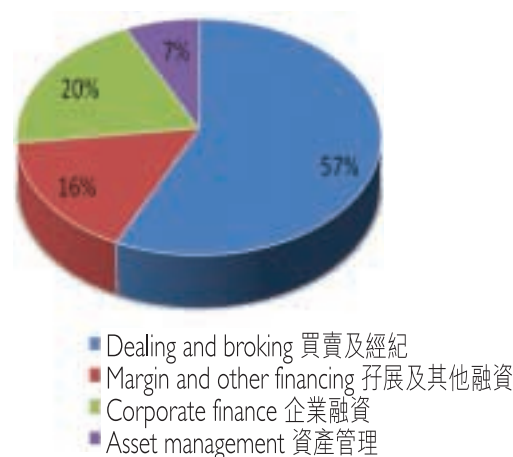
截至十二月三十一日止年度

		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Total revenue	總收益	658,094	587,085	519,307	975,955
Profit before tax	除稅前溢利	288,407	271,848	213,024	363,942
Profit from core business activities	核心業務溢利	235,021	184,000	240,141	297,517
Profit from continuing operations	持續經營業務溢利	252,624	244,040	210,428	300,320
Profit attributable to equity holders of the company	本公司股權持有人應佔溢利	250,685	298,307	126,045	385,428

Operating Margin
經營利潤



Revenue mix for core business activities in 2010
二零一零年核心業務活動的收益



Financial Summary

財務概要

ASSETS AND LIABILITIES

資產與負債

		For the year ended 31 December			
		截至十二月三十一日止年度			
		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Loans and advances to customers	貸款及客戶墊款	1,975,894	860,731	368,648	815,232
Cash and bank balances	現金及銀行結餘	441,631	460,284	586,527	582,489
Client trust bank balances	客戶信託銀行結餘	5,874,971	5,679,243	4,175,794	4,593,060
Other current assets	其它流動資產	1,031,652	434,291	485,326	605,046
Other non-current assets	其它非流動資產	651,512	360,382	43,978	98,042
Total assets	資產總額	9,975,660	7,794,931	5,660,273	6,693,869
Total liabilities	負債總額	(6,903,311)	(6,609,673)	(4,625,170)	(5,774,209)
Non-controlling interests	非控股權益	(6,428)	(4,489)	(2,402)	—
Shareholders' fund	股東資金	3,065,921	1,180,769	1,032,701	919,660

Affected by a series of macroeconomic events, the Hong Kong stock market fluctuated significantly in 2010. The Hang Seng Index rose by only 5.3% for the full year. However, I am pleased to report to you that during the first financial year after listing which ended 31 December 2010, Guotai Junan International Holdings Limited (the "Company") together with its subsidiaries (collectively known as the "Group") achieved remarkable growth in the core business areas.

Income of the Group increased by 12.1% to HK\$658.1 million (2009: HK\$587.1 million), of which income from the core business increased by 21.5% to HK\$640.5 million (2009: HK\$527.0 million). Profit after tax from the core business amounted to HK\$235.0 million, an increase of 27.7% over 2009. Although the core business achieved growth, profit attributable to shareholders of the Company for this financial year decreased by 16.0% to HK\$250.7 million (2009: HK\$298.3 million) due to the disposal of the fund investment business by the Group in 2009 and the realization of non-recurring income of HK\$56.4 million for the year ended 31 December 2009.

The board of directors of the Company (the "Board") recommends the payment of a final dividend of 5 Hong Kong cents per share for this financial year. Upon approval by shareholders of the Company at the forthcoming annual general meeting, the dividend is expected to be paid around early May 2011. As a result of the proposed final dividend together with the interim dividend for 2010 of 2 Hong Kong cents per share, dividends paid for the full year of 2010 amount to a total of 7 Hong Kong cents per share.

2010 REVIEW

In the first half of 2010, the full-scale outbreak of the European sovereign debt crisis, the increase in the deposit reserve ratio for three times in Mainland China and the introduction of the most stringent control measure in recent years, "新國十條", caused the Hang Seng Index to drop to a full-year low in the second quarter. In the second half year, affected by the second round of the quantitative easing policy (QE2) implemented by the United States, whose scale far exceeded than that expected, and driven by the accelerating appreciation of Renmibi, the market once saw a strong rebound but subsequently declined again under the influence of such factors as the tightening of macroeconomic control measures by Mainland China. The fluctuation of the Hang Seng Index for the full year was almost 6,000 points, with weaker momentum than that of most major stock indices in the world.

2010年香港股市受一系列宏觀事件影響大幅波動，恒指全年僅上漲5.3%。但本人欣然地向各位報告，上市後截至2010年12月31日止的第一個財政年度，國泰君安國際控股有限公司（「本公司」）連同其附屬公司（統稱「集團」）取得了核心業務的顯著增長。

集團收入增加12.1%至658.1百萬港元（2009年：587.1百萬港元），其中，核心業務收入增加21.5%至640.5百萬港元（2009年：527.0百萬港元）。核心業務除稅後溢利達235.0百萬港元，較2009年增長了27.7%。儘管核心業務取得增長，但由於集團於2009年出售了基金投資業務並於截至2009年12月31日止年度實現了非經常性收入56.4百萬港元，故本財政年度本公司股東應佔溢利減少16.0%至250.7百萬港元（2009年：298.3百萬港元）。

本公司董事會（「董事會」）建議就本財政年度派發末期股息每股5港仙，待本公司股東於應屆股東周年大會上批准後，預期將於2011年5月初派發。該建議之末期股息連同2010年的中期股息每股2港仙，使2010年度全年派發的股息合計每股7港仙。

二零一零年回顧

2010年上半年，歐洲主權債務危機的全面爆發，中國內地存款準備金率的3次上調以及近年來最嚴厲的調控措施「新國十條」的推出，拖累恒指第二季度跌至全年低位。下半年，受美國次輪量化寬鬆政策(QE2)實施規模超预期以及人民幣加速升值的帶動，市場曾出現強勁反彈，但其後受中國內地收緊宏觀調控等因素影響再度下挫。恒指全年波幅近6000點，走勢弱於全球大部分主要股指。

Chairman's Statement

主席報告書

In this volatile market environment, the Group maintained its good performance. Our four core business areas, namely dealing and broking, margin and other financing, corporate finance and asset management, achieved remarkable growth. In particular, the growth of income from the asset management business reached 85.2%. Costin New Materials Group Limited (海東青新材料集團有限公司) (2228) sponsored by us became the initial public offering (IPO) project with the largest increase in share price in the Hong Kong stock market in 2010. It was called the "King of Stocks" by overseas media. The sharp increase in income from the margin financing business was attributed to more funds invested by the Group after its listing. This also demonstrated the allocation of funds after listing made by us based on the market situation was correct and forward-looking.

DEVELOPMENT PLAN

Guotai Junan Securities Company Limited ("Guotai Junan"), the controlling shareholder of the Group, is one of the largest securities houses in Mainland China. Being the only offshore institution established by Guotai Junan, we will rely on the extensive sales network and customer resources of Guotai Junan in Mainland China to expand the scope of financial services. Our development objective is to become a regional international financial service company with full financial service capabilities and at the same time become an overseas platform for Guotai Junan to implement its international strategy and expand cross-border business. That is to say, we will provide global investment services to customers within the PRC and will provide opportunities for overseas customers to invest in the PRC market.

According to the development plan of the Group, we will continue to develop the broking business. Our "one-stop" electronic investment platform will further cover all major investment markets around the world (other than the A share market of the PRC). We will continue to expand the margin financing business so as to promote the growth of the broking business. We will expand the cross-border corporate finance business and assist customers in Hong Kong, Mainland China and other countries to pursue corporate finance and acquisition opportunities. We will extend our asset management services to international investment funds seeking investment opportunities in the Greater China region, and to develop our private wealth management business. While developing new business and expanding the scope of financial services, we will also further strengthen our customer base and gradually establish a sales network for international institutional investors to enhance the Group's core competitiveness.

在波動的市場環境中，集團保持了不俗的業績表現，我們的四項核心業務（即買賣和經紀、孖展及其他融資、企業融資及資產管理）取得了顯著增長。其中資產管理業務收入增長達85.2%，我們保薦的海東青新材料集團有限公司(2228)成為2010年度港股市場升幅最大的首次公開招股(IPO)專案，被海外媒體稱為股王。而融資業務收入的大幅增長則歸因於集團上市後加大了資金投入。這也證明了我們基於市場形勢判斷而對上市後資金作出的安排是正確而有前瞻性的。

發展規劃

集團的控股股東國泰君安證券股份有限公司（「國泰君安」）為中國內地最大的證券公司之一。作為國泰君安在境外設立的唯一機構，我們將依託國泰君安在中國內地龐大的銷售網路和客戶資源，拓寬金融服務範圍。我們的發展目標是成為具有全面金融服務能力的區域性國際金融服務公司，同時成為國泰君安實施國際化戰略和拓展跨境業務的境外平台。也就是說，我們將為中國境內客戶提供全球化投資的服務，並為境外客戶提供參與中國境內市場投資的機會。

根據集團的發展規劃，我們將繼續發展經紀業務，「一站式」電子投資平台將進一步覆蓋全球主要投資市場（中國A股市場除外）；我們將繼續加強孖展融資業務，以促進經紀業務的增長；我們將拓展跨境企業融資業務，協助香港、中國內地和其他國家的客戶爭取新的融資和併購機會；我們將擴大資產管理服務至有意在大中華地區投資的國際投資基金，並尋找機會發展私人財富管理業務。在開發新業務、拓寬金融服務範圍的同時，我們還將進一步充實我們的客戶基礎，逐步建立國際性機構投資者的銷售網路，提升集團的核心競爭力。

LOOKING FORWARD TO 2011

In 2011, the global economy will see a slowdown in its growth, mainly because developed economies, especially the United States, are still on the track of recovery and can hardly restore steady and rapid growth in the short term. Besides, the general high unemployment rates of developed countries, the European debt crisis and the instability of global financial markets have created uncertainties about the recovery of the economy. As for Mainland China, because of the high inflation expectation, a moderate slowdown in the domestic economy has become a consensus. However, being the starting year of the "12th Five-year Plan", the increase in the domestic demand, the development of emerging industries and the improvement of the investment environment have generated new growth hotspots. Therefore, we are cautiously optimistic about the growth of the domestic economy of the PRC in 2011.

In the coming year, the Group will continue to adopt an aggressive while stable operation strategy, strive to develop and expand our diversified operations and maintain our good risk management, asset and liability management and cost control tradition. Although the prospect of global economic recovery is still uncertain, we are optimistic about the domestic economic outlook of the PRC and the prospect of the Group which relies on the strong support from our parent company in the PRC. We believe we are equipped with the favourable elements of capturing market opportunities in both short and long term and also have the ability to generate stable and attractive returns for our shareholders.

At last, I would like to extend my heartfelt gratitude to our core groups - our shareholders, customers and staff - for their full support and participation in the development of the Group last year.

Dr. CHEN Geng

Chairman

Hong Kong, 28 March 2011

展望二零一一

2011年全球經濟增長將呈放緩走勢，主要是由於發達經濟體特別是美國經濟仍在恢復軌道上，短期內難以形成平穩較快的增長趨勢，而發達國家普遍的高失業率、歐洲債務危機和全球金融市場的不穩定又使經濟的復蘇充滿了不確定性。中國內地方面，由於高通脹預期，國內經濟略為放緩已成共識，但作為「十二五」開局之年，內需的擴大、新興產業的發展以及投資環境的改善將會形成新的增長熱點。因此，我們對2011年中國國內經濟的增長審慎樂觀。

在新的一年裏，集團將繼續採取積極穩健的經營策略，致力於發展和拓寬我們的多元化業務，並保持良好的風險管理、資產負債管理和成本控制傳統。雖然世界經濟復蘇的前景還不明朗，但我們對中國國內的經濟前景和依託國內母公司強大後盾的集團發展及前景保持樂觀。我們相信我們具備了把握近期和遠期市場機遇的良好條件，也有能力為我們的股東創造穩定且吸引人的回報。

最後，本人在此衷心感謝我們的核心群體—我們的股東、客戶和員工，於去年鼎力支持並積極參與集團的發展。

陳耿博士

主席

香港，二零一一年三月二十八日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “Board”) is committed to maintain a high standard of corporate governance practices within the Group and has adopted various measures to ensure the maintenance of a high standard. During the 6 months’ period from 8 July 2010 (when the Group was listed on the Main Board of the Stock Exchange) to 31 December 2010, the Company has fully complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 (the “Code”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The followings summarize 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 Board is primarily responsible for setting directions, formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are 3 board committees, namely Audit Committee, Remuneration Committee and Nomination Committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

The Board

The Board is charged with promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each director of the Company (the “Director”) has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated.

企業管治報告

本公司董事會（「董事會」）致力維持本集團內高水平的企業管治常規，亦採用各類措施以確保維持高標準。於二零一零年七月八日（本集團於聯交所主板上市當日）至二零一零年十二月三十一日六個月期間，本公司一直全面遵守聯交所證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「守則」）的守則條文。以下為本公司將守則中各項原則應用於其企業管治常規當中的概要。

企業管治架構

董事會深信，一套均衡的企業管治架構，能讓本公司更有效地控制業務風險，從而確保本公司之業務是為其股東及其他權益持有人的最佳利益而營運。董事會主要的責任是為本集團訂製方針、制定策略、監察表現及控制風險，同時亦肩負為本集團加強有效企業管治常規的責任。董事會目前設有三個委員會，包括審核委員會、薪酬委員會及提名委員會。該等委員會皆有不同角色，並會根據各自的職權範圍履行其職責，協助董事會監督高級管理層的若干職能。

董事會

董事會通過以負責任、重效益的態度領導及監管本公司從而帶領其走向成功。且各名董事（「董事」）均有責任以公司的最佳利益為前提行事。董事明白，須就公司的管理、監控和營運事宜向所有股東承擔共同和個別的责任。

The types of decisions which are to be taken by the Board include those relating to:-

- Setting the Group's values and standards;
- The strategic direction of the Group;
- The objectives of the Group;
- Overseeing the management of the Company's relationships with stakeholders, such as Government, customers, the community and others who have a legitimate interest in the responsible conduct of the Group's business;
- Monitoring the performance of management; and
- Ensuring that framework of prudent and effective controls is in place to enable risks to be assessed and managed.

The Board also acknowledges its responsibility to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group. In preparing these financial statements for the year ended 31 December 2010, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. In addition, it is acknowledged that the Board has the ultimate responsibility for the Group's internal control system and, through the Audit Committee, the Board has reviewed the effectiveness of the system.

The Board currently comprises a total of 8 Directors:

Chairman and Non-executive Director:

Dr. CHEN Geng

Executive Directors:

Dr. YIM Fung

Mr. LI Guangjie

Mr. LI Sang, Edward

Mr. WONG Tung Ching

Independent Non-executive Directors:

Dr. FU Tingmei

Dr. SONG Ming

Mr. TSANG Yiu Keung

董事會就下列項目作出決定：

- 確立本集團的價值及標準；
- 制訂本集團的策略方針；
- 本集團的目標；
- 監察本公司與業務有關人士的關係，例如政府、客戶、社群及其他有合理原因關注集團以負責任態度營運業務的人士；
- 監管管理層的表現；及
- 確保公司推行審慎和有效的監控架構，以評估和管理風險。

董事會亦知悉須於各財政期間，負責編製可真實公平反映集團的財務狀況的財務報表。於編製截至二零一零年十二月三十一日止年度的財務報表時，董事選擇並貫徹地應用適當的會計政策，作出審慎、公平和合理的判斷及估計，並按持續營運的基準編製財務報表。董事負責存置適當並於任何時候均合理準確地披露集團財務狀況的會計記錄。董事會亦確認會對本集團之內部監控系統負有最終的責任，並且董事會已透過審核委員會審議系統之效用。

董事會現時合共由八名董事組成：

主席及非執行董事： 陳耿博士

執行董事： 閻峰博士
李光杰先生
李生先生
王冬青先生

獨立非執行董事： 傅廷美博士
宋敏博士
曾耀強先生

Corporate Governance Report

企業管治報告

The Board comprises 4 executive Directors and 4 non-executive Directors. Of the 4 non-executive Directors, 3 of them are independent non-executive Directors. In addition, one of the independent non-executive Directors possesses appropriate professional accounting qualification. There is no relationship between members of the Board. 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 6 months ended 31 December 2010.

Full board meets in person no less than 4 times a year is required. Notice of at least 7 days is given for 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 together with the notice of 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.

During the 6 months ended 31 December 2010, two board meetings were held and the individual attendance of each Director is set out below:

董事會包括4名執行董事及4名非執行董事。於4名非執行董事當中，3名為獨立非執行董事。另外，一名獨立非執行董事擁有適當專業會計資格。董事會成員間概無任何關係。根據上市規則，本公司已接獲各獨立非執行董事書面確認其獨立於本公司。本公司認為，所有獨立非執行董事根據上市規則於截至二零一零年十二月三十一日止期間均屬獨立。

本公司每年舉行不少於4次的全體董事會會議。召開董事會定期會議應發出最少7天通知，讓所有董事皆有機會抽空出席。各會議的議程及隨附有關的董事會文件連同會議通知全部提呈予全體董事傳閱。高級管理行政人員不時會獲邀出席董事會會議，於會上作出陳述及／或回答董事會所作出的任何提問。

於截至二零一零年十二月三十一日止六個月，董事會舉行了兩次會議，而各名董事個人出席次數載列如下：

Name of Director 董事姓名		Number of meetings attended 出席會議次數	Attendance rate 出席率
Dr. CHEN Geng	陳耿博士	2/2	100%
Dr. YIM Fung	閻峰博士	2/2	100%
Mr. LI Guangjie	李光杰先生	2/2	100%
Mr. LI Sang, Edward	李生先生	2/2	100%
Mr. WONG Tung Ching	王冬青先生	2/2	100%
Dr. FU Tingmei	傅廷美博士	2/2	100%
Dr. SONG Ming	宋敏博士	2/2	100%
Mr. TSANG Yiu Keung	曾耀強先生	2/2	100%

Corporate Governance Report

企業管治報告

Remuneration Committee

The Remuneration Committee was established on 19 June 2010. The Committee currently comprises 3 Directors:

Independent Non-executive Directors: Dr. FU Tingmei (*Chairman*)
Dr. SONG Ming

Executive Director: Dr. YIM Fung

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 Articles of Association of the Company. No Directors can determine their own remuneration packages. 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. The Committee is provided with the sufficient resources to discharge its duties. The Chairman of the Committee will report their findings and recommendations to the Board for consideration and approval.

During the 6 months ended 31 December 2010, the Committee held one meeting to review and discuss remuneration matters of the Group. The individual attendance of the Committee members is set out below:

Name of Director		Number of meetings attended	Attendance rate
董事姓名		出席會議次數	出席率
Dr. FU Tingmei	傅廷美博士	1/1	100%
Dr. SONG Ming	宋敏博士	1/1	100%
Dr. Yim Fung	閻峰博士	1/1	100%

Nomination Committee

The Remuneration Committee was established on 19 June 2010. The Committee currently comprises 3 Directors:

Independent Non-executive Directors: Dr. SONG Ming (*Chairman*)
Mr. TSANG Yiu Keung

Non-executive Director: Dr. CHEN Geng

The primary responsibilities of the Committee are, amongst other things, to make recommendations to the Board on appointment of Directors and succession planning for the Directors. The Committee did not hold any meeting in 2010.

薪酬委員會

薪酬委員會於二零一零年六月十九日成立。該委員會現時包括3名董事：

獨立非執行董事： 傅廷美博士 (*主席*)
宋敏博士

執行董事： 閻峰博士

該委員會的職責包括遵照上市規則及本公司的公司組織章程細則制訂本集團的薪酬政策、釐定執行董事及董事會整體薪酬方案。本公司董事一概不得自行釐定其薪酬方案。該委員會每年最少召開一次會議，並按其職權範圍履行職責，該職權範圍已刊載於本公司網站內。該委員會獲提供足夠的資源以履行其職責。該委員會主席會向董事會匯報其發現及建議，以供其考慮及批准。

於截至二零一零年十二月三十一日止六個月，該委員會召開了一次會議審議並討論了本集團的薪酬事務。該委員會成員的個人出席情況載列如下：

提名委員會

提名委員會於二零一零年六月十九日成立。該委員會現時包括3名董事：

獨立非執行董事： 宋敏博士 (*主席*)
曾耀強先生

非執行董事： 陳耿博士

該委員會的主要責任包括向董事會就委任董事及董事繼任作出建議。該委員會於二零一零年並無召開會議。

PROCEEDINGS OF THE BOARD AND THE RESPECTIVE BOARD COMMITTEES MEETINGS

The Company Secretary will assist the Chairman of the Board and the respective 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 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 comments before submission to the chairman of the meetings for approval.

In addition, in order to safeguard the interest of individual director, the Company has arranged directors and officers 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 ("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' business. The duties of the Chairman and the CEO are carried out respectively by Dr. CHEN Geng and Dr. YIM Fung. There is no financial, business, family or other material/relevant relationship between the Chairman and the CEO.

NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors has entered into a service contract with the Company for a term of three years. Such term is subject to his re-appointment by the Company at general meeting upon retirement by rotation pursuant to the Articles of Association of the Company.

董事會及各董事會委員會會議的程序

公司秘書會協助董事會主席及各董事會委員會編製會議議程，本公司各董事可藉此將任何須予決定的事宜載入議程。如任何本公司董事被認為在任何交易中有利益衝突，則有關董事將不會被計作有關會議的法定人數。董事會及各董事會委員會會議的會議記錄均會詳盡記載。所有草擬的會議記錄均會在提呈會議主席批准之前交予出席會議的人士批閱。

此外，為保障個別董事的權益，本公司亦為其董事及附屬公司董事購買了董事及職員責任保險。

主席及行政總裁

主席與行政總裁（「行政總裁」）的角色有著清晰的界別，確保可將主席負責管理董事會的責任與行政總裁負責管理本公司及其附屬公司業務的責任清楚區分。主席與行政總裁之職責分別由陳耿博士及閻峰博士擔任。主席與行政總裁之間並無任何財務、業務、家族或其他重大／有關的關係。

非執行董事

本公司各非執行董事與本公司簽訂了一份為期三年的服務合約。根據本公司組織章程細則，該任期受股東大會上輪值告退及由本公司重新委任的規限。

Corporate Governance Report

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors. All Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the 6 months ended 31 December 2010. The Directors had no securities transactions of the Company during the 6 months ended 31 December 2010.

COMPLIANCE MANUAL

To ensure the Company operates according to the highest standards of ethical conduct and professional competence, all management and staff, as well as Directors themselves, are required to strictly follow the Company's Compliance Manual which places them under specific obligations as to the ethics and principles by which the Company's business is conducted. With reference to the applicable regulatory guidelines and other industry best practices, the Compliance Manual sets out ethical standards and values on the topics such as staff dealing in securities, anti-money laundering and personal benefits.

INTERNAL AUDITOR

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.

董事進行證券交易

本公司已採納上市規則附錄10所載的上市公司董事進行證券交易的標準守則作為董事進行證券交易的操守守則(「標準守則」)。全體董事確認彼等於截至二零一零年十二月三十一日止六個月內一直遵守載於標準守則內的規定標準。於截至二零一零年十二月三十一日止六個月期間，本公司各董事並無進行本公司證券交易。

合規守則

為確保本公司按職業操守及專業能力的最高水準經營，所有管理層及僱員連同董事自身須嚴格遵守本公司的合規守則，當中訂明彼等於本公司業務應遵循職業操守及原則的特定責任。參照適用規管指引及其他行業最佳慣常作法，合規守則載列與僱員買賣證券、反洗黑錢及個人利益有關的職業操守標準及價值。

內部審計師

本公司的獨立內部審計隊伍擔當著重要的角色，監控本集團的企業管治及向董事會客觀保證管理層具備及運作一套完善的內部監控系統。內部審計隊伍的主管直接向董事會及審核委員會報告審計事宜。內部審計隊伍採納以風險為基礎的方式評估監控環境的風險水平，徵詢但獨立於管理層的意見，以計劃每年的內部審計時間表，並且將審計計劃提交予審核委員會批准。內部審計隊伍主管每年會向審核委員會提交報告及提供有關本集團內部監控環境的意見。每年的審計工作計劃涵蓋本集團營運業務的主要活動及過程。此外，內部審計隊伍亦會就審核委員會及管理層所界定的特別範疇進行特別審計。

EXTERNAL AUDITOR

During the year ended 31 December 2010, PricewaterhouseCoopers was appointed as the external auditor of the Group. The remuneration paid/payable to the external auditor is set out as follows:-

Services rendered 所提供服務		Fees paid/payable (HK\$'000) 已付／應付費用（千港元）
Audit services	核數服務	1,570
Non-audit services*	非核數服務	3,960

* Non-audit services include listing fee amounting to HK\$3.5 million

外部核數師

於截至二零一零年十二月三十一日止年度，羅兵咸永道會計師事務所獲委任為本集團的外部核數師。已付／應付外部核數師的酬金載列如下：—

		Fees paid/payable (HK\$'000) 已付／應付費用（千港元）
	核數服務	1,570
	非核數服務	3,960

* 非核數服務包括3.5百萬港元上市費用。

CORPORATE COMMUNICATION

The Board recognizes the importance of good communications with all shareholders. The Company encourages two-way communications with both its institutional and private investors. Extensive information about the Company's activities is provided in its Interim Report and this annual report, which are sent to shareholders of the Company. The annual general meeting provides a valuable forum for direct communication between the Board and the Company's shareholders. The Chairman of the Board as well as Chairmen of the Audit, Nomination and Remuneration Committees together with the external auditor are present to answer shareholders' questions. The annual general meeting circulars are distributed to all shareholders at least 21 clear days before the meeting. 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.

企業通訊

董事會認為與所有股東保持良好溝通實屬重要。本公司鼓勵與其機構性及獨立投資者達成雙向溝通。有關本公司活動的詳盡資料已載於其中期報告以及本年報內，並寄發予本公司的股東。股東週年大會為董事會與本公司股東提供直接溝通的寶貴平台。董事會主席及審核、提名及薪酬委員會的主席連同外部核數師將會出席回應股東問題。股東週年大會通函於會議前至少21個完整日向股東派發。就各個別議題的獨立決議案會於召開的股東大會上提呈，並根據上市規則以投票方式表決。投票表決結果刊載於本公司網站。本公司與股東的所有往來通訊均會載於本公司網站以供股東查閱。

Management Discussion and Analysis

管理層討論與分析

RESULT OVERVIEW

We are pleased to report to our shareholders that the Group achieved a promising growth in the profit from core business activities to HK\$235.0 million for the year ended 31 December 2010 (2009: HK\$184.0 million), an increase of 27.7% as compared to 2009. Without taking into consideration the one-off non-recurring income from the mark-to-market gain in 2009, the profit from the continuing operations only increased 3.5% to HK\$252.6 million as compared to 2009 (2009: 244.0 million). The profit attributable to equity holders of the Company decreased by 16.0% to HK\$250.7 million for the year ended 31 December 2010 (2009: HK\$298.3 million) as a result of disposal of its fund investment business in late 2009 from which the Group recognized HK\$56.4 million non-recurring income for the year ended 31 December 2009.

Following the listing on the Stock Exchange on 8 July 2010, we have applied the net proceeds of approximately HK\$1,667.3 million to strengthen our business, especially in the following areas:-

1. The margin loan balance significantly increased by HK\$1,306.5 million or 195.2% from HK\$669.4 million as at 30 June 2010 to HK\$1,975.9 million as at 31 December 2010. Due to the expansion of margin loan business in the second half of 2010, the interest income from margin loan business increased by 61.6% to HK\$70.5 million for the year ended 31 December 2010 (2009: HK\$43.7 million).
2. Bank borrowing in the amount of HK\$500 million was repaid in July 2010 which reduced the finance cost incurred for bank loans and overdrafts by 20.7% to HK\$4.1 million for the year ended 31 December 2010 (2009: HK\$5.2 million).
3. HK\$77.8 million has been applied to invest in a three-year note issued by a private company in September 2010 and the interest income from the notes was HK\$1.9 million for the year ended 31 December 2010 (2009: Nil).

業績概覽

我們欣然向我們的股東呈報，本集團截至二零一零年十二月三十一日止年度自核心業務錄得的溢利大幅增長至235.0百萬港元（二零零九年：184.0百萬港元），較二零零九年增長27.7%。但由於沒有計算二零零九年底時按市價入賬出現的一次性收益，二零一零年之持續經營溢利只增長3.5%至252.6百萬港元（二零零九年：244.0百萬港元）。截至二零一零年十二月三十一日止年度，本公司權益持有人應佔溢利減少16.0%至250.7百萬港元（二零零九年：298.3百萬港元），原因為本集團於二零零九年後期出售其基金投資業務並就截至二零零九年十二月三十一日止年度確認非經常性收入56.4百萬港元。

於二零一零年七月八日在聯交所上市後，我們將淨額約1,667.3百萬港元的所得款項用於鞏固我們的業務，特別是在以下方面：

1. 孖展貸款結餘由二零一零年六月三十日的669.4百萬港元大幅增加1,306.5百萬港元或195.2%至二零一零年十二月三十一日的1,975.9百萬港元。由於二零一零年下半年孖展貸款業務的擴展，截至二零一零年十二月三十一日止年度，來自孖展貸款業務的利息收入增加61.6%至70.5百萬港元（二零零九年：43.7百萬港元）。
2. 為數500百萬港元的銀行借貸已於二零一零年七月償還，令截至二零一零年十二月三十一日止年度的銀行貸款及透支的融資成本減少20.7%至4.1百萬港元（二零零九年：5.2百萬港元）。
3. 77.8百萬港元被應用於投資一間私人公司於二零一零年九月發行的三年期票據，而截至二零一零年十二月三十一日止年度，來自票據的利息收入為1.9百萬港元（二零零九年：零）。

MARKET REVIEW

After the unprecedented scale of direct government intervention and the implementation of comprehensive stimulation measures since the financial crisis in 2008, the global market was still volatile in 2010. Concerns about the success of the international rescue measures, the increasing government deficits and debt levels in certain European countries, the downgrading of European sovereign debts credit rating caused uncertainties to the financial markets, especially in the first half of the year. As the governments continued to procure measures to support the economy, the financial markets saw rebound in the second half of the year. However, the path for the overall economic recovery remains long and full of uncertainties.

In Hong Kong, the real Gross Domestic Product was up at 6.8% in 2010. Although the unemployment rate came down, inflation rate was higher. Hong Kong continued to position itself as an international financial centre. With the support from the Mainland China, Hong Kong was working on becoming the offshore clearing centre for the RMB. In July 2010, a supplementary Memorandum of Cooperation on the expansion of the RMB trade settlement pilot scheme was signed by the People's Bank of China and the Hong Kong Monetary Authority. The Hong Kong's RMB deposits hit RMB314.9 billion at the end of 2010, an increase of 402% as compared to the balance of RMB62.7 billion at the end of 2009.

The Hong Kong securities market experienced rally during the year. After the strong rebound in 2009, the market lost direction at the beginning of the year. Affected by certain European market incidences, the market sentiment dropped to the bottom by the end of May 2010. Thereafter, with the increase in IPO activities in Hong Kong, the corporate earnings reflecting a sign of economic recovery and the announcement of the quantitative easing measures by the United States government, the market picked up in a good pace. The Hang Seng Index closed at 23,035, up by 5.3% from the beginning of the year. The Hang Seng China Enterprises Index dropped by 0.8%, reflecting the tightening measures of the Chinese government in fighting against strong inflation pressure.

In China, the Gross Domestic Product growth remained high and the inflation level was high as well. The government has introduced various measures in tightening the economic overheating, especially in controlling property prices, by means of tightening the money supply. The stock market was affected by the concerns about the macroeconomic control measures. The Shanghai Composite Index closed at 2,808, down 14.3% from the beginning of the year.

市場回顧

自二零零八年金融危機以來，雖然各國政府以前所未有的力度直接干預市場並實施了一系列的刺激措施，但二零一零年的全球市場仍然不穩定。市場對有關國際營救措施的成功、若干歐洲國家不斷增長的政府赤字及債務水平、歐洲主權債務信用評級的下降等事宜的憂慮均導致金融市場不明朗，尤其是本年度上半年。由於政府不斷採取措施支持經濟，金融市場於本年度下半年出現反彈。然而，整體經濟復蘇道路仍遙遠，充滿不明朗因素。

香港二零一零年國內生產總值增長6.8%。儘管失業率降低，但通脹率上升。香港仍然將其本身定位為國際金融中心。在中國大陸的支持下，香港致力成為人民幣的離岸清算中心。二零一零年七月，中國人民銀行與香港金融管理局就擴大人民幣貿易結算試點計劃簽署補充合作備忘錄。二零一零年底香港的人民幣存款達人民幣3,149億元，較二零零九年底的人民幣627億元結餘增加402%。

年內香港證券市場回升。在二零零九年大幅反彈後，市場於年初失去方向。在若干歐洲市場情況的影響下，市場情緒於五月底跌至谷底。之後，隨着香港首次公開發售活動及反映經濟復蘇的公司盈利增加以及美國政府公佈採取量化寬鬆措施，市場情況好轉。恒生指數以23,035點收市，較年初上升5.3%。恒生中國企業指數下降0.8%，反映中國政府在對抗強大的通脹壓力方面採取緊縮措施。

中國的國內生產總值增長乃至通脹水平仍居高不下。政府推出各項措施，通過收緊貨幣供應控制經濟過熱，尤其是控制房地產價格。股市受市場對宏觀調控措施的憂慮所影響。上證綜合指數以2,808點收市，較年初下跌14.3%。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

While witnessing the opening up of the China's capital markets, the strong demand of the Chinese enterprises to go offshore for fund raising exercises and the needs for offshore investments, we provide an investment and fund raising platform for our clients to meet their needs. Our businesses are benefited from the strong sentiment of the Chinese investors in offshore investments and the demand for the corporate finance services. Our position as an international financial services provider was further strengthened by means of public listing in Hong Kong. In February 2010, we have been granted approval by the China Securities Regulatory Commission ("CSRC") to list in Hong Kong. The Group was listed on the Main Board of the Stock Exchange on 8 July 2010.

The Group's business can be divided into 4 core business areas: dealing and broking, margin and other financing, corporate finance and asset management. The allocation of the revenue from these core business areas is listed in the following table:-

業務回顧

隨著中國資本市場對外開放、中國企業對境外融資的強勁需求及境外投資的需要，我們為客戶提供一個投資及集資平台，以滿足彼等的需要。我們的業務受益於中國投資者境外投資的熾熱氣氛及對企業融資服務的旺盛需求。作為國際金融服務供應商，我們的地位透過在香港公開上市得以進一步鞏固。二零一零年二月，我們獲中國證券監督管理委員會（「中國證監會」）批准於香港上市。本集團已於二零一零年七月八日在聯交所主板上市。

本集團的業務可劃分成四個核心業務領域：買賣及經紀、孖展或其他融資、企業融資及資產管理。來自該等核心業務領域的收益的分配列於下表。

		2010		2009	
		二零一零年		二零零九年	
		HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%
Dealing and broking	買賣及經紀	368,113	57.5	357,763	67.9
Margin and other financing	孖展或其他融資	101,396	15.8	70,775	13.4
Corporate finance	企業融資	126,412	19.7	74,446	14.1
Asset management	資產管理	44,570	7.0	24,061	4.6
Revenue from core business activities	來自核心業務活動的收益	640,491	100	527,045	100

(a) *Dealing and broking*

Amongst our core business activities, dealing and broking activities generate over 57.5% of the core business revenue, and it is crucial to the success of the Group. Our business is mainly conducted through Internet and thus we positioned ourselves as an Internet service provider in this regard. In 2010, 85% of our brokerage business was executed through Internet (2009: 85%). Currently, our online trading platform can support 8 international securities markets, including Hong Kong, United States, Japan, London, Canada, Taiwan, Shanghai B shares and Shenzhen B shares; 18 global futures markets and leveraged foreign exchange trading. As we aim to provide a “one-stop” service through a single platform, our Internet platform covers a lot of functions, including securities and futures dealing, IPO subscription, margin finance application, investment fund subscription, provision of market news and research reports. Our platform possesses the characteristics of multi-functional, stable and secure.

During the year, we successfully opened almost 10,000 new brokerage accounts, while the Group’s client retention efforts were also successful as a result of a range of client promotion schemes. 85% of the revenue was generated from individual clients while 15% was from institutional clients. With our strong foundation in China, 92% of our clients are from China. In addition, our Research team and Investment Strategy team continued to deliver timely and insightful information to our clients for their investment decisions.

(a) *買賣及經紀*

在我們的核心業務中，買賣及經紀業務產生57.5%以上的核心業務收益，對本集團的成功舉足輕重。我們的業務主要通過互聯網經營，故我們自我定位為互聯網服務供應商。二零一零年，我們85%的經紀業務乃通過互聯網渠道經營（二零零九年：85%）。目前，我們的網上交易平台可支持8個國際證券市場，包括香港、美國、日本、倫敦、加拿大、台灣、上海B股及深圳B股；18個全球期貨市場及槓桿式外匯買賣。由於我們旨在通過單一平台提供「一站式」服務，故我們的互聯網平台具有多種功能，包括證券及期貨買賣、首次公開發售認購、孖展融資申請、投資基金認購、提供市場消息及研究報告。我們的平台具有多功能、穩定及安全等特點。

年內，我們成功開設近10,000個新的經紀賬戶，而本集團在保留客戶方面的努力亦因實施一系列客戶推廣計劃而取得成效。85%的收益來自個人客戶，15%的收益則來自機構客戶。憑藉我們在中國奠定的堅實基礎，我們92%的客戶來自中國。此外，本集團的研究小組及投資策略小組不斷向客戶及時提供有見地的資料，讓彼等可作出投資決定。

Management Discussion and Analysis

管理層討論與分析

During the year, dealing and broking business generated an amount of HK\$368.1 million to our revenue (2009: HK\$357.8 million). A breakdown of the income has been set out below.

年內，買賣及經紀業務為我們帶來的收益達368.1百萬港元（二零零九年：357.8百萬港元）。有關收入的分析載列於下文。

		2010 二零一零年		2009 二零零九年	
		HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%
Securities	證券	290,849	79.0	312,145	87.2
Futures	期貨	56,749	15.4	32,555	9.1
Leveraged foreign exchange	槓桿外匯	1	—	—	—
Handling income	手續費	20,514	5.6	13,063	3.7
Income from dealing and broking activities	買賣及經紀 業務的收入	368,113	100	357,763	100

The unclear picture of economic recovery, the intermittent news on European sovereign debt problems and the determination of rescuing the economy by various central governments and the measures in controlling inflation in China caused volatility in the financial markets in Hong Kong. In 2010, the market turnover increased by 11% as compared to 2009. With the increasing number of Chinese securities houses commencing business in Hong Kong and the aggressiveness of the other securities houses and banks in tracing for business, during the year, we were facing strong competitions in the business. Our commission on securities dealing and broking decreased by 6.8% to HK\$290.8 million (2009: HK\$312.1 million).

經濟復蘇前景不明朗、歐洲主權債務問題新聞不斷、各國政府挽救經濟的決心以及中國控制通脹的措施導致香港金融市場不穩。二零一零年的市場營業額比二零零九年增長了11%。年內，由於在香港開業的中資證券公司數量不斷增加，其他證券公司及銀行在爭取業務方面相當進取，我們在業務方面面臨激烈的競爭。我們的證券買賣及經紀佣金減少6.8%至290.8百萬港元（二零零九年：312.1百萬港元）。

However, the growth in futures business was promising. During the year, the commission income increase by 74.3% to HK\$56.7 million (2009: HK\$32.6 million). We were also facing a continuing shift of market mix of the futures business that the income from international markets accounted for 91.6% of the income of futures business. In 2009, only 78.2% of the revenue was from international markets and 21.8% was from Hong Kong market.

然而，期貨業務增長前景光明。年內，佣金收入增加74.3%至56.7百萬港元（二零零九年：32.6百萬港元）。我們亦面臨期貨業務市場組合的不斷變化，來自國際市場的收入佔期貨業務收入的91.6%。而在二零零九年，僅78.2%的收益來自國際市場，21.8%的收益來自香港市場。

Management Discussion and Analysis

管理層討論與分析

The handling income also increased by 57%, achieving HK\$20.5 million (2009: HK\$13.1 million), which was a result of the increase in corporate action activities and stock borrowing and lending activities in 2010.

We launched the leveraged foreign exchange trading service in late December 2010. We are expecting that more income will be generated in 2011.

手續費亦增加57%至20.5百萬港元(二零零九年：13.1百萬港元)，該增長乃由於二零一零年公司行動業務及股票借貸業務增長所致。

我們於二零一零年十二月底推出槓桿式外匯業務。我們預期於二零一一年將錄得更多收入。

(b) Margin and other financing

The income from our financing business increased by 43.3% to HK\$101.4 million in 2010 (2009: HK\$70.8 million). A summary is set out below.

(b) 孖展或其他融資

二零一零年，我們的融資業務所帶來的收入增加43.3%至101.4百萬港元(二零零九年：70.8百萬港元)。概要載列於下文。

		2010 二零一零年		2009 二零零九年	
		HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%
Income from margin loans	來自孖展貸款的收入	70,529	69.5	43,655	61.7
Income from IPO loans	首次公開發售貸款收入	4,937	4.9	8,349	11.8
Income from banks and others	銀行及其他收入	24,022	23.7	18,771	26.5
Income from held-to-maturity investment	持至到期投資收入	1,908	1.9	—	—
Total interest income	利息收入總額	101,396	100	70,775	100

With the Group successfully listed on the Main Board of the Stock Exchange in July 2010, we were able to procure sufficient funding in expanding our margin financing business. The strong appetite for margin finance enabled us to put more resources into this business than what we were planning at the time of our listing. While the demand was only built since September 2010, our margin finance income increased by 61.6% to HK\$70.5 million (2009: HK\$43.7 million). The margin loan portfolio reached HK\$1,975.9 million on 31 December 2010, with an increase of 160.6% as compared to 2009 (2009: HK\$758.3 million). The average margin loan portfolio increased by 71.8% to HK\$1,027.5 million (2009: 598.1 million).

隨著本集團於二零一零年七月在聯交所主板成功上市，我們獲得了充足資金擴充孖展融資業務。市場對孖展融資的巨大需求使我們對該業務投入了較上市時計劃更多的資源。儘管需求僅自二零一零年九月起逐漸增加，但我們的孖展融資收入增長61.6%至70.5百萬港元(二零零九年：43.7百萬港元)。二零一零年十二月三十一日，孖展貸款組合達1,975.9百萬港元，較二零零九年增加160.6%(二零零九年：758.3百萬港元)。平均孖展貸款組合增加71.8%至1,027.5百萬港元(二零零九年：598.1百萬港元)。

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Owing to the strong competition in IPO financing market, we had to lower our interest rate so as to remain competitive. As such, our income from IPO loans dropped by 40.9% to HK\$4.9 million (2009: HK\$8.3 million), disregarding the increasing number of IPO activities during the year.

During the year, the Group has made investment into a 3-year term note issued by a private company in the amount of HK\$77.8 million. The note is expected to be held until maturity and the income for the year was HK\$1.9 million.

(c) *Corporate finance*

After the financial crisis in 2008 which suppressed the fund raising activities in 2009, there was a sharp increase in fund raising exercises in 2010. During the year, there were 113 new listings on the Stock Exchange, an increase of 55% when compared to 73 new listings in 2009 (including 12 companies which transferred their listings from the GEM Board to the Main Board in 2010, compared to 4 companies in 2009). Equity fund raising (including IPOs) in the Hong Kong market reached a record high of HK\$850 billion, an increase of 32% (2009: HK\$642 billion).

由於首次公开发售融资市场的剧烈竞争，我们必须降低息差以应对竞争。因此，虽然年内我们的首次公开发售业务数量有所增长，但带来的收入却下降40.9%至4.9百万港元（二零零九年：8.3百万港元）。

年内，本集团向由一间私人公司发行的三年期票据投资了77.8百万港元。预期票据将持至到期，本年度其带来的收入为1.9百万港元。

(c) *企業融資*

二零零八年的金融危機壓抑了二零零九年的集資活動，在此之後，二零一零年的集資活動急速上升。年内，聯交所共有113個新上市項目，較二零零九年的73個新上市項目增加55%（包括於二零一零年由創業板轉至主板上市的12間公司，而二零零九年則為4間公司）。香港市場所募集的股本資金（包括首次公开发售）創新高，達8,500億港元，增長32%（二零零九年：6,420億港元）。

Management Discussion and Analysis 管理層討論與分析

Our corporate finance business also made good progress in business and returned a solid performance in 2010, with revenue increased by 69.8% to HK\$126.4 million (2009: HK\$74.4 million). During the year, our corporate finance team has been able to play key roles in a diversified range of deals, including acting as sponsor for 4 IPOs, namely Directel Holdings Limited, Costin New Materials Group Limited, Kingworld Medicines Group Limited and Guotai Junan International Holdings Limited. The team was also appointed as global coordinator, bookrunner, lead manager or underwriter for a number of IPOs, among others, China Titans Energy Technology Group Co., Limited, Zhongsheng Group Holdings Limited and China Auto System Technologies Limited. The team also participated in a number of new and secondary share placements. During the year, the team has participated in 28 equity fund raising exercises. In addition, a new team of debt capital markets was set up in the second half of the year and the team has completed 2 debt issues during the year. Fund raised by the equity capital markets team and the debt capital markets team amounted to around HK\$3 billion and HK\$1.3 billion respectively. In addition, our corporate finance team has been engaged as compliance adviser for 32 newly listed companies and has provided advisory services in 8 financial advisory projects.

我們的企業融資業務亦取得良好進展，於二零一零年錄得理想業績，收益增加69.8%至126.4百萬港元（二零零九年：74.4百萬港元）。年內，我們的企業融資團隊一直在各類的交易中扮演關鍵角色，包括擔任4次首次公開發售的保薦人，即直通電訊控股有限公司、海東青新材料集團有限公司、金活醫藥集團有限公司及國泰君安國際控股有限公司。該團隊亦獲委任為多次首次公開發售（其中包括中國泰坦能源技術集團有限公司、中升集團控股有限公司及中國汽車系統技術有限公司）的全球協調人、賬簿管理人、牽頭經辦人或包銷商。該團隊曾參與多次新股配售及二手市場配股。年內，該團隊已參與28項股本集資活動。此外，二零一零年下半年，我們成立了一個新的債券資本市場團隊，該團隊於年內已完成2次債務發行。股權資本市場團隊及債券資本市場團隊所募集的資金分別為數約30億港元及13億港元。此外，我們的企業融資團隊已獲委任擔任32間新上市公司的合規顧問，並於8個財務顧問項目中提供顧問服務。

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(d) Asset management

We derived our fee income primarily from management fee and performance fee, which is linked to the asset under management ("AUM") and the returns of funds, respectively. In 2010, we acted as fund manager for 7 public funds and 3 private funds (2009: 7 public funds and 3 private funds) as well as investment advisor for 1 public fund and 8 private funds (2009: 8 private funds). Although the AUM decreased by 9% to HK\$3,855.2 million as at 31 December 2010 (2009: HK\$4,236.6 million), management fees increased by 19.4% or HK\$3.6 million to HK\$22.3 million (2009: HK\$18.6 million). Performance fee increased by 311.8% or HK\$16.9 million to HK\$22.3 million (2009: HK\$5.4 million), reflecting the strong performance of the relevant investment funds under our management or advisory. As a whole, the income from asset management activities increased by 85.2% to HK\$44.6 million (2009: HK\$24.1 million).

During the year, the Group was appointed as investment advisor for a Qualified Domestic Institutional Investors (QDII) collective investment plan managed by our controlling shareholder Guotai Junan Securities Company Limited, namely 國泰君安君富香江集合資產管理計劃 (Guotai Junan Jun Fu Xiang Jiang Collective Investment Plan). We are expecting that it will continue to generate more revenue to us in the coming future.

(e) Investment holding

The income from investment holding decreased by 79% to HK\$11.8 million in 2010 (2009: HK\$56.3 million). The decrease was contributed to the recognition of a significant mark-to-market gain in financial assets amounting to HK\$55.5 million in 2009.

(d) 資產管理

我們的費用收入主要來自管理費及表現費，分別與所管理的資產（「管理資產」）及基金回報掛鈎。於二零一零年，我們擔任7隻公募基金及3隻私募基金（二零零九年：7隻公募基金及3隻私募基金）的基金經理以及1隻公募基金及8隻私募基金（二零零九年：8隻私募基金）的投資顧問。儘管管理資產下降9%至二零一零年十二月三十一日的3,855.2百萬港元（二零零九年：4,236.6百萬港元），管理費增加19.4%或3.6百萬港元至22.3百萬港元（二零零九年：18.6百萬港元）。表現費增加311.8%或16.9百萬港元至22.3百萬港元（二零零九年：5.4百萬港元），反映出由我們管理或提供顧問服務的有關投資基金的表現強勁。整體而言，資產管理業務的收入增加85.2%至44.6百萬港元（二零零九年：24.1百萬港元）。

年內，本集團獲委任擔任由我們的控股股東國泰君安證券股份有限公司管理的一個合資格國內機構投資者（「QDII」）集合資產管理計劃（即國泰君安君富香江集合資產管理計劃）的投資顧問。我們預期，其將於不久的將來繼續為我們帶來更多收益。

(e) 投資業務

二零一零年，來自投資業務的收入減少79%至11.8百萬港元（二零零九年：56.3百萬港元），乃由於二零零九年按市值入賬出現的一筆金融資產的可觀收益55.5百萬港元所致。

RESULTS OF FINANCIAL POSITION

With net proceeds of approximately HK\$1,667.3 million through its public offering of 410,000,000 new shares on 8 July 2010, the Group's total asset increased by 28% to HK\$9,975.7 million as at 31 December 2010 (2009: HK\$7,794.9 million). The increase was mainly due to increase in loans and advances to customers of HK\$1,115.2 million, increase in accounts receivable of HK\$601.3 million, purchase of investment properties of HK\$115.1 million, property of HK\$104.1 million and increase in client trust bank balances of HK\$195.7 million.

The Group's total liabilities as at 31 December 2010 increased by 4.4% to HK\$6,903.3 million (31 December 2009: HK\$6,609.7 million). The increase was mainly due to increase in accounts payable of HK\$823.7 million. The increase in total liabilities is partially offset by the repayment of bank borrowings amounting to HK\$500 million in July 2010.

As the Group recorded a net profit of HK\$252.6 million for the year ended 31 December 2010 and received net proceeds of HK\$1,667.3 million from its IPO in July 2010, the Group's net assets increased by HK\$1,887.1 million or 159.2% to HK\$3,072.3 million (2009: HK\$1,185.3 million) as at 31 December 2010.

財務狀況業績

本集團透過於二零一零年七月八日公開發售410,000,000股新股份所得款項淨額約為1,667.3百萬港元，二零一零年十二月三十一日的總資產增加28%至9,975.7百萬港元(二零零九年：7,794.9百萬港元)。該增加主要由於給予客戶的貸款及墊款增加1,115.2百萬港元、應收款項增加601.3百萬港元、購買投資物業115.1百萬港元、物業104.1百萬港元及客戶信託銀行結餘增加195.7百萬港元所致。

本集團於二零一零年十二月三十一日的總負債增加4.4%至6,903.3百萬港元(二零零九年十二月三十一日：6,609.7百萬港元)，主要由於應付款項增加823.7百萬港元所致。總負債的增加部分由於二零一零年七月償還銀行借款500百萬港元所抵銷。

由於本集團於截至二零一零年十二月三十一日止年度錄得純利252.6百萬港元及自其於二零一零年七月的首次公開發售所得款項淨額1,667.3百萬港元，本集團於二零一零年十二月三十一日的淨資產增加1,887.1百萬港元(或159.2%)至3,072.3百萬港元(二零零九年：1,185.3百萬港元)。

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LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2010, the net current assets of the Group increased by HK\$1,597 million or 193.6% to HK\$2,421.9 million (31 December 2009: HK\$824.9 million). The Group's current ratio increased to 1.4 times as at 31 December 2010 (2009: 1.1 times).

The Group had net cash outflow of HK\$18.7 million (2009: HK\$126.2 million) for the year ended 31 December 2010 and the Group's bank balances amounted to HK\$441.6 million as at 31 December 2010 (2009: HK\$460.3 million). As at 31 December 2009, the Group utilized HK\$500 million bank borrowings from a revolving syndicated banking facility of HK\$700 million. Following the listing of shares of the Company on the Stock Exchange on 8 July 2010, the bank borrowings have been fully repaid in late July 2010. The Group also had available aggregate banking facilities of approximately HK\$550 million from authorized financial institutions in Hong Kong, however, none of which was utilized as at 31 December 2010.

The Group monitors its capital structure in order to ensure the compliance of the capital requirements under the Securities and Futures (Financial Resources) Rules (Cap.571N) for its licensed subsidiaries and to support the development of new business. All licensed corporations within the Group complied with their respective liquid capital requirements during the year and up to the date of this report.

Other than the information disclosed above, there were no other equity or debt instruments issued by the Company during the year and up to the date of this report.

流動資金、財務資源及股本架構

二零一零年十二月三十一日，本集團的流動資產淨值增加1,597百萬港元（或193.6%）至2,421.9百萬港元（二零零九年十二月三十一日：824.9百萬港元）。二零一零年十二月三十一日，本集團的流動比率增至1.4倍（二零零九年：1.1倍）。

本集團於截至二零一零年十二月三十一日止年度擁有現金流出淨額18.7百萬港元（二零零九年：126.2百萬港元），而本集團於二零一零年十二月三十一日的銀行結餘為441.6百萬港元（二零零九年：460.3百萬港元）。二零零九年十二月三十一日，本集團動用來自一筆循環銀團銀行融資700百萬港元中的500百萬港元銀行借款。本公司股份於二零一零年七月八日在聯交所上市後，該筆銀行借款已於二零一零年七月底全數償還。本集團亦擁有來自香港認可金融機構的可供動用的銀行融資合共約550百萬港元，然而，截至二零一零年十二月三十一日概無動用任何款項。

本集團監控其股本架構，確保旗下持牌附屬公司遵守證券及期貨（財政資源）規則（香港法例第571N章）的資本規定並配合新業務的發展。於年內及截至本年報刊發日期，本集團旗下所有持牌法團均符合各自的流動資金水平規定。

除上述所披露資料外，於年內及截至本年報刊發日期，本公司並無發行其他股本或債務工具。

OUTLOOK AND FUTURE PLANS

Following the Group's listing on the Main Board of the Stock Exchange in July 2010, 2011 will be a challenging year for us to further expand our business. We will continue to grow our brokerage business, by broadening institutional and retail client base, by strengthening our Internet trading platform and by offering our clients with access to global markets around the world. We intend to provide our clients with a one-stop electronic investment platform to invest globally.

With the strong demand for margin financing, we will continue to put efforts into expanding the existing margin finance portfolio and to satisfy the needs of our clients. However, we are still insisting on a prudent approach in managing our loan portfolios. In addition, we will be exploring the opportunity to develop other financing activities.

Regarding the corporate finance service, we are expecting that fund raising activities will continue to be active in 2011. We will continue to pursue corporate finance advisory and fund raising opportunities for our clients in Hong Kong and China.

For asset management business, we have been engaged as the investment advisor for a Qualified Domestic Institutional Investor ("QDII") collective investment plan which is managed by Guotai Junan Securities Company Limited in China. In addition, we are working on the development of RMB denominated investment products and will capture the opportunity once it is in place.

前景及未來計劃

隨着本集團於二零一零年七月在聯交所主板上市，二零一一年對我們而言是面對挑戰擴充業務的一年。我們將會透過擴大機構及零售客戶群，加強網絡交易平台，為客戶提供進入全球市場的投資渠道，不斷擴大經紀業務。我們擬為客戶提供一站式電子投資平台，供其在全球投資。

鑒於市場對孖展融資的巨大需求，我們將繼續努力擴充現有孖展融資組合，滿足客戶的需要。然而，我們仍會堅持以審慎的方法管理貸款組合。此外，我們將研究發展其他融資業務的機會。

就企業融資服務而言，我們預期集資活動將於二零一一年繼續保持活躍。我們將會繼續為中港客戶提供企業融資顧問服務及把握集資商機。

資產管理業務方面，我們已獲委任擔任國泰君安證券股份有限公司管理的一項合資格境內機構投資者（「QDII」）集合資產管理計劃之投資顧問。另外，我們亦致力開發人民幣計值投資產品，抓住時機。

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MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

The Group has not made any material acquisitions and disposal of subsidiaries and associated companies during the year. As at 31 December 2010 and up to the date of this report, the Group did not hold any significant investment.

CHARGES ON THE GROUP'S ASSETS AND GUARANTEE

As at 31 December 2010, the Company had provided guarantees in favour of a financial institution in respect of trading limit of a wholly owned subsidiary engaged in futures dealing and broking amounting to approximately HK\$77.8 million (2009: Nil). No asset of the Group was subject to any charge as at 31 December 2009 and 2010.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2010.

OPERATING LEASE COMMITMENT AND CAPITAL COMMITMENT

The operating lease commitments and capital commitment were approximately HK\$115,000 (2009: HK\$6,294,000) and HK\$6.8 million (2009: HK\$75,000) respectively as at 31 December 2010.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, we have 167 employees in total (excluding our account executives). Competitive remuneration packages are offered to employees by reference to prevailing market rate and individual merits. Salaries are reviewed on annual basis and discretionary bonus is paid on annual basis with reference to the Group's performance and individual performance. Other benefits offered by the Group include mandatory provident fund scheme and medical and dental insurance.

重大收購、出售及重大投資

本集團於截至二零一零年十二月三十一日止年度並未作出任何涉及附屬公司及聯營公司的重大收購及出售。截至二零一零年十二月三十一日及本年報日期，本集團並未持有任何重大投資。

本集團的資產及擔保的質押

截至二零一零年十二月三十一日，本公司已向一間金融機構就一間從事期貨買賣及經紀業務的全資附屬公司的交易限額提供為數約77.8百萬港元的擔保(二零零九年：零)。截至二零零九年及二零一零年十二月三十一日，本集團的資產概無作出任何質押。

或然負債

截至二零一零年十二月三十一日，本集團概無任何重大或然負債。

經營租約承擔及資本承擔

截至二零一零年十二月三十一日，經營租約承擔及資本承擔分別約115,000港元(二零零九年：6,294,000港元)及6.8百萬港元(二零零九年：75,000港元)。

僱員及薪酬政策

於二零一零年十二月三十一日，我們共有167名僱員(不包括客戶主任)。本公司參考現行市價及個人專長向僱員提供具競爭力的薪酬待遇。薪金會每年進行檢討，酌情花紅會參考本集團及個人表現按年度基準派發。本集團提供的其他福利包括強制性公積金計劃及醫療與牙科保險。

RISK MANAGEMENT

The Group adopted stringent risk management policies and monitoring systems to contain exposure associated with credit, liquidity, market, foreign exchange and IT system in all its major operations.

(a) Credit Risk

Credit exposure represents loans and advances to customer, accounts receivable from brokers, clients and clearing houses, bank balances and client trust bank balances which principally arise from our core business activities.

Margin and other financing:

The Board delegates to the Credit Committee the duties to monitor the credit risk of the Group. Members of the Credit Committee include, inter alia, the Chief Executive Officer, the Responsible Officers and the Financial Controller. The Credit Committee has appointed a group of authorized persons who are charged with the responsibilities of approving credit limit and margin limit of each client. The Credit and Risk Management Department is responsible for making settlement calls when the trades of margin clients exceed their respective limits. Any such excess is required to be made good within 2 days according to the deficiency report. The deficiency report will be monitored daily by the Credit and Risk Management Department. Failure to meet margin calls may result in the liquidation of the client's positions.

The Credit Committee is also responsible for approval of stocks acceptable as margin collateral and the margin lending ratio. The list of approved margin collateral stocks will be reviewed and revised by the Credit Committee as when necessary.

風險管理

本集團採納嚴謹的風險管理政策及監控系統，藉此控制其所有主要業務中與信貸、流動資金、市場、外匯及資訊科技系統有關的風險。

(a) 信貸風險

信貸風險指主要來自我們核心業務活動的貸款及客戶墊款、應收經紀、客戶及結算所款項、銀行結餘及客戶信託銀行結餘。

孖展及其他融資：

董事會指派信貸委員會負責監察本集團的信貸風險。信貸委員會成員包括行政總裁、負責人員及財務總監。信貸委員會已委任若干認可人士，負責批核每位客戶的信貸限額及孖展限額。信貸及風險管理部門負責向買賣超出限額的孖展客戶發出補倉通知。任何超出的數額均須根據虧絀報告於兩日內填補妥當。有關虧絀報告每日由本集團信貸及風險管理部門監察。未能補倉的客戶將被斬倉。

信貸委員會亦負責批准可接納作為孖展抵押的股份及孖展貸款比率。獲批准的孖展抵押股份名單將由信貸委員會審閱並於其認為有需要時作出修訂。

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The Group also employs a range of policies and practices to mitigate excessive credit risk including:-

- (i) In respect of collateral from margin clients, the Group's guidelines on the acceptability of specific classes of collateral from its clients are basically tighter than those required by its bankers. In particular, a certain haircut will be used for the calculation of acceptable collateral values of margin clients so that the Group has sufficient time to call back loan from its margin clients before margin call from the bankers. No margin facilities would be granted to the clients for their derivative positions.
- (ii) Maximum margin limit will be set on individual margin client in order to avoid building up excessive margin exposure from individual margin client and comply with the requirements of the Securities and Future (Financial Resources) Rules (Cap.571N).
- (iii) Margin call will be executed by the Credit and Risk Management Department if the total outstanding amount of a margin client exceed either of the credit line or the acceptable value of margin stocks, whichever is lower. Force sell action will be taken if the clients fail to settle the outstanding amount.

The Group also grants loans and advances to customers that contain an element of risk in the event that the counterparties may be unable to meet the terms of such agreements. The Group minimises such risk exposure by performing detailed credit analysis of potential loan investment, and dedicated investment professionals are assigned to oversee and monitor the performance of the loan investment. These key investment decisions are also subject to approval by the Board.

本集團亦採用多項政策及慣例來緩解其超額的信貸風險，當中包括：—

- (i) 就向孖展客戶收取抵押品。本集團有關接受客戶特定類別抵押品的指引基本上較其往來銀行規定者更為嚴格。特別是於計算孖展客戶可接受抵押品價值時會使用若干扣減，以便本集團於銀行要求孖展客戶補倉前有充足的時間向孖展客戶收回貸款。本集團並無向客戶的衍生工具交易授出孖展信貸。
- (ii) 最高孖展限額按個別孖展客戶的情況設定，以避免累積過多來自個別孖展客戶的孖展風險，並符合證券及期貨(財務資源)規則(香港法例第571N章)。
- (iii) 倘若孖展客戶的未清償金額超過信貸額度或孖展股份的可接受值(以較低者為準)，則信貸及風險管理部門會向客戶發出補倉通知。倘客戶未能結算逾期款項，本公司將強制性進行斬倉。

本集團亦向客戶批授貸款及墊款，應對協議對手方或會未能符合相關協議條款風險。本集團透過詳盡分析潛在貸款投資將相關風險降至最低，並調派敬業投資專業人士監管及監測貸款投資的表現。該等主要投資決策亦須由董事會批准。

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Loans and advances to customers including IPO loans for subscription of new shares are normally settled within one week from the drawdown date. Forced liquidation action would be taken if the customers fail to settle their shortfall within specific period of tolerance after IPO allotment result announced.

For debt securities, external credit rating such as Standard & Poor's rating or their equivalents are used by the Credit and Risk Management Department for managing of the credit risk exposures as supplemented by the Group's own assessment through the use of internal ratings tools.

Dealing and broking

Accounts receivable from clients represents receivables from clients arising from dealing in securities, which normally had a delivery-against payment settlement term of 2 to 3 days. The Group allows a credit up to the settlement dates of the respective securities transactions (normally within T+2 or T+3 days). All application for the credit limit must be reviewed by Credit Manager and approved by any member of the Credit Committee. However, no credit limit would be granted to the new clients. Credit and Risk Management Department determines whether forced liquidation action is to be taken against clients with overdue balances on case-by-case basis. The Credit Committee regularly reviews the overdue balances.

The Group only accepts margin deposit in the form of cash for futures and leveraged foreign exchange trading. No transaction is allowed to be executed if the current position of the customer exceeds its trading limit. The margin deposit placed and the aggregate of the required margin deposit of each futures and leveraged foreign exchange contract is timely monitored by the Credit and Risk Management Department. Margin call will be executed by the on-site duty staff if there is a deficit with the margin deposit. Forced liquidation of the client's position will be executed if the customer fails to meet margin calls.

批授客戶的貸款及墊款(包括供認購新股份的首次公開發售貸款)一般自計提日期起一個星期內結付。倘客戶未能於首次公開發售分配結果公佈後於特定寬免期內結付差額部分，則會觸發強迫性清倉行為。

就債務證券而言，信貸及風險管理部門採用外部信貸評級(如標準普爾或其同行評級)對信貸風險進行管理，本集團透過使用內部評級工具進行補充性自行評估。

買賣及經紀

客戶應收賬目指因證券買賣產生的客戶應收款項，一般享有付款交貨支付期，介乎兩至三日。本集團授予信貸期高達各自證券交易的結付日期(一般為T+2日或T+3日)。信貸限額的一切申請須由信貸經理審閱並交由信貸委員會任何成員審批。然而，本公司對新客戶不會授出信貸限額。信貸及風險管理部門會根據客戶逾期欠款逐個決定是否對其執行強迫清倉行為。信貸委員會定期審查逾期欠款。

本集團就期貨及槓桿式外匯交易僅接受現金形式作為保證金。倘客戶的即期倉位超逾其交易限額時，則不許進行任何交易。信貸及風險管理部門對期貨及槓桿式外匯合約的保證金及每份期貨及槓桿式外匯合約的所需保證金總和作及時的監控。倘保證金出現虧蝕，本公司當值員工則會向客戶追繳保證金。倘客戶未能支付追繳保證金時，本公司會強制性對客戶進行斬倉。

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Accounts receivable from brokers, dealers and clearing houses are placed with large financial institutions which are governed by regulators including the Hong Kong Monetary Authority (the "HKMA") and Hong Kong Securities and Futures Commission (the "SFC").

Asset management and corporate finance

Accounts receivable arising from asset management, corporate finance and advisory services are trade counterparties with sound credit rating and/or reputation. For the Group's bank balances which they beneficially own and hold in their names, they are deposited in reputable, large commercial banks. For the client trust bank balances which they hold in segregated accounts, they are deposited in authorized financial institutions in Hong Kong.

Impairment and provisioning policies

The Group's credit and risk management policy requires the review of individual outstanding amount at least monthly or more regularly depending on individual circumstances or market condition. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account. Generally, impairment allowances will be provided when clients failed to meet margin call requirements and clients' collateral are insufficient to cover their outstanding loan balances.

經紀、交易商及結算所的應收賬目存放於由包括香港金融管理局(「金管局」)及香港證券及期貨事務監察委員會(「證監會」)在內的監管機構監管的大型金融機構。

資產管理及企業融資

資產管理、企業融資及諮詢服務所產生應收賬目均屬於信貸評級及／或信譽良好的交易對手方。本集團名下實益擁有及持有的銀行結餘皆存於知名大型商業銀行。客戶分類賬目持有的信託銀行結餘皆存於香港授權金融機構。

減值及撥備政策

本集團的信貸及風險管理政策要求至少每月或在特定情況或市況下更為頻繁地對個別未結清款項進行審查。個別賬戶的減值限額按情況通過評估其於結算日產生的虧損而定，對個別重大賬戶亦然。評估通常針對持有的抵押物以及個別賬戶的預期可收回金額。一般情況下，當客戶未能達到補倉規定且客戶的抵押品不足以抵付未清償貸款結餘時，公司將會授予減值撥備。

(b) Liquidity Risk

The Group's operating units are subject to various statutory liquidity requirements as prescribed by the regulators. 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 Securities and Futures (Financial Resources) Rules (Cap.571N). As a safeguard, the Group has maintained stand-by banking facilities to meet any contingency in its operations.

Even in periods of high market volatility, the Board believes that the Group's working capital is adequate to meet its financial obligations.

(c) Market Risk

The asset quality of our margin client's margin collateral will deteriorate when the market comes down drastically. The Group's exposure to underwriting commitments will also be affected at times of volatile market.

The Group has established policies and procedures for monitoring and controlling the market risk arising in the business. Stress tests will be performed when necessary.

The Group timely monitor the performance of investment in financial assets at fair value through profit or loss to mitigate the price risk.

(d) Foreign Exchange Risk

The Group's principal operations are transacted and recorded in Hong Kong dollars and U.S. dollars and the level of foreign currency exposure is relatively minimal compared to its total asset and liabilities. Foreign exchange risk is managed and monitored by our Financial Controller. For the leveraged foreign exchange dealing and broking, stringent control over the position has been adopted, hence, we consider that our foreign exchange risk exposure is minimal.

(b) 流動資金風險

本集團的業務單位須遵守監管機構指定的各項法定流動資金規定。本集團設有監控系統，以確保其維持充足流動資金滿足其業務所需，並且遵守相關證券及期貨（財務資源）規則（香港法例第571N章）。作為保障措施，本集團持有備用銀行融資，以應付其業務的任何緊急需要。

董事會相信，即使在市況極為波動的情況下，本集團的營運資金足以應付其財務責任。

(c) 市場風險

我們孖展客戶所持孖展抵押品的資產質素將在市場價值下跌時惡化。在市場波動情況下，本集團所承受的包銷承擔風險亦會受到影響。

本集團已制定政策及程序監察及控制經營過程中產生的市場風險，並將應需要進行壓力測試。

本集團及時監察於按公平值計入損益的金融資產的投資表現，以減低價格風險。

(d) 外匯風險

本集團的主要業務以港元及美元交易及列賬，相對其總資產及負債，外匯風險承擔甚微。外匯風險由財務總監負責管理及監察。對於槓桿式外匯交易的買賣和經紀業務，本集團採用了更加嚴格的控制措施，因此，我們認為，本集團所承受的外匯風險極微。

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(e) *Operational Risk*

Systems are installed to monitor availability and performance of various IT systems and a team will act and report to the senior management in accordance with the established procedures in the event of disruption, instability and other situations which may warrant to trigger the contingency procedure to protect interest of clients.

The Group maintains and updates the operation manuals of its major operations on an on-going basis when regulatory or industry changes occur. We have also put in place competent compliance and internal audit functions with their respective aims at detecting control points risks and recommending policy changes as well as carrying out checks on statutory compliance and the internal rules and regulations.

(e) 營運風險

資訊科技系統的使用狀況及表現均設有系統監察，亦有一支團隊根據既定程序處理系統中斷、不穩定及可能觸發應變程序的其他情況，並向高級管理層匯報，藉此保障客戶的利益。

本集團於發生規管或行業變動時會更新其主要業務的運作手冊。我們亦設有高質素的合規及內部審核職能，兩者皆旨在偵測控制點風險及推薦政策方面的變更，以及為遵守法定合規及內部規則及規例而作出檢測。

Chairman and Non-Executive Director

CHEN Geng (陳耿), aged 42, is the chairman and a non-executive director of our Company. Dr. Chen is responsible for the overall strategic development of the Group. Dr. Chen is the president and vice chairman of Guotai Junan and a vice chairman of the Securities Association of China. Dr. Chen has over 20 years' experience in securities industry and participated in the establishment of the Shenzhen Stock Exchange and was the general manager of the listing division from 1993 to 1996. After joining J & A Securities Co., Ltd., Dr. Chen was appointed as the president assistant and the general manager of the investment banking department in 1996 and as the vice president and a director in 1998. Dr. Chen was appointed as the vice president of Guotai Junan Securities Company Limited in 1999 and as the president and vice chairman in 2004. Dr. Chen holds a doctorate in Economics from the Zhongnan University of Economics and Law (中南財經政法大學) and is a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

Executive Directors

YIM Fung (閻峰), aged 47, is the vice chairman and an executive director and the chief executive officer of our Group. Dr. Yim joined Guotai Junan in 1993 and joined our Group in 2000 and is responsible for the overall business management of our Group. Dr. Yim has over 19 years' experience in the securities industry. Dr. Yim is a senior economist and holds a doctorate in Economics from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) and a bachelor degree in Environmental Engineering from the Tsinghua University (清華大學). Dr. Yim is also a director of Guotai Junan Holdings Limited and Guotai Junan Financial Holdings Limited which are the controlling shareholders of the Company.

LI Guangjie (李光杰), aged 42, is an executive director and the head of the sales house team of our Group. Mr. Li joined our Group in November 2001 and is responsible for the supervision and management of the Group's sales team. He has over 19 years' experience in accounting, audit, taxation and asset appraisal. Mr. Li started his career at Shenzhen Jinpeng Certified Public Accountants (深圳金鵬會計師事務所) as the deputy head of appraisal department. Mr. Li was the finance director from 2001 to 2008. Mr. Li holds a bachelor degree in Economics from the Shenzhen University (深圳大學) and a master degree in Economics from the Central University of Finance and Economics (中央財經大學). He is also an economist and a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and a member of the Chinese Certified Tax Agents Association (中國註冊稅務師協會).

主席及非執行董事

陳耿，42歲，為本公司主席兼非執行董事。陳博士負責本集團整體策略發展。陳博士為國泰君安總裁兼副董事長及中國證券業協會副會長。陳博士在證券業擁有逾二十年經驗，曾參與深圳證券交易所籌建工作，於一九九三年至一九九六年任深圳證券交易所上市部總經理。陳博士加入君安證券有限責任公司後，於一九九六年獲委任為總裁助理兼投資銀行部總經理，於一九九八年獲委任為副總裁兼董事。陳博士於一九九九年獲委任為國泰君安證券股份有限公司的副總裁，並於二零零四年獲委任為總裁兼副董事長。陳博士持有中南財經政法大學經濟學博士學位，為中國註冊會計師協會會員。

執行董事

閻峰，47歲，為本集團副主席、執行董事兼行政總裁。閻博士於一九九三年加入國泰君安並於二零零零年加入本集團，負責本集團的整體業務管理事務。閻博士在證券業擁有逾十九年經驗。閻博士為高級經濟師，持有中國社會科學院研究生院經濟學博士學位及清華大學環境工程學學士學位。閻博士亦為本公司控股股東國泰君安控股有限公司及國泰君安金融控股有限公司的董事。

李光杰，42歲，為本集團執行董事兼銷售團隊主管。李先生於二零零一年十一月加入本集團，負責監督及管理本集團的銷售團隊。彼於會計、審計、稅務及資產評估方面擁有逾十九年經驗。李先生於深圳金鵬會計師事務所開始其事業，出任評估部門副主管。李先生於二零零一年至二零零八年曾任財務總監。李先生持有深圳大學經濟學學士學位及中央財經大學經濟學碩士學位。彼亦為經濟師、中國註冊會計師協會會員及中國註冊稅務師協會會員。

Biographies of the Directors

董事履歷

LI Sang Edward (李生), aged 47, is an executive director and the head of legal and compliance of our Group. Mr. Li joined our Group in May 2007 and is responsible for the legal, compliance and company secretarial matters of our Group. Mr. Li has over 18 years' of experience in legal and financial services. He holds a master degree of Laws in Corporate and Financial Law from the University of Hong Kong, a master degree in Corporate Finance from the Hong Kong Polytechnics University and a bachelor degree in Law from the University of London. Mr. Li admitted as a solicitor in Hong Kong and England and Wales in 1995.

WONG Tung Ching (王冬青), aged 39, is an executive director and the head of the corporate finance and ECM divisions of our Group. Mr. Wong joined our Group in October 2000 and is responsible for the overall business and marketing matters of corporate finance and equity capital markets business of our Group. Mr. Wong obtained a master degree in Business Administration from the University of Lincolnshire & Humberside (now known as the University of Lincoln) in 2001 and a higher diploma in International Trading from the Shenzhen University (深圳大學) in 1992.

Independent Non-executive Directors

FU Tingmei (傅廷美), aged 44, is an independent non-executive Director of the Company. Mr. Fu was appointed a Director on 19 June 2010. Mr. Fu has extensive experiences in investment, finance, law and business management. Between 1992 and 2003, he conducted many corporate finance transactions in several investment banking firms based in Hong Kong, including serving as a director of Peregrine Capital Limited, and a deputy managing director and subsequently a managing director of BNP Paribas Peregrine Capital Limited. Mr. Fu is currently engaged in private investment business. He is currently also an independent non-executive director of Beijing Enterprises Holdings Limited (stock code: 392) and CPMC Holdings Limited (stock code: 906), both listed on the Stock Exchange. Mr. Fu graduated from the University of London with a master's degree and a doctorate degree in Law in 1989 and 1993, respectively.

李生，47歲，為本集團執行董事兼法律及合規事務主管。李先生於二零零七年五月加入本集團，負責本集團的法律、合規及公司秘書事務。李先生於法律及金融服務方面擁有逾十八年經驗。彼持有香港大學法學(公司法與金融法)碩士學位、香港理工大學企業融資碩士學位及倫敦大學法律學士學位。李先生於一九九五年在香港及英格蘭及威爾士獲認可為律師。

王冬青，39歲，為本集團執行董事兼企業融資及股票資本市場部主管。王先生於二零零零年十月加入本集團，負責本集團企業融資及股票資本市場業務的整體業務及營銷事務。王先生於二零零一年獲University of Lincolnshire & Humberside(現稱University of Lincoln)工商管理碩士學位，於一九九二年獲深圳大學國際貿易高等文憑。

獨立非執行董事

傅廷美，現年44歲，為本公司的獨立非執行董事。傅先生於二零一零年六月十九日獲委任為董事。傅先生在投資、財務、法律和業務管理方面擁有廣泛的經驗。於一九九二年至二零零三年，他在香港多家投資銀行公司參與多項企業融資交易，包括出任百富勤融資有限公司董事，以及擔任法國巴黎百富勤融資有限公司副董事總經理及其後晉升董事總經理。傅先生現時從事私人投資業務。他現時擔任於聯交所上市的公司北京控股有限公司(股份代號：392)和中糧包裝控股有限公司(股份代號：906)的獨立非執行董事。傅先生畢業於倫敦大學，分別於一九八九年和一九九三年獲法律碩士和博士學位。

SONG Ming (宋敏), aged 49, is an independent non-executive director. Dr. Song has over 18 years' experience in research of bank regulation and management, financial market, derivatives and macroeconomics. Between 1991 and 1997, Dr. Song was the Associate Professor (tenured) and Assistant Professor at Department of Economics, Cleveland State University. Dr. Song is the director of Centre for China Financial Research (CCFR) at the University of Hong Kong since 2001 and the Professor and Associate Professor (tenured) at Faculty of Business and Economics of the University of Hong Kong since 1997. Dr. Song holds a doctorate degree in Economics from Ohio State University, a master degree of Science in Mathematics from Huazhong University of Science and Technology (華中科技大學) and a bachelor degree of Science in Mathematics from Zhejiang University (浙江大學). Dr. Song was awarded as the top 500 economists around the world according to 2002 Thomson's ranking. Dr. Song also serves on the editorial boards of several financial research journals such as China Financial Research and Financial Economics Journal. Dr. Song is appointed as an independent non-executive director of the United Laboratories International Holdings Limited (Stock code: 3933) since May 2007.

TSANG Yiu Keung (曾耀強), aged 57, is an independent non-executive director. Mr. Tsang is a professional accountant and a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and The Institute of Chartered Secretaries and Administrators. Mr. Tsang was with KPMG for more than 27 years, where he was a senior banking partner until he retired from the firm in 2003. Mr. Tsang is an independent non-executive director and the chairman of the audit committee of L. K. Technology Holdings Limited (Stock code: 558), a company listed on the Stock Exchange, and CITIC Bank International Limited, a licensed bank in Hong Kong and CITIC International Financial Holdings Limited. Mr. Tsang holds a higher diploma in Accountancy from the Hong Kong Polytechnic.

宋敏，49歲，為獨立非執行董事。宋博士於銀行監管及管理、金融市場、衍生工具及宏觀經濟研究領域擁有逾十八年經驗。一九九一年至一九九七年，宋博士任克利夫蘭州立大學經濟學系副教授(終身)和助理教授。宋博士自二零零一年起擔任香港大學中國金融研究中心主任，自一九九七年起擔任香港大學經濟及工商管理學院教授及副教授(終身)。宋博士持有俄亥俄州立大學經濟學博士學位、華中科技大學數學理科碩士學位及浙江大學數學理科學士學位。宋博士於二零零二年入選Thomson的全球500名頂尖經濟學家排名榜。宋博士亦曾任職於數間金融研究雜誌(如China Financial Research及Financial Economics Journal)的編輯委員會。自二零零七年五月開始，宋博士被委任為聯邦制藥國際控股有限公司(股份代號：3933)的獨立非執行董事。

曾耀強，57歲，為獨立非執行董事。曾先生為專業會計師及香港會計師公會、英國特許公認會計師公會及英國特許秘書及行政人員公會資深會員。曾先生曾於畢馬威會計師事務所任職逾二十七年，於二零零三年退休時為銀行業務高級合夥人。曾先生為力勁科技集團有限公司(聯交所上市公司，股份代號為558)、中信銀行國際有限公司及中信國際金融控股有限公司獨立非執行董事及審核委員會主席。曾先生持有香港理工學院會計學高級文憑。

Report of the Directors

董事會報告

The Directors present their report together with the audited consolidated financial statements of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in securities, commodities and leveraged foreign exchange dealing and broking, margin and other financing, corporate finance and asset management.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated income statement on page 56 of this annual report.

The Directors declared an interim dividend of HK\$0.02 per share, totalling HK\$32,800,000 and proposed the payment of a final dividend of HK\$0.05 per share, totalling HK\$82,000,000 to the shareholders whose names appear on the register of members of the company on 28 April 2011. The dividend will be payable on or about 9 May 2011.

SEGMENT INFORMATION

Detailed segment information in respect of the Group's revenue and segment results are shown in note 4 to the consolidated financial statements on pages 118 to 120.

FINANCIAL SUMMARY

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last four financial years ended 31 December 2010 is set out on page 7 and 8 of this annual report.

PROPERTIES, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 11 to the consolidated financial statements which is set out on page 129 of this annual report.

A deficit of approximately HK\$3,509,000 arising as a result of an independent valuation of the Group's land and buildings as at 31 May 2010 carried out by Cushmeen & Wakefield has not been incorporated in the Group's consolidated financial statements for the year ended 31 December 2010.

董事謹此呈報本公司及其附屬公司(合稱「本集團」)於截至二零一零年十二月三十一日止年度的報告連同經審核綜合財務報表。

主要業務活動

本公司為投資控股公司，而其附屬公司主要從事證券、商品及槓桿式外匯買賣及經紀、孖展及其他融資、企業融資及資產管理業務。

業績及股息

本集團於截至二零一零年十二月三十一日止年度的業績載於本年報第56頁的綜合收益表。

董事宣派中期股息每股0.02港元，合計32,800,000港元，另建議向於二零一一年四月二十八日名列本公司股東名冊上的股東派付末期股息每股0.05港元，合計82,000,000港元。股息將會於二零一一年五月九日或其前後派付。

分部資料

有關本集團收益及分部業績的詳細分部資料載列於第118頁至第120頁的綜合財務報表附註4內。

財務概要

本集團於截至二零一零年十二月三十一日止四個財政年度的刊發業績、資產、負債及非控股權益概要載於本年報第7和8頁。

物業、廠房及設備

於年內，本集團的物業、廠房及設備變動詳情載於本年報第129頁所載的綜合財務報表附錄11。

Cushmeen & Wakefield就本集團於二零一零年五月三十一日的土地與樓宇進行的獨立估值中所出現約3,509,000港元虧損未包括在本集團截至二零一零年十二月三十一日止年度的綜合財務報表內。

PARTICULAR OF SUBSIDIARIES

Details of the Company's subsidiaries are set out in the note 22 to the consolidated financial statements which is set out on pages 146 and 147 of this annual report.

SHARE CAPITAL AND RESERVES

Details of movements in the share capital of the Company during the year are set out in note 26 to the consolidated financial statements which is set out on page 151 of this annual report.

Details of movements in the reserves of the Group and the Company during the year are set out in the section of "Consolidated Statement of Changes in Equity" and note 26 in the consolidated financial statements on page 151 of this annual report. As at 31 December 2010, the Company's reserves available for distribution, calculated in accordance with the provisions of Section 79B of the Hong Kong Companies Ordinance (Cap.32), amounted to HK\$85,119,000 of which 82,000,000 has been proposed as final dividend for the year.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$1,246,300.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2010, the revenue attributable to the five largest customers of the Group accounted for less than 30% of the Group's total revenue. The Group is a provider of financial services. In the opinion of the Board, it is therefore of no value to disclose details of the Group's suppliers.

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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 2010 other than as an agent for the clients of the Group.

附屬公司詳情

本公司附屬公司詳情載於本年報第146和147頁所載的綜合財務報表附註22。

股本和儲備

於年內，本公司的股本變動詳情載於本年報第151頁所載的綜合財務報表附註26。

於年內，本集團及本公司的儲備變動詳情載於「綜合權益變動表」一節及本年報第151頁所載的綜合財務報表附註26。截至二零一零年十二月三十一日，本公司可供分派儲備根據香港公司條例(香港法例第32章)第79B節條文計量達85,119,000港元，當中82,000,000港元擬作年內末期股息。

捐贈

於年內，本集團慈善及其他捐贈達1,246,300港元。

主要客戶及供應商

就截至二零一零年十二月三十一日止年度，本集團五大客戶收益佔本集團的總收益低於30%。本集團為金融服務供應商，因此，董事會認為，無需披露本集團供應商詳情。

本公司董事或任何彼等的聯繫人或任何股東(就董事所知悉擁有發行人股本5%以上者)概無於本集團五大客戶中擁有任何實益權益。

買賣或贖回本公司上市證券

除為本集團客戶擔任代理外，本公司或任何附屬公司於截至二零一零年十二月三十一日止年度概無買賣或贖回本公司的上市證券。

Report of the Directors

董事會報告

DIRECTORS

The Directors during the year and up to the date of this report are:-

Chairman and Non-executive Director

Dr. CHEN Geng (appointed on 19 June 2010)

Executive Directors

Dr. YIM Fung (appointed on 19 June 2010)

Mr. LI Guangjie (appointed on 19 June 2010)

Mr. LI Sang, Edward (appointed on 19 June 2010)

Mr. WONG Tung Ching (appointed on 19 June 2010)

Independent Non-executive Directors

Dr. FU Tingmei (appointed on 19 June 2010)

Dr. SONG Ming (appointed on 19 June 2010)

Mr. TSANG Yiu Keung (appointed on 19 June 2010)

LISTING OF SHARES OF THE COMPANY

The shares of the Company have been successfully listed on the Main Board of the Stock Exchange on 8 July 2010. The net proceeds (after deduction of related issuance costs) from the Company's IPO pursuant to which 410 million shares were issued at a price at HK\$4.3 per share amounted to approximately HK\$1,667.3 million. The usage of net proceeds are set out on page 20 of this annual report. The total number of shares of the Company as at 31 December 2010 was 1,640,000,000 shares which are all ordinary shares.

董事

於年內及截至本年報日期，本公司董事如下：

主席及非執行董事

陳耿博士 (於二零一零年六月十九日委任)

執行董事

閻峰博士 (於二零一零年六月十九日委任)

李光杰先生 (於二零一零年六月十九日委任)

李先生 (於二零一零年六月十九日委任)

王冬青先生 (於二零一零年六月十九日委任)

獨立非執行董事

傅廷美博士 (於二零一零年六月十九日委任)

宋敏博士 (於二零一零年六月十九日委任)

曾耀強先生 (於二零一零年六月十九日委任)

本公司上市股份

本公司的股份已成功於二零一零年七月八日在聯交所主板上市。本公司首次公開發售(410百萬股股份以每股4.3港元的價格發行)所得款項淨額(扣除相關發行成本後)約達1,667.3百萬港元。所得款項淨額用途載於本年報第20頁。本公司截至二零一零年十二月三十一日的已發行股份總數為1,640,000,000股，均為普通股。

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2010, the interests and short positions of the Directors or their associates in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Interests in associated corporations

Name of director 董事姓名	Long/short positions 長/淡倉	Name of associated corporations 相聯法團名稱	Nature of interest 權益性質	Number of shares 股份數目	Percentage of issued shares 已發行股份 百分比
YIM Fung (Note) 閻峰 (附註)	Long 長倉	Guotai Junan Fund Management Limited 國泰君安基金管理 有限公司	Interest of a controlled corporation 受控制法團的權益	2,010,000	20.1%

Note: Dr. YIM Fung, Vice Chairman, executive director and chief executive officer, holds 92% equity interests in Best New Management Limited, is deemed to have an interest in the 20.1% equity interest held by Best New Management Limited in Guotai Junan Fund Management Limited, a subsidiary of the Company.

Save as disclosed above, as at 31 December 2010, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

董事及主要行政人員於本公司或任何相聯法團的股份及相關股份的權益

於二零一零年十二月三十一日，董事或其聯繫人於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股本中擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所，或根據證券及期貨條例第352條規定已登記於該條例所述登記冊，或根據聯交所證券上市規則（「上市規則」）附錄10所載標準守則規定已知會本公司及聯交所的權益及淡倉如下：

(a) 於相聯法團的權益

附註：副主席、執行董事兼行政總裁閻峰博士持有新好管理有限公司92%股權，故被視為於新好管理有限公司所持國泰君安基金管理有限公司（本公司一間附屬公司）20.1%股權中擁有權益。

除上文披露者外，於二零一零年十二月三十一日，董事或本公司主要行政人員概無於本公司或其任何相聯法團的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所，或根據證券及期貨條例第352條規定須登記於該條例所述登記冊，或根據標準守則規定須知會本公司及聯交所的權益或淡倉。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

No Director has a service contract with the Company 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 emolument.

Details of Directors' emoluments are set out in note 28 to the consolidated financial statements which is set out on pages 156 to 159 of this annual report.

In accordance with Article 104 of the Articles of Association of the Company, every Director shall be subject to retirement by rotation at least once every three years. At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office and be eligible for re-selection. Accordingly, Mr. LI Guangjie, Mr. LI Sang, Edward and Mr. WONG Tung Ching shall retire by rotation. They will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Dr. Fu Tingmei, Dr. Song Ming and Mr. Tsang Yiu Keung and as at the date of the annual report, still considers them to be independent. Generally, the term of office for each independent non-executive Director is for a period of 3 years, and all are subject to retirement by rotation in accordance with the Company's Articles and Association.

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.

SHARE OPTION SCHEME

The Company adopted its share option scheme on 19 June 2010 (the "Share Option Scheme") and shall be valid and effective for a period of 10 years from that date. The purpose of the Share Option Scheme is to grant options to the eligible participants in recognition and acknowledgement of their contributions made or to be made to the Group. Under the Share Option Scheme, the Board may offer to grant an option to any Director or employee, or any advisor, consultant, suppliers, customers or agents.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed thirty percent (30%) of the shares in issue from time to time.

董事服務合約

概無董事與本公司訂立年期可能超過3年的服務合約，或本公司須給予1年以上之通知期或支付相等於1年以上酬金的賠償或其他付款以終止該合約的服務合約。

董事酬金詳情載於本年報第156至159頁綜合財務報表附註28。

根據本公司章程細則細則第104條，每名董事須至少每三年輪值告退一次。於每屆股東週年大會上，三分之一的在任董事（若人數並非三的倍數，則最接近但不少於三分之一之人數）將告退並有資格膺選連任。因此，李光杰先生、李生先生及王冬青先生須輪值告退。彼等將於應屆股東週年大會上願膺選連任。

於年報日期，本公司已收到傅廷美博士、宋敏博士及曾耀強先生的年度獨立性確認書，仍認為彼等為獨立人士。一般而言，每一名獨立非執行董事的任期為三年，惟全體董事須根據本公司的章程細則須輪值告退。

董事於合約中的權益

年內，董事概無於本公司或其任何附屬公司簽訂並對本集團的業務有重大影響的任何合約中直接或間接擁有任何重大權益。

購股權計劃

本公司於二零一零年六月十九日採納其購股權計劃（「購股權計劃」），由當日起計有效期為10年。購股權計劃旨在向合資格參與者授出購股權，以表揚及肯定其已對或將會對本集團所作出的貢獻。根據購股權計劃，董事會可提出向任何董事或僱員、或任何顧問、諮詢人、供應商、客戶或代理授出購股權。

因行使根據本公司購股權計劃及任何其他計劃隨時授出的所有尚未行使購股權而可發行的股份總數上限，不得超過不時已發行股份的百分之三十(30%)。

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme of the Company must not in aggregate exceed ten percent (10%) of the shares in issue immediately following completion of the Company's IPO, being 164,000,000 shares.

The total number of shares issued and to be issued upon exercise of the options granted or to be granted pursuant to the Share Option Scheme or any other share option scheme of the Group to each eligible participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant of the options shall not exceed one percent (1%) of the total number of shares in issue.

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be determined by the Board provided that it shall not be less than the highest of:-

- (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant,
- (ii) the average of closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant, and
- (iii) the nominal value of a share.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Subject to any condition or restriction which may be imposed by the Board when granting the options and other provisions of the Schemes, an option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period. The option period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted.

For the year ended 31 December 2010 and up to the date of this report, no option was granted by the Company under the Share Option Scheme.

因行使根據本公司購股權計劃授出的所有購股權而可配發及發行的股份總數，合共不得超過緊隨本公司首次公開發售完成後已發行股份的百分之十(10%)，即164,000,000股股份。

於截至及包括購股權授出日期止任何12個月期間內，因行使根據購股權計劃及本集團任何其他購股權計劃已授予或將授予各合資格參與者的購股權(包括已行使及未行使的購股權)而已發行及將發行的股份總數，不得超過已發行股份總數的百分之一(1%)。

根據購股權計劃授出任何特定購股權的股份認購價須由董事會按不少於以下最高者釐定：

- (i) 於授出日期聯交所每日報價列表所報的股份收市價；
- (ii) 緊接授出日期前五個營業日聯交所每日報價列表所報的股份平均收市價；及
- (iii) 股份的面值。

於接納購股權後，承授人須向本公司支付1.00港元作為授出代價。根據董事會於授出購股權時實施的任何條件或限制及計劃的其他條文，購股權可根據購股權計劃的條款於購股權期間隨時行使。購股權的行使期由董事會全權酌情釐定，惟不得超過授出購股權之日起計10年。

截至二零一零年十二月三十一日止年度及本年報日期，本公司並無根據購股權計劃授出購股權。

Report of the Directors

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as the Share Option Scheme disclosed above, for the year ended 31 December 2010, the Company or any of its subsidiaries has not signed any agreements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, the following persons (not being a Director of our Company) have interests or short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Ordinary shares of HK\$0.1 each of the Company

Name of shareholders 股東名稱		Number of shares 股份數目		Approximate percentage of issued share capital of the Company 本公司已發行股本 概約百分比	
		Long positions 長倉	Short positions 淡倉	Long positions 長倉	Short positions 淡倉
Guotai Junan Holdings Limited	國泰君安控股有限公司	1,230,000,000	Nil 無	75%	Nil 無
Guotai Junan Financial Holdings Limited (Note)	國泰君安金融控股 有限公司 (附註)	1,230,000,000	Nil 無	75%	Nil 無
Guotai Junan Securities Co., Ltd (Note)	國泰君安證券股份 有限公司 (附註)	1,230,000,000	Nil 無	75%	Nil 無

Note: Guotai Junan Holdings Limited is wholly owned by Guotai Junan Financial Holdings Limited which in turn is a wholly-owned subsidiary of Guotai Junan Securities Co., Ltd. Accordingly, Guotai Junan Financial Holdings Limited and Guotai Junan Securities Co., Ltd are deemed to have the same interest in the shares of the Company as Guotai Junan Holdings Limited.

董事購入股份或債權證的權利

除上文關於購股權計劃的披露外，截至二零一零年十二月三十一日止年度，本公司或其任何附屬公司概無簽訂任何協議，以讓董事通過購入本公司或任何其他法團的股份或債務證券（包括債權證）而獲利；董事、其配偶或18歲以下子女，亦概無認購本公司證券的任何權利，或已行使任何此等權利。

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零一零年十二月三十一日，下列人士（並非本公司董事）於本公司的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文已向本公司披露，或根據證券及期貨條例第336條，記錄於該條例內規定本公司須存置的登記冊內的權益或淡倉如下：

本公司每股面值0.1港元的普通股

附註：國泰君安控股有限公司由國泰君安金融控股有限公司全資擁有，而國泰君安金融控股有限公司則為國泰君安證券股份有限公司的全資附屬公司。因此，國泰君安金融控股有限公司及國泰君安證券股份有限公司被視為於本公司股份中擁有與國泰君安控股有限公司所擁有者相同的權益。

Save as disclosed above, as at 31 December 2010, the Company has not been notified by any persons (other than Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as the continuing connected transactions disclosed below, no contracts concerning the management and administration of the whole or any substantial part of business of the Company or its subsidiaries were entered into or existed during the year.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The following is a summary of the continuing connected transactions of the Group entered into during the year before the listing date of 8 July 2010:-

- (a) On 17 June 2010, a cooperation agreement was entered between Guotai Junan Securities (Hong Kong) Limited, a wholly owned subsidiary of the Company, and Guotai Junan Securities Company Limited ("Guotai Junan") whereby Guotai Junan Securities (Hong Kong) Limited would maintain a China B share trading account with Guotai Junan and place orders on behalf of its customers to Guotai Junan. Guotai Junan would then execute the orders using its China B shares trading platform. The total amounts of commissions paid by Guotai Junan Securities (Hong Kong) Limited under the cooperation agreement for the three years ending 31 December 2012 should not exceed HK\$6.0 million, HK\$6.6 million and HK\$7.26 million respectively. The total commission paid to Guotai Junan for the year ended 31 December 2010 was HK\$5,867,000 which is also set out in Note 32(a)(i) in the consolidated financial statements on page 165 of this annual report.

除上文所披露者外，於二零一零年十二月三十一日，概無任何人士（不包括本公司董事或主要行政人員）知會本公司其於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或根據證券及期貨條例第336條，記錄於該條例內規定本公司須存置的登記冊內的權益或淡倉。

除下文所披露的持續關連交易外，年內，本公司並無進行或簽署任何與本公司全部或大部份業務的管理或行政有關的合約。

關連交易及持續關連交易

以下是本集團年內於二零一零年七月八日上市日期前訂立的持續關連交易概要：

- (a) 於二零一零年六月十七日，本公司全資附屬公司國泰君安證券（香港）有限公司與國泰君安證券股份有限公司（「國泰君安」）訂立合作協議，據此，國泰君安證券（香港）有限公司將在國泰君安開設中國B股交易賬戶，並代表其客戶向國泰君安下單。國泰君安繼而使用其中國B股交易平台完成訂單。截至二零一二年十二月三十一日止三個年度，國泰君安證券（香港）有限公司根據合作協議支付的佣金總額分別不得超過6.0百萬港元、6.6百萬港元及7.26百萬港元。截至二零一零年十二月三十一日止年度付予國泰君安的佣金總額為5,867,000港元，上述金額亦載於本年報第165頁綜合財務報表附註32(a)(i)。

Report of the Directors

董事會報告

- (b) On 17 June 2010, a service agreement was entered between Guotai Junan (Hong Kong) Limited, a wholly owned subsidiary of the Company, and Guotai Junan Consultancy Services (Shenzhen) Co., Limited whereby Guotai Junan Consultancy Services (Shenzhen) Co., Limited would provide consultancy services relating to project management and economic information as well as marketing and planning to Guotai Junan (Hong Kong) Limited. The total amount of consultancy fee paid to Guotai Junan Consultancy Services (Shenzhen) Co., Limited under the service agreement for the three years ending 31 December 2012 should not exceed HK\$9.6 million, HK\$12 million and HK\$15 million respectively. The total consultancy fee paid to Guotai Junan Consultancy Services (Shenzhen) Co., Limited for the year ended 31 December 2010 was HK\$9,600,000 which is also set out in Note 32(a)(ii) in the consolidated financial statements on page 165 of this annual report.
- (b) 於二零一零年六月十七日，本公司全資附屬公司國泰君安(香港)有限公司與國泰君安諮詢服務(深圳)有限公司訂立服務協議，據此，國泰君安諮詢服務(深圳)有限公司將向國泰君安(香港)有限公司提供有關經濟資訊及市場推廣及規劃的諮詢服務。截至二零一二年十二月三十一日止三個年度，根據服務協議付予國泰君安諮詢服務(深圳)有限公司的佣金總額分別不得超過9.6百萬港元、12百萬港元及15百萬港元。截至二零一零年十二月三十一日止年度付予國泰君安諮詢服務(深圳)有限公司的佣金總額為9,600,000港元，上述金額亦載於本年報第165頁綜合財務報表附註32(a)(ii)。
- (c) On 17 June 2010, a supplemental investment management agreement was entered into between Guotai Junan KS Select Equity Fund ("KS Fund") and Guotai Junan Fund Management Limited, a supplemental margin trading agreement was entered into between the KS Fund and Guotai Junan Securities (Hong Kong) Limited, a supplemental investment management agreement was entered into between Guotai Junan Funds SPC (for the account of Guotai Junan Harvest China Fund Segregated Portfolio) ("SPC Fund") and Guotai Junan Assets (Asia) Limited and a supplemental margin trading agreement was entered into between SPC Fund and Guotai Junan Securities (Hong Kong) Limited. Under the said supplemental agreements, Guotai Junan Securities (Hong Kong) Limited will provide securities trading services and margin facilities to both the KS Fund and SPC Fund. Guotai Junan Assets (Asia) Limited will act as the investment manager for the SPC Fund and Guotai Junan Fund Management Limited will act as the investment manager of KS Fund. The total amounts of aggregated fee paid by the KS Fund and SPC Fund for the three years ending 31 December 2012 should not exceed HK\$65 million, HK\$67.2 million and HK\$69.84 million respectively. The total fees paid to the Group for the year ended 31 December 2010 was HK\$18,531,000 which are also set out in Note 32(a)(iii) – (xi) in the consolidated financial statements on page 165 of this annual report.
- (c) 於二零一零年六月十七日，Guotai Junan KS Select Equity Fund(「KS Fund」)與國泰君安基金管理有限公司訂立投資管理補充協議，KS Fund與國泰君安證券(香港)有限公司訂立保證金交易補充協議，Guotai Junan Funds SPC(代表Guotai Junan Harvest China Fund Segregated Portfolio(「SPC Fund」)與國泰君安資產管理(亞洲)有限公司訂立投資管理補充協議及SPC Fund與國泰君安證券(香港)有限公司訂立保證金交易補充協議。根據上述補充協議，國泰君安證券(香港)有限公司將向KS Fund及SPC Fund提供證券交易服務及保證金安排。國泰君安資產管理(亞洲)有限公司將擔任SPC Fund的投資經理，而國泰君安基金管理有限公司將擔任KS Fund的投資經理。截至二零一二年十二月三十一日止三個年度，KS Fund及SPC Fund支付的合共費用總額分別不得超過65百萬港元、67.2百萬港元及69.84百萬港元。截至二零一零年十二月三十一日止年度付予本集團的總費用為18,531,000港元，上述金額亦載於本年報第165頁綜合財務報表附註32(a)(iii)至(xi)。

The independent non-executive Directors of the Company have reviewed and confirmed that the continuing connected transactions were entered into:-

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favorable to the Group than terms available to/from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in interests of the shareholders of the Company as a whole.

In accordance with paragraph 14A.38 of the Listing Rules, the Directors engaged the auditor of the Company to report on the above mentioned continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagement 3000 "Assurance Engagements Other Than Audits or Review of Historical Financial Information" ("HKSAE 3000") and with reference to Practice Note 740 "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" ("PN740") issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has reported to the Directors in accordance with HKSAE 3000 and with reference to PN740 that the transactions:-

- (i) have been approved by the Board of the Company;
- (ii) are in accordance with the pricing policies of the Company;
- (iii) have been entered into in accordance with the relevant agreements governing such transactions; and
- (iv) have not exceeded the relevant CAPs disclosed in the listing prospectus of the Company dated 25 June 2010.

本公司獨立非執行董事已審閱該等持續關連交易，並確認該等交易乃：

- (i) 於本集團日常及一般業務過程中產生；
- (ii) 按一般商業條款或按不遜於本集團向獨立第三方提供及／或獲得的條款進行；及
- (iii) 根據規管交易的相關協議按公平合理及符合本公司股東整體利益的條款訂立。

根據上市規則第14A.38段，董事委任本公司核數師按照香港會計師公會頒布的香港鑒證業務準則第3000號下之「非審核或審閱過往財務資料之鑒證工作」規定（「HKSAE 3000」），並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」（「PN 740」）審查上述持續關連交易。

核數師已按照HKSAE 3000並參照PN740的規定向董事報告，該等交易：

- (i) 已經本公司董事會批准；
- (ii) 乃按照本公司的定價政策進行；
- (iii) 乃按照規管該等交易的相關協議進行；及
- (iv) 並未超出本公司於二零一零年六月二十五日刊發的上市招股章程所披露的相關上限。

Report of the Directors

董事會報告

The following is a summary of the continuing connected transaction of the Group entered into during the year after the listing date of 8 July 2010:-

On 11 August 2010, an advisory services agreement was entered between Guotai Assets (Asia) Limited and Guotai Junan whereby Guotai Junan Assets (Asia) Limited was appointed as an investment advisor for a Qualified Domestic Institutional Investors (QDII) collective investment plan (the "QDII Scheme") managed by Guotai Junan, namely 國泰君安君富香江集合資產管理計劃 (Guotai Junan Jun Fu Xiang Jiang Collective Investment Plan). Guotai Junan would pay 50% of the management fee income received from the QDII Scheme less incurred expenses, if any, as advisory fee to Guotai Junan Assets (Asia) Limited for its advisory services provided to Guotai Junan. No advisory fee income was earned from Guotai Junan for the year ended 31 December 2010. As a result, the continuing connected transaction was exempted from the reporting, announcement and independent shareholders' approval requirement under Rule 14A.33 of the Listing Rules.

DIRECTORS' INTEREST IN COMPETING BUSINESSES

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

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 12 to 19 of this report.

以下是本集團年內於二零一零年七月八日上市日期後訂立的持續關連交易概要：

於二零一零年八月十一日，國泰君安資產管理（亞洲）有限公司與國泰君安訂立諮詢服務協議，據此，國泰君安資產管理（亞洲）有限公司獲聘為由國泰君安管理的合資格境內機構投資者（「QDII」）集合資產管理計劃（「QDII計劃」）（即國泰君安君富香江集合資產管理計劃）的投資顧問。國泰君安將向國泰君安資產管理（亞洲）有限公司支付從QDII計劃中收取的管理費（扣減所產生的費用（如有））的50%，作為諮詢服務的諮詢費。截至二零一零年十二月三十一日止年度，概無自國泰君安收取任何諮詢費。因此，根據上市規則第14A.33條，該持續關連交易獲豁免遵守申報、公佈及獨立股東批准的規定。

董事於競爭業務中之權益

於二零一零年十二月三十一日，本公司董事會成員及彼等各自的聯繫人概無於其業務與本公司業務直接或間接構成競爭或可能構成競爭的實體中擁有任何權益。

公眾持股量的充足性

根據本公司可公開獲得的資料及據董事所知，於本年報日期，公眾至少持有本公司已發行股本總數的25%。

企業管治

本公司的企業管治原則及實施載於12至19頁的企業管治報告內。

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers, who will retire at the forthcoming annual general meeting of the Company to be held on 28 April 2011.

On 9 March 2011, the Board resolved to propose the appointment of Ernst & Young, Certified Public Accountants, as the auditor of the Group for the year of 2011 to fill the vacancy following the retirement of PricewaterhouseCoopers and to hold office until the next annual general meeting of the Company, subject to the approval of shareholders of the Company at the forthcoming annual general meeting to be held on 28 April 2011.

By order of the Board

CHEN Geng

Chairman

Hong Kong, 28 March 2011

核數師

綜合財務報表已由羅兵咸永道會計師事務所審核，其將於二零一一年四月二十八日舉行的本公司股東年會上退任。

於二零一一年三月九日，董事會議決建議委任安永會計師事務所為本集團二零一一年財政年度之新任核數師，以填補羅兵咸永道會計師事務所退任後之空缺，任期直至本公司下一屆股東週年大會為止，惟須待本公司股東於二零一一年四月二十八日召開的應屆股東週年大會批准後，方可作實。

承董事會命

主席

陳耿

香港，二零一一年三月二十八日

Independent Auditor's Report

獨立核數師報告

TO THE SHAREHOLDERS OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Guotai Junan International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 56 to 170, which comprise the consolidated and company balance sheets as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 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 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

致國泰君安國際控股有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第56至170頁的國泰君安國際控股有限公司(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二零一零年十二月三十一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,並按照香港公司條例第141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。

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

Independent Auditor's Report

獨立核數師報告

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 2010, 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 Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 9 March 2011

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核憑證。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，以設計適當的審核程序，但目的並非對公司內部控制的有效性發表意見。審核亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，已按照香港公司條例妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，二零一一年三月九日

Consolidated Income Statement

綜合收益表

		For the year ended 31 December		
		截至十二月三十一日止年度		
		Note	2010	2009
		附註	二零一零年	二零零九年
			HK\$'000	HK\$'000
			千港元	千港元
Continuing operations	持續經營業務			
Revenue	收益	5	652,317	583,370
Other income	其他收入	5	5,777	3,715
Revenue and other income	收益及其他收入		658,094	587,085
Staff costs	員工成本	6	(148,114)	(140,455)
Commission to accounts executives	客戶主任佣金		(55,516)	(60,244)
Other commission expenses	其他佣金開支		(36,306)	(30,024)
Performance fee expenses	表現費開支		(10,661)	—
Depreciation	折舊	11	(19,208)	(10,611)
(Impairment charge)/ write back of provision for accounts receivable	應收款項(減值開支) / 撥備撥回	18(d)	(10,006)	1,847
Other operating expenses	其他經營開支	6	(85,734)	(70,582)
			292,549	277,016
Finance costs	融資成本	6	(4,142)	(5,168)
Profit before income tax	除所得稅前溢利	6	288,407	271,848
Income tax expense	所得稅開支	7	(35,783)	(27,808)
Profit for the year from continuing operations	持續經營業務年內溢利		252,624	244,040
Discontinued operations	已終止經營業務			
Profit for the year from discontinued operations	已終止經營業務年內溢利	8	—	56,354
Profit for the year	年內溢利		252,624	300,394

Consolidated Income Statement

綜合收益表

		For the year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Note 附註			
Attributable to:			
	以下各項應佔：		
	Equity holders of the Company	250,685	298,307
	本公司股權持有人		
	Non-controlling interests	1,939	2,087
	非控股權益		
		252,624	300,394
Dividends	股息		
		9	114,800
			150,000
Earnings per share for profit from continuing operations attributable to equity holders of the Company	本公司權益持有人應佔來自持續經營業務溢利的每股盈利		
– Basic and diluted (HK\$)	– 基礎及攤薄 (港元)	10	17.5 cents
			19.7 cents
Earnings per share for profit attributable to equity holders of the Company	本公司權益持有人應佔溢利的每股盈利		
– Basic and diluted (HK\$)	– 基礎及攤薄 (港元)	10	17.5 cents
			24.3 cents

The notes on pages 65 to 170 are an integral part of these consolidated financial statements.

第65至170頁的附註為該等綜合財務報表的組成部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year	年內溢利	252,624	300,394
Other comprehensive income:	其他全面收益：		
Change in fair value of available-for-sale investments	可供出售投資的公平值變動	—	3,712
Currency translation differences	外幣兌換差額	—	(335)
Reclassification adjustments	重新分類調整		
– Release upon disposal of available-for-sale investments	– 於出售可供出售投資時解除	—	(3,616)
Other comprehensive income for the year, net of tax	年內其他全面收益，扣除稅項	—	(239)
Total comprehensive income for the year	年內全面收益總額	252,624	300,155
Attributable to:	以下各項應佔：		
Equity holders of the Company	本公司股權持有人	250,685	298,068
Non-controlling interests	非控股權益	1,939	2,087
		252,624	300,155

The notes on pages 65 to 170 are an integral part of these consolidated financial statements.

第65至170頁的附註為該等綜合財務報表的組成部份。

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December 於十二月三十一日		
		Note 附註	2010 二零一零年	2009 二零零九年
			HK\$'000 千港元	Restated 重列 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	450,401	354,719
Investment properties	投資物業	12	115,055	—
Intangible assets	無形資產	13	2,823	2,823
Other assets	其他資產	14	2,870	2,840
Deferred tax assets	遞延稅項資產	15	2,530	—
Held-to-maturity investments	持至到期投資	16	77,833	—
Total non-current assets	非流動資產總額		651,512	360,382
Current assets	流動資產			
Loans and advances to customers	貸款及客戶墊款	17	1,975,894	860,731
Accounts receivable	應收款項	18	935,583	334,262
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	11,970	7,103
Amount due from the intermediate holding company	應收中介控股公司款項	32(b)	—	359
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	20	84,099	92,567
Client trust bank balances	客戶信託銀行結餘	21	5,874,971	5,679,243
Cash and bank balances	現金及銀行結餘	21	441,631	460,284
Total current assets	流動資產總額		9,324,148	7,434,549
Total assets	資產總額		9,975,660	7,794,931
EQUITY AND LIABILITIES	權益及負債			
Share capital	股本	26(a)	164,000	—
Share premium	股份溢價	26(a)(v)	2,771,707	—
Other reserve	其他儲備	26(b)	(1,236,460)	31,980
Proposed final dividend	建議末期股息	9	82,000	—
Retained earnings	保留盈利		1,284,674	1,148,789
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		3,065,921	1,180,769
Non-controlling interests	非控股權益		6,428	4,489
Total equity	權益總額		3,072,349	1,185,258

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December	
		於十二月三十一日	
	Note	2010	2009
	附註	二零一零年	二零零九年
			Restated
			重列
		HK\$'000	HK\$'000
		千港元	千港元
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	15	1,056
			—
Current liabilities	流動負債		
Bank borrowings	銀行借款	25	—
Amount due to the ultimate holding company	應付最終控股公司款項	32(b)	—
Amounts due to fellow subsidiaries	應付同系附屬公司款項	32(b)	—
Other payables and accrued liabilities	其他應付款項及應計款項	24	106,161
Current income tax liabilities	應付稅款		17,154
Accounts payable	應付款項	23	6,778,940
			5,955,215
Total current liabilities	流動負債總額		6,902,255
			6,609,673
Total liabilities	負債總額		6,903,311
			6,609,673
Total equity and liabilities	權益及負債總額		9,975,660
			7,794,931
Net current assets	流動資產淨值		2,421,893
			824,876
Total assets less current liabilities	總資產減流動負債		3,073,405
			1,185,258

The consolidated financial statements were approved by the Board on 9 March 2011.

綜合財務報表乃經董事會於二零一一年三月九日批准。

Dr. Yim Fung
Director

閻峰博士
董事

Mr. Li Sang, Edward
Director

李先生
董事

The notes on pages 65 to 170 are an integral part of these consolidated financial statements.

第65至170頁的附註為該等綜合財務報表的組成部份。

Balance Sheet

資產負債表

As at 31 December

於十二月三十一日

Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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ASSETS	資產		
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司投資	22(a)	1,268,440
Total non-current assets	非流動資產總額		1,268,440
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	386
Amount due from a subsidiary	應收附屬公司款項	22(b)	1,750,135
Cash and bank balances	現金及銀行結餘	21	101
Total current assets	流動資產總額		1,750,622
Total assets	總資產		3,019,062
EQUITY AND LIABILITIES	權益及負債		
Share capital	股本	26(a)	164,000
Share premium	股份溢價	26(a)	2,768,723
Proposed final dividend	建議末期股息	9	82,000
Retained earnings	保留盈利		3,119
Total equity	權益總額		3,017,842

Balance Sheet

資產負債表

		As at 31 December	
		於十二月三十一日	
	Note	2010	2009
	附註	二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Current liabilities	流動負債		
Other payables and accrued liabilities	其他應付款項及應計款項	24	1,220
Total liabilities	負債總額		1,220
Total equity and liabilities	權益及負債總額		3,019,062
Net current assets	流動資產淨值		1,749,402
Total assets less current liabilities	總資產減流動負債		3,017,842

The consolidated financial statements were approved by the Board on 9 March 2011.

綜合財務報表乃經董事會於二零一一年三月九日批准。

Dr. Yim Fung
Director

閻峰博士
董事

Mr. Li Sang, Edward
Director

李先生
董事

The notes on pages 65 to 170 are an integral part of these consolidated financial statements.

第65至170頁的附註為該等綜合財務報表的組成部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

Attributable to equity shareholders of the Company
本公司權益持有人應佔權益

		Share capital	Share premium	Other reserve	Proposed final dividend	Retained earnings	Available-for-sale	Currency translation reserve	Total	Non-controlling interests	Total equity
							investments revaluation reserve				
		股本	股份溢價	其他儲備	建議末期股息	保留盈利	可供出售投資重估儲備	外幣兌換儲備	總計	非控制性權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2009	於二零零九年一月一日的結餘	—	—	31,980	—	1,000,482	(96)	335	1,032,701	2,402	1,035,103
Profit for the year	年內溢利	—	—	—	—	298,307	—	—	298,307	2,087	300,394
Other comprehensive income/(loss) for the year	年內其他全面收益 / (虧損)	—	—	—	—	—	96	(335)	(239)	—	(239)
Dividend paid to intermediate holding company(Note 9)	向中介控股公司支付股息 (附註 9)	—	—	—	—	(150,000)	—	—	(150,000)	—	(150,000)
Balance at 31 December 2009	於二零零九年十二月三十一日的結餘	—	—	31,980	—	1,148,789	—	—	1,180,769	4,489	1,185,258
Allotment of shares pursuant to the Reorganization (Note 26a(ii))	根據重組配發股份 (附註 26a(ii))	—	1,268,440	(1,268,440)	—	—	—	—	—	—	—
Capitalization for issuance of new shares (Note 26(a)(iii))	因發行新股份而資本化 (附註 26a(iii))	123,000	(123,000)	—	—	—	—	—	—	—	—
Share issuance pursuant to the Global Offering (Note 26(a)(iv))	根據全球發售的股份發行 (附註 26a(iv))	41,000	1,722,000	—	—	—	—	—	1,763,000	—	1,763,000
Share issuance costs incurred in current year (Note 26(a)(v))	本年度產生的股份發行費用 (附註 26a(v))	—	(95,733)	—	—	—	—	—	(95,733)	—	(95,733)
Interim dividend (Note 9)	中期股息 (附註 9)	—	—	—	—	(32,800)	—	—	(32,800)	—	(32,800)
Final dividend (Note 9)	末期股息 (附註 9)	—	—	—	82,000	(82,000)	—	—	—	—	—
Profit for the year	年內溢利	—	—	—	—	250,685	—	—	250,685	1,939	252,624
Balance at 31 December 2010	於二零一零年十二月三十一日的結餘	164,000	2,771,707	(1,236,460)	82,000	1,284,674	—	—	3,065,921	6,428	3,072,349

The notes on pages 65 to 170 are an integral part of these consolidated financial statements.

第65至170頁的附註為該等綜合財務報表的組成部份。

Consolidated Cash Flow Statement

綜合現金流量表

		Year ended 31 December		
		截至十二月三十一日止年度		
	Note	2010	2009	
	附註	二零一零年	二零零九年	
		HK\$'000	HK\$'000	
		千港元	千港元	
Net cash outflow from operating activities	經營活動流出現金流量淨額	29	(845,260)	(148,068)
Cash flows from investing activities	投資活動現金流量			
Purchases of property, plant and equipment	購買物業、設備及廠房	11	(114,972)	(347,082)
Purchases of investment properties	購買投資物業	12	(115,055)	—
Proceeds from sales of assets and liabilities classified as held for sale	出售持作待售的資產及負債所得款項		—	7,763
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	30	—	11,144
Dividend paid to intermediate holding company	向中介控股公司支付股息	9	—	(150,000)
Dividend paid to shareholders	向股東支付股息	9	(32,800)	—
Purchase of held to maturity investments	購買持至到期投資	16	(77,833)	—
Net cash outflow from investing activities	投資活動流出現金流量淨額		(340,660)	(478,175)
Cash flows from financing activities	融資活動現金流量			
(Repayment)/drawdown of bank borrowings	(償還) / 提取銀行借款	25	(500,000)	500,000
Proceeds from issue of shares, net of expenses	發行股份所得款項，扣除開支		1,667,267	—
Net cash inflow from financing activities	融資活動流入現金流量淨額		1,167,267	500,000
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(18,653)	(126,243)
Cash and cash equivalents at beginning of year	年初現金及現金等價物		460,284	586,527
Cash and cash equivalents at end of year	年末現金及現金等價物	21	441,631	460,284

The notes on pages 65 to 170 are an integral part of these consolidated financial statements.

第65至170頁的附註為該等綜合財務報表的組成部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

I GENERAL INFORMATION

Guotai Junan International Holdings Limited (the “Company”) was incorporated on 8 March 2010 in Hong Kong with limited liability under the Hong Kong Companies Ordinance (Cap32). The registered office of the Company is 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen’s Road Central, Hong Kong. The Company’s immediate holding company and ultimate holding company are Guotai Junan Holdings Limited and Guotai Junan Securities Company Limited respectively.

The Company is an investment holding company and its subsidiaries (together the “Group”) are principally engaged in securities and commodities dealing and broking, margin and other financing, corporate finance and asset management (collectively the “Continuing Operations”). The investment holding in equity funds and provision of consultancy services in Shenzhen (collectively the “Discontinued Operations”) was transferred to Guotai Junan Financial Holdings Limited (“GJFHL”) on 30 October 2009. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2010.

These consolidated financial statements were approved by the Board for issue on 9 March 2011.

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

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which are carried at fair value.

1 一般資料

國泰君安國際控股有限公司（「本公司」）為於二零一零年三月八日根據香港公司條例（香港法例第32章）在香港註冊成立之有限公司。本公司的註冊辦事處的地址為香港皇后大道中181號新紀元廣場低座27樓。本公司的直接控股公司及最終控股公司分別為國泰君安控股有限公司及國泰君安證券股份有限公司。

本公司為投資控股公司，而附屬公司（「合稱「本集團」」）主要從事證券及商品買賣及經紀、孖展及其它融資、企業融資及資產管理（合稱「持續經營業務」）。股票基金投資及位於深圳的顧問服務業務（合稱「已終止經營業務」）已於二零零九年十月三十日轉讓予國泰君安金融控股有限公司（「國泰君安金融控股」）。本公司的股份於二零一零年七月八日在香港聯合交易所有限公司（「聯交所」）主板上市。

該等綜合財務報表已於二零一一年三月九日由董事會批准刊發。

2 主要會計政策概要

編製該等綜合財務報表所採用的主要會計政策載列如下。除另有說明外，該等政策已於所有呈報年度持續採用。

2.1 編製基準

該等綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則編製。除按公平值計入損益的金融資產（按公平值列賬）外，該等綜合財務報表乃根據歷史成本慣例編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

These consolidated financial statements have been prepared on the basis that the current group structure had been in existence at the beginning of the earliest period. Accordingly, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the years ended 31 December 2009 and 2010 include the financial statements of the Company and its subsidiaries with effect from 1 January 2009 or, if later, since their respective dates of incorporation as if the current group structure had been in existence throughout the two years presented. The consolidated balance sheet of the Group as at 31 December 2009 and 31 December 2010 have been prepared as if the current group structure had been in existence as at the respective dates. All material intra-group transactions and balances have been eliminated on consolidation.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 33.

2 主要會計政策概要(續)

2.1 編製基準(續)

該等綜合財務報表乃根據本集團現時之架構於最早期一直存在的基準而編製。因此，本集團截至二零零九年及二零一零年十二月三十一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包括本公司及其附屬公司自二零零九年一月一日起，或稍後時間，自其各自註冊成立日期起的財務報表，猶如本集團現時之架構於兩個呈報年度一直存在。本集團於二零零九年十二月三十一日及二零一零年十二月三十一日的綜合資產負債表乃假設本集團現時之架構於上述日期已存在。本集團成員公司間的所有重大交易及結餘已於綜合賬目時互相抵銷。

編製符合香港財務報告準則的綜合財務報表須要使用若干關鍵會計估計。管理層亦須於應用本集團的會計政策過程中作出其判斷。有關範疇涉及較高層次的判斷或較為複雜，或對附註33所披露的綜合財務報表而言屬重大的假設及估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) Standards, amendments and interpretations published and effective for accounting periods beginning on or after 1 January 2010

Standard/ Interpretation 準則／詮釋	Content 內容	Applicable for financial years beginning on/ after 適用於下列日期 或之後開始的 財務年度	Relevant to the Group 與本集團 是否相關
HKAS 17 (Amendment) 香港會計準則第17號(修訂本)	Leases 租賃	1 January 2010 二零一零年一月一日	Yes 是
HKAS 27 (Revised) 香港會計準則第27號(經修訂)	Consolidated and separate financial statements 合併及單獨財務報表	1 July 2009 二零零九年七月一日	No 否
HKAS 39 (Amendment) 香港會計準則第 39號(修訂本)	Financial instruments: Recognition and measurement - Eligible hedged items 金融工具－確認與計量 －合資格對沖項目	1 July 2009 二零零九年七月一日	No 否
HKFRS 1 (Revised) 香港財務報告準則第1號(經修訂)	First-time adoption of HKFRS 首次採納香港財務報告準則	1 July 2009 二零零九年七月一日	No 否
HKFRS 3 (Revised) 香港財務報告準則第3號(經修訂)	Business combinations 企業合併	1 July 2009 二零零九年七月一日	No 否
HK (IFRIC) - Int 17 香港(國際財務報告詮釋 委員會)－詮釋第17號	Distribution of non-cash assets to owners 向擁有人分配非現金資產	1 July 2009 二零零九年七月一日	No 否
HK (IFRIC) - Int 18 香港(國際財務報告詮釋 委員會)－詮釋第18號	Transfer of assets from customers 轉讓客戶資產	1 July 2009 二零零九年七月一日	No 否
HKFRS 1 (Amendment) 香港財務報告準則 第1號(修訂本)	Additional exemptions for first-time adopters 首次採納者的額外豁免	1 January 2010 二零一零年一月一日	No 否
HKFRS 2 (Amendment) 香港財務報告準則第2號 (修訂本)	Group cash-settled share-based payment transaction 集團以現金結算以股份 為基礎的付款交易	1 January 2010 二零一零年一月一日	No 否

2 主要會計政策概要(續)

2.1 編製基準(續)

(a) 於二零一零年一月一日或之後開始的會計期已頒佈及生效的準則、修訂及詮釋

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (a) Standards, amendments and interpretations published and effective for accounting periods beginning on or after 1 January 2010 (Continued)

HKAS 17 (Amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Interests in leasehold land", and amortized over the lease term.

HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognized the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified leasehold land from operating lease to finance lease.

2 主要會計政策概要(續)

2.1 編製基準(續)

- (a) 於二零一零年一月一日或之後開始的會計期已頒佈及生效的準則、修訂及詮釋(續)

香港會計準則第17號(修訂本)「租賃」刪去了有關租賃土地分類的具體指引，從而消除了與租賃分類一般指引的不一致性。因此，租賃土地必須根據香港會計準則第17號的一般原則，分類為融資或經營租賃，決定於租賃安排是否將資產所有權的大部份風險和報酬轉移至承租人。於修訂之前，租賃期結束時業權不會轉移至本集團的土地權益被分類為「於租賃土地的權益」項下的經營租賃，並在租賃期內攤銷。

香港會計準則第17號(修訂本)已根據修訂本的生效日期及過渡性條文，自二零一零年一月一日開始的年度期間追溯應用。本集團已於二零一零年一月一日根據該等租賃土地的現有資料重新評估未屆滿租賃土地的分類，並已追溯確認於香港的租賃土地為財務租賃。該重新評估致使本集團把租賃土地從經營租賃重新分類至財務租賃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (a) Standards, amendments and interpretations published and effective for accounting periods beginning on or after 1 January 2010 (Continued)

The land interest of the Group that is held for own use is accounted for as property, plant and equipment and is depreciated from the land interest available for its intended use over the shorter of the useful life of the asset and the lease term.

The effect of the adoption of this amendment is as below:-

	As at 31 December 2010 HK\$'000 於二零一零年 十二月三十一日 千港元	As at 31 December 2009 HK\$'000 於二零零九年 十二月三十一日 千港元
Decrease in interests in leasehold land	(283,985)	(291,765)
Increase in property, plant and equipment	283,985	291,765

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- (a) 於二零一零年一月一日或之後開始的會計期已頒佈及生效的準則、修訂及詮釋 (續)

本集團持作自用的土地權益入賬列作物業、廠房及設備，供擬定用途的土地權益按資產使用期及租賃期兩者中較短者作折舊計算。

採用該修訂本的影響如下：

	As at 31 December 2010 HK\$'000 於二零一零年 十二月三十一日 千港元	As at 31 December 2009 HK\$'000 於二零零九年 十二月三十一日 千港元
Decrease in interests in leasehold land	(283,985)	(291,765)
Increase in property, plant and equipment	283,985	291,765

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (a) *Standards, amendments and interpretations published and effective for accounting periods beginning on or after 1 January 2010 (Continued)*

The above amendment had no impact on the consolidated balance sheet as at 1 January 2009 and profit and other comprehensive income for the years ended 31 December 2009 and 2010.

'Second improvements to HKFRS' (2009) was issued in April 2009, by the HKICPA. It comprises amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual HKFRS standards. For amendments that are effective for the financial year beginning on 1 January 2010, they have had no impact on the consolidated financial statements of the Group.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- (a) 於二零一零年一月一日或之後開始的會計期已頒佈及生效的準則、修訂及詮釋 (續)

上述修訂本對於二零零九年一月一日的綜合資產負債表及截至二零零九年及二零一零年十二月三十一日止年度的溢利及其他全面收益並無影響。

香港會計師公會於二零零九年四月頒佈第二次香港財務報告準則的改進(二零零九年)。該等改進包括導致對呈列、確認或計量產生會計變動的修訂以及與個別香港財務報告準則有關的術語或版本變動。就於二零一零年一月一日開始的財政年度生效的修訂而言，對本集團的綜合財務報表概無任何影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Standards, amendments and interpretations issued but not yet effective for accounting periods beginning on or after 1 January 2010

Standard/ Interpretation 準則／詮釋	Content 內容	Applicable for financial years beginning on/ after 適用於下列日期 或之後開始的 財務年度	Relevant to the Group 與本集團 是否相關
Amendment to HKAS 32 香港會計準則第 32 號的修訂	Classification of rights issues 供股的分類	1 February 2010 二零一零年二月一日	No 否
HK (IFRIC) - Int 19 香港（國際財務報告詮釋委員會） －詮釋第 19 號	Extinguishing financial liabilities with equity instruments 以權益工具消除金融負債	1 July 2010 二零一零年七月一日	No 否
Amendments to HKFRS 1 香港財務報告準則第 1 號的修訂	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters 首次採納者香港財務報告準則 第 7 號披露比較的有限豁免	1 July 2010 二零一零年七月一日	No 否
HKAS 24 (Revised) 香港會計準則第 24 號（經修訂）	Related party disclosures 關聯方披露	1 January 2011 二零一一年一月一日	Yes 是
HK(IFRIC) Int 14 香港（國際財務報告詮釋委員會） 詮釋第 14 號的修訂	Prepayments of a minimum funding requirement 最低資金規定的預付款	1 January 2011 二零一一年一月一日	No 否
Amendment to HKFRS 7 香港財務報告準則第 7 號的修訂	Disclosures – Transfer of financial assets 披露－轉讓金融資產	1 July 2011 二零一一年七月一日	No 否
Amendment to HKAS 12 香港會計準則第 12 號的修訂	Deferred tax: Recovery of underlying assets 遞延稅項：恢復相關資產	1 January 2012 二零一二年一月一日	No 否
HKFRS 9 香港財務報告準則第 9 號	Financial instruments 金融工具	1 January 2013 二零一三年一月一日	Yes 是

2 主要會計政策概要（續）

2.1 編製基準（續）

(b) 於二零一零年一月一日或之後開始的會計期間已頒佈惟尚未生效的準則、修訂本及詮釋

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) *Standards, amendments and interpretations issued but not yet effective for accounting periods beginning on or after 1 January 2010*
(Continued)

- HKAS 24 (Revised) Related Party Disclosures

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. When the revised standard applied, the Group and its parent will need to disclose any transactions between its subsidiaries and its associates.

- HKFRS 9 Financial Instruments

HKFRS 9 was issued in November 2009 and replaces those parts of HKAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

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

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) 於二零一零年一月一日或之後開始的會計期間已頒佈惟尚未生效的準則、修訂本及詮釋(續)

- 香港會計準則第24號(經修訂)關聯方披露

該經修訂準則澄清及簡化了關聯方的定義並刪除了政府相關實體須披露與政府及其他政府相關實體進行的所有交易的詳情的規定。在應用該經修訂準則時，本集團及其母公司將須披露其附屬公司與其聯營公司之間的任何交易。

- 香港財務報告準則第9號金融工具

香港財務報告準則第9號於二零零九年十一月頒佈，取代香港會計準則第39號有關金融資產的分類及計量的部分。主要特點如下：

金融資產須分為兩個計量類別：後續按公平值計量者及後續按攤銷成本計量者。該決定須在初步確認時作出。分類取決於實體管理其金融工具的業務模式以及該工具的合約現金流量特徵。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Standards, amendments and interpretations issued but not yet effective for accounting periods beginning on or after 1 January 2010 (Continued)

- HKFRS 9 Financial Instruments(Continued)

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

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

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) 於二零一零年一月一日或之後開始的會計期間已頒佈惟尚未生效的準則、修訂本及詮釋(續)

- 香港財務報告準則第9號金融工具(續)

僅倘工具為債務工具及實體的業務模式的目標為持有資產收取合約現金流量，且資產的合約現金流量僅為本金及利息的付款(即，其僅具備「基本貸款特徵」)時，則工具後續按攤銷成本計量。所有其他債務工具將按公平值計入損益計量。

所有股本工具將後續按公平值計量。持作買賣的股本工具將按公平值計入損益計量。對於所有其他股本工具，可於初步確認時作出不可撤回的選擇，以確認計入其他全面收益(而非損益)的未變現及已變現公平值收益及虧損。將不會收回公平值收益及虧損至損益。該選擇可按個別工具的基準作出。只要股息反映投資回報，股息將於損益呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Standards, amendments and interpretations issued but not yet effective for accounting periods beginning on or after 1 January 2010 (Continued)

- HKFRS 9 Financial Instruments(Continued)

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

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

- Improvements to HKFRSs 2010

Improvements to HKFRSs were issued in May 2010, by the HKICPA. All improvements are effective for annual period beginning on or after 1 January 2011, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) 於二零一零年一月一日或之後開始的會計期間已頒佈惟尚未生效的準則、修訂本及詮釋(續)

- 香港財務報告準則第9號金融工具(續)

儘管自二零一三年一月一日起必須採納香港財務報告準則第9號，然而亦可提前採納。

本集團現正考慮該準則的影響、對本集團的影響及本集團採納該準則的時機。

- 二零一零年香港財務報告準則的改進

香港會計師公會於二零一零年五月頒佈香港財務報告準則的改進。所有改進均於二零一一年一月一日或之後開始的年度期間生效，亦可提前採納。預期該等修訂不會對會計政策造成重大變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(c) Early adoption of standards

The revised HKAS 24 Related Party Disclosures was issued in November 2009. The revised standard provides an exemption from the disclosure requirements for government-related entities and clarifies and simplifies the definition of a related party. The Group early applies HKAS 24 (Revised) retrospectively from 1 January 2009 onward. The early adoption of the revised standard does not have an impact on the financial position or the comprehensive income of the Group, but only affects the disclosure of related party information.

Except for the early adoption of HKAS 24 (Revised), the Group has not early adopted other new or amended accounting standards or interpretations in 2010.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 提早採納準則

經修訂香港會計準則第24號關聯方披露於二零零九年十一月頒佈。該經修訂準則豁免了政府相關實體的披露規定，並澄清及簡化了關聯方的定義。本集團自二零零九年一月一日起提早追溯採納香港會計準則第24號(經修訂)。提早採納該經修訂準則未對本集團的財務狀況或全面收益造成影響，惟僅影響關聯方資料的披露。

除提早採納香港會計準則第24號(經修訂)外，本集團於二零一零年尚未提早採納其他新訂或經修訂會計準則或詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation

(a) Subsidiaries

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 purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要(續)

2.2 綜合賬目

(a) 附屬公司

附屬公司為本集團有能力監管其財務及經營政策，且一般擁有涉及逾半數投票權的股權的所有實體。在評估本集團是否控制另一實體時，會考慮是否存在現時可行使或可轉換的潛在投票權及其影響。附屬公司自控制權轉移至本集團之日起合併計算，而當控制權終止之日起不再合併計算。

本集團收購附屬公司以會計購買法計賬。收購成本按交易當日提供的資產、已發行股本工具及所產生或承擔的負債的公平值，加收購直接產生的成本計算。不論非控股股東的份額多少，業務合併所收購的可識別資產及所承擔的負債初始均按彼等於收購日的公平值計算。收購成本超過本集團分佔所收購可識別資產淨值公平值的差額入賬列為商譽。倘收購成本低於所收購附屬公司資產淨值的公平值，則有關差額直接於綜合收益表內確認。

本集團旗下公司之間的交易、交易結餘及未變現收益均於合併時對銷。未變現虧損亦會對銷，除非交易有證據證明轉讓資產出現減值。附屬公司的會計政策已因需要作出調整，以確保與本集團所採納的政策一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.7). The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(b) Transactions with non-controlling interests

All transactions with non-controlling interests are recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When the control is lost, any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in the consolidated income statement.

2.3 Segment reporting

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 Board as its chief operating decision maker.

Income and expenses directly associated with each segment are included in determining business segment performance.

2.4 Client trust bank balances

The Group has classified the clients' monies as cash held on behalf of customers under the current assets section of the balance sheet and recognized a corresponding accounts payable to respective clients on grounds that it is liable for any loss or misappropriation of clients' monies.

2 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

在本公司的資產負債表內，於附屬公司的投資按成本扣除減值虧損撥備入賬(附註2.7)。本公司乃根據已收及應收之股息將附屬公司之業績入賬。

(b) 與非控股股東的交易

倘控制權並未改變，所有與非控股股東的交易必須在權益中呈列，而此等交易將不再導致任何商譽或盈虧。倘失去控制權，任何在實體內的剩餘權益按公平值重新計量，並在綜合收益表中確認盈利或虧損。

2.3 分部報告

經營分部的報告形式與提供予主要營運決策人的內部報告形式一致。主要營運決策人為負責分配資源及評估經營分部表現的人士或集團。本集團已釐定董事會作為其主要營運決策人。

與各分部直接相關的收益及開支在釐定業務分部表現時列賬。

2.4 客戶信託銀行結餘

本集團已將客戶款項歸類為資產負債表流動資產部分項下代表客戶持有現金，並根據就客戶款項之任何損失或挪用負責上責任之基礎上而確認為應付予相關客戶之賬款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment

Land and buildings comprise of offices. Leasehold land classified as finance leases and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Leasehold land classified as finance lease commences amortization from the time when the land interest becomes available for its intended use. Amortization on leasehold land classified as finance lease and depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Shorter of remaining lease term or useful life of the building	分類為融資租約的租賃土地	樓宇的剩餘租賃年期或可使用年期(以較短者為準)
Buildings	25-40 years	樓宇	二十五年至四十年
Leasehold improvements	3 years	租賃物業裝修	三年
Office equipment	3 years	辦公室設備	三年
Furniture and fixtures	3 years	傢俬及裝置	三年
Motor vehicles	3 years	汽車	三年

2 主要會計政策概要(續)

2.5 物業、廠房及設備

土地及樓宇包括辦公室。分類為融資租約的租賃土地及所有其他物業、廠房及設備按歷史成本減累計折舊及減值(如有)列賬。歷史成本包括收購項目直接應佔開支。

當該項目很有可能未來經濟利益流入本集團，而且該項目的成本能被可靠計量時，隨後成本方可列入資產的賬面值內或確認為獨立資產(如適用)。其他維修及保養費均於其產生的財政期間，在綜合收益表內列作開支。

分類為融資租約的租賃土地於土地權益可用作其擬定用途時開始攤銷。分類為融資租約的租賃土地的攤銷以及物業、廠房及設備的折舊乃以直線法於以下估計可使用年期內將成本或經重估金額攤分直至剩餘價值計算：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7). The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in "other income" in the consolidated income statements.

2.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment if any.

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

Intangible assets with indefinite useful life are annually tested for impairment and whenever there is an indication that the asset may be impaired.

2 主要會計政策概要 (續)

2.5 物業、廠房及設備 (續)

資產的剩餘價值及可使用年期於各結算日檢討，並在適當情況下作出調整。當有事件出現或情況改變而顯示未必能收回賬面值時，本集團會就其是否存在減值進行檢討。若資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額(附註2.7)。可收回金額為資產的公平值減銷售成本與使用價值兩者中較高者。

出售時產生的損益乃透過比較所得款項與賬面值而釐定，計入綜合收益表內的「其他收入」。

2.6 無形資產

無形資產乃按成本減累計攤銷與減值(如有)列賬。

無形資產可分為有特定可使用年期或無特定使用限期。有特定可使用年期的無形資產於可使用經濟年內攤銷，並評估是否有跡象顯示無形資產可能出現減值。有特定可使用年期的無形資產的攤銷年期及攤銷方法最少於各年結日檢討一次。

無特定使用限期的無形資產需按年或當有跡象顯示資產或會給予減值時進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Intangible assets (Continued)

Intangible assets, representing club membership and eligibility rights to trade on or through the Stock Exchange of Hong Kong Limited and The Hong Kong Futures Exchange Limited, with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. 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.

2.7 Impairment of non-financial assets

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

2 主要會計政策概要 (續)

2.6 無形資產 (續)

無特定使用限期的無形資產包括會所會員資格及符合資格於香港聯合交易所有限公司及香港期貨交易所有限公司或透過其進行買賣的合資格權利，乃個別或按現金產生單位組別按年進行減值測試。該等無形資產無須攤銷。無特定使用限期的無形資產的可使用年期會每年檢討，以釐定無特定使用限期評估是否仍然適合。如不適用，資產由無特定使用限期轉至有特定可使用年期作出評估的改變，乃按未來使用基準入賬。

2.7 非金融資產減值

無特定可使用年期的資產毋須攤銷，並會每年進行減值測試。對於需要攤銷的資產，當出現事件或情況改變顯示未必能收回賬面值時，則會對其是否存在減值進行檢討。減值虧損按資產賬面值超過可收回數額（即資產公平值減銷售成本及使用價值兩者的較高者）的差額確認。就評估減值而言，資產按可獨立識別現金流量的最低水平（現金產生單位）分類。出現減值的非金融資產（商譽除外）須於各報告日就潛在減值撥回進行檢討。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale investments. Management determines the classification of its financial assets at initial recognition.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss upon initial recognition. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the near term. Financial assets held for trading consist of equity instruments and are recognized as "Financial assets held for trading".

The Group designates certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. According to HKAS 39, the fair value option is only applied when the following conditions are met:-

- (i) the application on the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or

2 主要會計政策概要 (續)

2.8 金融資產

2.8.1 分類

本集團將其金融資產分類如下：按公平值計入損益的金融資產、貸款及應收款項、持至到期投資以及可供出售投資。管理層於初始確認時釐定其金融資產的分類。

(a) 按公平值計入損益的金融資產

該類別包括兩個分類：持作買賣的金融資產及於初步確認時按公平值計入損益的金融資產。倘所收購的金融資產主要用作短期內出售，則金融資產歸類為持作買賣。持作買賣的金融資產包括股票投資，及被確認為「持作買賣的金融資產」。

本集團於初步確認時將若干金融資產指定為按公平值計入損益(公平值購股權)。該指定不可於其後改變。根據香港會計準則第39號，公平值購股權僅於下列條件達成時應用：

- (i) 應用公平值購股權能減少或撤銷其他方式可能產生的會計不符；或

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.1 Classification (Continued)

- (a) Financial assets at fair value through profit or loss (Continued)
- (ii) the financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis; or
- (iii) the financial assets consist of a host contract containing an embedded derivatives that must be separated.

The fair value option is applied to the Group's investment in unlisted funds that are part of a portfolio managed on a fair value basis.

Financial assets for which the fair value option is applied are recognized as "Financial assets designated at fair value".

- (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

2 主要會計政策概要 (續)

2.8 金融資產 (續)

2.8.1 分類 (續)

- (a) 按公平值計入損益的金融資產 (續)
- (ii) 金融資產為金融工具組合的一部分，以風險管理，並按公平值基準申報予高級管理層；或
- (iii) 嵌入式衍生工具的金融資產須從主合約中分拆出來。

公平值購股權適用於本集團非上市基金投資，乃按公平值管理組合其中一部分。

公平值購股權適用的金融資產被確認為「指定按公平值計入金融資產」。

- (b) 貸款及應收款項

貸款及應收款項為具有固定的或可釐定付款，但在活躍市場中無報價的非衍生金融資產。該等資產列入流動資產，惟於自結算日後十二個月後到期則除外。該等金融資產被分為非流動資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.1 Classification (Continued)

(c) 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.

(d) Available-for-sale investments

Available-for-sale investments are financial assets that are non-derivatives and are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2.8.2 Recognition and measurement

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

Regular-way purchases and sales of financial assets at fair value through profit or loss and available-for-sale investments are recognized on trade-date - the date on which the Group commits to purchase or sell the asset.

2 主要會計政策概要 (續)

2.8 金融資產 (續)

2.8.1 分類 (續)

(c) 持至到期投資

持至到期投資指具備固定或可釐定款項及固定到期日而本集團管理層有具體計劃及能力持至到期的非衍生金融資產。

(d) 可供出售投資

可供出售投資或未歸入任何其他類別的非衍生工具的金融資產乃歸入本類別。該等投資計入非流動資產，除非管理層擬於自結算日後十二個月內出售該項投資。

2.8.2 確認及計量

(a) 按公平值計入損益的金融資產

購買或出售按公平值計入損益的金融資產及可供出售投資於交易日當天確認—即本集團承諾購買或出售資產當日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement (Continued)

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

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the consolidated income statement. Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are included in the consolidated income statement in the period in which they arise. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished - that is, when the obligation is discharged, cancelled or expires.

2 主要會計政策概要 (續)

2.8 金融資產 (續)

2.8.2 確認及計量 (續)

(a) 按公平值計入損益的金融資產 (續)

所有並非按公平值計入損益的金融資產而言，金融資產最初按公平值另加交易成本確認。按公平值計入損益的金融資產最初按公平值確認，而交易成本則於綜合收益表列為開支。「按公平值計入損益的金融資產」公平值變動所產生的收益及虧損將於產生時計入綜合收益表。當從金融資產收取的現金流量權利屆滿或本集團已將與所有權的相關的幾乎所有風險及回報轉移時，終止確認有關金融資產。當合同所指定的責任解除、撤銷或屆滿時，本集團終止確認該金融負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement (Continued)

(b) Available-for-sale investments

Available-for-sale investments are initially recognized at fair value together with any transaction costs and measured subsequently at fair value with gains and losses recognized in the consolidated statements of comprehensive income, except for impairment losses, until the financial assets are derecognized. If an available-for-sale investments is determined to be impaired the cumulative gain or loss previously recognized in the consolidated statements of comprehensive income will transfer to the consolidated income statement. Dividend on available-for-sale investments are recognized in the consolidated income statement in "Dividend income" when the Group's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

2 主要會計政策概要 (續)

2.8 金融資產 (續)

2.8.2 確認及計量 (續)

(b) 可供出售投資

可供出售投資最初按公平值連同任何交易成本確認並於隨後按公平值計量，損益在綜合全面收益表確認，直至金融資產被終止確認為止(減值虧損除外)。倘可供出售投資釐定為減值，則先前在綜合全面收益表確認的累計收益或虧損將轉至綜合收益表。可供出售投資的股息於本集團有權收取款項時在綜合收益表內的「股息收入」確認。

在活躍市場內的報價投資公平值按現行買入價計算。倘若金融資產市場並不活躍，則本集團採用估值方法確定公平值。估值方法包括使用近期進行之公平市場交易、現金流量折現分析以及市場參與者普遍採用的其他估值方法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement (Continued)

(c) Held-to-maturity investments

Held-to-maturity investments are initially recognized at the fair value including direct and incremental transaction costs and measured subsequently at amortized cost, using the effective interest rate. They are derecognized when the rights to receive cash flows have expired.

Interest on held-to-maturity investments is included in the consolidated income statement and reported as net interest income. In the case of an impairment, it is reported as a deduction from the carrying value of the investment and recognized in the consolidated income statement as impairment charges on held-to-maturity investments.

2 主要會計政策概要 (續)

2.8 金融資產 (續)

2.8.2 確認及計量 (續)

(c) 持至到期投資

持至到期投資初步按公平值(包括直接及遞增交易成本)確認，其後採用有效利率按攤銷成本計量。持至到期投資於收取現金流量的權利屆滿時取消確認。

持至到期投資的利息收益乃計入綜合收益表，並申報為利息收入淨額。倘出現減值，其將申報為自投資的賬面值扣減，並於綜合收益表確認為持至到期投資的減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement (Continued)

(d) Loans and receivables

Loans and receivables are carried at amortized cost using the effective interest method less impairment, if any. The Group's accounts receivable (including amount due from group companies and prepayments, deposits and other receivables), loans and advances to customers and "cash and cash equivalents" fall under this category. Accounts receivables, loans and advances to customers and amounts due from group companies are recognized initially at fair value which is the cash given to originate or purchase the loan including any transaction costs and measured subsequently at amortized cost using the effective interest rate method. Interest on loans is included in the consolidated income statement and is reported as net interest income. In the case of an impairment, it is reported as a deduction from the carrying value of the loan and recognized in the consolidated income statement as impairment charge for credit losses.

2 主要會計政策概要 (續)

2.8 金融資產 (續)

2.8.2 確認及計量 (續)

(d) 貸款及應收款項

貸款及應收款項以實際利率按攤銷成本減去減值(如有)列賬。本集團的應收款項(包括集團公司應收款項以及預付款項、按金及其他應收款項)、給予客戶的貸款及墊款以及「現金及現金等價物」屬於此類。應收款項、給予客戶的貸款及墊款及應收集團公司款項按公平值初步確認，而公平值為給予或原用來購買貸款的現金(包括任何交易成本)，並隨後使用實際利率法按攤銷成本計量。貸款利息計入綜合收益表並申報為利息收入淨額。倘出現減值，其將申報為自貸款的賬面值扣減，並於綜合收益表確認為信貸損失的減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets

(a) Assets carried at amortized cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payment, and clients' collateral are insufficient to cover outstanding loan balances are considered indications that the receivable is impaired.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

2 主要會計政策概要 (續)

2.9 金融資產減值

(a) 按攤銷成本列賬的資產

本集團於各結算日評估是否有客觀證據表明一項財務資產出現減值。當有客觀證據表明金融資產因初始確認該資產後發生的一項或多項事件(「虧損事件」)而發生減值，且該虧損事件對該項金融資產的預計未來現金流量會產生可以可靠估計的影響時，該金融資產將會減值並產生減值虧損。債務人出現重大財務困難、債務人可能破產或進行財務重組、欠付或拖欠付款及客戶的抵押品不足以償付未清償貸款結餘，將視為應收款項減值的指標。

虧損額乃以資產賬面值及預計日後現金流量(不包括未產生的日後信貸虧損)的現值以金融資產原有實際利率折算後的差額計算。資產的賬面值透過使用撥備賬目沖減，而虧損金額則於綜合收益表中確認。倘一項貸款具可變動利率，用於計算任何減值虧損的折讓率則為合約項下釐訂的現時實際利率。作為一項實際合宜事項，本集團可採用可供觀察的市價以工具的公平值基準計算減值。

計算已抵押金融資產的預計日後現金流量的現值反映收回擔保可能產生的現金流量減出售擔保(不論擔保是否可能被沒收)的成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets (Continued)

(a) Assets carried at amortized cost (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the consolidated income statement.

When a loan is irrecoverable, it is written off against the related allowances for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are recognized as other income in the consolidated income statement.

(b) Assets classified as available-for-sale

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss on that financial asset previously recognized in consolidated income statement - is removed from consolidated statements of comprehensive income and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2 主要會計政策概要 (續)

2.9 金融資產減值 (續)

(a) 按攤銷成本列賬的資產 (續)

倘於日後期間，減值虧損金額減少，同時客觀地與減值獲確認後發生的事項相關（例如債務人信貸評級改善），則過往確認的減值虧損透過調整撥回賬目可予撥回。撥回的金額於綜合收益表中確認。

倘貸款未能收回，將撇銷貸款減值相關撥備。該等貸款將於完成所有必須程序及確定虧損金額後撇銷。倘日後收回過往所撇銷的金額，將於綜合收益表內確認為其他收入。

(b) 分類為可供出售的資產

本集團於各結算日評估是否有客觀證據證明金融資產已減值。如股票投資被分類為可供出售投資，資產公平值顯著或長期低於其成本會被用作釐定資產是否減值。倘可供出售的金融資產存在任何上述證據，累計虧損（收購成本（扣除任何本金還款及攤銷）與當時公平值的差額減該金融資產之前於綜合收益表確認的任何減值虧損）從綜合全面收益表中移除，並於綜合收益表中確認。於綜合收益表確認的股票投資減值虧損不會從綜合收益表中回撥。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Cash and cash equivalents

Cash and cash equivalents comprise deposits held at call with banks and bank deposits with original maturities of three months or less.

2.11 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the liabilities are due to be settled or the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

2.12 Financial liabilities

Financial liabilities including other payables are recognized initially at fair value net of transaction costs incurred. Other financial liabilities are subsequently stated at amortized cost; any difference between proceeds net of transaction costs and the redemption value is recognized in the consolidated income statement over the period of the other financial liabilities using the effective interest method.

2.13 Other assets

Other assets represent the deposits and admission fee paid to the Stock Exchange, Hong Kong Futures Exchange Limited, Hong Kong Securities Clearing Company Limited and other regulators. They are intended to hold on a long-term basis and stated at cost less impairment, if any.

2 主要會計政策概要 (續)

2.10 現金及現金等價物

現金及現金等價物包括銀行通知存款及原到期日為三個月或以下的銀行存款。

2.11 借款

借款最初以公平值確認，並扣除所產生的交易成本。借款其後以攤銷成本列賬。所得款項(扣除交易成本)與贖回價值之間的差額按實際利息法於借款期間計入綜合收益表內。

借款分類為流動負債，除非本集團有權無條件將償還日期遞延至結算日後至少十二個月。

2.12 金融負債

金融負債(包括其他應付款項)最初以公平值確認並扣除所產生的交易成本。其他金融負債其後以攤銷成本列賬。所得款項(扣除交易成本)與贖回價值之間的差額按實際利息法於其他金融負債期間計入綜合收益表內。

2.13 其他資產

其他資產指支付予聯交所、香港期貨交易所有限公司、香港中央結算有限公司及其他監管機構的按金及准入費。其他資產擬作長期持有，並按成本減去減值(如有)列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Leases - operating leases

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

Where the Group is a lessor under operating leases, assets leased out are included in investment properties and property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

2.15 Provision

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 主要會計政策概要 (續)

2.14 租賃－經營租賃

假如出租人擁有權絕大部分風險與回報的租賃，均分類為經營租賃。根據經營租賃支付的租金（經扣除獲出租人提供的任何優惠），按租賃年期以直線法於綜合收益表扣除。

倘本集團為經營租賃的出租人，租賃出租的資產將計入資產負債表的投資物業以及物業、廠房及設備中，並根據同類自置物業、廠房及設備一致的基準，按其預期可使用年期折舊。租金收入（扣減任何給予承租人的優惠）按租賃年期以直線法確認。

2.15 撥備

由於過往發生的事件引致目前出現法定或推定責任，而該等責任可能導致日後資源流出以履行責任，並能夠可靠估計責任金額時，則要確認撥備。倘金錢的時間價值重大，撥備會以履行責任預期所需開支的現值列賬。

倘可能毋須流出經濟利益，或數額未能可靠估計，除非流出經濟利益之可能性極低，否則須披露該責任為或然負債。潛在責任的存在僅以發生或不發生一項或多項未來事件確定，除非經濟流出可能性極低，否則亦同時披露為或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Employee benefits

(a) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance (Cap.485) for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the Scheme. The assets of the 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 Scheme.

(b) Annual leave

Employee entitlements to annual leave are recognized when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) Bonus

The Group recognizes a liability and an expense for bonuses, based on an approved formula that takes into consideration the profit attributable to the Group after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要 (續)

2.16 僱員福利

(a) 退休福利計劃

本集團根據強制性公積金計劃條例(香港法例第485章)，為所有僱員設立界定供款的強制性公積金退休福利計劃(「該計劃」)。根據該計劃的規則，供款額按僱員基本薪酬的一定百分比計算，並於產生時在綜合收益表中扣除，該計劃的資產乃以獨立管理基金方式與本集團的資產分開持有。本集團向該計劃繳納僱主供款後，該等供款即全數歸僱員所有。

(b) 年假

僱員的年假權利在僱員享有的有關假期產生時確認。本集團為截至結算日止僱員已提供服務產生的年假的估計負債作出撥備。

(c) 花紅

本集團按照認可計算方法就花紅確認負債及開支，該計算方法已考慮本集團應佔溢利並作出若干調整。於出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement.

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

2 主要會計政策概要 (續)

2.17 外幣兌換

(a) 功能及呈列貨幣

本集團各實體的財務報表內的項目均以有關實體在其營運的主要經濟環境內所用貨幣(「功能幣值」)計量。

該等綜合財務報表以本公司的功能及呈列貨幣港元(單位：千)列值。

(b) 交易及結餘

外幣交易按交易當日的匯率折算為功能貨幣。因該等交易結算及按年結時匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於綜合收益表確認。

以外幣計值並被分類為可供出售的貨幣性證券，其公平值變動將在其證券攤銷成本變動產生的匯兌差額及其他證券賬面值變動之間予以分析。有關攤銷成本變動的匯兌差額會在損益內確認，而其他賬面值的變動(減值除外)則在綜合全面收益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets are included in the fair value reserve in consolidated statements of comprehensive income.

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in consolidated statements of comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as "currency translation reserve".

2 主要會計政策概要 (續)

2.17 外幣兌換 (續)

(b) 交易及結餘 (續)

非貨幣金融工具(如按公平值持有計入損益的股票投資)的匯兌差額於損益內確認為公平值收益或虧損的部分。非貨幣金融工具(如分類為可供出售的股票投資)的匯兌差額計入綜合全面收益表內的公平值儲備。

(c) 集團旗下公司

本集團旗下所有功能貨幣與呈列貨幣不同的實體(均非位於超高通脹地區的貨幣)的業績及財務狀況按以下方式換算為呈列貨幣：

- (i) 各資產負債表所呈列的資產及負債按結算日的收市匯率換算；
- (ii) 各綜合收益表的收入及開支按平均匯率換算(除非此平均值並非該等交易日期通行匯率累計影響的合理約數，否則收入及開支將於交易日以匯率換算)；及
- (iii) 所有產生的匯兌差額將於綜合全面收益表內確認。

上述程序所產生的匯兌差額於股東權益內報告為「外幣兌換儲備」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Share capital

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

Dividend on ordinary shares is recognized as a liability in the consolidated financial statements in the period in which it is approved by the shareholders.

Dividend for the year that is declared after the balance sheet date is dealt with in the dividend note.

2.19 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluate position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

2 主要會計政策概要 (續)

2.18 股本

普通股被列為權益。發行新股份應佔之新增開支，於除稅後從實收款項中扣除，並呈列於權益賬內。

普通股股息於獲股東批准期間於綜合財務報表內確認為負債。

於結算日後宣派的年內股息於股息分配附註內說明。

2.19 即期及遞延所得稅

即期所得稅開支根據本集團附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適當情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延所得稅採用負債法，就資產及負債的計稅基準與資產及負債於綜合財務報表的賬面值之間產生的暫時性差額予以全數確認。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關的遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率（及法例）而釐定。

遞延所得稅資產僅就可能未來應課稅溢利而就此可用作抵銷暫時差異時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition

Revenue is recognized 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) commission income on securities and futures dealing and broking, on the transaction dates when the relevant contract notes are exchanged;
- (ii) income from leveraged foreign exchange transactions on an accrual basis;
- (iii) commission income on underwriting/placing in securities are earned on execution of each significant act based on the terms of underlying agreements and mandates;
- (iv) management, consultancy, investment advisory fees and handling income, when the services have been 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 to the net carrying amount of the financial asset;
- (vi) dividend income, when the shareholders' right to receive payment has been established;
- (vii) performance fees are recognized on the performance fee valuation day of the investment funds and managed accounts when there is a positive performance for the relevant performance period, taking into consideration the relevant basis of calculation for the investment funds and managed accounts;
- (viii) information services income, when the services have been rendered; and

2 主要會計政策概要 (續)

2.20 收益確認

收入乃於經濟利益有可能流入本集團及收入能可靠計量時確認，基準如下：

- (i) 證券及期貨經紀及買賣的佣金收入，於交易日交換有關成交單據時確認；
- (ii) 按應計基準計的槓桿外匯交易收入；
- (iii) 包銷／配售證券的佣金收入，乃根據相關協議及授權的條款於作出每一個重大行動時確認；
- (iv) 資產管理、諮詢、投資顧問費及手續費收入，於提供該等服務時確認；
- (v) 利息收入按應計方式以實際利率法確認，方法是將金融工具在預計可用年期期間估計未來現金收入以適用利率折現計算至金融資產賬面淨值；
- (vi) 股息收入，於股東收取該款項的權利獲確立時確認；
- (vii) 倘於有關表現期間表現良好，在計及投資基金及管理賬戶的相關計算基準下，則表現費收入會於投資基金及管理賬戶的表現費估值日予以確認；
- (viii) 信息服務費收入，於提供該等服務時確認；及

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

- (ix) net gain/loss on financial assets at fair value through profit or loss include realized gain/ loss which are recognized on transaction date when the relevant contract notes are exchanged; and unrealized fair value gain/loss which are recognized in the period in which they arise.

2.21 Investment properties

Investment property, principally comprising leasehold land and office buildings, is held for long-term rental yields and is not occupied by the Group. Investment property is measured at cost, including related transaction costs, less accumulated depreciation allowance (Note 2.5) and impairment, if any.

2.22 Securities borrowing and lending agreements

The Group has engaged in the securities borrowing and lending business, under which all transactions are secured in the form of cash. Cash collateral advanced or received is recorded as an asset or a liability. Fees received or paid in connection with securities borrowing and lending is recorded as handling income or handling charge respectively.

2 主要會計政策概要 (續)

2.20 收益確認 (續)

- (ix) 按公平值計入損益的金融資產的收益／虧損淨額包括已變現收益／虧損，於交易日交換有關成交單據時確認；及未變現公平值收益／虧損於產生期間確認。

2.21 投資物業

投資物業，主要包括租賃土地及辦公樓宇，為獲得長期租金收入而持有，且並非由本集團佔用。投資物業按成本（包括相關交易成本）減累計折舊撥備（附註2.5）及減值（如有）計量。

2.22 證券借貸及借貸協議

本集團從事證券借貸業務，所有交易均以現金作為抵押品。墊付或已收的現金抵押品記錄為資產或負債。與證券借貸有關的已收或已付費用分別記錄為手續費收入或手續費支出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to credit risk, market risk and liquidity risk. The Group's overall risk management programme focuses on the analysis, evaluation, acceptance and monitoring of such risks which are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effect on the Group's financial performance.

The Group's risk management policies are approved by the Board and are designed to identify and analyze these risks, to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information. The Board provides written principles for overall risk management. The Group regularly reviews its risk management policies to reflect any change in markets and clients.

The Group's principal financial assets and liabilities comprise of cash and short term deposits maintained as working capital as well as held-to-maturity investments and financial assets at fair value through profit or loss. The Group has various other financial assets and liabilities such as loans and advances to customers and accounts receivable as well as accounts payable and bank borrowings, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, market risk, and capital management risks. The policies for managing each of these risks are summarized below:

3.1 Credit risk

Credit exposures arise principally from loans and advances to customers, accounts receivable from brokers, clients and clearing houses, held-to-maturity investments, bank balances and client trust bank balances which are included in the Group's asset portfolio.

3 金融風險管理

本集團的業務面臨信貸風險、市場風險及流動資金風險。本集團整體風險管理計劃集中於分析、評估、接受及監控業務過程中出現不可避免的風險。因此，本集團的目標為適當地平衡風險與回報，並將對本集團財務表現所潛在的不良影響減至最低。

本集團的風險管理政策由董事會批准，旨在識別及分析上述之風險，設定適當的風險限額並控制及監控風險及使用可靠及先進的資訊以嚴守限額。董事會就整體風險管理制定書面原則。本集團定期檢討其風險管理政策，以反映市場及客戶的任何變動。

本集團主要金融資產及負債包括作為營運資金的現金及短期存款、持至到期投資及按公平值計入損益的金融資產。本集團有多項其他金融資產及負債，如提供予客戶的貸款及墊款以及營運直接產生的應收款項、應付款項及銀行借款等。

本集團金融工具產生的主要風險為信貸風險、流動資金風險、市場風險及資本管理風險。管理各項風險的政策概括如下：

3.1 信貸風險

信貸風險主要在本集團資產組合中提供予客戶的貸款及墊款、經紀、客戶及結算所的應收賬款、持至到期投資、銀行結餘及客戶信託銀行結餘。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 Credit risk limit control and mitigation policies

The members of the Credit Committee include the Chief Executive Officer, Responsible Officers and Financial Controller. The Credit Committee has appointed a group of authorized persons who are charged with the responsibility of approving credit limit and margin limit of each client. The Credit and Risk Management Department is responsible for making settlement calls when the trades of margin clients exceed their respective limits.

The Credit Committee is also responsible for approval of stock acceptable for margin lending at a specified ratio. The approved stock list is updated in accordance with the stock grading list of the Group's main bankers, and will be revised as and when deemed necessary by the Credit Committee.

The Credit Committee will prescribe from time to time lending limits on individual stock or on any individual customer based on regular analysis of borrower's repayment ability. The Group also employs a range of policies and practices to mitigate excessive credit risk.

- (i) In respect of taking collateral from margin clients, the Group's guidelines on the acceptability of specific classes of collateral from its clients are basically tighter than those required by its bankers. In particular, a certain haircut will be used for the calculation of acceptable collateral values of margin clients so that the Group has sufficient time to call back loan from its margin clients before margin call from the bankers. No margin facilities would be granted to the Group's clients for their derivatives positions.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.1 信用風險限額控制及緩釋政策

信貸委員會包括行政總裁、負責人員及財務總監。信貸委員會已委任若干認可人士，負責批核每位客戶的信貸限額及孖展限額。信貸及風險管理部門負責向買賣超出限額的孖展客戶發出補倉通知。

信貸委員會亦負責按指定比率批准孖展貸款的可接納股份。獲批准的股份名單根據本集團主要往來銀行的股份等級名單進行更新，並於信貸委員會認為有需要時作出修訂。

信貸委員會將根據對借款人還款能力的定期分析不時訂定個別股份的貸款限額或個別客戶的貸款限額。本集團亦採用多項政策及慣例來緩解其超額的信貸風險。

- (ii) 就向孖展客戶收取抵押品。本集團有關接受客戶特定類別抵押品的指引基本上較其往來銀行規定者更為嚴格。特別是於計算孖展客戶可接受抵押品價值時會使用若干扣減，以便本集團於銀行要求孖展客戶補倉前有充足的時間向孖展客戶收回貸款；本集團並無就衍生工具倉盤向客戶授出孖展信貸。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 Credit risk limit control and mitigation policies (Continued)

- (ii) Maximum margin limit will be set on individual margin client in order to avoid building up excessive margin exposure from individual margin client and comply with the Securities and Future (Financial Resources) Rules (cap 571 N); and
- (iii) Margin call will be executed by the Credit and Risk Management Department if the total outstanding amount of a margin client exceed either of the credit line or the acceptable value of margin stocks, whichever is lower. Force sell actions will be taken if the clients fail to settle the outstanding amount.

The Group has loans and advances to customers on the balance sheet that contain an element of risk in the event that the counterparties may be unable to meet the terms of such agreements. The Group minimizes such risk exposure by performing detailed credit analysis of potential loan investment, and dedicated investment professionals are assigned to oversee and monitor the performance of the loan investment. These key investment decisions are also subject to approval by the Board.

Loans and advances to customers including IPO loans for subscription of new shares are normally settled within one week from the drawdown date. Forced liquidation action would be taken if the customers fail to settle their shortfall within specific period of tolerance after IPO allotment result announced.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.1 信用風險限額控制及緩釋政策 (續)

- (ii) 最高孖展限額按個別孖展客戶的情況設定，以避免累積過多來自個別孖展客戶的孖展風險，及符合證券及期貨(財務資源)規則(香港法例第571N章)；及
- (iii) 倘若未清償金額超過信貸額度或孖展股份的可接受值(以較低者為準)，孖展客戶則須按信貸及風險管理部門的指示進行補倉。倘客戶未能結算逾期款項，將強制性進行斬倉。

本集團資產負債表內有提供予客戶的貸款及墊款，如交易對手或不能達成有關協議的條款，則會涉及風險因素。本集團通過對潛在貸款投資進行詳盡的信用分析將有關風險減至最低，且會委派專門的投資專業人士監督及監控貸款投資的表現。該等重要投資決定亦須經董事會批准方可作實。

提供予客戶的貸款及墊款包括有關認購新股的首次公開發售貸款，一般於自提取日期起一周內結算。倘客戶於首次公開發售配發結果公佈後的指定寬限期內未能結算其差額，則將會被斬倉。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 Credit risk limit control and mitigation policies (Continued)

Accounts receivable from clients represents receivables from clients arising from dealing in securities, which normally had a delivery-against payment settlement term of 2 to 3 days. The Group allows a credit up to the settlement dates of the respective securities transactions (normally within T+2 or T+3 days). All application for credit limits must be reviewed by Credit Manager and approved by any member of the Credit Committee. However, no credit limit would be granted to new clients. The deficiency report for cash/custodian clients would be monitored daily by the Director and Credit Manager of Credit and Risk Management Department. Failure to meet normal settlement terms may result in the liquidation of the client's positions. Credit and Risk Management Department determines whether force-sell action is to be taken against clients with overdue balances on case-by-case basis. The Credit Committee regularly reviews the overdue balances for cash/custodian and margin clients.

The Group only accepts margin deposit in the form of cash for futures and leveraged foreign exchange dealing and broking. No transaction is allowed to be executed if the current position of the customer exceeds its trading limit. The margin deposit placed and the aggregate of the required margin deposit of each futures and leveraged foreign exchange contract is timely monitored by both the dealers and the Credit Risk Management Department. Margin call will be executed by the on-site duty staff for futures and leveraged foreign exchange dealing and broking if there is a deficit with the margin deposit. Forced liquidation of the client's position will be executed if the customer fails to meet margin calls.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.1 信用風險限額控制及緩釋政策 (續)

應收客戶款項指證券交易產生的應收客戶款項，貨到付款的結算期一般為兩至三天。本集團授予的信貸期最多至各項證券交易的結算日（一般為T+2或T+3日內）。有關信貸限制的申請均須經信貸主任審核及由信貸委員會任何成員批准。然而，新客戶不會獲授任何信貸限制。現金／託管商客戶的虧絀報告每日由信貸及風險管理部門的董事及信貸主任監察。未能按一般條款結算的客戶將被斬倉。信貸及風險管理部門釐定是否就逾期結餘對個別客戶採取強制出售措施。信貸委員會定期檢討現金／託管商及孖展客戶的逾期結餘。

本集團對期貨及槓桿外匯交易及經紀僅接受現金形式的保證金。倘客戶的本期財務狀況超過交易限額，則不得進行任何交易。所投入的保證金及各項期貨及槓桿外匯合約所要求的保證金總額由交易商及信貸風險管理部門及時監察。倘保證金不足，則當時在職的員工會就期貨及槓桿外匯交易及經紀發出補倉通知。未能補倉的客戶將被斬倉。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 Credit risk limit control and mitigation policies (Continued)

With the above stated controls, the Management is confident that the credit risk to the Group resulting from securities, futures and leveraged foreign exchange dealing and broking as well as margin and other loan financing are manageable.

Accounts receivable from brokers, dealers and clearing houses are placed with large international financial institutions which are governed by regulators including the Hong Kong Monetary Authority (the "HKMA") and the Hong Kong Securities and Futures Commission (the "SFC"). Accounts receivable arising from asset management, corporate finance and advisory services are trade counterparties with sound credit rating and/or reputation. The credit risk of accounts receivable from brokers, dealers and clearing houses is considered to be manageable.

The aging analysis of loans and advances to customers and accounts receivable are included in note 17 and note 18 respectively.

Other assets which are mainly deposits placed with the regulators are considered to have minimal credit risk.

For the Group's bank balances which they beneficially own and hold in their names, they are deposited in reputable, large commercial banks. For the client trust bank balances which they hold in segregated accounts, they are deposited in authorized financial institutions in Hong Kong. The credit risk of bank balances and client trust bank balances are considered to be manageable.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.1 信用風險限額控制及緩釋政策 (續)

在上文所述監控下，管理層堅信本集團因證券、期貨及槓桿外匯交易及經紀以及孖展及其他貸款融資所面臨的信貸風險均在管理範圍之內。

應收經紀、交易商及結算所的款項存放於香港金融管理局（「香港金融管理局」）及香港證券及期貨事務監察委員會（「證監會」）等監管機構管治下的大型國際金融機構。來自資產管理、企業融資及顧問服務的應收款項與具有穩健信用評級及／或聲譽的交易方有關。應收經紀、交易商及結算所的款項的信貸風險乃視為在管理範圍內。

提供予客戶的貸款及墊款以及應收款項的賬齡分析分別載於附註17及附註18。

主要為存放於監管機構的存款的其他資產的信貸風險甚微。

就本集團實益擁有及以其名義持有的銀行結餘而言，該等結餘乃存於聲譽良好的大型商業銀行。就以獨立賬戶持有的客戶信託銀行結餘而言，該等結餘乃存於香港的認可金融機構。銀行結餘及客戶信託銀行結餘的信貸風險屬可管理範圍內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 Credit risk limit control and mitigation policies (Continued)

For debt securities, external credit rating such as Moody's rating or their equivalents are used by the Credit and Risk Management Department for managing of the credit risk exposures as supplemented by the Group's own assessment through the use of internal ratings tools.

3.1.2 Impairment and provisioning policies

The Group's credit and risk management policy requires review of individual outstanding amount at least monthly or more regularly depending on individual circumstances or market condition. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account. Generally, impairment allowances will be provided when clients failed to meet margin call requirements and clients' collateral are insufficient to cover their outstanding loan balances.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.1 信用風險限額控制及緩釋政策 (續)

就債務證券而言，信貸及風險管理部門會利用穆迪評級或其等值等外部信用評級管理信貸風險，通過使用內部評級工具以本集團自身的評估作補充。

3.1.2 減值及撥備政策

本集團的信貸及風險管理政策要求至少每月或在特定情況或市況下更為頻繁地對個別未結清款項進行審閱。通過評估所有個別重大賬戶於結算日產生的虧損，逐筆計提個別已評估賬戶的減值撥備。評估通常考慮持有的抵押物以及個別賬戶的預期可收回金額。一般情況下，當客戶未能達到補倉規定且客戶的抵押品不足以抵付未清償貸款結餘時，將會計提減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements

The Group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as at the balance sheet date, in relation to each class of financial assets, is the carrying amount of those assets as indicated in the balance sheet.

These amounts represent the worst case scenario of credit risk exposure to the Group at 31 December 2009 and 2010, without taking account of any collateral held or other credit enhancements attached.

3.1.4 Concentration of risks of financial assets with credit risk exposure

(a) Bank balances and client trust bank balances

The counterparties of all client trust bank balances and majority of cash and bank balances are located in Hong Kong. As the Group's bank balances and client trust bank balances are deposited with a number of financially sound financial institutions, in the opinion of the Directors the concentration risk of Group's bank balances and client trust bank balances is insignificant.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.3 未計所持抵押品或其他改善信用條件的最高信貸風險值

倘交易對手未能於結算日履行其責任，則本集團所面臨的與各類金融資產相關的最高信貸風險值為資產負債表內所示該等資產的賬面值。

該等金額為本集團於二零零九年及二零一零年十二月三十一日所面臨的信貸風險的最差情形，且未計及任何所持抵押品或所附其他信貸提升情況。

3.1.4 面臨信貸風險的金融資產的風險集中程度

(a) 銀行結餘及客戶信託銀行結餘

所有客戶信託銀行結餘及大部分現金及銀行結餘的交易對手均位於香港。由於本集團的銀行結餘及客戶信託銀行結餘乃存於多家財務上穩健的金融機構，故董事認為本集團的銀行結餘及客戶信託銀行結餘的集中風險不大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Concentration of risks of financial assets with credit risk exposure (Continued)

- (b) Loans and advances to customers and accounts receivable from clients

The counterparties of majority of loans and advances to customers (including margin loan, IPO loans and other loan financing) and accounts receivable from clients are individual, mainly located in China. The Credit and Risk Management Department daily prepares key margin client and future client exposure for review to avoid excessive concentration risk. As the Group trades with a large number of diversified clients, in the opinion of Directors the concentration risk of loan and advances to customers and accounts receivable from client is manageable.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.4 面臨信貸風險的金融資產的風險集中程度 (續)

- (b) 提供予客戶的貸款及墊款以及應收客戶款項

提供予客戶的大部分貸款及墊款 (包括孖展貸款、首次公開發售貸款及其他貸款融資) 以及應收客戶款項的交易對手為個人，主要居於中國。信貸及風險管理部門每日編製主要孖展客戶及期貨客戶風險，以期避免過度集中的風險。由於本集團與大量各行各業的客戶交易，故董事認為提供予客戶的貸款及墊款以及應收客戶款項的集中風險屬可管理範圍內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Concentration of risks of financial assets with credit risk exposure (Continued)

- (c) Accounts receivable from brokers, dealers as well as clearing houses and others

The Group also has accounts receivable from clearing houses, brokers and dealers from its securities, commodities and leveraged foreign exchange dealing and broking as well as other receivables from the asset management and corporate finance. Although top 5 brokers and dealers accounted for more than 90% of its accounts receivable, Responsible Officers timely monitor excess deposit placed with individual counterparty to ensure the concentration risk of accounts receivable is manageable.

For the geographical analysis of financial assets at fair value through profit or loss and held-to-maturity investments, please refer to Note 20 and Note 16 respectively.

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.4 面臨信貸風險的金融資產的風險集中程度 (續)

- (c) 就收經紀、交易商以及結算所及其他人士的款項

本集團亦有應收結算所、經紀及交易商有關證券、商品及槓桿外匯交易及經紀的款項以及來自資產管理及企業融資的其他應收款項。儘管五大經紀及交易商佔其應收款項90%以上，但負責的職員及時監察存於個別交易對手的超額存款，以確保應收款項的集中風險在管理範圍內。

有關按公平值計入損益的金融資產及持至到期投資的地區分析，請分別參閱附註20及附註16。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Held-to-maturity investments

The table below presents an analysis of held-to-maturity investments by rating agency designation at 31 December, based on Moody's ratings:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Neither past due nor impaired:	既無過期亦無減值		
Ba2	Ba2	77,833	—

No impairment provision has been recognised for the held-to-maturity investments as at 31 December 2010 (2009: Nil).

3 金融風險管理 (續)

3.1 信貸風險 (續)

3.1.5 持至到期投資

下表呈列基於穆迪(評級代理)的評級，於十二月三十一日所作持至到期投資分析：

於二零一零年十二月三十一日並無就持至到期投資確認任何減值撥備(二零零九年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

The financial instruments held by the Group mainly exposed to interest rate risk and price risk. The main market risks include cash flow interest rate risk, and price risk. The Group has established policies and procedures for monitoring and controlling the market risk arising from these financial instruments.

3.2.1 Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and advances to customers, accounts receivable, accounts payable to client, bank borrowings, client trust bank balances, cash and bank balances.

Interest on cash at banks will fluctuate at floating rates based on daily bank deposit rates. Interest on bank overdrafts will fluctuate at floating rate based on prime rate. The Group mitigates its interest rate risk by monitoring market interest rate movement and revising the interest rates offered to its customers on an ongoing basis in order to limit potential adverse effects of interest rate movements on net interest income.

3 金融風險管理 (續)

3.2 市場風險

本集團所面臨的市場風險，乃指由於市場價格變動而引致金融工具的公平值或未來現金流量變動的風險。市場風險是從利率、貨幣及股權產品等的未平倉而產生，並受到一般及特定的市場變動及市場利率或價格(如利率、外匯匯率及股票價格)波幅變動的風險所影響。

本集團所持有的金融工具主要面臨利率風險及價格風險。主要的市場風險包括現金流量利率風險及價格風險。本集團已制定有關政策及程序，以監測及控制該等金融工具所產生的市場風險。

3.2.1 利率風險

本集團面臨的市場利率變動風險主要與本集團提供予客戶的貸款及墊款、應收款項、應付客戶款項、銀行借款、客戶信託銀行結餘、現金與銀行結餘有關。

銀行存款利息按根據每日銀行存款利率計算的浮動利率而波動。銀行透支的利率按以最優惠利率計算的浮動利率而波動。本集團透過監控市場利率變動並持續修訂給予客戶的利率，從而減輕利率變動對利息收入淨額的潛在不利影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.1 Interest rate risk (Continued)

Bank borrowings and margin loans receivable at variable rates exposing the Group to cash flow interest rate risk. Other financial assets and liabilities are non interest bearing.

The Group regularly calculates the impact on profit or loss of a possible interest rate shift on its portfolio of bank borrowings, margin loans receivable and interest bearing bank deposits.

Based on the simulations performed and with other variables held constant, the profit before taxation for the year ended 31 December 2010 would increase by approximately HK\$83 million (2009: HK\$64 million) should the interest rate increase by 1%.

3.2.2 Price risk

The Group is exposed to equity securities price risk from equity instruments held by the Group which are classified on the balance sheet as financial assets at fair value through profit or loss. Price risk is the risk of changes in fair value of financial instruments from fluctuations, whether such change in price is caused by factors specific to the individual instrument or factors affecting all instruments traded in the markets. The Group mitigates its price risk by monitoring the performance of investment in financial assets at fair value through profit or loss that are mainly listed equity securities in Hong Kong.

3 金融風險管理 (續)

3.2 市場風險 (續)

3.2.1 利率風險 (續)

本集團面臨以浮息計息的銀行借款及應收孖展貸款項所產生的現金流量利率風險。其他金融資產及負債均不計利息。

本集團定期計算其銀行借款、應收孖展貸款項及計息銀行存款組合之可能產生的利息變動對損益的影響。

以模擬表現及其他可變因素保持不變為基準，倘利率提高1%，截至二零一零年十二月三十一日止年度的除稅前溢利將增加約83百萬港元（二零零九年：64百萬港元）。

3.2.2 價格風險

本集團因持有的股票投資（於資產負債表分類為按公平值計入損益的金融資產）而承受股票證券價格風險。價格風險指金融工具公平值因波動而出現變動的風險，無論有關價格變動是因個別工具特有的因素或影響市場上所有買賣工具的因素所引致。本集團透過監控於按公平值計入損益的金融資產的投資表現。金融資產主要指香港的上市股本證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Price risk (Continued)

At 31 December 2010, the profit before taxation would increase/decrease by HK\$8.9 million (2009: HK\$8.5 million) should the Hang Seng Index ("HSI") increase/decrease by 10%. The analysis is based on the assumption that all the equity instruments move according to the historical correlation with the HSI and with all other variables held constant.

The asset quality of the margin client's margin collateral will also deteriorate when the market comes down drastically. Scenario analysis and stress testing are regularly performed on an individual client basis.

3.2.3 Foreign currency risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rate will affect the Group's financial results and its cash flows. The management considers the Group is not exposed to significant foreign currency risk as the majority of its operations and transactions are in Hong Kong and denominated in Hong Kong dollars and US dollars.

3 金融風險管理 (續)

3.2 市場風險 (續)

3.2.2 價格風險 (續)

於二零一零年十二月三十一日，倘恒生指數(「恒生指數」)上升/下跌10%，除稅前溢利增加/減少8.9百萬港元(二零零九年：8.5百萬港元)。該分析乃假設所有股本工具根據與恒生指數的過往掛鈎關係變動及所有其他可變因素保持不變的情況下作出。

孖展客戶的孖展抵押品的資產質素亦會於市場嚴重下滑時惡化。情景分析及壓力測試乃按個別客戶基準定期進行。

3.2.3 外匯風險

外匯風險指影響本集團財務業績及其現金流量的外匯匯率變動的風險。管理層認為，由於本集團大部分經營及交易位於香港並以港元及美元結算，本集團並無重大外匯風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Finance Department maintains flexibility in funding by maintaining available committed credit facilities from the banks.

Sources of liquidity are daily reviewed by the Finance Department to ensure the availability of sufficient liquid funds to meet all obligations.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility) and cash and cash equivalents on the basis of expected cash flow in strict compliance with statutory requirements. This is achieved by monitoring the liquidity position of the individual company within the Group on a daily basis to ensure the availability of sufficient liquid funds to meet all obligations and compliance with the statutory requirements such as the Hong Kong Securities and Futures (Financial Resources) Rules (Cap.571N).

3 金融風險管理 (續)

3.3 流動資金風險

審慎的流動資金風險管理包括維持充足的現金，透過已承諾信貸融資的足夠額度備有資金，及有能力結算市場持倉。由於相關業務的多變性質，財務部致力透過已承諾的可用銀行信貸融資維持資金的靈活性。

財務部每日審核流動資金來源，以確保可獲得充足流動資金，發行所有責任。

管理層根據預期現金流量監控本集團的流動資金儲備(包括未提取借款融資)及現金及現金等價物的滾存預測，以嚴格遵守法定要求。為達到這目的，本集團需要每日監控旗下公司的流動資金狀況，以確保能夠取得充足的流動資金履行所有責任，並符合有關法定要求(如證券及期貨(財務資源)規則(第571N章))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

Undiscounted cash flows by contractual maturities

The table below presents the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the consolidated balance sheet. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2010

		Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Indefinite ¹ 無特定使 用限期 ¹	Total
		一個月內	一至三 個月	十二個月	一至五年	逾五年	無特定使 用限期 ¹	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Assets	資產							
Cash and bank balances	現金及銀行結餘	396,762	45,094	—	—	—	—	441,856
Client trust bank balances	客戶信託銀行結餘	5,650,058	223,682	3,007	—	—	—	5,876,747
Loans and advances to customers	提供予客戶的貸款 及墊款	1,975,894	—	—	—	—	—	1,975,894
Accounts receivable	應收款項	904,138	30,343	1,102	—	—	—	935,583
Financial assets at fair value through profit or loss	按公平值計入損益 的金融資產	—	—	—	—	—	84,099	84,099
Held-to-maturity investments	持至到期投資	—	2,886	2,919	89,054	—	—	94,859
Total assets	資產總額	8,926,852	302,005	7,028	89,054	—	84,099	9,409,038
Liabilities	負債							
Accounts payable	應付款項	(6,778,940)	—	—	—	—	—	(6,778,940)
Other payables and accrued liabilities	其他應付款項及 應計負債	(26,659)	(76,807)	(2,695)	—	—	—	(106,161)
Total liabilities	負債總額	(6,805,599)	(76,807)	(2,695)	—	—	—	(6,885,101)

3 金融風險管理 (續)

3.3 流動資金風險 (續)

按合約到期日劃分的未折現現金流量

下表按照綜合資產負債表日期按合約到期日的剩餘期間，呈列了本集團持作管理流動風險的非衍生金融負債及資產的現金流量款項。該表所披露的金額為合約未折現現金流量。

於二零一零年十二月三十一日

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

Undiscounted cash flows by contractual maturities (Continued)

As at 31 December 2009

		Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Indefinite ¹ 無特定使 用限期 ¹	Total
		一個月內	一至三 個月	三至 十二個月	一至五年	逾五年	無特定使 用限期 ¹	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Assets	資產							
Cash and bank balances	現金及銀行結餘	390,291	70,073	—	—	—	—	460,364
Client trust bank balances	客戶信託銀行結餘	5,379,312	300,393	—	—	—	—	5,679,705
Loans and advances to customers	提供予客戶的貸款 及墊款	758,276	103,068	—	—	—	—	861,344
Accounts receivable	應收款項	328,177	—	6,085	—	—	—	334,262
Financial assets at fair value through profit or loss	按公平值計入損益 的金融資產	—	—	—	—	—	92,567	92,567
Total assets	資產總額	6,856,056	473,534	6,085	—	—	92,567	7,428,242
Liabilities	負債							
Amount due to the ultimate holding company	應付最終控股 公司款項	(578)	—	—	—	—	—	(578)
Amounts due to fellow subsidiaries	應付同系附屬 公司款項	(645)	—	—	—	—	—	(645)
Accounts payable	應付款項	(5,955,215)	—	—	—	—	—	(5,955,215)
Bank borrowings	銀行借款	(300,680)	(200,575)	—	—	—	—	(501,255)
Other payables and accrued liabilities	其他應付款項及 應計負債	(51,549)	(82,797)	(4,005)	—	—	—	(138,351)
Total liabilities	負債總額	(6,308,667)	(283,372)	(4,005)	—	—	—	(6,596,044)

¹ Indefinite represents equity investments with no contractual maturities date.

¹ 無特定使用限期指並無合約到期日的股票投資。

3 金融風險管理 (續)

3.3 流動資金風險 (續)

按合約到期日劃分的未折現現金流量

於二零零九年十二月三十一日

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair value of financial assets and liabilities

3.4.1 Financial instruments not measured at fair value

At the balance sheet date, the fair value of the Group's financial assets and liabilities not measured at fair value are not materially different from their carrying amounts.

3.4.2 Financial instruments measured at fair value

The following table presents the carrying value of financial instruments measured at fair value at the balance sheet date across the three levels of the fair value hierarchy defined in HKFRS 7 Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments including listed equity securities on exchange.

Level 2: fair values measured using quoted price in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data. This level includes investments in funds with listed equities which are valued at net asset value provided by fund administrators.

3 金融風險管理 (續)

3.4 金融資產及負債的公平值

3.4.1 並非按公平值計量的金融工具

於結算日，本集團並非按公平值計量的金融資產及負債的公平值與其賬面值並無重大差異。

3.4.2 按公平值計量的金融工具

下表呈列於結算日以公平值計量的金融工具的賬面值，按香港財務報告準則第7號（「修訂本」）金融工具披露所界定的公平值等級制度的三個等級中，每種金融工具的公平值根據其等級最低的重要公平值計量因素確定的類別進行歸類。有關等級定義如下：

第1級（最高等級）：利用在活躍市場中相同金融工具（包括於聯交所上市的股票證券）的報價（未經調整）計量公平價值。

第2級：公平值計量參照活躍市場類似金融工具的報價，或採用估值技術確定，其全部重要的參數須直接或間接來源於可觀察到的市場數據。此級別包括投資於上市股票的基金投資，而其乃按基金管理人提供的資產淨值來估值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair value of financial assets and liabilities (Continued)

3.4.2 Financial instruments measured at fair value (Continued)

Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data. This level includes investments in funds with unlisted equities which are valued at net asset value provided by fund administrators.

As at 31 December 2010

	Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at fair value through profit or loss 按公平值計入損益的金融資產	84,099	—	—	84,099

As at 31 December 2009

	Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at fair value through profit or loss 按公平值計入損益的金融資產	92,567	—	—	92,567

There were no significant transfers between instruments in Level 1 and Level 2 during the years 2009 and 2010.

3 金融風險管理 (續)

3.4 金融資產及負債的公平值 (續)

3.4.2 按公平值計量的金融工具 (續)

第3級(最低等級): 公平值使用估值技術計量, 任何重要的參數均不來源於可觀察到的市場數據。此級別包括於未上市股本基金的投資, 而其乃按基金管理人提供的資產淨值來估值。

於二零一零年十二月三十一日

於二零零九年十二月三十一日

於二零零九年及二零一零年, 第1級與第2級工具之間並無進行任何重大轉撥。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair value of financial assets and liabilities (Continued)

3.4.2 Financial instruments measured at fair value (Continued)

The following table represents the changes in Level 3 financial assets at fair value through profit or loss for the years ended 31 December 2009 and 2010:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
As at 1 January	於一月一日	—	6,880
Gains recognized in discontinued operations (Note 8)	於已終止經營業務中 確認的收益 (附註8)	—	90
Disposal of discontinued operations	出售已終止經營業務	—	(6,970)
As at 31 December	於十二月三十一日	—	—

3.5 Capital management

The Group's objectives when managing capital, which is a broader concept than the "equity" on the face of balance sheet, are:—

- (a) To comply with the capital requirements under the Securities and Futures (Financial Resources) Rules (Cap.571N) for its subsidiaries which are licensed corporations;
- (b) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- (c) To support the Group's stability and growth; and
- (d) To maintain a strong capital base to support the development of its business.

3 金融風險管理 (續)

3.4 金融資產及負債的公平值 (續)

3.4.2 按公平值計量的金融工具 (續)

下表呈列截至二零零九年及二零一零年十二月三十一日止年度按公平值計入損益的第3級金融資產的變動。

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
As at 1 January	於一月一日	—	6,880
Gains recognized in discontinued operations (Note 8)	於已終止經營業務中 確認的收益 (附註8)	—	90
Disposal of discontinued operations	出售已終止經營業務	—	(6,970)
As at 31 December	於十二月三十一日	—	—

3.5 資本管理

本集團資本管理的目標概念比資產負債表的「權益」更為廣闊，即：

- (a) 就本身為持牌法團的附屬公司而言，符合證券及期貨(財務資源)規則(香港法例第571N章)的資本規定；
- (b) 保障本集團持續經營的能力，以繼續為股東及其他利益相關者提供回報及利益；
- (c) 維持本集團的穩定及發展；及
- (d) 維持穩固的資本基礎，以支持其業務的發展。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Capital management

The liquid capital is monitored daily by each individual licensed subsidiary's management, based on the Securities and Futures (Financial Resources) Rules (Cap.571N). The required information is filed with the Securities and Futures Commission on a timely basis. The Securities and Futures Commission requires each licensed corporation to maintain a level of required liquid capital which is the higher of floor requirement ranging from HK\$0.1 million to HK\$3 million or 5% of the aggregate of its adjusted liabilities and clients' margin. All licensed corporations within the Group complied with their required liquid capital during the years of 2009 and 2010.

The capital of the Group mainly comprises its total equity.

3 金融風險管理 (續)

3.5 資本管理 (續)

各持牌附屬公司的管理層根據證券及期貨(財務資源)規則(香港法例第571N章)每天監控流動資金，並按時向證券及期貨事務監察委員會提呈所需資料。證券及期貨事務監察委員會規定，各持牌法團須保持所需流動資本水平為介乎0.1百萬港元至3百萬港元的最低要求或其經調整負債及客戶保證金總和的5%兩者的最高者。於二零零九年及二零一零年度，本集團旗下所有持牌法團均符合所需流動資金水平規定。

本集團的資本主要包括其權益總額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's senior executive management. The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represent a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. The placing and underwriting services had been classified under brokerage and margin segment in last interim report. It has been combined with corporate finance and advisory to form corporate finance segment in the current year. Margin and other financing has been included in brokerage and margin segment in last interim report. It has been reported as a new margin and other financing segment in the current year; comparatives have been restated to conform with the current year presentation. Details of each of the business segments are as follows:-

- (a) the dealing and broking segment engages in the provision of securities, futures and leveraged foreign exchange dealing and broking to the customers;
- (b) the margin and other financing segment engages in the provision of margin financing to margin customers, IPO loans and other loan financing to the customers ;
- (c) the corporate finance segment engages in the provision of advisory services, placing and underwriting services;
- (d) the asset management segment engages in asset management;
- (e) the investment segment engages in investment holding of securities; and
- (f) the "others" segment mainly represents the rental income, provision of information channel services and others.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the years ended 31 December 2009 and 2010.

4 分部報告

經營分部報告的方式與向本集團高級行政管理人員提供的內部報告互相一致。本集團的經營業務乃按其營運性質及所提供服務分開組織及管理。本集團旗下各業務分部均為提供服務的策略業務單位，其服務所承受風險及回報有別於其他業務分部。配售及包銷服務已於上一份中期報告歸類於經紀及孖展分部。於本年度，其已與企業融資及顧問合併組成企業融資分部。孖展及其他融資已計入上一份中期報告的經紀及孖展分部。於本年度，其已作為新的孖展及其他融資分部呈報。比較數據已重新列明，以便與本年度呈報方式相符。有關各業務分部的詳情概述如下：

- (a) 交易及經紀分部從事向客戶提供證券、期貨及槓桿外匯買賣及經紀服務；
- (b) 孖展及其他融資分部從事向孖展客戶提供孖展融資、向客戶提供首次公开发售貸款及其他貸款融資；
- (c) 企業融資分部從事提供諮詢服務、配售及包銷服務；
- (d) 資產管理分部從事資產管理；
- (e) 投資分部從事證券的投資控股；及
- (f) 「其他」分部主要指租金收入、提供資訊渠道服務及其他。

各分部之間的交易(如有)乃參照向第三方收取的價格而進行，有關基準於截至二零零九年及二零一零年十二月三十一日止年度並無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 SEGMENT REPORTING (Continued)

The segment information provided to the management for the reportable segments for the year ended 31 December 2009 and 2010 is as follows:

For the year ended 31 December 2010

		Margin							
		Dealing and broking	Margin and other financing	Corporate finance	Asset management	Investment	Others	Eliminations	Total
		買賣及 經紀業務	孖展及 其他融資	企業融資	資產管理	投資	其他	撇銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue and other income	分部收益及其他收入								
Sales to external customers	銷售予外部客戶	368,113	101,396	126,412	44,570	11,826	5,777	—	658,094
Inter-segment sales	分部之間銷售	—	—	2,984	—	—	—	(2,984)	—
Total	總計	368,113	101,396	129,396	44,570	11,826	5,777	(2,984)	658,094
Segment results	分部業績								
Income tax expense	所得稅開支								(35,783)
Profit for the year from continuing operations	持續經營業務年內溢利								252,624
Profit for the year from discontinued operations	已終止經營業務年內溢利								—
Total	總計								252,624
Other segment information	其他分部資料								
Depreciation	折舊	(9,544)	(3,581)	(4,432)	(1,651)	—	—	—	(19,208)
Finance costs	融資成本	(33)	(4,109)	—	—	—	—	—	(4,142)

4 分部報告

於截至二零零九年及二零一零年十二月三十一日止年度，向管理層就可呈報分部提供的分部資料如下：

截至二零一零年十二月三十一日止年度

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 SEGMENT REPORTING (Continued)

For the year ended 31 December 2009

4 分部報告 (續)

截至二零零九年十二月三十一日止年度

		Dealing and broking 買賣及 經紀業務	Margin and other financing 孖展及 其他融資	Corporate finance 企業融資	Asset management 資產管理	Investment 投資	Others 其他	Total 總計
		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 千港元
Segment revenue and other income	分部收益及其他收入							
Sales to external customers	銷售予外部客戶	357,763	70,775	74,446	24,061	56,325	3,715	587,085
Inter-segment sales	分部之間銷售	—	—	—	—	—	—	—
Total	總計	357,763	70,775	74,446	24,061	56,325	3,715	587,085
Segment results	分部業績	143,102	43,312	23,081	6,028	56,325	—	271,848
Income tax expense	所得稅開支							(27,808)
Profit for the year from continuing operations	持續經營業務 年內溢利							244,040
Profit for the year from discontinued operations	已終止經營業務 年內溢利							56,354
Total	總計							300,394
Other segment information	其他分部資料							
Depreciation	折舊	(6,827)	(1,639)	(1,544)	(601)	—	—	(10,611)
Finance costs	融資成本	(17)	(5,151)	—	—	—	—	(5,168)

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND OTHER INCOME

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

5 收益及其他收入

收益(亦為本集團營業額)及其他收入的分析如下:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue:	收益:		
Dealing and broking:	買賣及經紀業務:		
- Commission on securities dealing and broking	- 證券買賣及經紀業務的佣金	290,849	312,145
- Commission on futures dealing and broking	- 期貨買賣及經紀業務的佣金	56,749	32,555
- Handling income on dealing and broking	- 買賣及經紀業務的手續費收入	20,514	13,063
- Net income on leveraged foreign exchange dealing and broking	- 槓桿外匯買賣及經紀業務的收入淨額	1	—
Margin and other financing:	孖展及其他融資:		
- Interest income from margin loans	- 孖展貸款的利息收入	70,529	43,655
- Interest income from IPO loans	- 首次公開發售貸款利息收入	4,937	8,349
- Interest income from banks and other loan financing	- 銀行及其他貸款融資利息收入	24,022	18,771
- Interest income from held-to-maturity investments	- 持有至到期投資利息收入	1,908	—
Corporate finance:	企業融資:		
- Placing, underwriting and sub-underwriting commission	- 配售、包銷及分包銷的佣金	100,767	56,327
- Consultancy and financial advisory fee income	- 顧問及融資諮詢費收入	25,645	18,119
Asset management:	資產管理:		
- Management fee income	- 管理費收入	22,265	18,644
- Performance fee income	- 表現費收入	22,305	5,417

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND OTHER INCOME (Continued)

5 收益及其他收入 (續)

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue:	收益：		
Income from investment holding:	來自投資業務的收入：		
- Net gain on financial assets held for trading	— 持作買賣金融資產的收益淨額	7,624	55,487
- Dividend income from listed financial assets held for trading	— 持作買賣上市金融資產的股息收入	4,202	838
		652,317	583,370
Other income:	其他收入：		
Rental income	租金收入	3,753	807
Information services income	資訊服務收入	1,718	2,000
Others	其他	306	908
		5,777	3,715

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

6 除所得稅前溢利

本集團的除所得稅前溢利乃經扣減以下各項後得出：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Other operating expenses include:	其他經營開支包括：		
- Auditor's remuneration	— 核數師酬金	1,730	805
- Bank charges	— 銀行費用	1,797	2,329
- Business trips	— 差旅費	3,202	3,066
- Entertainment	— 交際應酬費	4,650	2,277
- Handling charges	— 手續費	4,771	1,429
- Information services expense	— 資訊服務開支	10,927	10,244
- Loss on disposal of fixed assets	— 出售固定資產的虧損	82	—
- Marketing, advertising and promotion expense	— 市場推廣、廣告及宣傳開支	5,409	1,963
- Minimum lease payments under land and buildings	— 土地及樓宇經營租賃的最低租金	8,190	15,111
- Professional and consultancy fee	— 專業及諮詢費	12,129	10,251
- Repair and maintenance (including system maintenance)	— 維修及維護（包括系統維護）	8,566	6,404
Staff costs (including directors' remuneration (Note 28)):	員工成本（包括董事酬金（附註28））：		
Salaries, bonuses and allowances	薪金、花紅及津貼	146,501	139,027
Pension scheme contributions	退休計劃供款	1,613	1,428
		148,114	140,455
Finance costs:	融資成本：		
- bank loans and overdrafts	— 銀行貸款及透支	4,084	5,150
- others	— 其他	58	18
		4,142	5,168

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year 2009 and 2010 respectively.

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong profits tax	香港利得稅		
- Charge for the year	一年內開支	38,258	27,808
- Overprovision in prior years	一過往年度超額撥備	(1,001)	—
Deferred income tax (Note 15)	遞延所得稅 (附註 15)		
- Current year temporary differences	一本年度臨時差額	(1,474)	—
Income tax expense	所得稅開支	35,783	27,808

A reconciliation of the tax expense applicable to profit before income tax using the statutory rate to the tax expense at the effective tax rate is as follows:

7 所得稅開支

香港利得稅乃就分別於二零零九年及二零一零年內在香港產生的估計應課稅溢利按稅率16.5%撥備。

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	288,407	271,848
Tax at the statutory tax rate at 16.5% (2009: 16.5%)	按法定稅率 16.5% (二零零九年：16.5%) 計算的稅項	47,587	44,855
Overprovision in prior years	過往年度超額撥備	(1,001)	—
Income not subject to tax	非應課稅收入	(10,507)	(11,355)
Expenses not deductible for tax	稅務上不可扣減之開支	1,963	3,275
Utilization of previously unrecognized tax losses	動用過往並無確認之稅項虧損	(5,046)	(10,029)
Tax losses not recognized	未確認稅項虧損	7	154
Temporary difference not recognised	其他未確認臨時差額	2,780	908
Income tax expense	所得稅開支	35,783	27,808

適用於使用法定稅率計算的除所得稅前溢利的稅項開支與按實際稅率計算的稅項開支對賬如下：

For the year ended 31 December 截至十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	288,407	271,848
Tax at the statutory tax rate at 16.5% (2009: 16.5%)	按法定稅率 16.5% (二零零九年：16.5%) 計算的稅項	47,587	44,855
Overprovision in prior years	過往年度超額撥備	(1,001)	—
Income not subject to tax	非應課稅收入	(10,507)	(11,355)
Expenses not deductible for tax	稅務上不可扣減之開支	1,963	3,275
Utilization of previously unrecognized tax losses	動用過往並無確認之稅項虧損	(5,046)	(10,029)
Tax losses not recognized	未確認稅項虧損	7	154
Temporary difference not recognised	其他未確認臨時差額	2,780	908
Income tax expense	所得稅開支	35,783	27,808

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 DISCONTINUED OPERATIONS

On 30 October 2009, the Group transferred its equity interests in Guotai Junan Investments (Hong Kong) Limited to GJFHL. Guotai Junan Investments (Hong Kong) Limited and its subsidiaries were engaged in investment holding in equity funds and provision of consultancy services in Shenzhen.

The cash flows of the Discontinued Operations for the period ended 30 October 2009 are as follows:

		For the period ended 30 October 2009 截至二零零九年 十月三十日止期間 HK\$'000 千港元
Cash at beginning of the period	期初現金	23,509
Net cash generated from operating activities	經營活動產生的現金淨額	5,380
Net cash generated from investing activities	投資活動產生的現金淨額	7,763
Disposal of discontinued operations (Note 30)	出售已終止經營業務 (附註 30)	(36,652)
Cash at end of year	年終現金	—

8 已終止經營業務

二零零九年十月三十日，本集團已將其於國泰君安證券投資(香港)有限公司的股權轉讓予國泰君安金融控股。國泰君安證券投資(香港)有限公司及其附屬公司從事股本基金投資業務及在深圳提供顧問服務。

截至二零零九年十月三十日止期間來自已終止經營業務的現金流量分析如下：

For the period ended
30 October 2009
截至二零零九年
十月三十日止期間
HK\$'000
千港元

Cash at beginning of the period	期初現金	23,509
Net cash generated from operating activities	經營活動產生的現金淨額	5,380
Net cash generated from investing activities	投資活動產生的現金淨額	7,763
Disposal of discontinued operations (Note 30)	出售已終止經營業務 (附註 30)	(36,652)
Cash at end of year	年終現金	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 DISCONTINUED OPERATIONS (Continued)

The results of the Discontinued Operations for the period ended 30 October 2009, which have been included in the consolidated income statement, were as follows:

		For the period ended 30 October 2009 截至二零零九年 十月三十日止期間 HK\$'000 千港元
Revenue and other income:	收益及其他收入：	
Consultancy and financial advisory fee income	顧問及融資諮詢費收入	6,477
Net gain on financial assets held for trading	持作買賣金融資產收益淨額	142,227
Net gain on financial assets designated at fair value	按公平值計入的金融資產收益淨額	90
Realised gain on available-for-sale investments	可供出售投資的變現收益	3,616
Gain on re-measurement of assets/liabilities classified as held for sale	重新計量持作待售的資產／負債收益	5,687
Dividend income	股息收入	3,385
		161,482
Staff costs	員工成本	(7,876)
Depreciation	折舊	(10)
Management fee expenses	管理費開支	(2,450)
Other operating expenses	其他經營開支	(3,924)
Profit attributable to minority investors of an investment fund	投資基金少數投資者 應佔溢利	(89,760)
Profit before income tax	除所得稅前溢利	57,462
Income tax expense	所得稅開支	(1,108)
Profit for the year	年內溢利	56,354
Attributable to:	以下各項應佔：	
Equity holders of the Company	本公司權益持有人	56,354
Earnings per share for profit from discontinued operations attributable to equity holders of the Company	本公司權益持有人應佔 已終止經營業務溢利 的每股盈利	
- Basic and diluted (HK\$)	- 基本及攤薄 (港元)	4.6cents 仙

8 已終止經營業務 (續)

計入綜合收益表的截至二零零九年十月三十日止期間已終止經營業務的業績如下：

於出售日期，已終止經營業務的資產及負債的賬面值披露於附註30。

The carrying amounts of the assets and liabilities of the Discontinued Operations at the date of disposal are disclosed in Note 30.

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 DIVIDENDS

The Board has declared and paid an interim dividend of HK\$32,800,000 (HK\$0.02 per ordinary share) for the six months ended 30 June 2010 on 26 August 2010 and 8 October 2010 respectively.

The Board has proposed a final dividend of HK\$82,000,000 (HK\$0.05 per share) on 9 March 2011 for the year ended 31 December 2010. The final dividend proposed after the reporting date has not been recognized as a liability in the consolidated financial statements at the reporting date.

Dividends amounting to HK\$150,000,000 for the year ended 31 December 2009 represent dividends declared and fully paid to GJFHL, the then sole shareholder of the Company.

9 股息

董事會於二零一零年八月二十六日及二零一零年十月八日已分別宣佈及派發就截至二零一零年六月三十日止六個月的中期股息32,800,000港元(普通股每股0.02港元)。

董事會於二零一一年三月九日就截至二零一零年十二月三十一日止年度建議派發末期股息82,000,000港元(每股0.05港元)。報告日期後建議派發的末期股息尚未於報告日期在綜合財務報表內確認為一項負債。

截至二零零九年十二月三十一日止年度的股息為150,000,000港元，為已派發股息，並已向本公司當時之唯一股東國泰君安金融控股悉數支付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2010 is based on the profit attributable to equity holders of the Company of HK\$250,685,000 (2009: HK\$298,307,000) and the weighted average of 1,428,822,000 ordinary shares (2009: 1,230,000,000 ordinary shares in issue before listing of the shares on the Stock Exchange, as if the shares had been outstanding during the entire year of 2009) in issue during the year, calculated as follows:

		Weighted average number of ordinary share 普通股加權平均數	
		2010 二零一零年	2009 二零零九年
Ordinary shares issued (Note 26a(i))	已發行普通股 (附註 26a(i))	1	1
Issuance of shares upon the Reorganization (Note 26a(ii))	重組後發行股份 (附註 26a(ii))	999	999
Effect of Capitalization Issue (Note 26a(iii))	資本化發行的影響 (附註 26a(iii))	1,229,999,000	1,229,999,000
Effect of shares issued on the IPO (Note 26a(iv))	首次公開發售所發行股份 的影響 (附註 26a(iv))	198,822,000	—
As at 31 December	於十二月三十一日	1,428,822,000	1,230,000,000

(b) Diluted earnings per share

Diluted earnings per share are the same as basic earnings per share as there is no diluted ordinary shares existed during the year (2009: Nil).

10 每股盈利

(a) 每股基本盈利

截至二零一零年十二月三十一日止年度，每股基本盈利乃根據本公司權益持有人應佔溢利250,685,000港元(二零零九年：298,307,000港元)及年內1,428,822,000股已發行普通股的加權平均(二零零九年：於股份在聯交所上市前已發行1,230,000,000股普通股，猶如該等股份已於二零零九年整個年度發行在外)計算如下：

		Weighted average number of ordinary share 普通股加權平均數	
		2010 二零一零年	2009 二零零九年
Ordinary shares issued (Note 26a(i))	已發行普通股 (附註 26a(i))	1	1
Issuance of shares upon the Reorganization (Note 26a(ii))	重組後發行股份 (附註 26a(ii))	999	999
Effect of Capitalization Issue (Note 26a(iii))	資本化發行的影響 (附註 26a(iii))	1,229,999,000	1,229,999,000
Effect of shares issued on the IPO (Note 26a(iv))	首次公開發售所發行股份 的影響 (附註 26a(iv))	198,822,000	—
As at 31 December	於十二月三十一日	1,428,822,000	1,230,000,000

(b) 每股攤薄盈利

由於年內並無具攤薄性的普通股(二零零九年：零)，因此每股攤薄盈利與每股基本盈利相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

II PROPERTY, PLANT AND EQUIPMENT

11 物業、廠房及設備

		Office equipment 辦公室設備	Furniture and fixtures 傢俬及裝置	Land & buildings 土地及樓宇	Leasehold improvements 租賃物業裝修	Motor vehicles 汽車	Total 總計
		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
The Group	本集團						
As at 1 January 2009	於二零零九年一月一日						
Cost	成本	36,503	1,187	—	5,057	1,381	44,128
Accumulated depreciation	累計折舊	(21,888)	(650)	—	(2,803)	(499)	(25,840)
Net carrying amount	賬面淨值	14,615	537	—	2,254	882	18,288
For the year ended	截至二零零九年十二月三十一日						
31 December 2009, restated	止年度，經重列						
Opening net carrying amount	年初賬面淨值	14,615	537	—	2,254	882	18,288
Additions as previously reported	添置，如先前報告	2,397	—	52,920	—	—	55,317
Addition, effect of adoption of HKAS 17 (Amendment)	添置，採納香港會計準則第 17 號 (修訂本)的影響	—	—	291,765	—	—	291,765
Arising from discontinued operations (Note 30)	已終止經營業務產生 (附註 30)	(30)	—	—	—	—	(30)
Depreciation arising from discontinued operations (Note 8)	已終止經營業務 產生折舊 (附註 8)	(10)	—	—	—	—	(10)
Depreciation	折舊	(8,393)	(277)	(350)	(1,131)	(460)	(10,611)
Closing net carrying amount	年終賬面淨值	8,579	260	344,335	1,123	422	354,719
As at 31 December 2009	於二零零九年十二月三十一日						
Cost, as previously reported	成本，如先前報告	37,378	1,187	52,920	5,057	1,381	97,923
Effect on adoption of HKAS 17 (Amendment)	採納香港會計準則第 17 號 (修訂本)的影響	—	—	291,765	—	—	291,765
Cost, as restated	成本，經重列	37,378	1,187	344,685	5,057	1,381	389,688
Accumulated depreciation	累計折舊	(28,799)	(927)	(350)	(3,934)	(959)	(34,969)
Net carrying amount, as restated	賬面淨值，經重列	8,579	260	344,335	1,123	422	354,719

Notes to the Consolidated Financial Statements

綜合財務報表附註

II PROPERTY, PLANT AND EQUIPMENT (Continued)

11 物業、廠房及設備 (續)

		Office equipment 辦公室設備 HK\$'000	Furniture and fixtures 傢俬及裝置 HK\$'000	Land & buildings 土地及樓宇 HK\$'000	Leasehold improvements 租賃物業裝修 HK\$'000	Motor vehicles 汽車 HK\$'000	Total 總計 HK\$'000
The Group (Continued)	本集團 (續)						
For the year ended	截至二零一零年						
31 December 2010	十二月三十一日止年度						
Opening net carrying amount, as previously reported	年初賬面淨值， 如先前報告	8,579	260	52,570	1,123	422	62,954
Effect on adoption of HKAS 17 (Amendment)	採納香港會計準則第 17 號 (修訂本) 的影響	—	—	291,765	—	—	291,765
Opening net carrying amount, as restated	年初賬面淨值， 經重列	8,579	260	344,335	1,123	422	354,719
Additions	添置	6,341	—	104,091	3,917	623	114,972
Disposal	出售	—	—	—	(82)	—	(82)
Depreciation	折舊	(7,622)	(254)	(9,182)	(1,642)	(508)	(19,208)
Closing net carrying amount	年終賬面淨值	7,298	6	439,244	3,316	537	450,401
As at 31 December 2010	於二零一零年						
	十二月三十一日						
Cost	成本	43,719	1,187	448,776	3,917	2,004	499,603
Accumulated depreciation	累計折舊	(36,421)	(1,181)	(9,532)	(601)	(1,467)	(49,202)
Net carrying amount	賬面淨值	7,298	6	439,244	3,316	537	450,401

The land & building included land in Hong Kong held on leases of between 10 to 50 years.

土地及樓宇包括於香港按 10 至 50 年租約持有的土地。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 INVESTMENT PROPERTIES

The Group	本集團	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	—	—
Additions	添置	115,055	—
At 31 December	於十二月三十一日	115,055	—

No direct operating expense has been incurred for the investment properties for the year ended 31 December 2010 (2009: Nil).

The investment properties represent land in Hong Kong held on leases of between 10 to 50 years.

The fair value of the investment properties was HK\$116.3 million as at 31 December 2010 valued by independent, professionally qualified valuer Cushman & Wakefield Valuation Advisory Services (HK) Limited. Valuations were based on current prices in an active market. No impairment has been recognized for the investment properties for the year ended 31 December 2010 (2009: Nil).

12 投資物業

截至二零一零年十二月三十一日止年度投資物業概無產生任何直接經營開支(二零零九年：零)。

投資物業指於香港按10至50年租約持有的土地。

經獨立專業合資格估值師高緯評值及專業顧問有限公司估值，投資物業於二零一零年十二月三十一日的公平值為116.3百萬港元。估值乃基於活躍市場的現行價格。截至二零一零年十二月三十一日止年度，概無確認投資物業減值(二零零九年：零)。

13 INTANGIBLE ASSETS

The Group	本集團	Trading rights 交易權 HK\$'000 千港元	Club membership 會所會籍 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2009, 31 December 2009 and 31 December 2010	於二零零九年一月一日、 二零零九年十二月三十一日及 二零一零年十二月三十一日			
Opening and closing net book amount	年初及年末賬面淨值	1,913	910	2,823

As at 31 December 2009 and 2010, the Group had three trading rights in The Stock Exchange of Hong Kong Limited and one trading right in the Hong Kong Futures Exchange Limited.

13 無形資產

於二零零九年及二零一零年十二月三十一日，本集團擁有於香港聯合交易所有限公司的三个交易權及香港期貨交易所有限公司的一個交易權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 OTHER ASSETS

The Group		2010	2009
本集團		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Deposits with the Stock Exchange:	於聯交所的按金：		
- Compensation fund	— 補償基金	150	150
- Fidelity Fund	— 互保基金	150	150
- Stamp duty deposit	— 印花稅按金	500	500
Admission fee paid to Hong Kong Securities Clearing Company Limited	支付予香港中央結算有限公司之准入費	150	150
Guarantee fund paid to Hong Kong Securities Clearing Company Limited	支付予香港中央結算有限公司之保證金	370	340
Deposit with HKFE Clearing Corporation Limited	於香港期貨結算有限公司之按金	1,500	1,500
Funds deposits with the SFC	於證監會之按金	50	50
		2,870	2,840

The carrying amounts of the Group's other assets approximate to their fair values.

本集團其他資產的賬面值與其公平值相若。

15 DEFERRED TAX ASSETS AND LIABILITIES

Deferred income tax assets and liabilities are measured in full on temporary differences at tax rate that are expected to apply when the assets are realized or liabilities settled, which is 16.5% (2009: 16.5%).

The movements on the deferred income tax assets are as follows:

15 遞延稅項資產及負債

遞延所得稅資產及負債按變現資產或償還負債時預期採用的稅率16.5% (二零零九年：16.5%) 以暫時差額全額計量 (二零零九年：16.5%)。

遞延所得稅資產變動如下：

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	—	—
Credited to the consolidated income statement (Note 7)	計入綜合收益表 (附註7)		
- Current year temporary differences	— 本年度暫時差額	1,474	—
At 31 December	於十二月三十一日	1,474	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 DEFERRED TAX ASSETS AND LIABILITIES (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same taxation jurisdiction, is as follows:

Deferred tax assets and (liabilities) 遞延稅項資產及(負債)		Unused tax losses 未動用稅項虧損		Accelerated tax depreciation 加速稅項折舊		Total 總計	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	—	—	—	—	—	—
Credited/(Charged) to the consolidated income statement	於綜合收益表計入/(扣除)						
- Current year temporary differences	— 本年度暫時差額	2,530	—	(1,056)	—	1,474	—
At 31 December	於十二月三十一日	2,530	—	(1,056)	—	1,474	—

The Group has tax losses arising in Hong Kong of approximately HK\$26.3 million as at 31 December 2010 (2009: HK\$49 million), that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred income tax assets are recognized for unused tax losses to the extent that sufficient future taxable profits will be available in the subsidiaries in which the losses arose against which the unused tax losses can be utilized in the near future.

15 遞延稅項資產及負債(續)

年內遞延所得稅資產及負債變動(並未計及抵銷同一稅務權區的餘額)如下:

於二零一零年十二月三十一日，本集團來自香港的稅項虧損約為26.3百萬港元(二零零九年：49百萬港元)，最終可用於抵銷產生虧損公司的未來應課稅溢利。倘產生虧損的附屬公司有充足未來應課稅溢利可用於抵銷近期末使用稅項虧損，則就未動用稅項虧損確認遞延所得稅資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The deferred income tax assets and liabilities are to be recovered and settled after one year and the following amounts, determined after appropriate offsetting, are shown in the balance sheet.

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	2,530	—
Deferred income tax liabilities	遞延所得稅負債	(1,056)	—
		1,474	—

16 HELD-TO-MATURITY INVESTMENTS

The movement in unlisted held-to-maturity investments which comprise one senior notes issued by a private company is summarized as follows:

The Group 本集團		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	—	—
Additions	增加	77,833	—
Impairment losses	減值虧損	—	—
At 31 December	於十二月三十一日	77,833	—

The Group has not reclassified any financial assets measured at amortized cost rather than at fair value during the year (2009: Nil).

15 遞延稅項資產及負債(續)

遞延所得稅資產及負債只有對現行稅項資產及負債有合法權利抵銷及遞延稅項為同一稅務機關下，才作出抵銷。遞延所得稅資產及負債將於一年後收回或結算，以下是經過適當抵銷後在資產負債表列示的金額：

16 持至到期投資

非上市持有至到期日的投資(包括一家私營公司發行的優先票據)的變動概述如下：

本集團於年內概無重新分類任何以攤銷成本而非公平值計量的金融資產(二零零九年：零)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 LOANS AND ADVANCES TO CUSTOMERS

The Group		2010	2009
本集團		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Margin loans	孖展貸款	1,975,894	758,276
Term loans to customers	給予客戶的定期貸款	—	102,455
Gross loans and advances to customers	給予客戶的貸款及墊款總額	1,975,894	860,731
Less: allowance for impairment	減：減值撥備	—	—
		1,975,894	860,731

Margin financing operations

The Group provides clients with margin financing for securities transactions, which are secured by clients' securities held as collateral. Each client has a maximum credit limit based on the quality of collateral held and the financial background of the client. The Group seeks to maintain strict control over its outstanding receivables and has a Credit and Risk Management Department to monitor credit risks.

Margin loans to the clients are secured by the underlying pledged securities, bear interest rate with reference to the Hong Kong dollar prime rate and are repayable on demand. The carrying value of margin loans approximates to their fair value. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis does not give additional value in view of the nature of margin loan businesses. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 31 December 2010, the total value of securities pledged as collateral in respect of the margin loans was approximately HK\$12,216 million (2009: HK\$8,782 million). The balances represent the market value of the securities as at 31 December 2010 and 2009.

17 給予客戶的貸款及墊款

孖展融資業務

本集團就證券交易向客戶提供孖展融資，以客戶的證券持作抵押品擔保。每名客戶的最高信貸額度乃以所持抵押品的質素及客戶的財政背景為基準。本集團擬保持對其未清償應收款項的嚴格控制，並成立了信貸及風險管理部門監控信貸風險。

給予客戶的孖展貸款以相關已抵押證券擔保，根據港元最優惠利率計息，並按要求償還。孖展貸款的賬面值與其公平值相若。由於董事認為，鑒於孖展貸款業務的性質，賬齡分析並不會提供額外價值，故概無披露賬齡分析。授予孖展客戶的信貸融資額乃根據本集團接納的抵押證券貼現市值釐定。於二零一零年十二月三十一日，作為孖展貸款抵押品的已抵押證券總值約為12,216百萬港元（二零零九年：8,782百萬港元）。該等結餘指證券於二零一零年及二零零九年十二月三十一日的市值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 LOANS AND ADVANCES TO CUSTOMERS (Continued)

Term loans to customers

The Group also provides term loans to the customers. In determining the interest rates, reference will be made to the credit standing of the relevant customers and the quality of the collateral pledged. As at 31 December 2009, the term loans granted to the customers amounting to HK\$100,000,000 and its accrued interest amounting to HK\$2,455,000 are fully secured by listed securities pledged with the Group as collateral with undiscounted market value of HK\$241 million. Those term loans have been fully repaid in 2010. The carrying amounts of the term loans to customers approximate to their fair values.

As at 31 December 2010 and 2009, all loans and advances to customers are neither pass due nor impaired and no impairment allowance has been provided during 2010 and 2009.

17 給予客戶的貸款及墊款 (續)

給予客戶的定期貸款

本集團亦向客戶提供定期貸款。於釐定利率時，會參考相關客戶的財務狀況以及所質押的抵押品質素。於二零零九年十二月三十一日，授予客戶的定期貸款為數100,000,000港元及其應計利息為數2,455,000港元由質押予本集團的上市證券全額抵押，抵押品的未貼現市值為241百萬港元。該等定期貸款已於二零一零年悉數償還。給予客戶的該等定期貸款的賬面值與其公平值相若。

於二零一零年及二零零九年十二月三十一日，給予客戶的所有貸款及墊款未逾期亦未減值，且於二零一零年及二零零九年未作出減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 ACCOUNTS RECEIVABLE

(a) Analysis of accounts receivable

The carrying value of accounts receivable arising from the course of business of the Group are as follows:-

18 應收款項

(a) 應收款項分析

本集團業務過程中所產生的應收款項的賬面值如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Accounts receivable arising from dealing and broking	買賣及經紀業務產生的應收款項		
– cash and custodian clients	– 現金及託管客戶	50,134	45,210
– the Stock Exchange and other clearing houses	– 聯交所及其他結算所	186,051	20,459
– brokers and dealers	– 經紀及交易商	679,782	239,510
Accounts receivable arising from underwriting, asset management, corporate finance and advisory services	包銷、資產管理、企業融資及諮詢服務所產生的應收款項		
– Corporate clients and investment funds	– 企業客戶及投資基金	31,444	32,336
Gross	總額	947,411	337,515
Less: allowance for impairment	減：減值撥備	(11,828)	(3,253)
Net	淨額	935,583	334,262

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 ACCOUNTS RECEIVABLE (Continued)

(b) Accounts receivable neither past due nor impaired

		Accounts receivable from cash and custodian clients	Accounts receivable from the Stock Exchange and other clearing houses	Accounts receivable from brokers and dealers	Accounts receivable from corporate clients and investment funds	Total
		應收現金及託管客戶款項	應收聯交所及其他結算所款項	應收經紀及交易商款項	應收企業客戶及投資基金款項	總計
The Group		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團		千港元	千港元	千港元	千港元	千港元
As at 31 December 2010	於二零一零年十二月三十一日					
Neither past due nor impaired	並無逾期或減值	38,224	186,051	679,782	30,759	934,816
As at 31 December 2009	於二零零九年十二月三十一日					
Neither past due nor impaired	並無逾期或減值	41,875	20,459	239,510	31,986	333,830

Accounts receivable from cash and custodian clients which are neither past due nor impaired represent unsettled client trades on various securities exchanges transacted on the last two business days prior to the year end date. Such receivable balances are neither past due nor impaired as they are within the credit limit approved by the Credit Committee and under normal market convention.

18 應收款項 (續)

(b) 並無逾期或減值的應收款項

並無逾期或減值的應收現金及託管客戶款項指於年結日前最後兩個營業日在不同證券交易所進行的未交收客戶交易所涉及的款項。由於應收款項結餘屬於信貸期限內並符合一般市場慣例，故有關應收款項結餘並無逾期或減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 ACCOUNTS RECEIVABLE (Continued)

(c) Accounts receivable past due but not impaired

		Accounts	Accounts	Accounts	Accounts	Total
		receivable	receivable	receivable	receivable from	
		from cash	from the Stock	Exchange and	corporate	
		and custodian	Exchange and	other clearing	clients and	
		clients	houses	from brokers	investment	
		應收現金及	應收聯交所	and dealers	應收企業	
		託管客戶款項	及其他	應收經紀及	客戶及投資	
			結算所款項	交易商款項	基金款項	
The Group		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團		千港元	千港元	千港元	千港元	千港元
As at 31 December 2010	於二零一零年 十二月三十一日					
Past due less than 6 months	逾期六個月以內	74	—	—	634	708
Past due 6 – 12 months	逾期六至十二個月	—	—	—	51	51
Past due over 1 year	逾期一年以上	—	—	—	—	—
		74	—	—	685	759
Fair value of collateral	抵押品的公平值	64,191	—	—	—	64,191
As at 31 December 2009	於二零零九年 十二月三十一日					
Past due less than 6 months	逾期六個月以內	77	—	—	—	77
Past due 6 – 12 months	逾期六至十二個月	—	—	—	50	50
Past due over 1 year	逾期一年以上	—	—	—	300	300
		77	—	—	350	427
Fair value of collateral	抵押品的公平值	120,845	—	—	—	120,845

18 應收款項 (續)

(c) 已逾期但未減值的應收款項

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 ACCOUNTS RECEIVABLE (Continued)

(c) Accounts receivable past due but not impaired (Continued)

Accounts receivable from cash and custodian clients which are past due but not impaired represent client trades on various securities exchanges which are unsettled beyond the settlement date. When the cash and custodian clients failed to settle on settlement date, the Group has a right to force-sell the collaterals underlying the securities transactions. The outstanding accounts receivable from cash and custodian clients as at 31 December 2009 and 2010 are considered as past due but not impaired after taking into consideration the recoverability from collaterals. Collaterals held against such loans are publicly traded securities.

Accounts receivable from corporate clients and investment funds past due but not impaired represent accounts receivables arising from asset management, corporate finance and advisory services which have not yet been settled by clients after the Group's normal credit period of 3 months from the date of invoice.

18 應收款項 (續)

(c) 已逾期但未減值的應收款項 (續)

已逾期但未減值應收現金及託管客戶款項指於不同證券交易所於結算日期後仍未結算的客戶交易所涉及的款項。一旦現金及託管客戶未能於結算日期償付款項，本集團將有權強制出售與證券交易相關的抵押品。經考慮抵押品的可收回性後，於二零零九年及二零一零年十二月三十一日的未償還應收現金及託管客戶款項將視為已逾期但未減值。該等貸款持有的抵押品為可公開買賣的證券。

已逾期但未減值應收企業客戶及投資基金款項指資產管理、企業融資及諮詢服務所產生的應收款項，而客戶於本集團一般信貸期(自發票日期起計三個月)後尚未償還有關款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 ACCOUNTS RECEIVABLE (Continued)

(d) Impaired accounts receivable

		Accounts receivable from cash and custodian clients 應收現金 及託管 客戶款項	Accounts receivable from the Stock Exchange and other clearing houses 應收聯交所 及其他 結算所款項	Accounts receivable from brokers and dealers 應收經紀及 交易商款項	Accounts receivable from corporate clients and investment funds 應收企業 客戶及投資 基金款項	Total 總計
The Group		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團		千港元	千港元	千港元	千港元	千港元
As at 31 December 2010	於二零一零年 十二月三十一日					
Impaired accounts receivable	已減值應收款項	11,836	—	—	—	11,836
Less: allowance for impairment	減：減值撥備	(11,828)	—	—	—	(11,828)
Net	淨額	8	—	—	—	8
Fair value of collateral	抵押品的公平值	8	—	—	—	8
As at 31 December 2009	於二零零九年 十二月三十一日					
Impaired accounts receivable	已減值應收款項	3,258	—	—	—	3,258
Less: allowance for impairment	減：減值撥備	(3,253)	—	—	—	(3,253)
Net	淨額	5	—	—	—	5
Fair value of collateral	抵押品的公平值	5	—	—	—	5

18 應收款項 (續)

(d) 已減值應收款項

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 ACCOUNTS RECEIVABLE (Continued)

(d) Impaired accounts receivable (Continued)

Accounts receivable from cash and custodian clients are considered impaired when clients failed to settle according to settlement terms. As at 31 December 2010, gross impaired accounts receivable from cash and custodian clients amounted to HK\$11,836,000 (2009: HK\$3,258,000) and impairment allowance of HK\$11,828,000 (2009: HK\$3,253,000) has been provided against these “impaired” receivables.

The carrying amount of these “impaired” receivables are HK\$8,000 (2009: HK\$5,000) as of 31 December 2010.

Movements on the provision for impairment of accounts receivable are as follow:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
As at 1 January	於一月一日	3,253	13,688
Increase in impairment allowance charged to consolidated income statement	於綜合收益表計提減值撥備增加	10,012	2
Uncollectible amounts written-off during the year	年內已撇銷不可收回款項	(1,431)	(8,588)
Amounts written-back during the year released to consolidated income statement	年內計入綜合收益表的撥回款項	(6)	(1,849)
As at 31 December	於十二月三十一日	11,828	3,253

18 應收款項 (續)

(d) 已減值應收款項 (續)

若客戶未能根據結算條款進行結算時，應收現金及託管客戶款項會被視為減值。於二零一零年十二月三十一日，已減值應收現金及託管客戶款項總額達11,836,000港元（二零零九年：3,258,000港元），並已就該等「已減值」應收款項計提減值撥備11,828,000港元（二零零九年：3,253,000港元）。

於二零一零年十二月三十一日，該等「已減值」應收款項的賬面值為8,000港元（二零零九年：5,000港元）。

應收款項減值撥備變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group		2010	2009
本集團		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Prepayments, utility and other deposits	預付款項、公共設施及其他按金	8,445	6,760
Other receivables	其他應收款項	3,525	343
Total	總計	11,970	7,103
The Company			
本公司			
Prepayments, utility and other deposits	預付款項、公共設施及其他按金	386	—

The carrying amounts of the Group's and Company's prepayments, deposits and other receivables approximate to their fair values.

19 預付款項、按金及其他應收款項

本集團及本公司的預付款項、按金及其他應收款項的賬面值與其公平值相若。

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group		2010	2009
本集團		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets held for trading:	持作買賣的金融資產：		
Listed equity investments, at fair value	上市股本投資，按公平值		
- in Hong Kong	— 於香港	84,099	92,567

20 按公平值計入損益的金融資產

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES 21 現金及銀行結餘及客戶信託銀行結餘

The Group		2010	2009
本集團		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Cash and bank balances	現金及銀行結餘	296,812	290,284
Fixed deposits with bank	銀行定期存款	144,819	170,000
Client trust bank balances	客戶信託銀行結餘	5,874,971	5,679,243
		6,316,602	6,139,527
The Company			
本公司			
Cash and bank balances	現金及銀行結餘	101	—

The Group maintains trust and segregated accounts with authorized financial institutions to hold clients' deposits arising from normal business transactions. The Group is not allowed to use the clients' monies to settle its own obligations under the Securities & and Futures Ordinance (Cap.571).

本集團於認可金融機構開設獨立信託賬戶，以存放客戶因正常業務過程中所產生的款項。根據香港證券及期貨條例（香港法例第571章），本集團不得動用客戶款項清償其自身債務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES (Continued)

For the purposes of the consolidated cash flow statements, cash and cash equivalents comprises of the following:-

The Group
本集團

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Cash and bank balances	現金及銀行結餘	296,812	290,284
Fixed deposits with bank with original maturity within three months	原到期日為三個月以內的銀行定期存款	144,819	170,000
		441,631	460,284

22 INVESTMENT IN SUBSIDIARIES

21 現金及銀行結餘及客戶信託銀行結餘 (續)

就綜合現金流量表而言，現金及現金等價物包括以下各項：

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Investments, at cost:	投資，按成本值：		
Unlisted shares	非上市股份	1,268,440	—

22 於附屬公司投資

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Investments, at cost:	投資，按成本值：		
Unlisted shares	非上市股份	1,268,440	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 INVESTMENT IN SUBSIDIARIES (Continued)

(a) As at 31 December 2010, the Company has direct and indirect interests in the following principal subsidiaries:

Company name 公司名稱	Country/place and date of incorporation 註冊成立國家/ 地點及日期	Issued and fully paid-up share capital 已發行及繳足股本	Attributable equity interest 應佔股權		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Guotai Junan (Hong Kong) Limited 國泰君安(香港)有限公司	Samoa/ 28 June 1995 薩摩亞/一九九五年 六月二十八日	HK\$31,980,000 31,980,000 港元	100%	—	Investment holding, Hong Kong 投資控股, 香港
Guotai Junan Securities (Hong Kong) Limited 國泰君安證券(香港) 有限公司	Hong Kong/ 8 July 1993 香港/一九九三年 七月八日	HK\$600,000,000 600,000,000 港元	—	100%	Securities dealing and broking, Hong Kong 證券買賣及經紀, 香港
Guotai Junan Futures (Hong Kong) Limited 國泰君安期貨(香港) 有限公司	Hong Kong/ 3 August 1995 香港/一九九五年 八月三日	HK\$50,000,000 50,000,000 港元	—	100%	Futures dealing and broking, Hong Kong 期貨買賣及經紀, 香港

22 於附屬公司投資(續)

(a) 於二零一零年十二月三十一日, 本公司在下列主要附屬公司中擁有直接或間接權益:

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 INVESTMENT IN SUBSIDIARIES (Continued)

22 於附屬公司投資(續)

Company name 公司名稱	Country/place and date of incorporation 註冊成立國家/ 地點及日期	Issued and fully paid-up share capital 已發行及繳足股本	Attributable equity interest 應佔股權		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Guotai Junan Finance (Hong Kong) Limited 國泰君安財務香港有限公司	Hong Kong/ 3 August 1995 香港/一九九五年 八月三日	HK\$1,000,000 1,000,000 港元	—	100%	Money lending and trading in securities, Hong Kong 借貸及證券買賣, 香港
Guotai Junan Capital Limited 國泰君安融資有限公司	Hong Kong/ 8 August 1995 香港/一九九五年 八月八日	HK\$50,000,000 50,000,000 港元	—	100%	Provision of investment advisory services, Hong Kong 提供投資諮詢服務, 香港
Guotai Junan Assets (Asia) Limited 國泰君安資產管理(亞洲) 有限公司	Hong Kong/ 15 August 1995 香港/一九九五年 八月十五日	HK\$5,000,000 5,000,000 港元	—	100%	Asset management, Hong Kong 資產管理, 香港
Guotai Junan Fund Management Limited ¹ 國泰君安基金管理有限公司 ¹	Hong Kong/ 3 January 2008 香港/二零零八年 一月三日	HK\$10,000,000 10,000,000 港元	—	50%	Asset management and trading in securities, Hong Kong 資產管理及證券買賣, 香港
Guotai Junan FX Limited 國泰君安外匯有限公司	Hong Kong/ 31 March 2010 香港/二零一零年 三月三十一日	HK\$30,000,000 30,000,000 港元	—	100%	Leveraged foreign exchange dealing and broking, Hong Kong 槓桿式外匯交易及 經紀, 香港

Notes:

1. The Group considers that it has the ability to govern the financial and operating policies of the entity as the Group has the power to appoint or remove the majority of members of Board.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The carrying amount approximates to its fair value as at each balance sheet date.

附註：

1. 因為本集團有能力委任或移除董事會大多數成員，所以本集團認為有能力監管該實體的財務及營運政策。

(b) 應收附屬公司款項

應收附屬公司款項為無抵押、免息並於要求時償還。於各結算日，其賬面值與公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 ACCOUNTS PAYABLE

23 應付款項

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
The Group		千港元	千港元
本集團		千港元	千港元
Accounts payable arising from dealing and broking	因買賣及經紀業務產生的應付款項：		
- clients	— 客戶	6,682,318	5,873,961
- brokers and dealers	— 經紀及交易商	71,275	76,895
- the Stock Exchange and other clearing houses	— 聯交所及其他結算所	—	4,359
Accounts payable arising from underwriting, asset management, corporate finance and advisory services	因包銷、資產管理、企業融資及諮詢服務產生的應付款項		
- corporate clients	— 企業客戶	25,347	—
		6,778,940	5,955,215

The majority of the accounts payable balances is repayable on demand except where certain accounts payable to clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

The Group has a practice to satisfy all the requests for payment immediately within 1 business day. No ageing analysis is disclosed as in the opinion of Directors, the aged analysis does not give additional value in view of the nature of these businesses.

大部份應付款項結餘須於要求時償還，惟若干應付予客戶的款項為就客戶於正常業務過程中進行買賣活動收取客戶的保證金。只有超出規定保證金的金額需於要求時發還客戶。

本集團慣於在1個營業日內即時清償所有支付要求。本集團並無披露賬齡分析，原因為董事認為考慮到該等業務的性質，賬齡分析不會提供額外價值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 ACCOUNTS PAYABLE (Continued)

Accounts payable to clients also include those payables in trust accounts with authorized institutions of HK\$5,875 million (2009: HK\$5,679 million), Hong Kong Futures Exchange Clearing Corporation Limited, and other futures dealers of HK\$601 million (2009: HK\$178 million).

Accounts payable are non-interest bearing except for the accounts payable to the clients.

The carrying amounts of the Group's accounts payable approximate to their fair values.

24 OTHER PAYABLES AND ACCRUED LIABILITIES

The Group 本集團

Other payables	其他應付款項
Accrued liabilities	應計款項

The Company	本公司
Accrued liabilities	應計款項

Other payables and accrued liabilities are non interest bearing and have an average term of three months.

The carrying amounts of the Group's other payables and accrued liabilities approximate to their fair values.

23 應付款項 (續)

應付予客戶的款項亦包括存放於認可機構信託賬戶的5,875百萬港元(二零零九年：5,679百萬港元)，香港期貨結算有限公司及其他期貨交易商合共601百萬港元(二零零九年：178百萬港元)。

除應付客戶款項外，應付款項均不計息。

本集團應付款項的賬面值與其公平值相若。

24 其他應付款項及應計款項

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Other payables	3,267	47,554
Accrued liabilities	102,894	90,797
	106,161	138,351
The Company		
Accrued liabilities	1,220	—

其他應付款項及應計款項不計息，且平均期限為3個月。

本集團其他應付款項及應計款項的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 BANK BORROWINGS

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
The Group			
本集團			
Total unsecured bank borrowings	無抵押銀行借款總額	—	500,000

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the respective balance dates are as follows:

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
The Group			
本集團			
6 months or less	6個月或以下	—	500,000

The Group's bank borrowings bear interest at Hong Kong Interbank Offered Rate plus 1% per annum at each balance sheet date.

The carrying amounts of bank borrowings approximate their fair values as the impact to discounting is not significant.

25 銀行借款

於各結算日，本集團的借款在利率變動時承擔的風險及合約重新定價日期如下：

本集團於各年結日的銀行借款均按香港銀行同業拆息加年利率1%計息。

由於貼現影響並不重大，故本集團銀行借款的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVE

(a) Share capital and share premium

The Company

		Amount				
		金額				
		Number of authorized shares 法定 股份數目	Number of issued and fully paid shares 已發行及繳足 股份數目	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009, 31 December 2009 and 1 January 2010	於二零零九年一月 一日、二零零九年 十二月三十一日 及二零一零年 一月一日	—	—	—	—	—
Issue of authorized shares (Note (i))	發行法定股份 (附註(i))	10,000,000,000	1	—	—	—
Allotment of shares pursuant to the share swap (Note ii)	根據股份置換配發 股份 (附註 ii)	—	999	—	1,268,440	1,268,440
Capitalization for issuance of new shares (Note iii)	資本化發行新股份 (附註 iii)	—	1,229,999,000	123,000	(123,000)	—
Shares issuance pursuant to the Global Offering (Note iv)	根據全球發售 發行股份 (附註 iv)	—	410,000,000	41,000	1,722,000	1,763,000
Share issuance costs incurred in the current year (Note v)	本年度產生的股份 發行成本 (附註 v)	—	—	—	(98,717)	(98,717)
At 31 December 2010	於二零一零年 十二月三十一日	10,000,000,000	1,640,000,000	164,000	2,768,723	2,932,723

26 股本、股份溢價及其他儲備

(a) 股本及股份溢價

本公司

Amount
金額

		Number of authorized shares 法定 股份數目	Number of issued and fully paid shares 已發行及繳足 股份數目	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009, 31 December 2009 and 1 January 2010	於二零零九年一月 一日、二零零九年 十二月三十一日 及二零一零年 一月一日	—	—	—	—	—
Issue of authorized shares (Note (i))	發行法定股份 (附註(i))	10,000,000,000	1	—	—	—
Allotment of shares pursuant to the share swap (Note ii)	根據股份置換配發 股份 (附註 ii)	—	999	—	1,268,440	1,268,440
Capitalization for issuance of new shares (Note iii)	資本化發行新股份 (附註 iii)	—	1,229,999,000	123,000	(123,000)	—
Shares issuance pursuant to the Global Offering (Note iv)	根據全球發售 發行股份 (附註 iv)	—	410,000,000	41,000	1,722,000	1,763,000
Share issuance costs incurred in the current year (Note v)	本年度產生的股份 發行成本 (附註 v)	—	—	—	(98,717)	(98,717)
At 31 December 2010	於二零一零年 十二月三十一日	10,000,000,000	1,640,000,000	164,000	2,768,723	2,932,723

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVE (Continued)

(a) Share capital and share premium (Continued)

Notes:

- (i) On 8 March 2010, the Company was incorporated with limited liability in Hong Kong with authorized share capital of HK\$1,000,000,000 divided into 10,000,000,000 shares of par value HK\$0.10 each. On the same date, one share was issued at par value to Guotai Junan Holdings Limited, representing 100% of issued share capital and the Company became a wholly owned subsidiary of Guotai Junan Holdings Limited.
- (ii) Pursuant to a share swap agreement dated 14 June 2010, the Company acquired the entire issued share capital of Guotai Junan (Hong Kong) Limited from GJFHL in consideration for the Company issuing and allotting 999 shares at par to Guotai Junan Holdings Limited. After the share swap, the Company became the holding company of the subsidiaries now comprising the Group.
- (iii) Pursuant to the Shareholders' Resolution dated 19 June 2010, the Company capitalized an amount of HK\$122,999,900 from the share premium account; and the sum was applied in paying up in full at par 1,229,999,000 shares, which were allotted and issued to Guotai Junan Holdings Limited.
- (iv) The Company was listed on the Stock Exchange on 8 July 2010 and 410,000,000 ordinary shares of HK\$0.1 each were issued at HK\$4.3 per share. The excess of the proceeds over the nominal value of the total number of ordinary shares issued of HK\$1,722 million was credited to the share premium account.

26 股本、股份溢價及其他儲備 (續)

(a) 股本及股份溢價 (續)

附註：

- (i) 本公司於二零一零年三月八日在香港註冊成立為有限公司，法定股本為1,000,000,000港元，分為10,000,000,000股每股面值0.10港元的股份。於同日，1股股份按面值發行予國泰君安控股有限公司，該股份為全部已發行股本，本公司成為國泰君安控股有限公司的全資附屬公司。
- (ii) 根據於二零一零年六月十四日訂立的股份置換協議，本公司向國泰君安金融控股收購國泰君安(香港)有限公司的所有已發行股本，代價為本公司按面值向國泰君安控股有限公司發行及配發999股股份。股份置換後，本公司成為現時組成本集團附屬公司的控股公司。
- (iii) 根據二零一零年六月十九日的股東決議案，本公司已將其股份溢價賬中的122,999,900港元資本化，該等款項已按面值繳足1,229,999,000股股份，該等股份已獲配發及發行予國泰君安控股有限公司。
- (iv) 本公司已於二零一零年七月八日在聯交所上市，並以每股股份4.3港元發行410,000,000股每股面值0.1港元普通股。所得款項超出所發行普通股總數的面值的金額1,722百萬港元已計入股份溢價賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVE (Continued)

(a) Share capital and share premium (Continued)

Notes: (Continued)

- (v) The Company incurred HK\$98,717,000 as share issuance costs for the listing on the Stock Exchange in the current year, HK\$2,984,000 of which was related to inter-company transactions. As a result, the share issuance cost for the Group was only HK\$95,733,000 and the share premium was HK\$2,771,707,000 as at 31 December 2010.
- (vi) Pursuant to the Shareholders' Resolution dated 19 June 2010, the shareholders of the Company have adopted a share option scheme (the "Scheme"). The purpose of the Scheme is to assist in recruiting, retaining and motivating key staff members under the terms of the Scheme. The Directors have the discretion to grant to employees and directors of any members of the Group an option to subscribe for shares in the Company. The subscription price is determined on the date of grant by the Board as an amount per share calculated from the basis of a set of established rules. As at 31 December 2010 and up to the date of this report, no option has been granted under the Scheme.

26 股本、股份溢價及其他儲備 (續)

(a) 股本及股份溢價 (續)

附註：(續)

- (v) 本公司本年度在聯交所上市的股份發行成本為98,717,000港元，其中2,984,000港元與公司間交易有關。因此，於二零一零年十二月三十一日，本集團的股份發行成本僅為95,733,000港元及股份溢價為2,771,707,000港元。
- (vi) 根據二零一零年六月十九日的股東決議案，本公司股東已採納一項購股權計劃（「計劃」）。該計劃旨在根據計劃條款協助招募、挽留及激勵重要職員。董事可酌情授予本集團任何成員公司的僱員及董事認購本公司股份的權利。股份認購每股價格將根據董事會的決定於授出之日按既定規則計算。於二零一零年十二月三十一日及截至本公佈日期，並無根據該計劃授出任何購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVE (Continued)

(b) Other reserve

The Group

The Company was incorporated on 8 March 2010. For the purpose of the consolidated financial statements, the other reserve in the consolidated balance sheet as of 31 December 2009 represented the issued share capital of Guotai Junan (Hong Kong) Limited, the then immediate holding company of all the other subsidiaries of the Group.

Other reserve as at 31 December 2010 represents merger reserve, being the difference between the issued share capital of Guotai Junan (Hong Kong) Limited and the amount of share capital and share premium of the Company transferred and issued to Guotai Junan Holdings Limited in exchange for the entire issued share capital of Guotai Junan (Hong Kong) Limited.

26 股本、股份溢價及其他儲備 (續)

(b) 其他儲備

本集團

本公司於二零一零年三月八日註冊成立。就本綜合財務報表而言，於二零零九年十二月三十一日綜合資產負債表內的其他儲備乃國泰君安(香港)有限公司(本集團於當時所有其他附屬公司的直接控股公司)的已發行股本。

於二零一零年十二月三十一日，其他儲備為合併儲備，即國泰君安(香港)有限公司的已發行股本與本公司向國泰君安控股有限公司轉讓及發行股本及股份溢價(以換取國泰君安(香港)有限公司的全部已發行股本)金額之間的差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 OPERATING LEASE ARRANGEMENTS

Leases for the properties are negotiated for a term of one to three-year periods.

At 31 December 2009 and 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	115	5,527
In the second to fifth years, inclusive	第二至五年（包括首尾兩年）	—	767
		115	6,294

In addition to the operating lease commitments disclosed above, the Group had capital commitments for renovation of premises and IT upgrade of approximately HK\$6,750,000 which were contracted but not provided for as at 31 December 2010 (2009: HK\$75,000).

27 經營租賃安排

該等物業租賃期協定為一至三年。

於二零零九年及二零一零年十二月三十一日，本集團根據不可撤銷經營租賃在下述期限內到期的未來須支付的最低租賃款項總額如下：

除上文所披露的經營租賃承擔外，本集團就翻新物業及升級資訊系統作出資本承擔約6,750,000港元，該款項已訂約但並未於二零一零年十二月三十一日予以撥備（二零零九年：75,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments of every Director of the Company paid/payable by the Group for the years ended 31 December 2009 and 2010 are set out below:

For the year ended 31 December 2010

Name of Director 董事姓名	Director fee 董事袍金	Salary and commission 薪金及佣金	Employer's contribution to pension scheme	Discretionary bonuses 酌情花紅	Other benefits 其他福利	Total 總計
			僱主 的退休金 計劃供款			
	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
Executive Directors: 執行董事：						
Yim Fung 閻峰	—	1,287	12	15,020	3,513	19,832
Wong Tung Ching 王冬青	—	1,851	12	4,800	—	6,663
Li Guangjie 李光杰	—	1,313	12	1,400	—	2,725
Li Sang, Edward 李生	—	1,352	12	1,400	—	2,764
Non-executive Directors: 非執行董事：						
Chen Geng 陳耿	246	—	—	—	—	246
Tsang Yiu Keung ¹ 曾耀強 ¹	161	—	—	—	—	161
Song Ming ¹ 宋敏 ¹	161	—	—	—	—	161
Fu Tingmei ¹ 傅廷美 ¹	161	—	—	—	—	161
	729	5,803	48	22,620	3,513	32,713

¹ Independent Non-executive Directors

¹ 獨立非執行董事

28 董事及高級管理層酬金

(a) 董事酬金

本集團截至二零零九年及二零一零年十二月三十一日止年度已付／應付本公司各董事的酬金載列如下：

截至二零一零年十二月三十一日止年度

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 December 2009

Name of Director 董事姓名	Director fee 董事袍金 HK\$'000 千港元	Salary and commission 薪金及佣金 HK\$'000 千港元	Employer's contribution to pension scheme 僱主 的退休金 計劃供款 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Other benefits 其他福利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive Directors: 執行董事：						
Yim Fung 閻峰	—	1,485	12	17,581	4,235	23,313
Wong Tung Ching 王冬青	—	1,241	12	3,200	—	4,453
Li Guangjie 李光杰	—	1,065	12	2,200	—	3,277
Li Sang, Edward 李生	—	1,248	12	1,600	—	2,860
Non-executive Directors: 非執行董事：						
Chen Geng 陳耿	—	—	—	—	—	—
Tsang Yiu Keung ¹ 曾耀強 ¹	—	—	—	—	—	—
Song Ming ¹ 宋敏 ¹	—	—	—	—	—	—
Fu Tingmei ¹ 傅廷美 ¹	—	—	—	—	—	—
	—	5,039	48	24,581	4,235	33,903

During 2009 and 2010, no Directors, supervisors or senior management of the Company waived any emoluments and no emolument were paid by the Company to any of the directors, supervisors or senior management as an inducement to join or upon joining the Group or as compensation for loss of office.

於二零零九年及二零一零年，概無本公司董事、監事或高級管理層放棄任何酬金，而本公司亦無向任何董事、監事或高級管理層支付任何酬金，作為促使彼等加入或在加入本集團時的酬金或作為離職補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(b) Five highest paid individuals

The five highest paid employees during the year included one Director for the year ended 2009 and 2010, details of whose remuneration are set out in note 28(a) above. Details of the remuneration of the remaining four non-directors, highest paid employees for the years ended 31 December 2010 and 2009 are as follows:-

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salary and commission	薪金及佣金	33,417	32,796
Employer's contribution to pension scheme	僱主退休金計劃供款	48	48
Discretionary bonuses	酌情花紅	5,700	1,800
		39,165	34,644

No emoluments have been paid to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office during 2009 and 2010.

28 董事及高級管理層酬金 (續)

(b) 五位最高薪酬人士

年內五位最高薪酬僱員於截至二零零九年及二零一零年十二月三十一日止年度包括一名董事，其薪酬詳情載於上文附註28(a)。截至二零一零年及二零零九年十二月三十一日止年度其餘四名非董事最高薪酬僱員的薪酬詳情如下：

本集團並無對該等人士給予任何酬金，作為促使彼等加入或在加入本集團時的酬金或作為離職補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(b) Five highest paid individuals

The emoluments of the remuneration highest-paid individuals of the Group fall within the following bands:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Emolument bands	酬金範圍		
- HK\$5,000,001 to HK\$5,500,000	- 5,000,001 港元至 5,500,000 港元	—	1
- HK\$6,500,001 to HK\$7,000,000	- 6,500,001 港元至 7,000,000 港元	1	1
- HK\$9,000,001 to HK\$9,500,000	- 9,000,001 港元至 9,500,000 港元	1	—
- HK\$10,500,001 to HK\$11,000,000	- 10,500,001 港元至 11,000,000 港元	1	—
- HK\$11,000,001 to HK\$11,500,000	- 11,000,001 港元至 11,500,000 港元	—	2
- HK\$12,000,001 to HK\$12,500,000	- 12,000,001 港元至 12,500,000 港元	1	—
		4	4

28 董事及高級管理層酬金 (續)

(b) 五位最高薪酬人士

本集團最高薪酬人士的酬金介乎以下範圍：

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 CASH FLOWS FROM OPERATING ACTIVITIES

29 經營活動產生的現金流量

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cash flows from operating activities (for continuing and discontinued operations)	經營活動產生的現金流量 (就持續經營業務及已終止經營業務)		
Profit before income tax	除所得稅前溢利	288,407	329,310
Adjustments for:	經調整：		
Depreciation	折舊	19,208	10,621
Finance costs	融資成本	4,142	5,168
Loss on disposal of fixed assets	出售固定資產虧損	82	—
Impairment charge/ (write back) of provision for accounts receivable	應收款項減值 開支／撥備（撥回）	10,006	(1,847)
Realised gain on available-for-sale investments	可供出售投資的 已變現收益	—	(3,616)
Gain on re-measurement of assets/liabilities classified as held for sale	重新計量持作待售的 資產／負債收益	—	(5,687)
Foreign exchange gains on operating activities	經營活動的 外匯收益	—	(335)
		321,845	333,614
Decrease/(increase) in financial assets at fair value through profit or loss	按公平值計入損益的 金融資產減少／（增加）	8,468	(186,612)
(Increase)/decrease in other assets	其他資產（增加）／減少	(30)	160
Increase in loans and advances to customers	給予客戶的貸款及墊款增加	(1,115,163)	(492,083)
Increase in accounts receivable	應收款項增加	(611,327)	(29,307)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他 應收款項（增加）／減少	(4,867)	1,539
Increase in client trust bank balances	客戶信託銀行結餘增加	(195,728)	(1,503,449)
Decrease in amount due to fellow subsidiaries	應付同系附屬公司 款項減少	(645)	(4,424)
Decrease in amounts due from ultimate holding company	應收最終控股公司 款項減少	—	880
Decrease in amounts due to ultimate holding company	應付最終控股公司 款項減少	(578)	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 CASH FLOWS FROM OPERATING ACTIVITIES (Continued)

29 經營活動產生的現金流量 (續)

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Decrease in amounts due from fellow subsidiaries	應收同系附屬公司款項減少	—	96,243
Decrease/(increase) in amount due from intermediate holding company	應收中介控股公司款項增加／(減少)	359	(270)
Increase in accounts payable	應付款項增加	823,725	1,498,952
(Decrease)/increase in other payables and accrued liabilities	其他應付款項及應計款項(減少)／增加	(32,190)	78,043
Increase in net assets attributable to redeemable participation rights	可贖回參與權應佔資產淨值增加	—	89,760
Cash used in operations	經營業務動用現金	(806,131)	(116,954)
Interest paid	已付利息	(4,142)	(5,168)
Hong Kong profits tax paid	已付香港利得稅	(34,987)	(25,946)
Net cash outflow from operating activities	經營活動流出現金流量淨額	(845,260)	(148,068)
Cash flows from operating activities included:	經營活動的現金流量包括：		
- Interest received	— 已收利息	98,217	71,844
- Dividend received	— 已收股息	4,202	4,223

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 DISPOSAL OF DISCONTINUED OPERATIONS

The details of assets and liabilities disposed and the disposal consideration are as follows:

30 出售已終止經營業務

出售資產及負債的詳情及出售代價如下：

		As at 30 October 2009 於二零零九年 十月三十日 HK\$'000 千港元
Office equipment	辦公室設備	30
Available-for-sale investments	可供出售投資	16,699
Accounts receivable	應收款項	9,796
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,007
Assets classified as held for sale	持作待售的資產	8,449
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	251,010
Cash and bank balances	現金及銀行結餘	36,652
Accounts payable	應付款項	(7,117)
Amount due to the fellow subsidiaries	應付同系附屬公司款項	(95,655)
Net assets attributable to redeemable participation rights	可贖回參與權應佔 資產淨值	(171,222)
Liabilities classified as held for sale	持作待售的負債	(494)
Current income tax liabilities	應付稅款	(1,108)
Other payables and accrued liabilities	其他應付款項及應計款項	(1,251)
Total consideration paid	已付總代價	47,796
Net cash inflow arising on disposal:	出售產生的流入現金淨額：	
Cash consideration	現金代價	47,796
Bank balances and cash disposed of	已出售銀行結餘及現金	(36,652)
		11,144

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 MATURITY PROFILE OF ASSETS AND LIABILITIES

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

		Up to 1 month 1個月以下 HK\$'000 千港元	1-3 months 1-3個月 HK\$'000 千港元	3-12 months 3-12個月 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2010	於二零一零年 十二月三十一日				
Loans and advances to customers	給予客戶的貸款及墊款	1,975,894	—	—	1,975,894
Accounts receivable	應收款項	904,138	30,343	1,102	935,583
Client trust bank balances	客戶信託銀行結餘	5,648,532	223,439	3,000	5,874,971
Cash and bank balances	現金及銀行結餘	396,628	45,003	—	441,631
		8,925,192	298,785	4,102	9,228,079
Accounts payable	應付款項	6,778,940	—	—	6,778,940
As at 31 December 2009	於二零零九年 十二月三十一日				
Loans and advances to customers	給予客戶的貸款及墊款	758,276	102,455	—	860,731
Accounts receivable	應收款項	328,177	—	6,085	334,262
Client trust bank balances	客戶信託銀行結餘	5,378,992	300,251	—	5,679,243
Cash and bank balances	現金及銀行結餘	390,284	70,000	—	460,284
		6,855,729	472,706	6,085	7,334,520
Bank borrowings	銀行借款	300,000	200,000	—	500,000
Accounts payable	應付款項	5,955,215	—	—	5,955,215
		6,255,215	200,000	—	6,455,215

32 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

31 資產及負債的到期情況

本集團若干資產及負債按結算日至合約到期日的尚餘期間之到期情況分析如下：

32 關聯方交易

如其中一方可直接或間接控制另一方，或對另一方的財務及經營決策有重大影響力，則屬關聯方。如共同受一方的控制或受重大影響，亦屬關聯方。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 RELATED PARTY TRANSACTIONS (Continued)

(a) In addition to the transactions and balances set out elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

32 關聯方交易 (續)

(a) 除於綜合財務報表另行詳細載列的交易及結餘外，本集團於年內與關聯方進行以下重大交易：

		Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Commission expenses to the ultimate holding company	支付予最終控股公司的佣金開支	(i)	(5,867)	(4,628)
Consultancy fee paid to a fellow subsidiary	支付予同系附屬公司的諮詢費	(ii)	(9,600)	(8,800)
Management fee and performance fee income from a private fund managed by a subsidiary of the Group and controlled by GJFHL	由本集團附屬公司管理及由國泰君安金融控股控制的私募基金收取的管理費及表現費收入	(iii)	9,045	1,322
Commission income from a private fund mentioned in note (iii)	所述私募基金收取的佣金收入由上文附註(iii)	(iv)	100	84
Management fee and performance fee income of a private fund managed by a wholly owned subsidiary of the Group and controlled by GJFHL	由本集團全資附屬公司管理及由國泰君安金融控股控制的私募基金收取的管理費及表現費收入	(v)	7,325	3,037
Total fees received from a private fund mentioned in note (v)	所述私募基金收取的佣金收入由上文附註(v)	(vi)	2,061	1,931
Management fee and performance fee income of a private fund and a public fund managed by a wholly owned subsidiary of the Group and invested by a fellow subsidiary	由本集團全資附屬公司管理及由同系附屬公司投資的公募及私募基金收取的管理費及表現費收入	(vii)	5,828	1,792
Commission income of the investment funds mentioned in note (vii)	由上文附註(vii)所述投資基金收取的佣金收入	(viii)	336	78
Commission income from key management personnel of the Group	由本集團主要管理人員收取的佣金收入	(ix)	5	8

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 RELATED PARTY TRANSACTIONS (Continued)

- (i) Commission expenses to the ultimate holding company was calculated based on 30% of commission income earned from clients trading Shenzhen and Shanghai B shares.
- (ii) Consultancy fee for the provision of the capital market information was charged at HK\$400,000 per month for the year ended 31 December 2009 and HK\$800,000 per month for the year ended 31 December 2010 while HK\$4,000,000 was charged for the provision of promotional services in relation to the IPO projects for the year ended 31 December 2009.
- (iii) Management fee income and performance fee income received from a private fund managed by a subsidiary of the Group and controlled by GJFHL were charged at 1.25% per annum of the net asset value at the last working day of each month and 20% of the positive increment in the net asset value for the years ended 31 December 2009 and 2010.
- (iv) Commission income received from a private fund mentioned in note (iii) was charged at 0.125% of the transaction value.
- (v) Management fee income and performance fee income received from a private fund managed by a wholly owned subsidiary of the Group and controlled by GJFHL were charged at 1.5% per annum of the net asset value at the last working day of each month and 20% of the positive increment in the net asset value for the years ended 31 December 2009 and 2010.
- (vi) Total fees received from a private fund mentioned in note (v) included commission income which was charged at 0.25% of the transaction value and interest income which was charged at annual rate of 3% over the best lending rate on Hong Kong dollars quoted by the Standard Chartered Bank (Hong Kong) Limited on its overdue amount and other handling income.
- (vii) Management fee income and performance fee income received from a private fund and a public fund managed by a wholly owned subsidiary of the Group and invested by a fellow subsidiary were charged at 0.75% to 1.5% per annum of the net asset value of the fund at the last working day of each month and 20% to 25% of the positive increment in the net asset value for the years ended 31 December 2009 and 2010.

32 關聯方交易 (續)

- (i) 支付予最終控股公司的佣金開支乃按自客戶交易深圳及上海B股所賺取佣金收入的30%計算。
- (ii) 截至二零零九年十二月三十一日止年度就提供資本市場資料的顧問費按每月400,000港元收取，而於截至二零一零年十二月三十一日止年度則按每月800,000港元收取；於截至二零零九年十二月三十一日止年度就首次公開發售項目提供的推廣服務按4,000,000港元收取。
- (iii) 由本集團附屬公司管理及由國泰君安金融控股控制的私募基金收取的管理費收入及表現費收入按截至二零零九年及二零一零年十二月三十一日止年度各月最後一個工作日的資產淨值每年1.25%以及資產淨值增加的20%收費。
- (iv) 由上文附註(iii)所述私募基金收取的佣金收入按交易值的0.125%收費。
- (v) 由本集團全資附屬公司管理及由國泰君安金融控股控制的私募基金收取的管理費收入及表現費收入按截至二零零九年及二零一零年十二月三十一日止年度各月最後一個工作日的資產淨值每年1.5%以及資產淨值增加的20%收費。
- (vi) 附註(v)所述來自私募基金的總費用包括佣金收入(按交易值的0.25%計算)及利息收入(按逾期款項計算，年利率為渣打銀行(香港)有限公司所報的最優惠利率外加3%)及其他手續費收入。
- (vii) 由本集團全資附屬公司管理及由同系附屬公司投資的私募及公募基金收取的管理費收入及表現費收入按截至二零零九年及二零一零年十二月三十一日止年度各月最後一個工作日的資產淨值每年0.75至1.5%以及資產淨值增加的20%至25%收費。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 RELATED PARTY TRANSACTIONS (Continued)

- (viii) Commission income received from investment funds mentioned in note (vii) was charged at percentage stated on the respective signed brokerage agreements with another wholly owned subsidiary of the Group.
- (ix) Commission income received from key management personnel of the Group were charged at percentage stated on the respective signed brokerage agreement with another wholly owned subsidiary of the Group.
- (x) Included in the Group's accounts payable is a broker payable due to the ultimate holding company of HK\$37,530,000 and HK\$31,059,000 arising from the dealing in securities as at 31 December 2009 and 2010 respectively. The balance is unsecured, interest-free and payable on the settlement day under the relevant market practices.
- (xi) Included in the Group's accounts receivable is a broker receivable due from the ultimate holding company of HK\$40,034,000 and HK\$50,155,000 arising from the dealing in securities as at 31 December 2009 and 2010 respectively. The credit terms provided to the ultimate holding company are consistent with the practice of the securities dealing industry. The balance is unsecured, interest-free and payable on the settlement day under the relevant market practices.
- (xii) Included in the accounts receivable are management fee and performance fee receivables due from investment funds managed by the Group and invested by a fellow subsidiary of GJFHL of HK\$1,562,000 and HK\$12,780,000 arising from the provision of asset management services as at 31 December 2009 and 2010 respectively. The balances are unsecured, interest-free and receivable monthly in arrears.
- (xiii) Included in the client trust bank balance is deposit from key management personnel of the Group of HK\$112,000 as at 31 December 2010.
- (xiv) Included in the Group's accounts payable is the accounts payable to investment funds mentioned in note (iii) and (vii) arising from dealing in securities in an aggregate amount of HK\$29,912,000 and HK\$44,451,000 as at 31 December 2009 and 2010 respectively. The Group has a practice to satisfy all requests for payment immediately within 1 business day.

32 關聯方交易 (續)

- (viii) 由上文附註(vii)所述投資基金收取的佣金收入按其與本集團另一全資附屬公司簽立的各份經紀協議所述百分比收取。
- (ix) 由本集團主要管理人員收取的佣金收入按其與本集團另一全資附屬公司簽立的各份經紀協議所述百分比收取。
- (x) 本集團的應付款項包括於二零零九年及二零一零年十二月三十一日買賣證券分別產生的應付最終控股公司經紀費用款項37,530,000港元及31,059,000港元。根據相關市場慣例，該結餘為無抵押、免息及於結算日應付。
- (xi) 本集團的應收款項包括於二零零九年及二零一零年十二月三十一日買賣證券分別產生的應收最終控股公司經紀費用款項40,034,000港元及50,155,000港元。向最終控股公司提供的信貸條款與證券買賣行業的慣例一致。根據相關市場慣例，該結餘為無抵押、免息及於結算日應付。
- (xii) 應收款項包括於二零零九年及二零一零年十二月三十一日提供資產管理服務分別產生的應收由本集團管理及由國泰君安金融控股同系附屬公司投資的投資基金的管理費款項及表現費款項1,562,000港元及12,780,000港元。該結餘乃無抵押、免息及於每月後付。
- (xiii) 客戶信託銀行結餘包括來自本集團主要管理人員於二零一零年十二月三十一日的存款112,000港元。
- (xiv) 本集團應付款項包括於二零零九年及二零一零年十二月三十一日因證券交易總額29,912,000港元及44,451,000港元分別產生應付上文附註(iii)及(vii)所述投資基金的款項。本集團慣於在1個營業日內即時清償所有支付要求。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 RELATED PARTY TRANSACTIONS (Continued)

- (xv) Included in the Group's account receivable is the accounts receivable from the private fund mentioned in note (v) of HK\$8,274,000 and HK\$15,869,000 as at 31 December 2009 and 2010 respectively.
- (b) The carrying amount of the Group's balances with its ultimate holding company, intermediate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand. The carrying amount approximates to its fair value as at each balance sheet date.
- (c) The remuneration of the key management personnel of the Group was as follows:-

32 關聯方交易 (續)

- (xv) 本集團應收款項包括於二零零九年及二零一零年十二月三十一日分別應收上文附註(v)所述私募基金的款項8,274,000港元及15,869,000港元。
- (b) 本集團與其最終控股公司、中介控股公司及同系附屬公司的結餘的賬面值為無抵押、免息並於要求時償還。於各結算日的賬面值與其公平值相若。
- (c) 本集團主要管理人員薪酬如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salary and commission	薪金及佣金	7,157	6,296
Employer's contribution to pension scheme	僱主退休金計劃供款	60	60
Discretionary bonuses	酌情花紅	24,520	26,581
Other benefits	其他福利	3,513	4,235
		35,250	37,172

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The Group's consolidated financial statements are influenced by accounting policies, assumptions, estimates and management's judgments which necessarily have to be made in the course of preparation of the consolidated financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events.

Accounting policies and management's judgments for certain items are especially critical for the Group's results and financial situation due to their materiality in amount and are discussed below.

(a) Taxes

Significant judgement is required in determining the provisions for income and other taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

33 重大會計判斷及估計

本集團的綜合財務報表受會計政策、編製綜合財務報表過程中作出的假設、估計及管理層判斷影響。

本集團作出影響報告下一個財政年度內資產及負債數額的估計及假設。估計及判斷獲持續評估及以歷史經驗及其他因素為基準，包括對未來事件的預期。

就本集團的業績及財務狀況而言，由於若干項目的金額重大（如下文所述），故其會計政策及管理層判斷尤為重要。

(a) 稅項

釐定所得稅及其他稅項撥備時需要作出重大判斷。於一般業務過程中，多項交易及計算使其最終稅項結果不能準確確定。本集團就預期稅務審核事宜（基於是否需要額外稅項的估計）確認負債。倘若該等最終稅項結果與最初記錄的金額有差異，則有關差異將會於作出最終確定的期間內影響所得稅及遞延稅項撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(b) Estimation of realisability of deferred tax assets

Determining income tax provisions involves judgment 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. As those deferred tax assets on tax losses can only be recognized to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized. Management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

As at 31 December 2009 and 2010, the Group has not recognized deferred tax on tax losses of approximately HK\$49 million and HK\$26.3 million respectively arising from the subsidiaries of the Group which management considers that it is not probable for the said subsidiaries to have sufficient future taxable profit to utilize the deferred tax benefit in the future. Should the Group consider these subsidiaries can generate available future taxable profit to fully utilize the deferred tax benefit, the Group would recognize deferred tax assets of approximately HK\$8 million and HK\$4.3 million as at 31 December 2009 and 2010 respectively.

33 重大會計判斷及估計 (續)

(b) 有關可變現遞延稅項資產的估計

釐定所得稅撥備涉及對若干交易日後稅務處理的判斷。本集團審慎檢驗交易對稅務的影響，並據此訂立稅項撥備。對該等交易的稅務處理會定期重新考慮，以計及稅務法例的所有變更。由於遞延稅項資產的稅項虧損只在很可能獲得能利用該未動用稅項抵免的未來應課稅溢利時才會確認，所以需要管理層判斷獲得未來應課稅溢利的可能性。管理層的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的可能性增加，會確認額外遞延稅項資產。

於二零零九年及二零一零年十二月三十一日，本集團並無就稅項虧損確認本集團附屬公司產生的遞延稅項分別約49百萬港元及26.3百萬港元。管理層認為上述附屬公司不大可能擁有足夠的未來應課稅溢利，可於不久將來動用遞延稅項利益。倘本集團認為該等附屬公司能產生可悉數用作遞延稅項利益的未來應課稅溢利，則本集團將分別確認於二零零九年及二零一零年十二月三十一日的遞延稅項資產約8百萬港元及4.3百萬港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(c) Impairment allowances on loans and receivables

The Group reviews its loans and accounts receivable to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements 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 the Group. Management use 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. Where the expectation is different from the original estimate, such difference will affect the carrying value of loans and receivables and thus impairment charge in the period in which such estimate is changed.

(d) 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 the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortized cost.

33 重大會計判斷及估計 (續)

(c) 貸款及應收款項的減值撥備

本集團最少每月一次檢討其貸款及應收款項以便評估減值。決定應否在收益表計入減值虧損時，本集團就是否有任何能察見的資料顯示估計未來現金流量出現可量度的減少作出判斷。證據可包括可察見資料顯示本集團借款人的還款狀況有不利變化。在編製未來現金流量時，管理層根據過往虧損經驗作出預測。估算未來現金流量數額及時間所用的方法及假設會定期檢討，以減低估算虧損與實際虧損之間的差額。當預期有別於原先估計時，有關差異將影響貸款及應收款項的賬面值，故此於估計轉變期間錄得減值開支。

(d) 持至到期投資

本集團遵循香港會計準則第39號的指引分類具有固定或可予釐定付款及固定到期日的非衍生金融資產為持至到期。此一分類須作出重大判斷。在作出判斷時，本集團評估其持有該等資產至到期之意向及能力。倘本集團未能持有此等投資至到期(不包括特別情況，例如在接近到期時出售少量部分)，整個類別則須被重新分類為可供出售。該等投資將因而按其公平值而非按攤銷成本計量。



Guotai Junan International Holdings Limited

國泰君安國際控股有限公司