

2012

ANNUAL REPORT 年報



中国网络教育集团有限公司

CHINA E-LEARNING GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：8055

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香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

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

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

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Corporate Information

公司資料

Board of Directors	Executive Directors Mr. Chen Hong (<i>Chairman</i>) Ms. Wei Jianya	董事會	執行董事 陳宏先生 (主席) 韋健亞女士
	Non-Executive Director Mr. Li Xiangjun		非執行董事 李湘軍先生
	Independent Non-Executive Directors Mr. Cheung Wai Tak Dr. Huang Chung Hsing Ms. Li Bailing		獨立非執行董事 張偉德先生 黃崇興博士 李百靈女士
Company secretary	Mr. Cheng Man For	公司秘書	鄭文科先生
Authorised representatives	Mr. Chen Hong Mr. Cheng Man For	授權代表	陳宏先生 鄭文科先生
Compliance officer	Mr. Chen Hong	監督主任	陳宏先生
Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands	註冊辦事處	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business	Unit 2610, 26/F, Office Tower Convention Plaza 1 Harbour Road, Wanchai Hong Kong	總辦事處及主要營業地點	香港 灣仔港灣道1號 會展廣場辦公大樓26樓2610室
Principal bankers	Agricultural Bank of China Bank of China (Hong Kong) Limited China Construction Bank Industrial and Commercial Bank of China Limited	主要往來銀行	中國農業銀行 中國銀行(香港)有限公司 中國建設銀行 中國工商銀行股份有限公司
Principal share registrar and transfer office in the Cayman Island	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands	開曼群島股份登記及過戶總處	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited 26/F Tesbury Centre 28 Queen's Road East Hong Kong	香港股份登記及過戶分處	卓佳登捷時有限公司 香港 皇后大道東28號 金鐘匯中心26樓
Auditor	Parker Randall CF (H.K) CPA Limited	核數師	暉誼(香港)會計師事務所有限公司
Legal advisers	Conyers Dill & Pearman	法律顧問	Conyers Dill & Pearman
Stock Code	8055	股份代號	8055
Company website	http://www.chinae-learning.com	本公司網站	http://www.chinae-learning.com

Chairman's Statement

主席報告

On behalf of the Board, I am pleased to report the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012.

REVIEW

The Group is principally engaged in the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs. This e-learning business remained our core business in 2012. For the year ended 31 December 2012, the Group's e-learning business recorded a revenue of HK\$41.8 million, representing a 4.1% increase compared with last year. The loss for the year 2012 is HK\$15.2 million in contrast to a loss of HK\$32.3 million for the year 2011. Our financial performance has been significantly improved for the year 2012.

In December 2012, the acquisition of the entire share capital of Everjoy Technology Development Corporation and Everjoy International Media Corporation was completed. Although the acquisition did not make significant contribution to the performance in 2012, this acquisition is an attempt of the Group to expand its income stream and diversify its business.

In December 2012, the Company proposed to implement the capital reorganisation by way of (1) the capital reduction in which each existing share will be reduced to HK\$0.10; and (2) the sub-division of unissued shares in which each existing share in the authorized but unissued share capital will be sub-divided into 5 shares of HK\$0.10. This capital reorganisation will enable the Company to better respond to the market situations in conducting capital raising exercises, including but not limited to the issue of new shares, by providing greater flexibility to the Company in pricing future capital raising exercises and to issue shares at a discount to the prevailing market price timely without going through various statutory requirements.

本人謹代表董事會欣然呈報本公司及其附屬公司（「本集團」）截至二零一二年十二月三十一日止年度之年度業績。

回顧

本集團主要業務是為中醫藥教育項目及其他諮詢及培訓項目提供網絡輔助平台。於二零一二年，此網絡教育業務仍然是我們的核心業務。截至二零一二年十二月三十一日止年度，本集團之網絡教育業務錄得收入41,800,000港元，較上一年度增長4.1%。二零一二年之虧損為15,200,000港元，相比之下，二零一一年度之虧損則為32,300,000港元。我們的財務表現於二零一二年獲得顯著改善。

於二零一二年十二月，本公司完成收購永樂科技發展有限公司及永樂國際傳媒有限公司之全部股權。雖然收購事項並未對二零一二年之表現作出重大貢獻，但收購事項乃本集團為擴大收入流及令業務多元化而進行的嘗試。

於二零一二年十二月，本公司建議透過(1)削減股本（每股現有股份將減少至0.10港元）；及(2)拆細未發行股份（法定但未發行股本中每股現有股份拆細為5股每股面值0.10港元之股份）之方式實行股本重組。此股本重組將為本公司於未來進行股本集資活動時釐定價格提供更大靈活性，從而令本公司於進行股本集資活動時（包括但不限於發行新股份）能對市況作出更迅速準確之反應，並令本公司毋須通過各項法定規定而適時根據股份現行市價之折讓價發行股份。

PROSPECT

The Group's existing e-learning business will remain our core business and main cash generator in the near future. This business is expected to grow in a rather stable manner.

We will implement certain cost-effective measures to streamline the operation so as to enhance the profitability and value of this e-learning business.

In addition, the Company will attempt to diversify into different business areas in order to reduce the reliance upon existing e-learning business.

On 3 December 2012, a Strategic Cooperation Agreement was signed between China International Culture & Image Communication Corporation and the Company in relation to the cooperation for projects that involve images owned by Xinhua News Agency for a period of one year.

On 18 January 2013, an Advertisements Agency Agreement was signed between Xinhua Gallery and the Company in relation to the cooperation for advertising production business and solicitation of advertisements broadcast business on the LED Screen for a period of three years.

On 7 February 2013, a Strategic Cooperation Agreement was signed between CybEye, Inc. and the Company in relation to the cooperation for the technical development of mobile image social network software and the provision of network intelligence platforms based on image networks. The cooperation term of the Strategic Cooperation Agreement is one year.

APPRECIATIONS

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

Chen Hong
Chairman

Hong Kong, 22 March 2013

前景

於近期內，本集團之現有網絡教育業務將仍然是我們的核心業務及主要現金產生來源。該業務預期將以較為穩定之方式增長。

我們將實施若干具成本效益之措施，以優化業務營運，從而提高此網絡教育業務之盈利能力及價值。

此外，本公司將努力在不同業務領域開展多樣化營運，以降低對現有網絡教育業務之依賴。

於二零一二年十二月三日，中國國際文化影像傳播有限公司與本公司簽訂一份戰略合作協議，內容有關涉及新華通訊社擁有的圖片的項目合作，協議期限為一年。

於二零一三年一月十八日，新華影廊與本公司訂立廣告代理合同，內容有關就廣告製作業務及徵集LED屏幕廣告廣播業務進行合作，為期三年。

於二零一三年二月七日，CybEye, Inc.與本公司訂立戰略合作協議，內容有關於移動圖片社交網絡軟件技術開發及提供以圖片網絡為基礎的網絡智能平台方面展開合作。戰略合作協議之合作期限為一年。

致謝

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

主席
陳宏

香港，二零一三年三月二十二日

Management Discussion and Analysis

管理層論述及分析

FINANCIAL REVIEW

For the year ended 31 December 2012, the Group recorded revenue of approximately HK\$41,783,000 (2011: HK\$40,140,000) representing tuition fee revenue and sales of educational products. Gross profit for the year under review was approximately HK\$28,589,000 (2011: HK\$24,078,000), representing a gross profit margin of 68.4% for the year under review.

During the year, cost of sales was approximately HK\$13,194,000 (2011: HK\$16,062,000) representing the direct wages and overheads incurred in the distance learning courses.

Other income for the year under review was approximately HK\$222,000 (2011: HK\$3,188,000) representing rental income of approximately HK\$109,000 (2011: HK\$46,000), a sundry income of approximately HK\$51,000 (2011: HK\$1,089,000) and no gain on redemption of convertible notes (2011: HK\$1,950,000).

Selling expenses for the year under review was approximately HK\$118,000 (2011: HK\$458,000) representing the overheads on promotional and advertising activities.

Administrative expenses for the year under review were approximately HK\$33,128,000 (2011: HK\$39,561,000), of which staff related costs were approximately HK\$8,940,000 (2011: HK\$7,997,000). Consultancy fees were approximately HK\$6,532,000 (2011: HK\$7,497,000) representing the costs of conducting due diligences and obtaining financial advices with ongoing projects.

Impairment loss on goodwill for the year under review was nil (2011: nil).

Other expenses for the year under review were approximately HK\$3,268,000 (2011: HK\$12,543,000) representing the loss on sale of available-for-sale financial assets for approximately HK\$2,532,000 (2011: HK\$106,205), and a charitable donation for approximately HK\$736,000 (2011: nil).

財務回顧

截至二零一二年十二月三十一日止年度，本集團錄得收益約41,783,000港元(二零一一年：40,140,000港元)，乃指教學課程之收入及教學產品之銷售額。回顧年度之毛利約為28,589,000港元(二零一一年：24,078,000港元)，而毛利率則為68.4%。

年內，銷售成本約為13,194,000港元(二零一一年：16,062,000港元)，乃指遠程教育課程所產生之直接工資及經常性開支。

回顧年度之其他收入約為222,000港元(二零一一年：3,188,000港元)，乃指租賃收入約109,000港元(二零一一年：46,000港元)及雜項收入約51,000港元(二零一一年：1,089,000港元)且無贖回可換股票據之收益(二零一一年：1,950,000港元)。

回顧年度之銷售開支約為118,000港元(二零一一年：458,000港元)，乃指推廣及宣傳活動之經常性開支。

回顧年度之行政開支約為33,128,000港元(二零一一年：39,561,000港元)。當中僱員成本約為8,940,000港元(二零一一年：7,997,000港元)。顧問費約為6,532,000港元(二零一一年：7,497,000港元)，乃指就持續進行之業務項目開展盡職調查及獲取財務意見之費用。

回顧年度之商譽減值虧損為零(二零一一年：零)。

回顧年度之其他開支約為3,268,000港元(二零一一年：12,543,000港元)，乃指出售可供出售金融資產之虧損約2,532,000港元(二零一一年：106,205港元)及慈善捐款約736,000港元(二零一一年：零)。

Finance costs during the year were approximately HK\$7,510,000 (2011: HK\$6,970,000). They primarily consist of accretion of interest on the liability portion of convertible notes of approximately HK\$7,667,000 (2011: HK\$6,815,000) and fair value changes on the derivative portion of convertible notes is approximately HK\$157,000 gain (2011: HK\$155,000 loss).

As a result, the consolidated loss for the year under review was approximately HK\$15,213,000 (2011: loss of HK\$32,266,000).

Capital structure, liquidity and financial resources

The Group financed its business operations mainly with cash revenue generated internally from operating activities and additional funds raised by issuance of shares. As at 31 December 2012, the Group has current assets of approximately HK\$102,267,000 (2011: HK\$116,219,000), including bank balances and cash of approximately HK\$22,309,000 (2011: HK\$19,459,000). Total non-current assets of the Group amounted to approximately HK\$69,934,000 (2011: HK\$7,569,000), which comprised goodwill, property, plant and equipment, and available-for-sale financial assets. Total assets of the Group amounted to approximately HK\$172,201,000 (2011: HK\$123,788,000) as at 31 December 2012.

As at 31 December 2012, the Group did not have any outstanding bank borrowing. Total current liabilities of the Group were HK\$127,016,000 (2011: HK\$112,397,000), which mainly comprised trade and other payables, convertible notes and the related financial derivatives. Total non-current liabilities of the Group were approximately HK\$68,024,000 (2011: HK\$26,105,000), which comprised the convertible notes. Total liabilities of the Group were approximately HK\$195,040,000 (2011: HK\$138,502,000). As at 31 December 2012, the Group had net liabilities of HK\$22,839,000 (2011: HK\$14,714,000 net liabilities).

On 27 August 2012, a Bank Strategic Cooperation Agreement was signed between Bank of Shanghai and the Group in relation to the advancement by Bank of Shanghai to the Group a line of credit of RMB100,000,000 (One Hundred Million Renminbi) per year for a period of five years. During the year 2012, the Group did not make any drawing under this credit facility. The Group will consider utilising this credit facility when necessary.

年內融資成本約為7,510,000港元(二零一一年：6,970,000港元)。融資成本主要包括可換股票據負債部分之利息增加額約7,667,000港元(二零一一年：6,815,000港元)及可換股票據衍生工具部分之公平值變動約為收益157,000港元(二零一一年：虧損155,000港元)。

因此，回顧年度之綜合虧損約為15,213,000港元(二零一一年：虧損32,266,000港元)。

資本架構、流動資金及財務資源

本集團主要以內部營運活動產生之現金收入及發行股份所籌得之額外資金為業務融資。於二零一二年十二月三十一日，本集團擁有流動資產約102,267,000港元(二零一一年：116,219,000港元)，包括銀行結餘及現金約22,309,000港元(二零一一年：19,459,000港元)。本集團之非流動資產總值約為69,934,000港元(二零一一年：7,569,000港元)，包括商譽、物業、廠房及設備以及可供出售金融資產。於二零一二年十二月三十一日，本集團之總資產約為172,201,000港元(二零一一年：123,788,000港元)。

於二零一二年十二月三十一日，本集團並無任何未償還之銀行借貸。本集團之總流動負債為127,016,000港元(二零一一年：112,397,000港元)，主要包括貿易及其他應付賬款、可換股票據及相關金融衍生工具。本集團之非流動負債總額約為68,024,000港元(二零一一年：26,105,000港元)，主要為可換股票據。本集團之負債總額約為195,040,000港元(二零一一年：138,502,000港元)。於二零一二年十二月三十一日，本集團之負債淨額為22,839,000港元(二零一一年：負債淨額14,714,000港元)。

於二零一二年八月二十七日，上海銀行與本集團已就上海銀行向本集團預先提供一項為期五年每年人民幣100,000,000元(人民幣一億元)的信貸額度簽署銀行戰略合作協議。於二零一二年內，本集團並無於該信貸融資項下提取任何款項。本集團將考慮於必要時動用該信貸融資。

Management Discussion and Analysis

管理層論述及分析

Gearing ratio

Gearing ratio of the Group, as expressed as the ratio of total liabilities to total assets, was approximately 1.1 as at 31 December 2012 (2011: 1.1).

Share Capital

As at 1 January 2012, the authorised share capital of the Company was HK\$5,000,000,000 divided into 10,000,000,000 shares of HK\$0.50 each and the issued share capital of the Company was approximately HK\$732,171,000 divided into 1,464,341,820 shares of HK\$0.50 each.

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

負債比率

於二零一二年十二月三十一日，本集團之負債比率（即總負債對總資產之比率）約為1.1（二零一一年：1.1）。

股本

於二零一二年一月一日，本公司之法定股本為5,000,000,000港元，分為10,000,000,000股每股面值0.50港元之股份，而本公司已發行股本約為732,171,000港元，分為1,464,341,820股每股面值0.50港元之股份。

年內，因轉換可換股票據而發行之股份如下：

Date of conversion 轉換日期	Principal amount of convertible notes 可換股票據本金額 HK\$ 港元	Conversion price 換股價 HK\$ 港元	Number of shares issued 所發行股份數目
13 January 2012	二零一二年一月十三日	1.01	3,712,871
13 July 2012	二零一二年七月十三日	1.01	3,824,211
	7,612,454		7,537,082

As at 31 December 2012, the authorised share capital of the Company was HK\$5,000,000,000 divided into 10,000,000,000 shares of HK\$0.50 each and the issued share capital of the Company was approximately HK\$735,939,451 divided into 1,471,878,902 shares of HK\$0.50 each.

於二零一二年十二月三十一日，本公司之法定股本為5,000,000,000港元，分為10,000,000,000股每股面值0.50港元之股份，而本公司已發行股本約為735,939,451港元，分為1,471,878,902股每股面值0.50港元之股份。

Convertible Notes

Convertible Notes 2009

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

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

As at 1 January 2012, the aggregate outstanding principal amount of the Convertible Notes was HK\$10,162,155 (2010: HK\$25,620,217). The exercise in full of conversion rights vested with the Company’s outstanding Convertible Notes 2009 would result in the issue and allotment of 10,061,540 new shares in the Company.

In addition to the conversion of the Convertible Notes 2009 as shown above, Convertible Note 2009 in the principal amount of HK\$2,537,480 were redeemed during the period under review. As at 31 December 2012, the aggregate outstanding principal amount of the Convertible Notes 2009 was approximately HK\$12,000. The exercise in full of conversion rights vested with the Company’s outstanding Convertible Notes 2009 would result in the issue and allotment of 12,100 new shares of the Company.

可換股票據

二零零九年可換股票據

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

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

於二零一二年一月一日，可換股票據之未償還本金總額為10,162,155港元(二零一零年：25,620,217港元)。倘本公司之未償還二零零九年可換股票據所附轉換權獲悉數行使，將要發行及配發本公司10,061,540股新股份。

除如上文所述轉換二零零九年可換股票據外，本金額為2,537,480港元之二零零九年可換股票據已於回顧期間被贖回。於二零一二年十二月三十一日，二零零九年可換股票據之未償還本金總額約為12,000港元。倘本公司之未償還二零零九年可換股票據所附轉換權獲悉數行使，將要發行及配發本公司12,100股新股份。

Management Discussion and Analysis

管理層論述及分析

Convertible Notes 2011

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

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

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

As at 31 December 2012, the outstanding principal amount of the Convertible Notes 2011 A was HK\$29,999,934. The exercise in full of the vested conversion rights would result in the issue and allotment of 59,999,868 new shares of the Company.

On 21 July 2011, the Group entered into a subscription agreement with a group of independent subscribers for the issuance of some convertible notes in the aggregate principal amount of HK\$42,000,000, bearing an interest rate of 3% per annum, maturing in 12 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments. Subsequently, the Group issued two tranches of convertible notes ("Convertible Notes 2011 C") on 25 August 2011 for the principal amount of HK\$19,500,000 and ("Convertible Notes 2011 D") on 14 September 2011 for the principal amount of HK\$22,500,000. Of which, tranche C was fully converted in 2011. On 10 September 2012, the maturity date of the tranche D was postponed for another 6 months to 7 March 2013.

二零一一年可換股票據

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

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

二零一一年可換股票據B的本金總額為36,200,000港元，利率為每年1%，初始於發行日期起計6個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。於二零一一年十一月十一日，到期日期順利延後6個月至二零一二年五月十一日。於到期後，本金額連同到期利息乃悉數以本票償付。

於二零一二年十二月三十一日，二零一一年可換股票據A的未償還本金額為29,999,934港元。倘所附轉換權獲悉數行使，將要發行及配發本公司59,999,868股新股份。

於二零一一年七月二十一日，本集團與一組獨立認購人訂立認購協議，以發行本金總額為42,000,000港元之可換股票據，可換股票據之利率為每年3%，於發行日期起計12個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。隨後，本集團分別於二零一一年八月二十五日以及二零一一年九月十四日發行兩批可換股票據：本金額為19,500,000港元之「二零一一年可換股票據C」以及本金額為22,500,000港元之「二零一一年可換股票據D」。其中，第C批乃於二零一一年獲悉數轉換。於二零一二年九月十日，第D批之到期日期延後六個月至二零一三年三月七日。

As at 31 December 2012, the outstanding principal amount of the Convertible Notes 2011 D were HK\$22,500,000. The exercise in full of the vested conversion rights would result in the issue and allotment of 45,000,000 new shares of the Company. A noteholder obtained a court order for the principal amount of HK\$9,700,000 forcing the payment of debt on 3 January 2013. The Company has complied in full.

Convertible Notes 2012

Pursuant to the acquisition of 100% interest in Everjoy Technology Development Corporation, the Company issued convertible notes (“ETCN-1, and ETCN-2”) as partial settlement of the acquisition consideration on 20 December 2012. The aggregate principal of the ETCN-1 and ETCN-2 amounted to HK\$9,611,906, bearing an interest of 1% per annum, maturing in 36 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments.

As at 31 December 2012, the aggregate outstanding principal amount of the ETCN-1 and ETCN-2 was HK\$9,611,906. The exercise in full of the vested conversion rights would result in the issue and allotment of 19,223,812 new shares of the Company.

Pursuant to the acquisition of 100% interest in Everjoy International Media Corporation, the Company issued convertible notes (“EICN-1, EICN-2 and EICN-3”) as partial settlement of the acquisition consideration on 20 December 2012. The aggregate principal of the EICN-1, EICN-2 and EICN-3 amounted to HK\$58,235,956, bearing an interest of 1% per annum, maturing in 36 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments.

As at 31 December 2012, the aggregate outstanding principal amount of the EICN-1, EICN-2 and EICN-3 was HK\$58,235,956. The exercise in full of the vested conversion rights would result in the issue and allotment of 116,471,912 new shares of the Company.

於二零一二年十二月三十一日，二零一一年可換股票據D的未償還本金總額為22,500,000港元。倘所附轉換權獲悉數行使，將要發行及配發本公司45,000,000股新股份。一名票據持有人獲得法院判令，就本金額9,700,000港元強制要求本公司於二零一三年一月三日償還相關債務。本公司已悉數償還有關款項。

二零一二年可換股票據

因收購永樂科技發展有限公司全部股權，本公司於二零一二年十二月二十日發行可換股票據（「永樂科技可換股票據1」及「永樂科技可換股票據2」）以償付收購的部分代價。永樂科技可換股票據1及永樂科技可換股票據2之本金總額為9,611,906港元，利率為每年1%，於發行日期起計36個月到期，並可按每股0.50港元（可予調整）之換股價轉換為普通股。

於二零一二年十二月三十一日，永樂科技可換股票據1及永樂科技可換股票據2的未償還本金總額為9,611,906港元。倘所附轉換權獲悉數行使，將要發行及配發本公司19,223,812股新股份。

因收購永樂國際傳媒有限公司全部股權，本公司於二零一二年十二月二十日發行可換股票據（「永樂國際可換股票據1」、「永樂國際可換股票據2」及「永樂國際可換股票據3」）以償付收購的部分代價。永樂國際可換股票據1、永樂國際可換股票據2及永樂國際可換股票據3之本金總額為58,235,956港元，利率為每年1%，於發行日期起計36個月到期，並可按每股0.50港元（可予調整）之換股價轉換為普通股。

於二零一二年十二月三十一日，永樂國際可換股票據1、永樂國際可換股票據2及永樂國際可換股票據3的未償還本金總額為58,235,956港元。倘所附轉換權獲悉數行使，將要發行及配發本公司116,471,912股新股份。

Management Discussion and Analysis

管理層論述及分析

Capital reorganisation

On 4 December 2012, the Company proposed to implement the capital reorganisation by way of (1) the capital reduction; and (2) the sub-division of unissued shares. Pursuant to the capital reduction, the issued share capital of the Company will be reduced by HK\$0.40 per existing share by cancelling an equivalent amount of paid-up capital per existing share in issue so that the par value of each new share in issue will be HK\$0.10 and the relevant amount of issued capital thereby cancelled will be made available for issue of new shares. Each existing share in the authorized but unissued share capital of the Company was proposed to be sub-divided into 5 shares of a nominal value of HK\$0.10 each.

The proposal was approved in an extraordinary general meeting on 18 February 2013 and subject to further legal proceedings in Cayman Islands.

Foreign exchange exposure

Most of the Group's assets, liabilities and transactions were denominated in Hong Kong dollars and Renminbi. Although the exchange rate between Hong Kong dollars and Renminbi has been moderately changing, it remains relatively stable. As the expenditure in PRC was covered by the sales in PRC, the management considers that the Group has no significant foreign exchange exposures. Foreign exchange risk arising from the normal course of operations is considered as minimal. As at 31 December 2012, the Group has no foreign currency borrowings and has not used any financial instrument for hedging the foreign exchange risk.

Significant investments and material acquisition

On 20 December 2012, the Group announced the completion of the major transactions on the acquisition of 100% shareholding interest in Everjoy Technology Development Corporation ("ET") and Everjoy International Media Corporation ("EI"). The aggregate consideration for the sale and purchase of the ET Sale Shares is HK\$21,000,000, where the same for the EI Sale Shares is HK\$75,600,000.

股本重組

於二零一二年十二月四日，本公司建議透過(1)削減股本；及(2)拆細未發行股份之方式實行股本重組。根據股本削減，本公司之已發行股本將被削減，每股現有股份減少0.40港元，方式為註銷每股已發行現有股份之繳足股本之相等金額，使得每股已發行新股份之面值將為0.10港元，而按此方式註銷之已發行股本之相關金額將可用於發行新股份。建議將本公司法定但未發行股本中每股現有股份拆細為5股每股面值0.10港元之股份。

該建議於二零一三年二月十八日舉行之股東特別大會上獲批准，惟須受開曼群島的其他法律程序所規限。

外匯風險

本集團大部分資產、負債及交易均以港元及人民幣計值。儘管港元兌人民幣之匯率正溫和變動，但仍保持相對平穩。於中國的支出由中國的銷售額支付，故管理層認為本集團並無重大外匯風險。由正常運營過程所產生之外匯風險被視為並不重大。於二零一二年十二月三十一日，本集團並無任何外幣借款，且並未使用任何金融工具對沖外匯風險。

重大投資及重大收購

於二零一二年十二月二十日，本集團公佈完成收購永樂科技發展有限公司(「永樂科技」)及永樂國際傳媒有限公司(「永樂國際」)之全部股權之重大交易。買賣永樂科技銷售股份之總代價為21,000,000港元，買賣永樂國際銷售股份之總代價為75,600,000港元。

According to the audited results of both ET and EI for the year ended 31 December 2011, the convertible notes issued respectively to ET amount to a principal amount of HK\$9,611,906, in addition to the HK\$8,000,000 paid in cash; and to EI amount to a principal amount of HK\$58,235,956, in addition to the HK\$2,000,000 paid in cash.

Contingent liabilities and charges on the Group's assets

There were no significant contingent liabilities or charges on the Group's assets as at 31 December 2012 (2011: nil).

OPERATIONAL OVERVIEW

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

The completion of the major transactions on the acquisition of Everjoy Technology Development Corporation and Everjoy International Media Corporation does not have any material contribution on current year's operation.

Employee Information

As at 31 December 2012, the Group had a total of 43 employees (2011: 43 employees) (including executive directors). For the year under review, the total staff costs amounted to approximately HK\$13,755,000 (2011: HK\$16,072,000), representing a reduction of approximately 14.4% over the previous year.

根據永樂科技及永樂國際截至二零一一年十二月三十一日止年度的經審核業績，永樂科技及永樂國際已發行的可換股票據的本金額分別為9,611,906港元(除以現金支付的8,000,000港元外)及58,235,956港元(除以現金支付的2,000,000港元外)。

或然負債及本集團之資產抵押

於二零一二年十二月三十一日，本集團並無重大或然負債或資產抵押(二零一一年：無)。

營運回顧

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

完成收購永樂科技發展有限公司及永樂國際傳媒有限公司之重大交易對本年度之營運無任何重大貢獻。

僱員資料

於二零一二年十二月三十一日，本集團共有43名僱員(二零一一年：43名僱員)(包括執行董事)。於回顧年內，僱員總成本約為13,755,000港元(二零一一年：16,072,000港元)，較上一年減少約14.4%。

Management Discussion and Analysis

管理層論述及分析

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

PROSPECTS

During the year 2012, the Group has expanded its horizon into new business sectors, bringing new business elements into the existing technological base. The proposal for an extension to medical health services has been initiated and achieved progress. The Group will continue its efforts in 2013 and expect material outcome.

In December 2012, the acquisition of the entire share capital of Everjoy Technology Development Corporation and Everjoy International Media Corporation was completed. Although the acquisition did not make significant contribution to the performance in 2012, this acquisition is an attempt of the Group to expand its income stream and diversify its business.

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

On 3 December 2012, a Strategic Cooperation Agreement was signed between China International Culture & Image Communication Corporation and the Company in relation to the cooperation for projects that involve images owned by Xinhua News Agency for a period of one year.

On 18 January 2013, an Advertisements Agency Agreement was signed between Xinhua Gallery and the Company in relation to the cooperation for advertising production business and solicitation of advertisements broadcast business on the LED Screen for a period of three years.

On 7 February 2013, a Strategic Cooperation Agreement was signed between CybEye, Inc. and the Company in relation to the cooperation for the technical development of mobile image social network software and the provision of network intelligence platforms based on image networks. The cooperation term of the Strategic Cooperation Agreement is one year.

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

前景

於二零一二年，本集團開始向新業務領域擴張，為現有技術平台注入新的業務元素。本集團已經啟動向醫療衛生服務擴張之計劃，並已取得一定進展。本集團將於二零一三年繼續努力，預期將會取得重大成果。

於二零一二年十二月，本公司完成收購永樂科技發展有限公司及永樂國際傳媒有限公司之全部股權。雖然收購事項並未對二零一二年之表現作出重大貢獻，但收購事項乃本集團為擴大收入流及令業務多元化而進行的嘗試。

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

於二零一二年十二月三日，中國國際文化影像傳播有限公司與本公司簽訂一份戰略合作協議，內容有關中國國際文化影像傳播有限公司與本公司之間涉及新華通訊社擁有的圖片的項目合作，協議期限為一年。

於二零一三年一月十八日，新華影廊與本公司訂立廣告代理合同，內容有關就廣告製作業務及徵集LED屏幕廣告廣播業務進行合作，為期三年。

於二零一三年二月七日，CybEye, Inc.與本公司訂立戰略合作協議，內容有關於移動圖片社交網絡軟件技術開發及提供以圖片網絡為基礎的網絡智能平台方面展開合作。戰略合作協議之合作期限為一年。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Chen Hong (“Mr. Chen”), aged 44, was appointed as an Executive Director and Chairman of the Company on 1 April 2008; and the authorised representative and compliance officer of the Company on 22 September 2008. Mr. Chen holds a Master of Business Administration from Peking University, China. Mr. Chen has previously worked in several technology companies and investment companies in China as senior management, and had extensive experience in corporate management and investment. Mr. Chen is mainly responsible for the strategy formulation of the Company.

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

Ms. Wei Jianya (“Ms. Wei”), aged 44, was appointed as an Executive Director on 22 September 2008. Ms. Wei holds a Bachelor’s degree in commerce and financial accounting from Zhejiang Gongshang University (formerly known as Hangzhou University of Commerce). Ms. Wei is a Certified Public Accountant registered in the PRC and Chinese Certified Public Tax Consultant. She previously worked in PRC accounting firms and PRC listed companies and has extensive experience in financial management and investment advisory.

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

NON-EXECUTIVE DIRECTOR

Mr. Li Xiangjun (“Mr. Li”), aged 41, was appointed as a non-executive director of the Company on 7 December 2012. Mr. Li received a bachelor degree in law in the People’s Republic of China in 1996. In 2003, he obtained the certificate of graduation from the master degree program for international economic law of the University of International Business and Economics in the People’s Republic of China. Mr. Li has been engaged in the legal services industry since 1999. He is currently a practising lawyer in the People’s Republic of China and a member of the Beijing Lawyers Association. He used to be the Corporate Law Consultant or Legal Consultant for Special Affairs for large state-owned enterprises, including China FAW Group, Lenovo Group and China Life Insurance Group, and large foreign enterprises, including Asia Link Group Inc., Zhenglin Food Co., Ltd. and

執行董事

陳宏先生(「陳先生」)，44歲，於二零零八年四月一日獲委任為本公司執行董事兼主席；及於二零零八年九月二十二日獲委任為本公司授權代表兼監督主任。陳先生持有中國北京大學工商管理碩士學位。陳先生曾於中國多間科技公司及投資公司擔任要職，擁有多年豐富企業管理及投資經驗。陳先生主要負責制訂本公司之發展策略。

除本節所披露者外，陳先生於過往四年亦無於任何上市公司擔任任何董事職務。

韋健亞女士(「韋女士」)，44歲，於二零零八年九月二十二日獲委任為執行董事。韋女士持有浙江工商大學(原名杭州商學院)商學財務會計學士學位。韋女士乃中國註冊會計師及中國註冊稅務師。彼曾任職於中國的會計師事務所及國內上市公司，並於財務管理及投資顧問等方面擁有豐富經驗。

除本節所披露者外，韋女士於過往四年亦無於任何上市公司擔任任何董事職務。

非執行董事

李湘軍先生(「李先生」)，41歲，於二零一二年十二月七日獲委任為本公司非執行董事。李先生於一九九六年取得中華人民共和國的法學學士學位。於二零零三年，彼取得中國人民共和國的對外經濟貿易大學之國際經濟法法律碩士課程之畢業證書。李先生自一九九九年已起已在法律服務界工作。彼現時為中華人民共和國執業律師，並為北京律師協會會員。彼曾於大型國有企業，包括中國第一汽車集團公司、聯想集團、中國人壽保險集團，以及大型外資公司，包括聯亞投資集團、正林農墾公司及東莞

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Dongguan Hsu Chi Foods Co. Limited. From 22 September 2008 to 11 June 2009, Mr. Li was an executive director of the Company. From 24 June 2010 to 22 October 2012, Mr. Li was an independent non-executive director of Superb Summit International Group Limited (stock code: 1228), whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Since 11 June 2009, Mr. Li has been a director of China E-Learning (Hong Kong) Company Limited, a wholly owned subsidiary of the Company. Save as disclosed herein, prior to this appointment, Mr. Li does not hold any position with the Company and its subsidiaries and he does not hold any directorship in other listed companies nor has any other major appointment or qualification in the last three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Wai Tak ("Mr. Cheung"), aged 60, was appointed as an independent non-executive director and the chairman of the audit committee on 11 June 2010. Mr. Cheung has more than twenty years of working experience in the investment banking and accounting field. Mr. Cheung is a Certified Public Accountant in California, United States of America, and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung graduated with an MBA degree from the University of California at Berkeley, the United States of America in 1981. Mr. Cheung was an executive director of China Grand Forestry Green Resources Group Limited (910) during the period from October 2007 to September 2009, and was an independent non-executive director of Hybrid Kinetic Group Limited (1188) during the period from April 2007 to November 2007.

Mr. Cheung is an independent non-executive director of Superb Summit International Timber Company Limited (1228).

Save as disclosed above, Mr. Cheung does not hold any other position in the Company or any of its subsidiaries nor did he hold any directorship in any public listed company in the last three years.

徐記食品公司擔任企業法律顧問或特別事務法律顧問。李先生於二零零八年九月二十二日至二零零九年六月十一日為本公司之執行董事。李先生於二零一零年六月二十四日至二零一二年十月二十二日為奇峰國際集團有限公司之獨立非執行董事(股份代號: 1228), 該公司之股份在香港聯合交易所有限公司(「聯交所」)主板上市。李先生自二零零九年六月十一日起為中國網絡教育(香港)有限公司之董事, 中國網絡教育(香港)有限公司為本公司之全資附屬公司。除上文所披露者外, 於是次委任前, 李先生並無於本公司及其附屬公司擔當任何職位, 且於過去三年並無出任其他上市公司之董事職務或有其他主要委任或專業資格。

獨立非執行董事

張偉德先生(「張先生」), 60歲, 於二零一零年六月十一日獲委任為本公司獨立非執行董事兼審核委員會主席。張先生於投資銀行及會計領域擁有超過二十年之工作經驗。張先生為美國加州之執業會計師, 並為香港會計師公會之會員。張先生於一九八一年獲美國柏克萊加州大學頒授工商管理碩士學位。張先生過去曾於二零零七年十月至二零零九年九月期間擔任中國林大綠色資源集團有限公司(910)之執行董事, 並於二零零七年四月至二零零七年十一月期間為正道集團有限公司(1188)之獨立非執行董事。

張先生為奇峰國際木業有限公司(1228)之獨立非執行董事。

除上文所披露者外, 張先生並無於本公司或其任何附屬公司擔任任何其他職位, 於過往三年亦無於其他上市公司擔任任何董事職務。

Dr. Huang Chung Hsing (“Dr. Huang”), aged 59, was appointed as an Independent Non-Executive Director and a member of audit committee of the Company on 14 August 2008. Dr. Huang holds a Ph.D. degree in Management Science and Information Systems from the University of Texas at Austin, U.S.A. and a Bachelor’s degree of Science in Electrical Engineering from National Taiwan University. Dr. Huang is the Associate Dean of College of Management, National Taiwan University. He is also the chairman of the Committee of Service Management of Chinese Management Association in Taiwan and the associate researcher of Health Management Center of National Taiwan University Hospital in Taiwan. He has previously held senior positions in various universities and banks such as Beijing University in China and Bank of SinoPac. Dr. Huang has extensive experience in service operation management, business decision making and management of innovation.

Save as disclosed above, Dr. Huang does not hold any other position in the Company or any of its subsidiaries nor did he hold any directorship in any public listed company in the last three years.

Ms. Li Bailing (“Ms. Li”), aged 44, graduated from Xi’an International Studies University in China in 1990. Ms. Li started her career in the Beijing office of the People’s Government of Jilin Province in 1990, and subsequently served as representative of the Beijing offices for various companies. Ms. Li currently serves as manager of BONELLI Top Sourcing (北京寶耐力光電科技有限公司), and has rich managerial experiences in science and technology companies.

Save as disclosed above, Ms. Li does not hold any other position in the Company or any of its subsidiaries nor did she hold any directorship in any public listed company in the last three years.

黃崇興博士 (「黃博士」)，59歲，於二零零八年八月十四日獲委任為本公司獨立非執行董事兼審核委員會成員。黃博士持有美國奧斯汀德州大學商學院企業管理博士學位及國立台灣大學電子工程科學學士學位。黃博士為國立台灣大學管理學院副院長。彼亦為台灣之中華民國管理科學學會的服務管理委員會會長及台灣之國立台灣大學醫學院附設醫院健康管理中心副研究員。彼曾經在多間大學和銀行擔任高級職位，例如中國北京大學及永豐銀行。黃博士於服務營運管理、商業決策及創意管理擁有豐富經驗。

除上文所披露者外，黃博士並無於本公司或其任何附屬公司擔任任何其他職位，於過往三年亦無於其他上市公司擔任任何董事職務。

李百靈女士 (「李女士」)，44歲，於一九九零年畢業於中國西安外語學院。李女士自一九九零年起在吉林省人民政府駐京辦事處工作，並先後任職多間公司之駐京辦事處代表。李女士現時為北京寶耐力光電科技有限公司之經理，擁有豐富之科技公司管理經驗。

除上文所披露者外，李女士並無於本公司或其任何附屬公司擔任任何其他職位，於過往三年亦無於其他上市公司擔任任何董事職務。

Report of the Directors

董事會報告

The board (the “Board”) of directors (the “Directors”) of China E-Learning Group Limited (the “Company”) presents herewith the annual report together with the audited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in note 20 to the financial statements.

RESULTS AND DIVIDEND

The Group’s results for the year ended 31 December 2012 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 42 to 144.

The Directors do not recommend payment of any final dividend in respect of the reporting year (2011: HK\$ nil).

SUMMARY FINANCIAL INFORMATION

The following is a summary of the audited consolidated results of the Group for each of the five years ended 31 December 2012 prepared on the basis set out in the note below:

		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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
Turnover	營業額	41,783	40,140	38,575	23,253	26,692
Loss before tax	除稅前虧損	15,213	32,266	52,079	475,636	364,403
Net loss after tax	除稅後虧損淨額	15,213	32,266	52,079	475,378	365,862
Total assets	資產總值	172,201	123,788	111,400	94,556	457,127
Total liabilities	負債總額	195,040	138,502	163,282	330,862	394,324

中國網絡教育集團有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此提呈本公司及其附屬公司(「本集團」)截至二零一二年十二月三十一日止年度之年度報告及經審核財務報表。

主要業務

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

業績及股息

本集團截至二零一二年十二月三十一日止年度之業績及本公司與本集團於該日之財務狀況載於第42至144頁之財務報表。

董事不建議就報告年度派付任何末期股息(二零一一年：零港元)。

財務資料概要

以下為按下文附註所載基準編製之本集團截至二零一二年十二月三十一日止五個年度各年經審核綜合業績概要：

PROPERTY, PLANT AND EQUIPMENT

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

SUBSIDIARIES

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

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and share options during the year are set out in notes 26 and 34 to the financial statements respectively.

CONVERTIBLE NOTES

Details of movements in the Company's convertible notes during the year are set out in note 29 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 48 and note 27 to the financial statement respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2012, the Company did not have any reserve available for cash distribution (2011: HK\$ nil). In accordance with the laws of the Cayman Islands and the Company's Articles of Association, the Company's share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debt as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

物業、廠房及設備

物業、廠房及設備之變動載於財務報表附註18。

附屬公司

本公司附屬公司之詳情載於財務報表附註20。

股本及購股權

年內，本公司股本及購股權之詳情分別載於財務報表附註26及34。

可換股票據

年內，本公司可換股票據之變動詳情載於財務報表附註29。

儲備

年內，本集團及本公司儲備之變動詳情分別載於第48頁之綜合權益變動表及財務報表附註27。

可供分派儲備

於二零一二年十二月三十一日，本公司並無任何可作現金分派之儲備(二零一一年：零港元)。根據開曼群島法例及本公司組織章程細則，倘於緊隨擬分派股息當日後，本公司有能力償還在日常業務中到期之債務，則本公司可向股東分派股份溢價賬。股份溢價亦可以繳足紅股之方式分派。

Report of the Directors 董事會報告

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2012.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

MANAGEMENT CONTRACT

The Group and the Company did not have any management services contract for the years ended 31 December 2012 and 2011.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to HK\$736,000.

MAJOR CUSTOMERS AND SUPPLIERS

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

優先認購權

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

足夠公眾持股量

於截至二零一二年十二月三十一日止整個年度內，本公司一直維持足夠之公眾持股量。

購買、贖回或出售本公司之上市證券

本公司及其任何附屬公司於年內概無購買、贖回或出售本公司任何上市證券。

管理合約

截至二零一二年及二零一一年十二月三十一日止年度，本集團及本公司概無簽訂任何管理服務合約。

慈善捐款

年內，本集團之慈善捐款為736,000港元。

主要客戶及供應商

本集團之主要客戶及供應商於年內所佔銷售及採購百分比如下：

		2012 二零一二年	2011 二零一一年
Sales	銷售		
- the largest customer	- 最大客戶	n/a 不適用	n/a 不適用
- five largest customer	- 五大客戶	n/a 不適用	n/a 不適用
Purchases	採購		
- the largest supplier	- 最大供應商	52%	52%
- five largest suppliers	- 五大供應商	83%	83%

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

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

DIRECTORS

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

Executive Directors

Mr. Chen Hong
Ms. Wei Jianya

Non-Executive Director

Mr. Li Xiangjun

Independent Non-Executive Directors

Mr. Cheung Wai Tak
Dr. Huang Chung Hsing
Ms. Li Bailing

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

In accordance with Article 87 of the Company's Articles of Association, Mr. Chen Hong, Mr. Li Xiangjun and Ms. Li Bailing will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

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

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

董事

本公司於財政年度內及本報告日期之董事如下：

執行董事

陳宏先生
韋健亞女士

非執行董事

李湘軍先生

獨立非執行董事

張偉德先生
黃崇興博士
李百靈女士

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

根據本公司組織章程細則第87條，陳宏先生、李湘軍先生及李百靈女士將於本公司應屆股東週年大會上退任，並符合資格及願意膺選連任。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

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

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

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

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID EMPLOYEES

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

REMUNERATION POLICY

The Group remunerates its employees, including its Directors, based on their performance, experience and prevailing market rate. Other employee benefits include insurance and medical cover as well as share option scheme. Details of share option scheme are set out in note 34 to the financial statements.

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

董事服務合約

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

所有非執行董事及獨立非執行董事均已與本公司簽訂服務合同，年期為三年。

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

董事之合約權益

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

董事酬金及五名最高薪僱員

董事酬金及本集團五名最高薪僱員之詳情，分別載於財務報表附註12。

薪酬政策

本集團根據僱員(包括其董事)之工作表現、經驗及現行市場水平向彼等提供報酬。其他僱員福利包括保險和醫療保障及購股權計劃。購股權計劃之詳情載於財務報表附註34。

決定本公司董事之薪酬時，已考慮彼等之專業知識及詳細職務要求。

SHARE OPTIONS SCHEME

A new share option scheme was approved and adopted in the Annual General Meeting of the Company on 23 May 2011. No share options have been granted since then.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHARE OPTIONS

As at 31 December 2012, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions

Name of Directors and Chief Executive 董事及主要行政人員姓名	Capacity 身份	Number of shares or underlying shares held 所持股份或相關股份數目			Percentage of issued share capital 佔已發行股本百分比
		Ordinary shares 普通股	Share options 購股權	Total 總計	
Chen Hong (Director) 陳宏 (董事)	Beneficial owner 實益擁有人	79,510,480	6,377,306	85,887,786	5.84%
Wang Hui (Chief Executive) 王慧 (行政總裁)	Beneficial owner 實益擁有人	–	6,377,306	6,377,306	0.43%
Wei Jianya (Director) 韋健亞 (董事)	Beneficial owner 實益擁有人	–	2,349,534	2,349,534	0.16%
Li Xiangjun (Director) 李湘軍 (董事)	Beneficial owner 實益擁有人	313,590	4,000,000	4,313,590	0.29%

購股權計劃

本公司於二零一一年五月二十三日舉行之股東週年大會上批准及採納一項新購股權計劃。本公司自此之後並無授出任何購股權。

董事及主要行政人員於股份及購股權之權益

於二零一二年十二月三十一日，本公司董事或主要行政人員於本公司及其相關法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉；或(b)根據證券及期貨條例第352條規定須記錄於根據該條例所置存之登記冊之權益及淡倉；或(c)根據創業板上市規則第5.46條須知會本公司及聯交所之權益及淡倉如下：

好倉

Report of the Directors

董事會報告

Save as disclosed above, as at 31 December 2012, none of the other Directors or chief executive of the Company had any interest or short position in shares, debentures or underlying shares of the Company and its associated corporations which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the headings “Directors’ and chief executive’s interests in shares and share options” above and “Share option scheme” in Note 34, at no time during the year was the Group, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Group or any other body corporate.

INTERESTS DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 December 2012, so far as known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

除上文所披露者外，於二零一二年十二月三十一日，概無本公司董事或主要行政人員於本公司及其相關法團之股份、債權證或相關股份中持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉；或(b)根據證券及期貨條例第352條須記錄於根據該條例所置存之登記冊之權益或淡倉；或(c)根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

購買股份或債券之安排

除上文「董事及主要行政人員於股份及購股權之權益」以及附註34「購股權計劃」所披露者外，本集團或其任何附屬公司於年內概無成為任何安排的一方，致使本公司董事可藉收購本集團或任何其他法人團體的股份而取得利益。

根據證券及期貨條例須予披露之權益及主要股東

於二零一二年十二月三十一日，據本公司董事或主要行政人員所知，以下人士(本公司董事或主要行政人員除外)持有根據證券及期貨條例第XV部第2及3分部須予披露及須記入根據證券及期貨條例第336條置存之登記冊之本公司股份及相關股份之權益或淡倉：

Long position in shares or underlying shares of the Company

於本公司股份或相關股份之好倉

Name of Shareholder 股東名稱	Capacity 身份	Number of shares or underlying shares held 所持股份或 相關股份數目	Percentage of issued share capital 佔已發行 股本百分比
Yang Dong Jun 楊東軍	Beneficial owner 實益擁有人	207,554,896	14.10%
Atlantis Capital Holdings Limited	Investment manager 投資經理	88,002,000	5.98%
Liu Yang (note) 劉央(附註)	Interest of a controlled corporation 於受控法團之權益	88,002,000	5.98%

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

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

Save as disclosed above, as at 31 December 2012, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

除上文所披露者外，於二零一二年十二月三十一日，董事並不知悉任何其他人士(本公司董事及主要行政人員除外)於本公司股份及相關股份中擁有任何根據證券及期貨條例第XV部第2及3分部條文須予披露及須記入根據證券及期貨條例第336條置存之登記冊之權益或淡倉。

INTEREST IN COMPETING BUSINESS

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

競爭業務之權益

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

Report of the Directors

董事會報告

AUDITORS

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

On Behalf of the Board

Chen Hong

Executive Director

Hong Kong

22 March 2013

核數師

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

代表董事會

執行董事

陳宏

香港

二零一三年三月二十二日

Corporate Governance Report

企業管治報告

The Company is committed to maintaining a high standard of corporate governance and believes that good corporate governance can (i) enhance management effectiveness and efficiency; (ii) increase the transparency of the Company; (iii) enhance risk management and internal control of the Company and (iv) safeguard the interests of the shareholders and the Company as a whole.

CORPORATE GOVERNANCE CODE COMPLIANCE

Pursuant to the Corporate Governance Code (the “Code”) contained in Appendix 15 to the GEM Listing Rules of the Stock Exchange which sets out the principles of good corporate governance, the provisions of the Code (the “Code Provisions”) and the recommended best practices, the Company has applied the principles and complied with all the Code Provisions as set out in the Code during the year ended 31 December 2012, with the exception of deviation set out below.

GEM Listing Rules 5.05(1) stipulates that the Board of Directors of the Company must include three independent non-executive Directors. During the period from 19 October 2012 to 17 January 2013, the Company only had two Independent non-executive Directors in the Board as one of the independent non-executive director, Mr. Wu Tao, resigned on 19 October 2012, and the Company appointed Ms. Li Bailing as the Independent Non-Executive Director on 18 January 2013. The Company has deviated the GEM Listing Rules 5.05 (1) for a short period as it takes time to find and appoint the appropriate person to be the independent non-executive Director. Currently the Company complies with the relevant rule.

The Board of Directors of the Company regularly monitors and reviews the Group’s progress in respect of corporate governance practices to ensure compliance.

本公司致力維持高水準之企業管治，且相信優質企業管治能(i)提升管理效益及效率；(ii)提高本公司之透明度；(iii)改善本公司之風險管理及內部監控；及(iv)保障股東與本公司之整體利益。

遵守企業管治守則

根據聯交所業板上市規則附錄15所載之企業管治守則(「守則」)所載之優質企業管治之原則、守則條文(「守則條文」)以及最佳建議常規，於截至二零一二年十二月三十一日止年度本公司應用及遵守守則所載之全部守則條文，惟下文所載的偏離情況除外。

創業板上市規則第5.05(1)條規定，公司董事會必須包括三名獨立非執行董事。然而，由於一名獨立非執行董事武濤先生於二零一二年十月十九日辭任，本公司於二零一三年一月十八日委任李百靈女士為獨立非執行董事，因此於二零一二年十月十九日至二零一三年一月十七日期間，本公司董事會僅有兩名獨立非執行董事。由於需要時間物色及委任合適人士擔任獨立非執行董事，本公司短暫偏離創業板上市規則第5.05(1)條。本公司目前已遵守相關規則。

本公司董事會定期監控及檢討本集團的企業管治常規進展，以確保遵守有關守則。

Corporate Governance Report

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

During the year under review, the Group has adopted a code of conduct regarding securities transactions in securities of the Company by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding Directors' securities transactions throughout the year ended 31 December 2012.

BOARD OF DIRECTORS AND MEETING

Board Composition

The Board of Directors currently comprises two Executive Directors, namely Mr. Chen Hong and Ms. Wei Jianya, one Non-Executive Director, namely Mr. Li Xiangjun and three Independent Non-Executive Directors, namely Mr. Cheung Wai Tak, Dr. Huang Chung Hsing, and Ms. Li Bailing. The Board is responsible for the overall management of the Group. It focuses on directing the corporate strategies and supervising the business and significant affairs of the Group while the duties of the daily operation management are delegated to the management of the Company. Biographical details of the Directors are set out on pages 15 to 17 of this annual report.

Mr. Chen Hong and Ms. Wang Hui are the chairman and chief executive officer of the Company respectively and their roles are clearly segregated, with a clear division of their responsibilities complying Code Provision A.2.1 of the Code. Mr. Chen Hong is the chairman whose role is to provide leadership for the Board and provide the Group with strategic direction in consultation with the Board in a timely manner to ensure effectiveness of the Board, whereas Ms. Wang Hui, the chief executive officer, is responsible for the strategic planning of its various business units, and day-to-day management of its operation.

董事之證券交易

於回顧年度，本集團已就董事就本公司證券進行證券交易採納一套操守守則，其條款不遜於創業板上市規則第5.48至5.67條所規定之買賣標準。經向所有董事作出特定查詢後，本公司並不知悉截至二零一二年十二月三十一日止年度內有任何不遵守董事進行證券交易之操守守則所規定標準之情況。

董事會及會議

董事會組成

董事會目前由兩名執行董事陳宏先生及韋健亞女士、一名非執行董事李湘軍先生以及三名獨立非執行董事張偉德先生、黃崇興博士及李百靈女士組成。董事會負責本集團之整體管理，主要工作為訂出公司策略並且監督本集團之業務及重大事宜，而日常營運之管理職務則交由本公司管理層負責。董事詳細履歷載於本年報第15頁至第17頁。

陳宏先生及王慧女士分別為本公司之主席及行政總裁，彼等之角色有清晰分工且彼等之職責遵守守則之守則條文第A.2.1條清楚區分。陳宏先生為主席，其職責為領導董事會及經與董事會磋商後及時向本集團提供策略方向指引，以確保董事會之效率，而行政總裁王慧女士則負責本集團各業務單位之策略計劃及日常業務管理。

Mr. Li Xiangjun is appointed as the non-executive Director of the Company on 7 December 2012 for a period of three years subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the articles of association of the Company (the "Articles of Association") and GEM Listing Rules.

Under Code Provision A.4.1 of the Code, non-executive Directors should be appointed for a specific term, subject to re-election while all Directors should be subject to retirement by rotation at least once every three years.

All Non-Executive and Independent Non-Executive Directors were appointed for a specific term of 3 years and they are also subject to retirement by rotation and re-election at annual general meetings of the Company in line with the Articles of Association. As such, the Company is of the view that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

Board and General Meetings

The Board meets regularly. During the year ended 31 December 2012, there were 24 board meetings and 2 general meetings held to discuss the overall strategy, the operation and financial performance of the Group, and to approve important matters such as the annual results, quarterly results, interim results and dividends, the Group's businesses and investments, etc. The attendance of each Director at the board meetings and general meetings are set out as follows:

李湘軍先生於二零一二年十二月七日獲委任為本公司非執行董事，為期三年，惟須按照本公司的組織章程細則（「組織章程細則」）及創業板上市規則於本公司股東週年大會上輪值退任及膺選連任。

根據守則之守則條文第A.4.1條，非執行董事須有特定任期及膺選連任，而所有董事至少須每三年輪值退任一次。

全體非執行董事及獨立非執行董事之特定任期為3年，彼等亦須按照組織章程細則於本公司股東週年大會上輪值退任及膺選連任。就此而言，本公司認為已採取足夠措施確保本公司之企業管治常規不比守則所訂者寬鬆。

董事會會議及股東大會

董事會定期舉行會議。於截至二零一二年十二月三十一日止年度，本公司曾舉行24次董事會會議及2次股東大會以討論整體策略、本集團之營運及財務表現並批准如年度業績、季度業績、中期業績及股息、本集團之業務及投資等重要事項。各董事出席董事會會議及股東大會之記錄載列如下：

		Attendance of Board Meeting 董事會會議出席記錄	Attendance of General Meeting 股東大會出席記錄
Executive Director		執行董事	
Mr. Chen Hong	陳宏先生	24/24	2/2
Ms. Wei Jianya	韋健亞女士	24/24	0/2
Non-Executive Director		非執行董事	
Mr. Li Xiangjun (appointed on 7 December 2012)	李湘軍先生 (於二零一二年 十二月七日獲委任)	0/24	0/2
Independent Non-Executive Directors		獨立非執行董事	
Mr. Cheung Wai Tak	張偉德先生	12/24	1/2
Dr. Huang Chung Hsing	黃崇興博士	11/24	0/2
Mr. Wu Tao (resigned on 19 October 2012)	武濤先生 (於二零一二年 十月十九日辭任)	16/24	1/2

Corporate Governance Report

企業管治報告

The company secretary is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

The executive Directors and senior management meet regularly to review company business matters and escalate the matters to the Board meeting for further discussion if necessary. The Board and the Directors can seek independent professional advice whenever necessary at the Company's expenses. Furthermore, they can have access to the Company Secretary who is responsible for ensuring that the Board procedures are duly complied with and advising the Board on corporate governance and compliance matters.

In accordance to the Board's current practice and Code Provision A.1.7 of the Code, any material transaction involving a conflict of interests for a substantial shareholder or a Director will be considered and dealt with by the Board by a duly convened Board meeting. It also requires the Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Independent Non-Executive Directors

In Compliance with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules, the Company now has three independent non-executive directors representing half of the Board with one of them having appropriate professional qualifications or accounting or related financial management expertise. However, during the period from 19 October 2012 to 17 January 2013, the Company only had two Independent Non-Executive Directors in the Board as one of the independent non-executive director, Mr. Wu Tao, resigned on 19 October 2012, and the Company appointed Ms. Li Bailing as the Independent Non-Executive Director on 18 January 2013. The Company has deviated the Rules 5.05(1) for a short period as it takes time to find and appoint the appropriate person to be the independent non-executive director. Currently it has complied with the relevant Rules after the appointment of Ms. Li Bailing as the independent non-executive director. Each of the independent non-executive Directors is appointed for a period of three years.

公司秘書負責記錄及保管所有董事會會議及轄下委員會會議之會議紀錄。會議紀錄之初稿通常在各會議後一段合理時間內發送董事傳閱，供董事表達意見，而最後定稿可供董事查閱。

執行董事及高級管理人員定期會面檢討本公司業務事宜以及在有需要時將有關事宜提呈至董事會會議作進一步討論。董事會及董事可於需要時尋求獨立專業建議，費用由本公司支付。此外，董事亦可與公司秘書接洽，而公司秘書乃負責確保充分遵循董事會的程序，並就企業管治及遵守規章事宜向董事會提供意見。

根據董事會目前慣例及守則之守則條文第A.1.7條，涉及主要股東或董事之利益衝突之任何重大交易將由董事會於正式召開之董事會會議上審議及處理。有關規定要求有關董事於批准彼等或其任何聯繫人士擁有重大權益之交易時放棄投票並不計入會議法定人數。

獨立非執行董事

為符合創業板上市規則第5.05(1)及(2)條以及第5.05A條的規定，本公司目前已委任三名獨立非執行董事，佔董事會人數的一半，其中一名具備適當的專業資格或具備會計或有關財務管理專長。然而，由於其中一名獨立非執行董事武濤先生已於二零一二年十月十九日辭任，本公司於二零一三年一月十八日委任李百靈女士為獨立非執行董事，因此於二零一二年十月十九日至二零一三年一月十七日期間，本公司董事會僅有兩名獨立非執行董事。由於需要時間物色及委任合適人士擔任獨立非執行董事，本公司短暫偏離規則第5.05(1)條。於委任李百靈女士為獨立非執行董事後，本公司目前已遵守相關規則。各獨立非執行董事之任期為三年。

The Company has, through the nomination committee of the Board, reviewed the independence of, and received an appointment and annual confirmation of independence from, each of the independent non-executive Directors, and considers all the independent non-executive Directors independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

Delegation to Board Committee and Management

The Board has the overall responsibility for business development, leadership, management and control of the Group and is responsible for promoting the success of the Group by directing, supervising and monitoring the Group's affairs. It has established three committees, namely the audit committee, remuneration committee and nomination committee. All of the committees have written terms of reference in accordance with the Code. More details of these committees are set out in separate sections of this report.

The Board delegates necessary powers and authorities to the executive Directors and CEO to facilitate the efficient day to day management of the Group's business. In addition, the Board delegates to the Remuneration Committee authorities to determine remuneration for executive directors and members of senior management.

Continuous Professional Development

All Directors should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Directors receive regular updates and presentations on changes and developments to the Group's business and to environments in which the Group operates, as well as their responsibilities under the relevant statutes, laws, rules and regulations to ensure compliance and enhance their awareness of good corporate governance practices. Directors are also encouraged to attend relevant training courses at the Company's expenses.

本公司已透過董事會提名委員會檢討各獨立非執行董事的獨立性，並收到各獨立非執行董事就其獨立性提供之約定及年度確認書，且根據創業板上市規則第5.09條所載的指引，認為所有獨立非執行董事均屬獨立人士。

董事會權力的轉授予轄下委員會及管理層

董事會全權負責業務發展、領導、管理及控制本集團並負責通過指導、監督及監察本集團事務以促使本集團邁向成功。董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會。所有委員會均已根據守則訂有書面職權範圍。該等委員會的進一步詳情載於本報告個別有關章節。

董事會將必要的權力及職權轉授予執行董事及行政總裁，以便有效率地管理本集團的日常業務。此外，董事會授權薪酬委員會釐定執行董事及高級管理人員的薪酬。

持續專業發展

所有董事均須了解其擔任董事之集體職責及本集團之業務及活動。董事定期收到有關本集團業務及本集團營運環境的變動及發展最新情況及簡介、以及彼等於相關法規、法律、規則及規管項下之責任，以確保合規及增強董事對良好企業管治常規的意識。本公司亦鼓勵董事參加相關培訓課程，費用由本公司支付。

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During the year ended 31 December 2012, the Directors participated in the continuous professional developments in relation to regulatory updates, the duties and responsibility of the Directors and the business of the Group in the following manner:

截至二零一二年十二月三十一日止年度，董事透過以下方式參與有關監管事宜之最新訊息、董事之職務與職責及本集團業務之持續專業發展活動：

		Training received (Yes/No) 接受培訓 (是/否)
Executive Directors		
Mr. Chen Hong	執行董事 陳宏先生	Yes是
Ms. Wei Jianya	韋健亞女士	Yes是
Non-Executive Director		
Mr. Li Xiangjun (appointed on 7 December 2012)	非執行董事 李湘軍先生 (於二零一二年十二月七日獲委任)	Yes是
Independent Non-Executive Directors		
Mr. Cheung Wai Tak	獨立非執行董事 張偉德先生	
Dr. Huang Chung Hsing	黃崇興博士	Yes是
Mr. Wu Tao (resigned on 19 October 2012)	武濤先生 (於二零一二年十月十九日辭任)	Yes是

Training received included:

- A attending internal/external briefing/seminar session in relation to corporate governance; or
- B reading materials in relation to regulatory update

接受培訓包括：

- A 參加有關企業管治的內部/外部簡報會/研討會；或
- B 閱讀有關規定更新的材料

BOARD COMMITTEES

Audit Committee

The Company has established an audit committee on 26 November 2001 with written terms of reference for the purpose of reviewing and supervising the Company's financial reporting and internal control procedures in compliance with the GEM Listing Rules. The committee comprises three independent non-executive Directors, namely Mr. Cheung Wai Tak (the chairman of the committee), Dr. Huang Chung Hsing, Mr. Wu Tao (resigned on 19 October 2012) and Ms. Li Bailing (appointed on 18 January 2013).

The primary duties of the Audit Committee are to review and to provide supervision over the financial reporting process and internal control system of the Group, to review the audit plan, audit findings and independence of the auditors of the Company, to review the Group's financial information and financial statements, annual reports, interim reports and quarterly reports, and to provide advice and recommendation thereon to the Board.

董事委員會

審核委員會

本公司已遵守創業板上市規則於二零零一年十一月二十六日成立審核委員會，並制訂書面職權範圍，負責檢討及監督本公司之財務申報及內部監控程序。委員會由三名獨立非執行董事張偉德先生(委員會主席)、黃崇興博士、武濤先生(於二零一二年十月十九日辭任)及李百靈女士(於二零一三年一月十八日獲委任)組成。

審核委員會之主要職責為檢討及監督本集團之財務申報程序及內部監控系統、檢討核數計劃、核數發現事項及本公司核數師的獨立性、審閱本集團財務資料以及財務報表、年報、中期報告以及季度報告並就此向董事會提供意見及建議。

The Board also delegated certain corporate governance functions to the audit committee, including the review and monitoring of (a) the Group's policies and practices on corporate governance and make recommendations to the Board; (b) the training and continuous professional development of Directors and senior management; (c) the Group's policies and practices on compliance with legal and regulatory requirements; (d) the code of conduct of the Group applicable to employees and Directors; and (e) the Group's compliance with the Code and disclosure in the Corporate Governance Report.

During the year ended 31 December 2012, the audit committee held 4 meetings to approve the nature and scope of the statutory audits, and review the annual, interim, quarterly consolidated financial statements of the Group, and details of the attendance of each member of the committee are set out as follows:

董事會亦將若干企業管治職能委派予審核委員會，包括檢討及監督(a)本集團之企業管治政策及慣例，並向董事會提供推薦意見；(b)董事及高級管理人員的培訓及持續專業發展；(c)本集團在遵守法律及監管規定方面的政策及常規；(d)本集團僱員及董事的操守準則；及(e)本集團遵守守則的情況及在企業管治報告內的披露。

截至二零一二年十二月三十一日止年度，審核委員會曾舉行4次會議，以批准法定審核之性質及範圍並審閱本集團之年度、中期、季度綜合財務報表，審核委員會各成員之出席記錄詳情載列如下：

Committee Members 審核委員會成員		Attendance 出席記錄
Mr. Cheung Wai Tak	張偉德先生	4/4
Dr. Huang Chung Hsing	黃崇興博士	2/4
Mr. Wu Tao (resigned 19 October 2012)	武濤先生(於二零一二年十月十九日辭任)	3/4

The minutes of the audit committee meetings are kept by the Company Secretary. The draft and final versions of the minutes are circulated to all committee members for their comment and records within a reasonable time after each meeting.

審核委員會之會議記錄由公司秘書保管。會議紀錄之初稿及最後定稿應在會議後一段合理時間內發送予委員會全體成員，初稿供成員表達意見，最後定稿作其紀錄之用。

The Board has not taken any different view from that of the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditor.

董事會並無就挑選、委任、辭退或解聘外聘核數師與審核委員會出現任何不一致意見。

The Company's annual audited results for the year ended 31 December 2012 have been reviewed by the Audit Committee.

審核委員會已審閱本公司截至二零一二年十二月三十一日止年度之年度審核業績。

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REMUNERATION COMMITTEE

The remuneration committee was established on 23 March 2005 with major functions of (i) making recommendations to the Board on the Company's policies and structure for the remuneration of Directors and senior management of the Group; (ii) determining the remuneration packages of all Directors and senior management of the Group; and (iii) reviewing and approving the performance-based remuneration. The remuneration committee's terms of reference are generally aligned with the requirement of Code Provision B.1.2.

The remuneration committee of the Company is chaired by Mr. Chen Hong. Other members include Mr. Cheung Wai Tak, Mr. Wu Tao (resigned on 19 October 2012) and Ms. Li Bailing (appointed on 18 January 2013). The majority of the members of the remuneration committee are independent non-executive Directors.

During the year ended 31 December 2012, one meeting of the remuneration committee was held. All members of the remuneration committee, at the time being, attended the meeting. The Company's policy for the remuneration of Directors and senior management was discussed in the meeting and no changes on the policy were recommended by the remuneration committee.

NOMINATION COMMITTEE

The Company has established the nomination committee on 23 March 2012 with major functions of (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; and (iii) To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive.

薪酬委員會

薪酬委員會於二零零五年三月二十三日成立，其主要職能為(i)就本公司關於本集團董事及高級管理層之薪酬政策及架構向董事會提供建議；(ii)釐定本集團全體董事及高級管理層之薪酬待遇；及(iii)審議並批准績效酬金。薪酬委員會之職權範圍整體符合守則條文第B.1.2條之規定。

陳宏先生為本公司薪酬委員會主席。其他成員包括張偉德先生、武濤先生(於二零一二年十月十九日辭任)以及李百靈女士(於二零一三年一月十八日獲委任)。薪酬委員會之大多數成員為獨立非執行董事。

截至二零一二年十二月三十一日止年度，薪酬委員會曾舉行一次會議，並得到當時全體薪酬委員會成員出席，會上曾討論本公司對董事及高級管理層薪酬之政策，而薪酬委員會並無建議更改相關政策。

提名委員會

本公司於二零一二年三月二十三日成立提名委員會，其主要職能為(i)至少每年一次檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；(ii)物色具備合適資格可擔任董事會成員的人士，並就提名出任董事的人士作出挑選或向董事會提供意見；及(iii)就董事委任或重新委任以及董事(尤其是董事會主席及行政總裁)繼任計劃向董事會提出建議。

The nomination committee of the Company is chaired by Mr. Chen Hong. Other members include Mr. Cheung Wai Tak and Dr. Huang Chung Hsing. The majority of the members of the nomination committee are independent non-executive Directors.

During the year ended 31 December 2012, one meeting of the nomination committee was held. All members of the nomination committee, at the time being, attended the meeting to perform the aforesaid functions.

AUDITOR'S REMUNERATION

The remuneration of the audit service provided by the auditor of the Group to the Group for the year ended 31 December 2012 was mutually agreed in view of the scope of services, amounting to HK\$260,000. During the year ended 31 December 2012, the auditor provided tax service of fee HK\$3,000 to the Group and also served as a reporting accountant in the major transaction with the fee of HK\$600,000.

INTERNAL CONTROL

The Board has overall responsibilities for the establishment and maintenance of an adequate and effective internal control system to safeguard the Group' assets against unauthorized use or disposition, and to protect the interests of shareholders of the Company (collectively "internal controls").

During the year ended 31 December 2012, the Company has conducted a review, which covered the major control procedures in areas of financial and operations of the Company on the internal control system of the Group and was satisfied with the effectiveness of the Group's internal control procedures.

陳宏先生為本公司提名委員會主席。其他成員包括張偉德先生以及黃崇興博士。提名委員會之大多數成員為獨立非執行董事。

截至二零一二年十二月三十一日止年度，提名委員會曾舉行一次會議，並得到當時全體提名委員會成員出席，以履行上述職能。

核數師酬金

截至二零一二年十二月三十一日止年度，本集團核數師向本集團提供核數服務的薪酬乃基於服務範疇而相互協定，總額為260,000港元。截至二零一二年十二月三十一日止年度，核數師向本集團提供稅務服務的費用為3,000港元，並於重大交易事項中擔任申報會計師的費用為600,000港元。

內部監控

董事會對建立及維持充分及有效的內部監控系統負全部責任，以確保本集團資產不會在未經授權下使用及耗損，並保護本公司股東的利益（統稱為「內部監控」）。

截至二零一二年十二月三十一日止年度，本公司已對包括本公司財務及營運方面之主要監控程序，進行內部監控系統之檢討，並信納本集團之內部監控程序誠屬有效。

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BUSINESS ETHICS AND PROFESSIONAL CODE OF CONDUCTS

The Group puts high standards on business ethics and professional conducts expected of all employees. Employees are briefed regularly on the code of ethics and on the conducts of keeping confidentiality of the information of business partners and the Group. Briefings on the code of ethics and on the conducts are held for new employees during orientation sessions.

The Group also adopts good employment standards of non-discrimination policy and fair compensation scheme.

FINANCIAL STATEMENTS

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

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to Articles 58 of the Articles of Association, an extraordinary general meeting ("EGM") may be convened by the Board on a written requisition of any one or more shareholders of the Company holding not less than 10% of the paid up capital of the Company carrying the right of voting at general meeting of the Company. The EGM shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene the EGM, the requisitioner(s) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) of the Company.

業務操守及專業行為守則

本集團注重其全體僱員的商業操守及專業行為。僱員定期獲得指導，遵守操守守則及對業務夥伴及本集團之資料保密。本集團於迎新階段定期為新聘任的僱員安排有關操守守則及行為守則的簡介會。

本集團亦採納不歧視政策及公平薪酬計劃之良好僱用標準。

財務報表

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

股東權利

召開股東特別大會

根據組織章程細則第58條，可由董事會應持有賦有於本公司股東大會上投票權之本公司繳足股本不少於十分之一的任何一位或以上股東的書面要求召開股東特別大會（「股東特別大會」）。股東特別大會應於遞呈該要求後兩個月內舉行。倘遞呈後21日內董事會未有召開股東特別大會，則遞呈要求人士可自行以同樣方式召開股東特別大會，而遞呈要求人士因董事會未有召開股東特別大會而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

Enquiries put to the Board

Shareholders may send written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

Procedures for putting forward proposals at shareholders' meeting

There is no provision for shareholders to propose resolutions at a general meeting under the Cayman Islands Companies Law. However, shareholders can follow the above procedure and request to convene an EGM.

Procedures for nominating a new director

- (i) If a Shareholder wish to propose a person (the "Candidate") for election as a director of the Company at a general meeting, he/she shall deposit a Notice at the Company's Head Office at Unit 2610, 26th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong (Attention to the Board of Directors and the company secretary) or the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong;
- (ii) The Notice must (i) include the personal information of the Candidate as required by Rule 17.50 (2) of the GEM Listing Rules; and (ii) be signed by the Shareholder concerned and signed also by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information;
- (iii) Where the Notice is submitted after the despatch of the notice of the general meeting appointed for such election, the period for lodgment of the Notice shall commence on the day after the despatch of the notice of the general meeting and no later than seven days prior to the date of such general meeting. In any case, the minimum length of the period during which any Notice to be given shall be at least seven days;

向董事會提出查詢

股東可將有關彼等權利的書面查詢或要求發送至本公司香港主要營業地點，收件人為公司秘書。

於股東大會上提出建議的程序

開曼群島公司法並無股東於股東大會上提呈決議案的條文。然而，股東可遵循以上程序及要求召開股東特別大會。

提名新董事的程序

- (i) 倘股東有意於股東大會提名某人士（「候選人」）參選本公司董事，該股東須向本公司總辦事處（地址為香港灣仔港灣道1號會展廣場辦公大樓26樓2610室，收件人為董事會及公司秘書）或本公司的香港股份過戶登記分處卓佳登捷時有限公司（地址為香港皇后大道東28號金鐘匯中心26樓）發出通告；
- (ii) 通告必須(i)按創業板上市規則第17.50(2)條的規定附有候選人的個人資料；及(ii)必須由相關股東簽署，以及由候選人簽署，表明其參選意願及同意公開其個人資料；
- (iii) 倘通告是於寄發有關該選舉的股東大會通告後才呈交，則呈交通告的期間由寄發股東大會通告翌日起計至不遲於該股東大會舉行日期前七日。於任何情況下，任何通告須於最少七日的期間發出；

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(iv) In order to allow the Shareholders sufficient time to receive and consider the proposal of election of the Candidate as a director of the Company, Shareholders are encouraged to submit and lodge the Notice as early as practicable.

(iv) 為讓股東有足夠時間收取及考慮候選人參選本公司董事的建議，本公司鼓勵股東儘早提交及呈交通知。

Articles of Association

There was no change to the Articles of Association to the Company during the year ended 31 December 2012.

組織章程細則

截至二零一二年十二月三十一日止年度，本公司之組織章程細則並沒有任何改動。

INVESTOR RELATIONS

The Company establishes different communication channels with investors to update the latest business development and financial performance including the publication of quarterly, interim and annual reports, the publish and posting of notices, announcements and circulars on the GEM website and the Company's website in a timely manner in order to maintain a high level of transparency, and to ensure there is no selective disclosure of inside information.

投資者關係

本公司與投資者建立不同的通訊途徑，以更新最新業務發展及財務表現，包括及時於創業板網站及本公司網站刊發季度、中期及年度報告、刊發及發佈通告、公告及通函，以維持高度透明，且確保概無選擇性披露內部資料。

Independent Auditor's Report 獨立核數師報告

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

We have audited the consolidated financial statements of China E-Learning Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 42 to 144, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

致中國網絡教育集團有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師已審核載於第42至144頁之中國網絡教育集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一二年十二月三十一日之綜合及公司財務狀況表及截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表承擔的責任

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

核數師的責任

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

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

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.

BASIS FOR QUALIFIED OPINION

As explained in Note 2 to the consolidated financial statements which indicates that the Group incurred a net loss of HK\$ 30,397,000 for the year ended 31 December 2012 and, as of that date, the Group's had net liabilities of HK\$ 22,839,000. The Group would require additional amount of cash flow from operation and/or financing in the forthcoming year to support the future operation of the Company, there would be an uncertainty on having sufficient net cash inflow to support the Group's ability to continue its operation as a going concern.

QUALIFIED OPINION

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's loss and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

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

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

保留意見的基礎

如綜合財務報表附註2所闡述，當中載列 貴集團於截至二零一二年十二月三十一日止年度產生淨虧損30,397,000港元，及 貴集團截至該日止之負債淨額為22,839,000港元。 貴集團於來年將需要經營及／或融資產生的額外現金流量款項，以支持 貴公司之未來營運，故 貴集團於擁有足夠的淨現金流入以使 貴集團能繼續持續經營方面存在不確定性。

保留意見

本核數師認為，除保留意見的基礎一段所述事件的影響外，綜合財務報表按照香港財務報告準則真實公平地反映了 貴公司及 貴集團於二零一二年十二月三十一日的財務狀況，及 貴集團截至該日止年度之虧損及現金流量，並已根據香港公司條例之披露規定而妥善編製。

EMPHASIS OF MATTER

We would like to draw your attention to the following matters that are related to the audit of the Group for year ended 31 December, 2012:-

1. Everjoy International Media Corporation and Everjoy Technology Development Corporation (“Two Acquirees”), which have been acquired by the Group in the year ended 31 December, 2012, do not have operating profits, the Group has planned to achieve the generation of future cash flow to support the value of this investment and the accompanying Goodwill that would depend on the future business operation of these Two Acquirees that are being uncertain as at the date of the Report, there may be a potential impairment on the Goodwill resulting from and the investment value of the Two Acquirees purchased during the period ended 31 December, 2012.

2. The Group has been contracting with an independent third-party for the construction of the “The Third Generation Ticketing System” are still under construction and there is no additional information being available to us for the assessment on the readiness of the said system for fair value measurement, though the Group has stated that it has been managing the development of such system with the independent third-party as at the date of the Report. There may be a potential impairment on value of the said system in future depending on whether there is any available information on the assessment on the fair value of the investment in such system being under development.

Parker Randall CF (H.K.) CPA Limited

Certified Public Accountants

Seto Man Fai

Practising Certificate No.: P05229

Hong Kong

22 March 2013

強調事項

本核數師謹此提請閣下垂注下列與貴集團截至二零一二年十二月三十一日止年度的審核有關的事宜：

1. 貴集團截至二零一二年十二月三十一日止年度收購的永樂國際傳媒有限公司及永樂科技發展有限公司（「兩間被收購公司」）並無經營溢利，貴集團已計劃實現未來現金流量的產生，以支撐該投資的價值，而相應的商譽將取決於該兩間被收購公司之未來業務營運，而於本報告日期存在不確定性，所產生的商譽及截至二零一二年十二月三十一日止期間所收購的兩間被投資公司的投資價值或會潛在減值。

2. 貴集團已與一名獨立第三方就構建「第三代票務系統」簽訂合約，但該系統仍處於構建當中，且並無向本核數師提供額外資料，以評估上述系統是否可進行公平值計量，惟貴集團於本報告日期表示其與該獨立第三方已設法開發該系統。上述系統之價值於日後可能潛在減值，將取決於是否可提供任何資料以評估處於開發中的該系統的投資公平值。

暉誼(香港)會計師事務所有限公司

執業會計師

司徒文輝

執業證書編號：P05229

香港

二零一三年三月二十二日

Consolidated Income Statement

綜合收益表

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

			2012 二零一二年	2011 二零一一年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	收益	8	41,783	40,140
Cost of sales	銷售成本		(13,194)	(16,062)
Gross profit	毛利		28,589	24,078
Other income	其他收益	9	222	3,188
Selling expenses	銷售開支		(118)	(458)
Administrative expenses	行政開支		(33,128)	(39,561)
Other expenses	其他開支		(3,268)	(12,543)
Finance costs, net	融資成本淨額	10	(7,510)	(6,970)
Loss before tax	除稅前虧損	11	(15,213)	(32,266)
Income tax	所得稅	13	–	–
Loss for the year	本年度虧損		(15,213)	(32,266)
Loss for the year attributable to:	以下人士應佔本年度虧損：			
Owners of the Company	本公司持有人		(30,397)	(39,007)
Non-controlling interests	非控股權益		15,184	6,741
			(15,213)	(32,266)
Loss per share	每股虧損	15		
– Basic	– 基本		(2.07 cents 仙)	(2.83 cents 仙)
– Diluted	– 攤薄		N/A 不適用	N/A 不適用

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Loss for the year	本年度虧損	(15,213)	(32,266)
Other comprehensive income	其他全面收益		
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	2,124	(4,742)
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	1,984	3,052
Other comprehensive income, net of income tax	其他全面收益 (扣除所得稅)	4,108	(1,690)
Total comprehensive loss for the year	本年度全面虧損總額	(11,105)	(33,956)
Comprehensive income for the year attributable to:	以下人士應佔本年度全面收益：		
Owners of the Company	本公司持有人	(26,289)	(40,697)
Non-controlling interests	非控股權益	15,184	6,741
		(11,105)	(33,956)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

			2012	2011
			二零一二年	二零一一年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Assets and liabilities	資產及負債			
Non-current assets	非流動資產			
Goodwill	商譽	16	68,055	–
Property, plant and equipment	物業、廠房及設備	18	1,630	3,769
Available-for-sale financial assets	可供出售金融資產	19	249	3,800
			69,934	7,569
Current assets	流動資產			
Trade and other receivables	貿易及其他應收賬款	22	79,958	96,760
Cash and cash equivalents	現金及現金等值項目	23	22,309	19,459
			102,267	116,219
Total assets	資產總值		172,201	123,788
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	24	30,950	45,330
Financial derivatives-current	金融衍生工具－流動	30	1,476	250
Bank overdraft	銀行透支		39	–
Other borrowing-current	其他借款－流動		56,737	–
Convertible notes	可換股票據	30	37,814	66,817
			127,016	112,397
Net current asset/(liabilities)	流動資產淨值／(負債淨額)		(24,749)	3,822
Total assets less current liabilities	資產總值減流動負債		45,185	11,391
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	30	68,024	26,105
			68,024	26,105
Total liabilities	負債總額		195,040	138,502
Net liabilities	負債淨額		(22,839)	(14,714)

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		Notes 附註		
Capital and reserves	股本及儲備			
Share capital	股本	27	735,939	732,171
Reserves	儲備		(762,546)	(750,653)
Non-controlling interests	非控股權益		3,768	3,768
Total equity	總權益		(22,839)	(14,714)

The consolidated financial statement on pages 42 to 144 were approved and authorised for issue by the Board of Directors on 22 March 2012 and are signed on it behalf by:

第42頁至第144頁的綜合財務報表於二零一二年三月二十二日獲董事會批准及授權刊發，並由下列董事代表簽署：

Chen Hong

陳宏

Director

董事

Wei Jianya

韋健亞

Director

董事

Statement of Financial Position

財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		Notes 附註		
Assets and liabilities	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	39	53
Investments in subsidiaries	於附屬公司之投資	20	77,848	1
Available-for-sale financial assets	可供出售金融資產	19	249	3,800
			78,136	3,854
Current assets	流動資產			
Trade and other receivables	貿易及其他應收賬款	22	16,533	27,036
Amounts due from subsidiaries	應收附屬公司款項	20	136,895	136,388
Cash and cash equivalents	現金及現金等值項目	23	44	1,673
			153,472	165,097
Total assets	資產總值		231,608	168,951
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	24	9,052	11,166
Amounts due to subsidiaries	應付附屬公司款項	20	70	70
Bank overdraft	銀行透支		39	-
Financial derivative	金融衍生工具	30	1,476	250
Other borrowing-current	其他借款－流動		56,737	-
Convertible notes	可換股票據	30	37,814	66,817
			105,188	78,303
Net current asset	流動資產淨值		48,284	86,794
Total assets less current liabilities	資產總值減流動負債		126,420	90,648
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	30	68,024	26,105
			68,024	26,105
Total liabilities	負債總額		173,212	104,408
Net assets	資產淨值		58,396	64,543

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		Notes 附註		
Capital and reserves	股本及儲備			
Share capital	股本	27	735,939	732,171
Reserves	儲備	28	(677,543)	(667,628)
Total equity	總權益		58,396	64,543

Chen Hong

陳宏

Director

董事

Wei Jianya

韋健亞

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share capital	Share premium	Share-based payment reserve	Exchange fluctuation reserve	Convertible notes reserve	Available for-sale financial assets valuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	以股支付儲備	匯率波動儲備	可換股票據權益儲備	可供出售金融資產估值儲備	累計虧損	合計	非控股權益	權益合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 27)	(Note 28)	(Note 35)		(Note 30)					
		(附註27)	(附註28)	(附註35)		(附註30)					
At 1 January 2011	於二零一一年一月一日	655,385	130,354	43,483	6,114	49,688	2,225	(942,899)	(55,650)	3,768	(51,882)
(Loss) for the year	本年度(虧損)	-	-	-	-	-	-	(39,007)	(39,007)	6,741	(32,266)
Other comprehensive income for the year	本年度其他全面收益	-	-	(28,989)	3,052	-	(4,742)	30,740	61	-	61
Total comprehensive income (loss) for the year	本年度全面收益(虧損)總額	-	-	(28,989)	3,052	-	(4,742)	8,267	(38,946)	6,741	(32,205)
Non-controlling interests contribution	非控股權益注資	-	-	-	-	-	-	-	-	(6,741)	(6,741)
Being the cancellation of ordinary shares at par value \$0.50	註銷面值為0.50港元之普通股	(8,472)	4,835	-	-	-	-	-	(3,637)	-	(3,637)
Issue of convertible notes	發行可換股票據	-	-	-	-	17,623	-	-	17,623	-	17,623
Issue of shares by conversion of convertible notes	因可換股票據獲轉換而發行股份	85,258	5,873	-	-	(12,956)	-	-	78,175	-	78,175
Redemption of convertible notes	贖回可換股票據	-	-	-	-	(950)	-	-	(950)	-	(950)
Reclassification of settled convertible notes equity component	分類已償付之可換股票據之股權部分	-	30,267	-	-	(30,267)	-	-	-	-	-
Being settlement of convertible notes	償付可換股票據	-	-	-	-	64,915	-	-	64,915	-	64,915
Reclassification of convertible notes	重新分類可換股票據	-	-	-	-	(80,012)	-	-	(80,012)	-	(80,012)
At 31 December 2011	於二零一一年十二月三十一日	732,171	171,329	14,494	9,166	8,041	(2,517)	(951,166)	(18,482)	3,768	(14,714)
(Loss) for the year	本年度(虧損)	-	-	-	-	-	-	(30,397)	(30,397)	15,184	(15,213)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	1,984	-	2,124	-	4,108	-	4,108
Total comprehensive income (loss) for the year	本年度全面收益(虧損)總額	-	-	-	1,984	-	2,124	(30,397)	(26,289)	15,184	(11,105)
Non-controlling interests contribution	非控股權益注資	-	-	-	-	-	-	-	-	(15,184)	(15,184)
Issue of convertible notes	發行可換股票據	-	-	-	-	10,909	-	-	10,909	-	10,909
Issue of shares by conversion of convertible notes	因可換股票據獲轉換而發行股份	3,768	5,321	-	-	(486)	-	-	8,603	-	8,603
Redemption of convertible notes	贖回可換股票據	-	-	-	-	(732)	-	-	(732)	-	(732)
Being settlement of convertible notes	償付可換股票據	-	-	-	-	(616)	-	-	(616)	-	(616)
At 31 December 2012	於二零一二年十二月三十一日	735,939	176,650	14,494	11,150	17,116	(383)	(981,563)	(26,607)	3,768	(22,839)

Consolidated Statement of Cash Flow

綜合現金流量表

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

	Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cash flow from operating activities	經營業務產生之現金流量		
Loss before tax	除稅前虧損	(15,213)	(32,266)
Adjustments for:	以下各項之調整：		
Finance cost, net	融資成本淨額	7,510	6,970
Depreciation	折舊	2,239	1,741
Interest income	利息收入	(62)	(102)
Loss on disposal of available-for-sales financial assets	出售可供出售金融資產之虧損	2,532	106
Impairment losses on inventories	存貨減值虧損	-	121
Impairment losses on trade and other receivables	貿易及其他應收賬款之減值虧損	4,902	6,971
Impairment gain recognized in respect of payables	就應付款項確認的減值收益	(137)	-
Gain on redemption of convertible notes	贖回可換股票據收益	-	(1,950)
Operating cash flows before movements in working capital	營運資金變動前經營業務之現金流量	1,771	(18,409)
Decrease in inventories	存貨減少	-	(16)
Decrease/(increase) in trade and other receivables	貿易及其他應收賬款減少／(增加)	3,269	(40,341)
(Increase)/decrease in amount due from non-controlling interests	應收非控股權益款項(增加)／減少	-	(6,741)
(Decrease)/increase in trade and other payables	貿易及其他應付賬款(減少)／增加	(3,328)	14,986
Increase in loan and borrowing	貸款及借款增加	5,155	-
Cash (used in) operations	經營業務(所用)現金	6,867	(50,521)
Overseas taxes paid	已付海外稅項	(126)	(62)
Net cash (used in) operating activities	經營業務(所用)現金淨額	6,741	(50,583)

Consolidated Statement of Cash Flow

綜合現金流量表

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

		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
Cash flow from investing activities	投資活動產生之現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(12)	(534)
Proceed from sales of property, plant and equipment	出售物業、廠房及設備之所得款項	-	8
Proceed from available-for-sale financial assets	可供出售金融資產之所得款項	3,331	602
Interest received	已收利息	62	102
Payment for available-for-sale financial assets	就可供出售金融資產支付之款項	(201)	-
Net cash (used in) from investing activities	投資活動(所用)所得現金淨額	3,180	178
Financing activities	融資活動		
Cancellation of ordinary shares	註銷普通股	-	(3,637)
Issue of convertible notes	發行可換股票據	-	118,201
Settlement of convertible notes	償付可換股票據	-	(76,200)
Redemption of convertible notes	贖回可換股票據	(2,537)	(3,825)
Net cash from financing activities	融資活動所得現金淨額	(2,537)	34,539
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目之增加/(減少)淨額	7,384	(15,866)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目	19,459	33,717
Effect of foreign exchange rate changes	匯率變動之影響	(4,534)	1,608
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目	22,309	19,459

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Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
(Expressed in HK\$) (以港元列示)

1. GENERAL

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

The addresses of the registered office and principal place of business of the Company are disclosed in the section of “Corporate Information” in the annual report.

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

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

2. ADOPTION OF GOING CONCERN BASIS

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group had net liabilities of approximately HK\$22,839,000 as at 31 December 2012 and incurred a net loss of HK\$15,213,000 for the year then ended. In the opinion of the directors of the Company, the Group is able to maintain itself as a going concern in the coming year by taking into consideration the arrangements which include, but are not limited to, the following:

1. The directors of the Company will continue to reduce overheads and costs, and are exploring opportunities for existing business with an aim to attain profitable operations with positive cash flows;
2. The proposal of capital reorganization was approved in an extraordinary general meeting on 18 February 2013 and subject to further legal proceedings in Cayman Islands. This capital reorganization will provide the Company flexibility to the market situations in pricing future capital raising exercises and to issue shares to the prevailing market price timely without going through various statutory requirements. Hence, the directors of the Company can sooner consider various alternatives to enlarge the capital base of the Company in order to provide additional funding to the Group and to extend the maturity dates of convertible notes payables;

1. 一般資料

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

本公司註冊辦事處及主要營業地點之地址載於年報「公司資料」一節。

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

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

2. 採用持續經營基準

儘管本集團於二零一二年十二月三十一日之負債淨額約為22,839,000港元以及截至該日止年度產生虧損淨額15,213,000港元，綜合財務報表已按持續經營基準而編製。本公司董事認為，考慮到包括(但不限於)以下各項在內之安排，本集團應能於來年維持本身作為持續經營實體：

1. 本公司董事將繼續降低經常性開支及成本，並積極為現有業務發掘機會，以取得獲利且產生正現金流量之業務；
2. 股本重組建議於二零一三年二月十八日舉行之股東特別大會上獲批准，惟須受開曼群島的其他法律程序所規限。此股本重組將為本公司於未來進行股本集資活動時釐定價格提供更大靈活性，從而令本公司於進行股本集資活動時能對市況作出更迅速準確之反應，並令本公司毋須通過各項法定規定而適時根據股份現行市價發行股份。因此，本公司董事可儘早考慮擴大本公司股本基礎的各種方案，藉以為本集團提供額外資金以及延長應付可換股票據的到期日期；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
(Expressed in HK\$) (以港元列示)

2. ADOPTION OF GOING CONCERN BASIS (Continued)

3. The directors of the Company will continue to scale down the non-profitable operations;
4. As the Bank of Shanghai has provided the Group a line of credit of RMB100,000,000 in August 2012, the directors of the Company will consider utilizing this credit facility when necessary.

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

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

The following amendments and interpretations to existing standards are mandatory for financial periods beginning on or after 1 January 2012:

Amendments to HKAS 12	Deferred tax: Recovery of underlying asset;
Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets;

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

2. 採用持續經營基準 (續)

3. 本公司董事將繼續縮減無溢利回報之業務；
4. 上海銀行於二零一二年八月向本集團提供一項人民幣100,000,000元的信貸額度，因此本公司董事將考慮於必要時動用該信貸融資。

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

3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)

下列對現有準則之修訂及詮釋乃於二零一二年一月一日或之後開始之財務期間起生效：

香港會計準則第12號 (修訂本)	遞延稅項：收回相關資產；
香港財務報告準則第7號 (修訂本)	金融工具：披露－轉讓金融資產；

採納新訂及經修訂香港財務報告準則對該等綜合財務報表並無重大財務影響。

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The following published standards, amendments and interpretations to existing standards are mandatory for the Group's financial periods beginning on or after 1 July 2012 or later periods and have not been early adopted by the Group:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle, except for the amendments HKAS 1 ¹
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ³
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ²
HKFRS 9	Financial instruments ³
HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interests in other entities ¹
HKFRS 13	Fair value measurement ¹
HKAS 19 (as revised in 2011)	Employee benefits ¹

4. 已頒佈惟尚未生效之香港財務報告準則

下列已頒佈之準則、對現有準則之修訂及詮釋乃本集團於二零一二年七月一日或之後開始之財務期間或較後期間起生效，惟本集團並無提早採納：

香港財務報告準則 (修訂本)	對香港財務報告準則2009-2011週期之年度改進，香港會計準則第1號之修訂除外 ¹
香港財務報告準則第7號 (修訂本)	披露 – 金融資產及金融負債之抵銷 ¹
香港財務報告準則第9號及香港財務報告準則第7號 (修訂本)	香港財務報告準則第9號之強制性生效日期及過渡性披露 ³
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號 (修訂本)	綜合財務報表、共同安排及披露於其他實體之權益：過渡指引 ¹
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號 (修訂本)	投資實體 ²
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號	綜合財務報表 ¹
香港財務報告準則第11號	共同安排 ¹
香港財務報告準則第12號	披露於其他實體之權益 ¹
香港財務報告準則第13號	公平值計量 ¹
香港會計準則第19號 (於二零一一年經修訂)	僱員福利 ¹

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
(Expressed in HK\$) (以港元列示)

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

HKAS 27 (as revised in 2011)	Separate financial statements ¹
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ¹
Amendments to HKAS 1	Presentation of items of other comprehensive income ⁴
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ²
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

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

The directors anticipate that the adoption of the above new standards, amendments and interpretations to existing standards will not result in a significant impact on the results and financial position of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES

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

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

4. 已頒佈惟尚未生效之香港財務報告準則 (續)

香港會計準則第27號 (於二零一一年經修訂)	獨立財務報表 ¹
香港會計準則第28號 (於二零一一年經修訂)	於聯營公司及合資公司之投資 ¹
香港會計準則第1號 (修訂本)	其他全面收益項目之呈列 ⁴
香港會計準則第32號 (修訂本)	金融資產及金融負債之抵銷 ²
香港(國際財務報告詮釋委員會)－詮釋第20號	露天礦場之生產階段之剝採成本 ¹

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

董事預計採納以上新準則、對現有準則之修訂及詮釋將不會對本集團之業績及財務狀況構成重大影響。

5. 主要會計政策

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2012. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

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

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

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

Subsidiaries

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

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

5. 主要會計政策 (續)

合併基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一二年十二月三十一日止年度的財務報表。附屬公司的財務報表乃於與本公司相同的報告期間並採納一致的會計政策編製。附屬公司的業績由收購日期(即本集團取得控制權當日)起合併計算，並會繼續合併，直至有關控制權終止。所有集團內公司間結餘、交易以及因集團內公司間的交易而產生的未變現收益及虧損及股息，均於合併時悉數抵銷。

即使會產生虧蝕結餘，附屬公司的虧損仍會歸屬於非控股權益。

於附屬公司擁有權權益的變動(並無喪失控制權)於入賬時列作權益交易。

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

附屬公司

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

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

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and goodwill

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

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

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

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

5. 主要會計政策 (續)

業務合併及商譽

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

當本集團收購業務時，須根據合約條款、收購日期的經濟環境及相關條件對涉及的金融資產及承擔的金融負債進行評估，以合理分類及指定，其中包括分離被收購方主合約中的嵌入式衍生工具。

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combination and goodwill *(Continued)*

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

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

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

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

5. 主要會計政策 (續)

業務合併及商譽 (續)

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

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

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

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

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

Platform of network

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

Property, plant and equipment

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

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

5. 主要會計政策 (續)

無形資產 (商譽除外)

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

網絡平台

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

物業、廠房及設備

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

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

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

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

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

5. 主要會計政策 (續)

物業、廠房及設備 (續)

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

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

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

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

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

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

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

5. 主要會計政策 (續)

非金融資產減值

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial asset

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and receivables

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

5. 主要會計政策 (續)

金融資產

初步確認及計量

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

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

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

其後計量

金融資產其後按如下分類計量：

貸款及應收款項

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial asset (Continued)

Subsequent measurement (Continued)

Available-for-sale financial assets

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

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

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

5. 主要會計政策 (續)

金融資產 (續)

其後計量 (續)

可供出售金融資產

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial asset *(Continued)*

Subsequent measurement *(Continued)*

Available-for-sale financial assets *(Continued)*

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

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

Derecognition of financial assets

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

5. 主要會計政策 (續)

金融資產 (續)

其後計量 (續)

可供出售金融資產 (續)

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

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

取消確認金融資產

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

(Continued)

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

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

Impairment of financial assets

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

5. 主要會計政策 (續)

取消確認金融資產 (續)

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

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

金融資產減值

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

Available-for-sale financial assets

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

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

Assets carried at cost

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

Inventories

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

5. 主要會計政策 (續)

金融資產減值 (續)

可供出售金融資產

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

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

按成本列賬之資產

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

存貨

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

5. 主要會計政策 (續)

現金及現金等值項目

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

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

金融負債

初步確認及計量

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

所有金融負債初步按公平值，加直接應佔交易成本確認。

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial liabilities *(Continued)*

Subsequent measurement

Financial liabilities at fair value through profit or loss

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

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

Financial assets at amortised cost

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

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

5. 主要會計政策 (續)

金融負債 (續)

其後計量

透過損益按公平值計量之金融負債

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

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

按攤銷成本列賬之金融資產

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

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Convertible notes

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

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

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

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

5. 主要會計政策 (續)

金融負債 (續)

其後計量 (續)

可換股票據

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial liabilities *(Continued)*

Subsequent measurement (Continued)

Convertible notes (Continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability, equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible notes using the effective interest method.

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

5. 主要會計政策 (續)

金融負債 (續)

其後計量 (續)

可換股票據 (續)

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

取消確認金融負債

倘負債項下之責任被解除、取消或到期，則會取消確認金融負債。

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

抵銷金融工具

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value of financial instruments

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

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flow (where the effect is material).

Revenue recognition

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

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

5. 主要會計政策 (續)

金融工具之公平值

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

撥備

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

收入確認

收入於經濟利益將可能流入本集團且能可靠計算有關收入時按下列基準確認：

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits

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

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

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

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

(ii) *Share-based payments*

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

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

5. 主要會計政策 (續)

僱員福利

(i) 短期僱員福利及定額供款退休計劃之供款

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

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

僱員應得之病假及產假或陪產假於休假時確認。

(ii) 以股支付款項

本集團設有以股權結算之以股支付薪酬計劃(「計劃」)，藉以向僱員提供獎賞。

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

(ii) Share-based payments (Continued)

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

Leases

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

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

5. 主要會計政策 (續)

僱員福利 (續)

(ii) 以股支付款項 (續)

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

租賃

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

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

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

Borrowing costs

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

Income tax

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

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

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

5. 主要會計政策 (續)

租賃 (續)

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

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

借貸成本

所有借貸成本乃於其產生之期間於綜合收益表確認並計入融資成本。

所得稅

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

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

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

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

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

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

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

5. 主要會計政策 (續)

所得稅 (續)

一切應課稅暫時差額均確認為遞延稅項負債，惟：

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

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

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

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

Foreign currencies

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

5. 主要會計政策 (續)

所得稅 (續)

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

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

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

外幣

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

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

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

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

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

5. 主要會計政策 (續)

外幣 (續)

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

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

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

5. 主要會計政策 (續)

關連方

在下列情況下，有關方將被視為與本集團有關連：

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

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6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

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

Judgments

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

Depreciation of property, plant and equipment

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

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

6. 關鍵會計判斷及估計

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

判斷

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

物業、廠房及設備之折舊

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

估計不明朗因素

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

6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS *(Continued)*

Estimation uncertainty *(Continued)*

Impairment loss on trade and other receivables

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

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

Valuation of share options granted

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

6. 關鍵會計判斷及估計 *(續)*

估計不明朗因素 *(續)*

貿易及其他應收賬款之減值虧損

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

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

已授出購股權之估值

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

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6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS *(Continued)*

Estimation uncertainty *(Continued)*

Impairment loss of goodwill

Determining whether goodwill needs impairment requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flow is less than expected, a material impairment loss may arise.

As at 31 December 2012, the carrying amount of goodwill is HK\$68,055 (2011: nil).

7. OPERATING SEGMENT INFORMATION

Business segments

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

Geographical segments

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

Information about a major customer

No transactions with a single external customer amount to 10% or more of the Group's revenue during the year 2012 and 2011.

6. 關鍵會計判斷及估計 *(續)*

估計不明朗因素 *(續)*

商譽減值虧損

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

於二零一二年十二月三十一日，商譽之賬面值為68,055港元(二零一一年：零)。

7. 經營分類資料

業務分類

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

地區分類

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

主要客戶之資料

於二零一二年及二零一一年，概無單一外部客戶之交易額佔本集團收入10%或以上。

8. REVENUE

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

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Tuition fee revenue	教學課程之收入	41,685	39,968
Sales of educational products	教學產品銷售	98	172
		41,783	40,140

8. 收入

本集團於年內之營業額分析如下：

9. OTHER INCOME

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Exchange gains, net	匯兌收益淨額	-	1
Interest income	利息收入	62	102
Sundry income	雜項收入	51	1,089
Gain on redemption of convertible notes	贖回可換股票據之收益	-	1,950
Rental income	租賃收入	109	46
		222	3,188

9. 其他收入

10. FINANCE COSTS

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Interest expenses on financial liabilities measured at amortised cost	按攤銷成本計量之金融負債之利息開支	7,667	6,815
Fair value changes on financial derivative	金融衍生工具之公平值變動	(157)	155
		7,510	6,970

10. 融資成本

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11. LOSS BEFORE TAX

11. 除稅前虧損

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Loss before tax has been arrived at after charging (crediting):	除稅前虧損已扣除(計入)下列各項:		
Staff costs (including directors' emoluments	僱員成本(包括董事酬金)		
– basic salaries and allowances	– 基本薪金及津貼	11,972	15,772
– contributions to defined contribution plans	– 定額供款計劃之供款	918	300
– Other	– 其他	865	–
Total staff costs	總僱員成本	13,755	16,072
Auditors' remuneration:	核數師酬金:		
– Audit service	– 核數服務	260	185
– Non-audit service	– 非核數服務	3	18
Professional fee	專業費用	6,532	7,497
Depreciation of property, plant and equipment	物業、廠房及設備之折舊		
– included in cost of sales	– 包括於銷售成本內	802	227
– included in selling expenses	– 包括於銷售開支內	7	7
– included in administrative expenses	– 包括於行政開支內	1,430	1,507
		2,239	1,741
Impairment losses on inventories	存貨減值虧損	–	121
Impairment losses on trade receivables	貿易應收賬款減值虧損	–	407
Impairment losses on other receivables	其他應收款項減值虧損	4,902	6,564
Loss on disposal of available-for-sales financial asset	出售可供出售金融資產之虧損	2,532	106
Compensation of convertible notes	可換股票據之補償	–	10,860
Payments under operating lease for land and buildings	土地及樓宇經營租約項下付款	2,838	3,108
Exchange (gains) losses, net	匯兌(收益)虧損·淨額	–	(1)

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

12. 董事及僱員酬金

a. Directors' emoluments

a. 董事酬金

		Salaries, allowances and benefits in kind					Retirement scheme contributions	Share-based payment	Performance related bonuses	Total
		Fees	薪金、津貼及實物利益							
		袍金	薪金、津貼及實物利益	退休計劃供款	以股支付款項	表現相關花紅	總計			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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
For the year ended	截至二零一二年									
31 December 2012	十二月三十一日止年度									
Executive Directors	執行董事									
Mr. Chen Hong	陳宏先生	-	1,000	-	-	-	-	-	1,000	
Ms. Wei Jianya	韋健亞女士	-	600	-	-	-	-	-	600	
Independent Non-Executive Directors	獨立非執行董事									
Dr. Huang Chung Hsing	黃崇興博士	60	-	-	-	-	-	-	60	
Mr. Cheung Wai Tak David (note i)	張偉德先生(附註i)	100	-	-	-	-	-	-	100	
Mr. Wu Tao (note ii)	武濤先生(附註ii)	80	-	-	-	-	-	-	80	
		240	1,600	-	-	-	-	-	1,840	

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

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

a. Directors' emoluments (Continued)

Notes:

- (i) Mr. Cheung Wai Tak was appointed on 11 June 2010.
- (ii) Mr. Wu Tao was resigned on 19 October 2012.

In 2012, the amounts of share-based payments were measured according to the Group's accounting policies for share-based payment transactions as set out in note 5 to the financial statements.

None of the directors of the Company waived or agreed to waive any emoluments paid by the Company and no incentive payment for joining the Company or compensation for loss of office was paid or payable to any director of the Company during the two years ended 31 December 2012 and 2011.

12. 董事及僱員酬金 (續)

a. 董事酬金 (續)

附註：

- (i) 張偉德先生於二零一零年六月十一日獲委任。
- (ii) 武濤先生於二零一二年十月十九日辭任。

於二零一二年，以股支付金額乃根據財務報表附註5所載本集團有關以股支付交易之會計政策計量。

截至二零一二年及二零一一年十二月三十一日止兩個年度，概無本公司董事放棄或同意放棄任何由本公司支付之酬金，亦無就加入本公司支付或應付任何獎賞款項或就離職支付或應付補償予本公司任何董事。

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

b. Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2011: two) were directors of the Company, whose remunerations are included in the disclosures above. The remunerations of the remaining three (2011: three) individuals were as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Salaries allowances and benefits in kind	薪金、津貼及實物利益	1,906	1,043
Retirement scheme contributions	退休計劃供款	14	55
Share-based payment	以股支付款項	-	-
		1,920	1,098

Their remunerations were within the following band:

彼等之薪酬處於下列範圍內：

		Number of individuals 人數	
		2012 二零一二年	2011 二零一一年
HK\$ Nil to HK\$1,000,000	零至1,000,000港元	3	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 至1,500,000港元	-	-

12. 董事及僱員酬金 (續)

b. 五位最高薪人士

本集團五位最高薪人士包括本公司兩名(二零一一年：兩名)董事，彼等之薪酬於上文披露。支付予其餘三名(二零一一年：三名)人士之薪酬如下：

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13. INCOME TAX (CREDIT) EXPENSE

During the year ended 31 December 2012, no Hong Kong profits tax has been provided for as the Group did not generate any taxable profits in Hong Kong (2011: nil).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2011: 25%).

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

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Loss before tax	除稅前虧損	(15,213)	(32,266)
Tax at respective applicable tax rates	按相關適用稅率計算之稅項	(8,825)	(5,324)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	1,595	1,152
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	6,933	(5,900)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	297	10,072
Income tax for the year	本年度的所得稅	-	-

14. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2012, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

13. 所得稅 (抵免) 開支

截至二零一二年十二月三十一日止年度，由於本集團並無於香港產生任何應課稅溢利，故並無作出香港利得稅撥備（二零一一年：無）。

其他司法權區產生之稅項按各個司法權區之現行稅率計算。根據《中國企業所得稅法》（「企業所得稅法」）及企業所得稅法之實施條例，中國附屬公司之稅率為25%（二零一一年：25%）。

本年度的所得稅與綜合收益表之除稅前虧損對賬如下：

14. 股息

截至二零一二年十二月三十一日止年度並無派付或擬派付任何股息，於報告期末後亦無建議派付任何股息（二零一一年：無）。

15. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to the owners of the Company of approximately HK\$30,397,000 (2011: HK\$39,007,000), and based on the weighted average number of shares in issue during the year of approximately 1,469,511,314 ordinary shares (2011: 1,377,821,471), as adjusted to reflect the issue of new shares, bonus shares and shares by conversion of convertible notes during the year.

No diluted loss per share has been presented for 2012 and 2011 as the share options and convertible notes outstanding have anti-dilutive effects on the basic loss per share amounts presented.

16. GOODWILL

15. 每股虧損

每股基本虧損乃根據本年度本公司持有人應佔虧損約30,397,000港元(二零一一年: 39,007,000港元), 以及經調整以反映年內發行新股份、紅股及因可換股票據獲轉換而發行股份之年內已發行股份加權平均數目約1,469,511,314股(二零一一年: 1,377,821,471股)普通股計算。

因尚未行使之購股權及可換股票據對所呈列之每股基本虧損金額具有反攤薄效果, 故並無呈列二零一二年及二零一一年之每股攤薄虧損。

16. 商譽

		The Group 本集團 HK\$'000 千港元
Cost	成本	
At 1 January 2011, 31 December 2011	於二零一一年一月一日、 二零一一年十二月三十一日	679,104
Acquisition of a subsidiary – Everjoy International	收購一間附屬公司 – 永樂國際	51,409
Acquisition of a subsidiary – Everjoy Technology	收購一間附屬公司 – 永樂科技	16,646
<hr/>		
At 31 December 2012	於二零一二年十二月三十一日	747,159
Accumulated Impairment	累計減值	
As at 1 January 2011 and 31 December 2011	於二零一一年一月一日及 二零一一年十二月三十一日	679,104
Impairment losses recognised during the year	年內確認之減值虧損	–
<hr/>		
At 31 December 2012	二零一二年十二月三十一日	679,104
Carrying amounts	賬面值	
At 31 December 2012	於二零一二年十二月三十一日	68,055
<hr/>		
At 31 December 2011	於二零一一年十二月三十一日	–

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16. GOODWILL (Continued)

Note:

- i. Goodwill arose on acquisition of subsidiaries New Beida Business Study Net Group Limited is HK\$647,598,000 on 27 February 2008.
- ii. Goodwill arose on acquisition of subsidiaries, IIN Medical (BVI) Group Limited (“IIN Medical (BVI)”) and its subsidiaries on 23 April 2009.
- iii. Goodwill arose on acquisition of non-controlling interests of Hunan IIN Medical Network Technology Development Company Limited, a subsidiary of IIN Medical (BVI), in May 2009.

Goodwill arose on acquisition of ii and iii is HK\$31,506,000.
- iv. Goodwill arose on acquisition of subsidiaries, Everjoy International Media Corporation and Everjoy Technology Development Corporation is HK\$68,055,000 on 20 December 2012.

Impairment testing of goodwill

i. Acquisition of New Beida Business Study Net Group Limited (“New Beida”)

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

16. 商譽 (續)

附註：

- i. 商譽乃於二零零八年二月二十七日收購附屬公司新北大商學網集團有限公司時產生，為647,598,000港元。
- ii. 商譽乃於二零零九年四月二十三日收購附屬公司國訊醫藥(BVI)集團有限公司(「國訊醫藥(BVI)」)及其附屬公司時產生。
- iii. 商譽乃於二零零九年五月收購國訊醫藥(BVI)之附屬公司－湖南國訊醫藥網絡科技開發有限公司之非控股權益時產生。

商譽乃於收購ii及iii時產生，為31,506,000港元。
- iv. 商譽乃於二零一二年十二月二十日收購附屬公司－永樂國際傳媒有限公司及永樂科技發展有限公司時產生，為68,055,000港元。

商譽減值測試

i. 收購新北大商學網集團有限公司(「新北大」)

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

16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

ii. Acquisition of IIN Medical (BVI)

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

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

16. 商譽 (續)

商譽減值測試 (續)

ii. 收購國訊醫藥(BVI)

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

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

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16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

iii. Acquisition of Everjoy International and Everjoy Technology

The directors have performed an impairment review of the carrying amount of goodwill as at 31 December 2012 and have concluded that no provision for impairment is required. For the purposes of impairment testing, goodwill acquired has been allocated to the smallest individual of cash generating units identified as at 31 December 2012. The recoverable amount of each of the cash generating units is determined based on value-in-use calculations. The calculation uses cash flow projections based on financial estimates made by the directors, with reference to the prevailing market conditions, assuming gross profit margins of 10%. The management assumes that the sales in the following periods will increase significantly and the cash flows are extrapolated with reference to the sales volume of the cash generating units acquired.

16. 商譽 (續)

商譽減值測試 (續)

iii. 收購永樂國際及永樂科技

董事已對於二零一二年十二月三十一日的商譽賬面值檢討減值，結論為毋須計提減值。就減值測試而言，所收購之商譽已分配至二零一二年十二月三十一日識別之最小現金產生單位。每項現金產生單位之可收回數額乃根據使用價值計算而釐定。計算時使用董事所作的財務估算而作出的現金流量預測，並參考現行市場狀況，假設毛利率為10%。管理層假設未來期間的銷售將大幅增長，而現金流量乃根據所收購現金產生單位的銷量而推斷。

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		The Group 本集團 HK\$'000 千港元
Cost		
At 1 January 2011	於二零一一年一月一日	48,194
Exchange realignment	匯兌調整	2,401
At 31 December 2011	於二零一一年十二月三十一日	50,595
Exchange realignment	匯兌調整	1,737
As 31 December 2012	於二零一二年十二月三十一日	52,332
Accumulated Amortisation and Impairment		
At 1 January 2011	於二零一一年一月一日	48,194
Charge for the year	年內計提	2,401
Exchange realignment	匯兌調整	2,401
As 31 December 2011	於二零一一年十二月三十一日	50,595
Exchange realignment	匯兌調整	1,737
At 31 December 2012	於二零一二年十二月三十一日	52,332
Carrying amounts		
At 31 December 2012	於二零一二年十二月三十一日	-
At 31 December 2011	於二零一一年十二月三十一日	-

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18. PROPERTY, PLANT AND EQUIPMENT

a. The Group

18. 物業、廠房及設備

a. 本集團

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Building 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 January 2011	於二零一一年一月一日	1,295	-	-	14,119	378	15,792
Additions	添置	137	-	-	397	-	534
Disposal	出售	-	-	-	(677)	-	(677)
Reclassification	重新分類	(416)	-	-	416	-	-
Exchange realignment	匯兌調整	24	-	-	696	19	739
At 31 December 2011	於二零一一年十二月三十一日	1,040	-	-	14,951	397	16,388
Additions	添置	-	-	-	12	-	12
Disposal	出售	-	-	-	-	-	-
Reclassification	重新分類	-	-	-	-	-	-
Exchange realignment	匯兌調整	17	-	-	500	14	531
At 31 December 2012	於二零一二年十二月三十一日	1,057	-	-	15,463	411	16,931
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2011	於二零一一年一月一日	945	-	-	9,939	125	11,009
Charge for the year	年內計提	223	-	-	1,305	213	1,741
Disposal	出售	-	-	-	(669)	-	(669)
Reclassification	重新分類	(187)	-	-	187	-	-
Exchange realignment	匯兌調整	10	-	-	517	11	538
At 31 December 2011	於二零一一年十二月三十一日	991	-	-	11,279	349	12,619
Charge for the year	年內計提	58	-	-	2,164	17	2,239
Disposal	出售	-	-	-	-	-	-
Reclassification	重新分類	-	-	-	-	-	-
Exchange realignment	匯兌調整	8	-	-	423	12	443
At 31 December 2012	於二零一二年十二月三十一日	1,057	-	-	13,866	378	15,301
Carrying amounts	賬面值						
At 31 December 2012	於二零一二年十二月三十一日	-	-	-	1,597	33	1,630
At 31 December 2011	於二零一一年十二月三十一日	49	-	-	3,672	48	3,769

18. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

b. The Company

18. 物業、廠房及設備 (續)

b. 本公司

		Furniture, fixtures and office equipment 傢俬、裝置 及辦公室設備 HK\$'000 千港元
Cost	成本	
At 1 January 2011 and 31 December 2011	於二零一一年一月一日 及二零一一年十二月三十一日	68
Additions	添置	-
At 31 December 2012	於二零一二年十二月三十一日	68
Accumulated depreciation and impairment	累計折舊及減值	
At 1 January 2011	於二零一一年一月一日	5
Charge for the year	年內計提	10
At 31 December 2011	於二零一一年十二月三十一日	15
Charge for the year	年內計提	14
At 31 December 2012	於二零一二年十二月三十一日	29
Carrying amounts	賬面值	
At 31 December 2012	於二零一二年十二月三十一日	39
At 31 December 2011	於二零一一年十二月三十一日	53

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19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

19. 可供出售金融資產

		The Group and the Company 本集團及本公司	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Listed equity securities at fair value – In Hong Kong	上市股權證券，按公平值 – 香港	249	3,800

20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

		The Company 本公司	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	77,848	800,012
Less: impairment losses on investment costs	減：投資成本之減值虧損	–	(800,011)
		77,848	1

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

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

20. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Particulars of the principal subsidiaries as at 31 December 2012 are as follows:

20. 於附屬公司之投資 (續)

主要附屬公司於二零一二年十二月三十一日之詳情如下：

Name of company 公司名稱	Place of incorporation/ registration/operations 註冊成立/註冊/經營地點	Issue and fully paid up share capital/ registered capital 發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
China E-Learning (Hong Kong) Limited 中國網絡教育(香港)有限公司	Hong Kong 香港	Ordinary shares HK\$1 1港元普通股	100%	–	Provision of management services to group companies 向集團公司提供管理服務
New Beida Business StudyNet Group Limited 新北大商學網集團有限公司	BVI 英屬處女群島	Ordinary shares US\$10,000 10,000美元普通股	100%	–	Investment holding 投資控股
Best Boom Enterprises Limited Best Boom Enterprises Limited	BVI 英屬處女群島	Ordinary shares US\$10 10美元普通股	–	100%	Investment holding 投資控股
Beijing Hua Tuo Education Technology Company Limited (note a) 北京華拓教育科技有限公司 (附註a)	PRC 中國	Registered capital HK\$40,000,000 40,000,000港元註冊資本	–	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育、行業認證課程、 技能培訓及教育諮詢
Beijing Ke Xiong Education Company Limited (note a) 北京科雄教育有限公司 (附註a)	PRC 中國	Registered capital RMB5,000,000 人民幣5,000,000元註冊資本	–	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育、行業認證課程、 技能培訓及教育諮詢
IIN Medical (BVI) Group Limited 國訊醫藥(BVI)集團有限公司	BVI 英屬處女群島	Ordinary shares HK\$13,677,288 13,677,288港元普通股	–	100%	Investment holding 投資控股
IIN Medical Group Limited 國訊醫藥實業有限公司	Hong Kong 香港	Ordinary shares HK\$3,000,000 3,000,000港元普通股	–	100%	Investment holding 投資控股
Hunan IIN Medical Network Technology Development Company Limited (note a) 湖南國訊醫藥網絡科技開發 有限公司(附註a)	PRC 中國	Registered capital RMB14,530,808 人民幣14,530,808元註冊資本	–	100%	Investment holding 投資控股

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20. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company 公司名稱	Place of incorporation/ registration/operations 註冊成立/註冊/經營地點	Issue and fully paid up share capital/ registered capital 發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Distance Education College of Beijing University of Chinese Medicine 北京中醫藥大學 遠程教育學院	PRC 中國	Registered capital RMB900,000 人民幣900,000元註冊資本	-	51%	Provision of distance learning program in Chinese medicine 提供中醫藥遠程教育課程
Everjoy International Media Corporation 永樂國際傳媒有限公司	BVI 英屬處女群島	Ordinary shares HK\$8 8港元普通股	-	100%	Distribution of event tickets 分銷活動門票
Everjoy Technology Development Corporation 永樂科技發展有限公司	BVI 英屬處女群島	Ordinary shares HK\$387,575 387,575港元普通股	-	100%	Provision of design, development, and improvement of software system 提供軟件系統的設計、開發及改進

Notes:

- a. These are wholly-foreign owned enterprises established in the PRC.

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

附註：

- a. 為在中國成立之外商獨資企業。

於年終或年內任何時候，該等附屬公司並無任何債務證券。

21. INVENTORY

21. 存貨

		The Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Cost	成本	172	166
Less: impairment losses	減：減值虧損	172	166
		-	-

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收賬款

		The Group 本集團		The Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	貿易應收賬款	1,439	1,391	-	-
Less: impairment losses	減：減值虧損	(1,439)	(1,391)	-	-
		-	-	-	-
Deposits and other receivables	按金及其他應收款項	106,088	97,404	153,248	1,276
Prepayments	預付款項	7,320	26,969	-	25,760
Less: impairment losses	減：減值虧損	(33,450)	(27,613)	-	-
		79,958	96,760	153,248	27,036

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

貿易應收賬款於報告期末之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Within 30 days	30日內	-	-	-	-
31 to 60 days	31日至60日間	-	-	-	-
61 to 90 days	61日至90日間	-	-	-	-
Over 90 days	超過90日	1,439	1,391	-	-
		1,439	1,391	-	-

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

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

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22. TRADE AND OTHER RECEIVABLES (Continued)

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

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

22. 貿易及其他應收賬款 (續)

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

本集團有關貿易應收賬款減值撥備之變動如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	1,391	916	-	-
Impairment losses	減值虧損	-	407	-	-
Exchange realignment	匯兌調整	48	68	-	-
At 31 December	於十二月三十一日	1,439	1,391	-	-

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

本集團有關其他應收款項減值撥備之變動如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	27,613	19,818	-	-
Impairment losses	減值虧損	4,902	6,564	-	80,207
Exchange realignment	匯兌調整	935	1,231	-	-
At 31 December	於十二月三十一日	33,450	27,613	-	80,207

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等值項目

		The Group 本集團		The Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Bank balances	銀行結餘	12,429	18,685	3	980
Cash balances	現金結餘	9,880	95	41	14
Cash in licensed corporation	於持牌法團之現金	-	679	-	679
Cash and cash equivalents in the consolidated statement of cash flow	於綜合現金流量表 之現金及現金 等值項目	22,309	19,459	44	1,673

Cash and deposits with banks of HK\$12,438,091 (2011:HK\$17,786,000) for the Group are denominated in Renminbi, which is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange control imposed by the PRC government.

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

本集團之現金及銀行存款12,438,091港元(二零一一年：17,786,000港元)乃以人民幣列值，而人民幣並非自由兌換貨幣，向中國國外匯款受到中國政府的外匯管制規限。

銀行存款按現行市場利率計息。

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24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付賬款

		The Group 本集團		The Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade payables	貿易應付賬款	14	13	-	-
Other payables	其他應付款項	3,843	25,422	2,382	10,960
Receipt in advance	預收款項	20,057	19,689	-	-
Accrued charges	應計費用	7,036	206	6,670	206
		30,950	45,330	9,052	11,166

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

貿易應付賬款於報告期末之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Within 30 days	30日內	-	-	-	-
31 to 60 days	31日至60日間	-	-	-	-
61 to 90 days	61日至90日間	-	-	-	-
Over 90 days	超過90日	14	13	-	-
		14	13	-	-

25. DEFERRED TAXATION

(a) The Group

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

		Accelerated tax		
		Depreciation	Tax losses	Total
		加速稅項折舊	稅項虧損	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2011, and 於二零一一年一月一日	及二零一零年			
31 December 2010 十二月三十一日		28	(28)	–
Movement for the year 年內變動		42	(42)	–
At 31 December 2011 於二零一一年	十二月三十一日	70	(70)	–
Movement for the year 年內變動		12	(12)	–
At 31 December 2012 於二零一二年	十二月三十一日	82	(82)	–

At the end of the reporting date, the Group had estimated the unused tax losses of approximately HK\$182,750,669 (2011: HK\$124,846,000) available for offset against future profits. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses can be carried forward indefinitely.

(b) The Company

At the end of the reporting date, the Company had unused tax losses of approximately HK\$138,766,172 (2011: HK\$110,391,940) available for offset against future profits. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses can be carried forward indefinitely.

25. 遞延稅項

(a) 本集團

於綜合財務狀況表內確認之遞延稅項(資產)負債組成部分及於年內之變動如下：

於報告日期完結時，本集團估計可用作對銷未來溢利之未動用稅項虧損約為182,750,669港元(二零一一年：124,846,000港元)。由於未能預測未來溢利來源，故並無就該等虧損確認遞延稅項資產。該等稅項虧損可無限期結轉。

(b) 本公司

於報告日期完結時，本公司有未動用之稅項虧損約138,766,172港元(二零一一年：110,391,940港元)可用作抵銷未來溢利。由於未能預測未來溢利來源，故並無就該等虧損確認遞延稅項資產。該等稅項虧損可無限期結轉。

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26. SHARE CAPITAL

26. 股本

The Group and the Company

本集團及本公司

		Notes 附註	Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Authorised:	法定：			
Ordinary shares of HK\$0.5 each at 31 December 2011 and 2012	於二零一一年及二零一二年 十二月三十一日 每股面值0.5港元 之普通股		10,000,000,000	5,000,000
Issued and fully paid:	已發行及繳足：			
Ordinary shares of HK\$0.5 each at 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日 及二零一一年一月一日 每股面值0.5港元之普通股		1,310,770,439	655,385
Issue of shares by conversion of convertible notes	因可換股票據獲轉換 而發行股份	a	170,515,381	85,258
Being the cancellation of ordinary shares at par value HK\$0.50	註銷面值0.50港元 之普通股	b	(16,944,000)	(8,472)
Ordinary shares of HK\$0.5 each at 31 December 2011	於二零一一年十二月三十一日 每股面值0.5港元之普通股		1,464,341,820	732,171
Issue of shares by conversion of convertible notes	因可換股票據獲轉換 而發行股份	c	7,537,082	3,768
Ordinary shares of HK\$0.5 each at 31 December 2012	於二零一二年十二月三十一日 每股面值0.5港元之普通股		1,471,878,902	735,939

26. SHARE CAPITAL *(Continued)*

The Group and the Company *(Continued)*

Notes:

- (a) During the year ended 31 December 2011, convertible notes in the principal amount of HK\$91,130,547 were converted by holders to subscribe for 170,515,381 shares. Details of the conversion during the year are set out in note 29.
- (b) On 18 October 2011, the Company repurchased 16,944,000 shares at par value of \$0.50.
- (c) During the year ended 31 December 2012, convertible notes in the principal amount of HK\$7,612,454 were converted by holders to subscribe for 7,537,082 shares. Details of the conversion during the year are set out in note 29.

27. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 48 of the annual report.

26. 股本 (續)

本集團及本公司 (續)

附註：

- (a) 截至二零一一年十二月三十一日止年度，可換股票據持有人轉換本金額91,130,547港元之可換股票據，以認購170,515,381股股份。年內之換股詳情載於附註29。
- (b) 於二零一一年十月十八日，本公司購回16,944,000股每股面值0.50港元之股份。
- (c) 截至二零一二年十二月三十一日止年度，可換股票據持有人轉換本金額7,612,454港元之可換股票據，以認購7,537,082股股份。年內之換股詳情載於附註29。

27. 儲備

(a) 本集團

本年度及以往年度本集團儲備之數額及其變動於年報第48頁之綜合權益變動表中呈列。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
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27. RESERVES (Continued)

(b) The Company

27. 儲備 (續)

(b) 本公司

	Notes 附註	Share premium 股份溢價 HK\$'000 千港元	Share-based payment reserve 以股支付儲備 HK\$'000 千港元	Convertible note equity reserve 可換股 票據權益儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日 及二零一一年一月一日	130,354	43,483	49,688	(849,974)	(626,449)
Total comprehensive loss for the year	本年度全面虧損總額	-	(28,989)	-	(11,518)	(40,507)
Reclassification of settled convertible notes	重新分類已償付 之可換股票據	30	30,267	(30,267)	-	-
Reclassification of settled convertible notes	重新分類已償付 之可換股票據	30	-	(80,012)	-	(80,012)
Settlement of Convertible notes	償付可換股票據	30	-	64,915	-	64,915
Equity component of convertible notes	可換股票據之股權部分	30	-	17,623	-	17,623
Issue of shares by conversion of convertible notes	因可換股票據獲轉換 而發行股份	30	5,873	(12,956)	-	(7,083)
Redemption of convertible notes	贖回可換股票據	30	-	(950)	-	(950)
Being cancellation of ordinary shares at par value \$0.50	註銷面值0.50港元 之普通股	27	4,835	-	-	4,835
At 31 December 2011	於二零一一年十二月三十一日	171,329	14,494	8,041	(861,492)	(667,628)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	(24,311)	(24,311)
Settlement of Convertible notes	償付可換股票據	-	-	(616)	-	(616)
Issue of convertible notes	發行可換股票據	-	-	10,909	-	10,909
Issue of shares by conversion of convertible notes	因可換股票據獲轉換 而發行股份	5,321	-	(486)	-	4,835
Redemption of convertible notes	贖回可換股票據	-	-	(732)	-	(732)
At 31 December 2012	於二零一二年十二月三十一日	176,650	14,494	17,116	(885,803)	(677,543)

27. RESERVES *(Continued)*

(b) The Company *(Continued)*

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

Pursuant to the Companies Law of the Cayman Islands and the Company's Articles of Association, the share premium of the Company is distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay its debts as they fall due in the ordinary course of business. At 31 December 2012, in the opinion of the directors of the Company, the Company did not have any reserve available for distribution to shareholders (2011: Nil).

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

27. 儲備 *(續)*

(b) 本公司 *(續)*

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

根據開曼群島公司法及本公司組織章程細則，倘於緊隨擬派股息當日後，本公司有能力償還於日常業務中到期之債項，則本公司可向股東分派股份溢價。於二零一二年十二月三十一日，本公司董事認為本公司並無任何可向股東分派之儲備（二零一一年：無）。

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

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28. OTHER BORROWING – CURRENT

28. 其他借款 – 流動

		The Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Borrowing from shareholder-Yang Dong Jun	向股東借款 – 楊東軍	51,070	–
Borrowing form other parties:	向其他方借款：		
Gong Di Qing	Gong Di Qing	689	–
Zhiku Caipital Investment Limited	Zhiku Caipital Investment Limited	3,955	–
Superb Summit International Group Limited	奇峰國際集團有限公司	1,023	–
		56,737	–

The amount due to Yang Dong Jun is unsecured, with a maturity date of 1-year and an annual interest of 12%.

應支付予楊東軍之款項為無擔保、1年到期及年利率為12%。

The amount due to Gong Di Qing is unsecured, and HK\$ 200,000 of this amount has a maturity date of 1-year and an annual interest of 5%, and the remaining amount is interest-free.

應支付予Gong Di Qing之款項為無擔保，其中200,000港元1年到期，年利率為5%，餘下則為免息。

The amount due to Zhiku Capital Investment Limited is unsecured, interest-free and with a maturity date of 1-year.

應支付予Zhiku Capital Investment Limited之款項為無擔保、免息及1年到期。

The amount due to Superb Summit International Group Limited is unsecured, with a maturity date of 1-year and an annual interest of 5%.

應支付予奇峰國際集團有限公司之款項為無擔保、1年到期及年利率為5%。

29. CONVERTIBLE NOTES

The Group and the Company

Acquisition of 100% interest in IIN Medical (BVI)

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

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

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

29. 可換股票據

本集團及本公司

收購國訊醫藥(BVI)之100%權益

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

二零零九年可換股票據之主要條款如下：

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

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

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

(a) Conversion period

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

(b) Redemption option

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

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

29. 可換股票據 (續)

本集團及本公司 (續)

收購國訊醫藥(BVI)之100%權益 (續)

(a) 換股期

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

(b) 贖回選擇權

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

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

29. CONVERTIBLE NOTES *(Continued)*

The Group and the Company *(Continued)*

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

(c) Profit guarantee

Certain members of Vendor B undertake to the Group that the profits after tax shown in the audited consolidated financial statements of Hunan IIN Medical, prepared in accordance with Hong Kong Generally Accepted Accounting Principles for the year ending 31 December 2009 should not be less than RMB 8.5 million and will compensate the Group for any shortfall, in proportion of their respective shareholding in IIN Medical (BVI) to the extent of an aggregate 17.31% thereof, between the guaranteed profit and the actual profit.

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

The directors of the Company have assessed the fair value of the Convertible notes 2009 with embedded derivative. At 31 December 2012, the liability component of the Convertible notes 2009 is approximately HK\$59,000 which is stated at amortised cost using the effective interest method and the fair value of the derivative component of the Convertible notes 2009 is approximately HK\$ nil of asset (2011: HK\$ nil) and nil of liability (2011: HK\$250,000). The effective interest expenses of Convertible notes 2009 amounting to approximately HK\$103,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

29. 可換股票據 *(續)*

本集團及本公司 *(續)*

收購國訊醫藥(BVI)之100%權益 *(續)*

(c) 利潤保證

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

根據湖南國訊醫藥之經審核財務業績，已符合利潤保證要求。

本公司董事已評估包含嵌入式衍生工具之二零零九年可換股票據的公平值。於二零一二年十二月三十一日，二零零九年可換股票據之負債部分約為59,000港元，乃使用實際利息法按攤銷成本列賬，而二零零九年可換股票據之衍生工具部分的公平值約為資產零港元（二零一一年：零港元）及負債零港元（二零一一年：250,000港元）。二零零九年可換股票據之實際利息開支約103,000港元，已於截至二零一二年十二月三十一日止年度之綜合收益表內確認。

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

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

(c) Profit guarantee (Continued)

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

Valuation of liability component

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

29. 可換股票據 (續)

本集團及本公司 (續)

收購國訊醫藥(BVI)之100%權益 (續)

(c) 利潤保證 (續)

為二零零九年可換股票據估值時應用之方法及假設如下：

負債部分之估值

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

29. CONVERTIBLE NOTES *(Continued)*

The Group and the Company *(Continued)*

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

(c) Profit guarantee *(Continued)*

Valuation of holder redemption option derivative

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

	23 April 2009 二零零九年 四月二十三日	31 December 2009 二零零九年 十二月三十一日	31 December 2010 二零一零年 十二月三十一日	31 December 2011 二零一一年 十二月三十一日	31 December 2012 二零一二年 十二月三十一日
Stock price 股價	HK\$0.30 0.30港元	HK\$0.30 0.30港元	HK\$0.31 0.31港元	HK\$0.237 0.237港元	HK\$0.19 0.19港元
Exercise price 行使價	HK\$0.32 0.32港元	HK\$1.57 (adjusted after the placing of shares and share consolidation) 1.57港元(因配售股份 及進行股份合併 而調整)	HK\$1.01 (adjusted after the open offer) 1.01港元(因公開 發售而調整)	HK\$1.01 (adjusted after the open offer) 1.01港元(因公開 發售而調整)	HK\$1.01 (adjusted after the open offer) 1.01港元(因公開 發售而調整)
Option life 選擇權期限	48 months 48個月	40 months 40個月	28 months 28個月	16 months 16個月	4 months 4個月
Risk free rate 無風險利率	0.70%-1.55% 0.70%-1.55%	0.32%-1.25% 0.32%-1.25%	0.74% 0.74%	0.29% 0.29%	0.06% 0.06%

29. 可換股票據 *(續)*

本集團及本公司 *(續)*

收購國訊醫藥(BVI)之100%權益 *(續)*

(c) 利潤保證 *(續)*

持有人贖回選擇權衍生工具之估值

為持有人贖回選擇權衍生工具估值時已使用二項式模型。模型之輸入參數如下：

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 A Convertible notes:

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

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

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

(a) Conversion period:

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

29. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據A:

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

二零一一年可換股票據A之主要條款如下：

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

(a) 換股期：

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

29. CONVERTIBLE NOTES *(Continued)*

The Group and the Company *(Continued)*

2011 A Convertible notes: *(Continued)*

(b) Issuer early redemption option:

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

(c) Valuation of liability component

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

As at 31 December 2012, the liability component of the CN 2011 A is approximately HK\$27,771,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of CN 2011 A amounting to approximately HK\$1,666,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

29. 可換股票據 *(續)*

本集團及本公司 *(續)*

二零一一年可換股票據A：*(續)*

(b) 發行人提早贖回選擇權：

本公司不可於到期日前提早贖回該等票據。

(c) 負債部分之估值

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

於二零一二年十二月三十一日，二零一一年可換股票據A之負債部分約為27,771,000港元，乃使用實際利息法按攤銷成本列賬。二零一一年可換股票據A之實際利息開支約1,666,000港元已於截至二零一二年十二月三十一日止年度之綜合收益表確認。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度
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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 B Convertible notes:

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

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

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

(a) Conversion period:

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

29. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據B:

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

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

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

(a) 換股期：

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

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 B Convertible notes: (Continued)

(b) Issuer early redemption option:

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

(c) Valuation of liability component

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

On 11 May 2012, the Company has fully redeemed the note with principal amount plus any interest accrued in 2012 and 30% of additional compensation, with an annual interest rate of 12%. Therefore, the Company has accrued such loan payment of HK\$51,070,000 as at year ended 31 December, 2012.

2011 C Convertible notes:

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

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

29. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據B：(續)

(b) 發行人提早贖回選擇權：

本公司不可於到期日前提早贖回該等票據。

(c) 負債部分之估值

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

於二零一二年五月十一日，本公司以本金額加二零一二年應計的任何利息及30%之額外補償全數贖回該票據(年利率為12%)。因此，本公司已於截至二零一二年十二月三十一日止年度產生有關貸款付款51,070,000港元。

二零一一年可換股票據C：

於二零一一年八月二十五日，本公司發行票息為3%的可換股票據(「二零一一年可換股票據C」)，二零一一年可換股票據C的主要條款如下：

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

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 C Convertible notes: (Continued)

(a) Conversion period:

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

(b) Issuer early redemption option:

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

(c) Valuation of liability component

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

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

29. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據C：(續)

(a) 兌換期間：

票據持有人有權於由發行日期起至緊接到期日期前第五個營業日(不包括該日)任何時間按每股0.50港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於1,000,000港元，(惟倘於任何時間可換股票據的未償還本金額少於1,000,000港元，則可兌換可換股票據之全部(而非僅一部分)未償還本金額)。

(b) 發行人提前贖回選擇權：

本公司無權於到期日之前提前贖回票據。

(c) 負債部分之估值

於發行日期，負債部分按公平值確認。公平值使用現金流量貼現按貼現率8.93%的基準利率進行計算。

票據持有人於發行日期兌換所有二零一一年可換股票據C的本金，相當於19,500,000港元。

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 D Convertible notes:

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

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

(a) Conversion period:

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

On 6 September 2012, the Company and the CN Holder of CN 2011D have agreed to a 6-month postponement of the original Maturity Date to 6 March 2013 (the “New Maturity Date”) and so the related conversion period during which the CN Holder can exercise the conversion right attaching to the Notes shall accordingly expire on (but excluding) the fifth Business Day immediately before the new Maturity Date.

29. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據D：

於二零一一年九月十四日，本公司發行票息為3%的可換股票據（「二零一一年可換股票據D」），二零一一年可換股票據D的主要條款如下：

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

(a) 兌換期間：

票據持有人有權於由發行日期起至緊接到期日期前第五個營業日（不包括該日）任何時間按每股0.50港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於1,000,000港元，（惟倘於任何時間可換股票據的未償還本金額少於1,000,000港元，則可兌換可換股票據之全部（而非僅一部分）未償還本金額）。

於二零一二年九月六日，本公司與二零一一年可換股票據D的可換股票據持有人已同意將原到期日延後六個月至二零一三年三月六日（「新到期日」），因此可換股票據持有人可行使票據所附帶之兌換權的相關兌換期間將因而於緊接新到期日期前第五個營業日（但不包括該日）到期。

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 D Convertible notes: (Continued)

(b) Issuer early redemption option:

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

(c) Valuation of liability component

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

As at 31 December 2012, the liability component of the CN 2011 D is approximately HK\$22,412,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of CN 2011 D amounting to approximately HK\$1,444,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

2012 EICN-1 Convertible notes:

On 20 December 2012, the Company issued 1% coupon convertible notes (the "EICN-1"), the principal terms of the EICN-1 are as follows:

Date of issue	20 December 2012
Aggregate principal amount	HK\$20,600,000
Interest rate	1%
Adjusted conversion price	HK\$0.50
Maturity date	36 months from the date of issue

29. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據D：(續)

(b) 發行人提前贖回選擇權：

本公司無權於到期日之前提前贖回票據。

(c) 負債部分之估值

二零一一年可換股票據D於二零一一年九月十四日的公平值為21,908,000港元。公平值使用現金流量貼現按貼現率9.69%的基準利率進行計算。

於二零一二年十二月三十一日，二零一一年可換股票據D的負債部分約為22,412,000港元，該數額乃使用實際利息法按攤銷成本列賬。二零一一年可換股票據D的實際利息開支約1,444,000港元已於截至二零一二年十二月三十一日止年度的綜合收益表確認。

二零一二年可換股票據永樂國際可換股票據1：

於二零一二年十二月二十日，本公司發行票息為1%的可換股票據（「永樂國際可換股票據1」），永樂國際可換股票據1的主要條款如下：

發行日期	二零一二年十二月二十日
本金總額	20,600,000港元
利率	1%
經調整換股價	0.50港元
到期日	自發行日期起36個月

29. CONVERTIBLE NOTES *(Continued)*

The Group and the Company *(Continued)*

2012 EICN-1 Convertible notes: *(Continued)*

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$500,000 on each conversion (save that if at any time, the principal outstanding amount of the Note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company may at its sole and absolute discretion redeem the Notes (or any part thereof) at its principal amount outstanding together with Interest at any time and from time to time on or before the Notes Maturity Date.

29. 可換股票據 *(續)*

本集團及本公司 *(續)*

二零一二年可換股票據永樂國際可換股票據1：*(續)*

(a) 兌換期間：

票據持有人有權於由發行日期起至緊接到期日期前第五個營業日(不包括該日)任何時間按每股0.50港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，(惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部(而非僅一部分)未償還本金額)。

(b) 發行人提前贖回選擇權：

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息按其出售及酌情贖回票據(或任何部分票據)。

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 EICN-1 Convertible notes: (Continued)

(b) Issuer early redemption option: (Continued)

The convertible notes contains liability component equity companies and redemption option derivative. The holders' redemption option derivative is not closely related to the host contract as the redemption amount is not closed to amortise cost of the liability on the redemption date. Holders' redemption option derivative is measured at fair value with change in fair value recognised in consolidated income statement.

(c) Valuation of liability component

The fair value of EICN-1 as at 20 December 2012 amounted to HK\$17,288,000. The fair value is calculated using binomial tree models at a rate based on the discount rate of 7.79%.

As at 31 December 2012, the liability component of the EICN-1 is approximately HK\$16,880,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of EICN-1 amounting to approximately HK\$41,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂國際可換股票據1：(續)

(b) 發行人提前贖回選擇權：(續)

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

(c) 負債部分之估值

永樂國際可換股票據1於二零一二年十二月二十日的公平值為17,288,000港元。公平值乃使用二叉樹模型按7.79%的貼現率計算。

於二零一二年十二月三十一日，永樂國際可換股票據1的負債部分約為16,880,000港元，該數額乃使用實際利率法按攤銷成本列賬。永樂國際可換股票據1的實際利息開支約為41,000港元已於截至二零一二年十二月三十一日止年度的綜合收益表確認。

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 EICN-1 Convertible notes: (Continued)

(c) Valuation of liability component (Continued)

Valuation of holder redemption option derivative

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

	31 December 2012
Stock price	HK\$ 0.19
Exercise price	HK\$0.50
Option life	35 months
Risk free rate	0.13%

2012 EICN-2 Convertible notes:

On 20 December 2012, the Company issued 1% coupon convertible notes (the "EICN-2"), the principal terms of the EICN-2 are as follows:

Date of issue	20 December 2012
Aggregate principal amount	HK\$29,000,000
Interest rate	1%
Adjusted conversion price	HK\$0.50
Maturity date	36 months from the date of issue

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$500,000 on each conversion (save that if at a time, the principal outstanding amount of the Note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂國際可換股票據1：(續)

(c) 負債部分之估值 (續)

持有人贖回選擇權衍生工具的估值

二項式模型用於持有人贖回選擇權衍生工具的估值。模型之輸入參數如下：

	二零一二年十二月三十一日
股價	0.19港元
行使價	0.50港元
選擇權期限	35個月
無風險利率	0.13%

二零一二年可換股票據永樂國際可換股票據2：

於二零一二年十二月二十日，本公司發行票息為1%的可換股票據（「永樂國際可換股票據2」），永樂國際可換股票據2的主要條款如下：

發行日期	二零一二年十二月二十日
本金總額	29,000,000港元
利率	1%
經調整換股價	0.50港元
到期日	自發行日期起36個月

(a) 兌換期間：

票據持有人有權於由發行日期起至緊接到期日期前第五個營業日（不包括該日）任何時間按每股0.50港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，（惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部（而非僅一部分）未償還本金額）。

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 EICN-2 Convertible notes: (Continued)

(b) Issuer early redemption option:

The Company may at its sole and absolute discretion redeem the Notes (or any part thereof) at its principal amount outstanding together with Interest at any time and from time to time on or before the Notes Maturity Date.

(c) Valuation of liability component

The fair value of EICN-2 as at 20 December 2012 amounted to HK\$24,337,000. The fair value is calculated using binomial tree models at a rate based on the discount rate of 7.79%.

As at 31 December 2012, the liability component of the EICN-2 is approximately HK\$23,763,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of EICN-2 amounting to approximately HK\$58,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

Valuation of holder redemption option derivative

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

	31 December 2012
Stock price	HK\$ 0.19
Exercise price	HK\$0.50
Option life	35 months
Risk free rate	0.13%

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂國際可換股票據2：(續)

(b) 發行人提前贖回選擇權：

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息按其出售及酌情贖回票據(或任何部分票據)。

(c) 負債部分之估值

永樂國際可換股票據2於二零一二年十二月二十日的公平值為24,337,000港元。公平值乃使用二叉樹模型按7.79%的貼現率計算。

於二零一二年十二月三十一日，永樂國際可換股票據2的負債部分約為23,763,000港元，該數額乃使用實際利率法按攤銷成本列賬。永樂國際可換股票據2的實際利息開支約為58,000港元已於截至二零一二年十二月三十一日止年度的綜合收益表確認。

持有人贖回選擇權衍生工具的估值

二項式模型用於持有人贖回選擇權衍生工具的估值。模型之輸入參數如下：

	二零一二年 十二月三十一日
股價	0.19港元
行使價	0.50港元
選擇權期限	35個月
無風險利率	0.13%

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 EICN-3 Convertible notes:

On 20 December 2012, the Company issued 1% coupon convertible notes (the "EICN-3"), the principal terms of the EICN-3 are as follows:

Date of issue	20 December 2012
Aggregate principal amount	HK\$8,635,956
Interest rate	1%
Adjusted conversion price	HK\$0.50
Maturity date	36 months from the date of issue

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$500,000 on each conversion (save that if at any time, the principal outstanding amount of the Note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company may at its sole and absolute discretion redeem the Notes (or any part thereof) at its principal amount outstanding together with Interest at any time and from time to time on or before the Notes Maturity Date.

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂國際可換股票據3:

於二零一二年十二月二十日，本公司發行票息為1%的可換股票據（「永樂國際可換股票據3」），永樂國際可換股票據3的主要條款如下：

發行日期	二零一二年十二月二十日
本金總額	8,635,956港元
利率	1%
經調整換股價	0.50港元
到期日	自發行日期起36個月

(a) 兌換期間：

票據持有人有權於由發行日期起至緊接到期日期前第五個營業日（不包括該日）任何時間按每股0.50港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，（惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部（而非僅一部分）未償還本金額）。

(b) 發行人提前贖回選擇權：

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息按其出售及酌情贖回票據（或任何部分票據）。

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 EICN-3 Convertible notes: (Continued)

(c) Valuation of liability component

The fair value of EICN-3 as at 20 December 2012 amounted to HK\$7,247,000. The fair value is calculated using binomial tree models at a rate based on the discount rate of 7.79%.

As at 31 December 2012, the liability component of the EICN-3 is approximately HK\$7,077,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of EICN-3 amounting to approximately HK\$17,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

Valuation of holder redemption option derivative

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

	31 December 2012
Stock price	HK\$ 0.19
Exercise price	HK\$0.50
Option life	35 months
Risk free rate	0.13%

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂國際可換股票據3：(續)

(c) 負債部分之估值

永樂國際可換股票據3於二零一二年十二月二十日的公平值為7,247,000港元。公平值乃使用二叉樹模型按7.79%的貼現率計算。

於二零一二年十二月三十一日，永樂國際可換股票據3的負債部分約為7,077,000港元，該數額乃使用實際利率法按攤銷成本列賬。永樂國際可換股票據3的實際利息開支約為17,000港元已於截至二零一二年十二月三十一日止年度的綜合收益表確認。

持有人贖回選擇權衍生工具的估值

二項式模型用於持有人贖回選擇權衍生工具的估值。模型之輸入參數如下：

	二零一二年 十二月三十一日
股價	0.19港元
行使價	0.50港元
選擇權期限	35個月
無風險利率	0.13%

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 ETCN-1 Convertible notes:

On 20 December 2012, the Company issued 1% coupon convertible notes (the "ETCN-1"), the principal terms of the ETCN-1 are as follows:

Date of issue	20 December 2012
Aggregate principal amount	HK\$7,000,000
Interest rate	1%
Adjusted conversion price	HK\$0.50
Maturity date	36 months from the date of issue

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$500,000 on each conversion (save that if at any time, the principal outstanding amount of the Note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company may at its sole and absolute discretion redeem the Notes (or any part thereof) at its principal amount outstanding together with Interest at any time and from time to time on or before the Notes Maturity Date.

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂科技可換股票據1:

於二零一二年十二月二十日，本公司發行票息為1%的可換股票據（「永樂科技可換股票據1」），永樂科技可換股票據1的主要條款如下：

發行日期	二零一二年十二月二十日
本金總額	7,000,000港元
利率	1%
經調整換股價	0.50港元
到期日	自發行日期起36個月

(a) 兌換期間：

票據持有人有權於由發行日期起至緊接到期日期前第五個營業日（不包括該日）任何時間按每股0.50港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，（惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部（而非僅一部分）未償還本金額）。

(b) 發行人提前贖回選擇權：

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息按其出售及酌情贖回票據（或任何部分票據）。

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 ETCN-1 Convertible notes: (Continued)

(c) Valuation of liability component

The fair value of ETCN-1 as at 20 December 2012 amounted to HK\$5,875,000. The fair value is calculated using binomial tree models at a rate based on the discount rate of 7.79%.

As at 31 December 2012, the liability component of the ETCN-1 is approximately HK\$5,736,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of ETCN-1 amounting to approximately HK\$14,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

Valuation of holder redemption option derivative

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

	31 December 2012
Stock price	HK\$ 0.19
Exercise price	HK\$0.50
Option life	35 months
Risk free rate	0.13%

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂科技可換股票據1：(續)

(c) 負債部分之估值

永樂科技可換股票據1於二零一二年十二月二十日的公平值為5,875,000港元。公平值乃使用二叉樹模型按7.79%的貼現率計算。

於二零一二年十二月三十一日，永樂科技可換股票據1的負債部分約為5,736,000港元，該數額乃使用實際利率法按攤銷成本列賬。永樂科技可換股票據1的實際利息開支約為14,000港元已於截至二零一二年十二月三十一日止年度的綜合收益表確認。

持有人贖回選擇權衍生工具的估值

二項式模型用於持有人贖回選擇權衍生工具的估值。模型之輸入參數如下：

	二零一二年 十二月三十一日
股價	0.19港元
行使價	0.50港元
選擇權期限	35個月
無風險利率	0.13%

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 ETCN-2 Convertible notes:

On 20 December 2012, the Company issued 1% coupon convertible notes (the “ETCN-2”), the principal terms of the ETCN-2 are as follows:

Date of issue	20 December 2012
Aggregate principal amount	HK\$2,611,906
Interest rate	1%
Adjusted conversion price	HK\$0.50
Maturity date	36 months from the date of issue

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$500,000 on each conversion (save that if at any time, the principal outstanding amount of the Note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company may at its sole and absolute discretion redeem the Notes (or any part thereof) at its principal amount outstanding together with Interest at any time and from time to time on or before the Notes Maturity Date.

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂科技可換股票據2:

於二零一二年十二月二十日，本公司發行票息為1%的可換股票據（「永樂科技可換股票據2」），永樂科技可換股票據2的主要條款如下：

發行日期	二零一二年十二月二十日
本金總額	2,611,906港元
利率	1%
經調整換股價	0.50港元
到期日	自發行日期起36個月

(a) 兌換期間：

票據持有人有權於由發行日期起至緊接到期日期前第五個營業日（不包括該日）任何時間按每股0.50港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，（惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部（而非僅一部分）未償還本金額）。

(b) 發行人提前贖回選擇權：

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息按其出售及酌情贖回票據（或任何部分票據）。

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2012 ETCN-2 Convertible notes: (Continued)

(c) Valuation of liability component

The fair value of ETCN-2 as at 20 December 2012 amounted to HK\$2,192,000. The fair value is calculated using binomial tree models at a rate based on the discount rate of 7.79%.

As at 31 December 2012, the liability component of the ETCN-2 is approximately HK\$2,140,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of ETCN-2 amounting to approximately HK\$5,000 have been recognised in the consolidated income statement for the year ended 31 December 2012.

Valuation of holder redemption option derivative

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

	31 December 2012
Stock price	HK\$ 0.19
Exercise price	HK\$0.50
Option life	35 months
Risk free rate	0.13%

29. 可換股票據 (續)

本集團及本公司 (續)

二零一二年可換股票據永樂科技可換股票據2：(續)

(c) 負債部分之估值

於二零一二年十二月二十日，永樂科技可換股票據2的公平值為2,192,000港元。公平值乃使用二叉樹模型按7.79%的貼現率計算。

於二零一二年十二月三十一日，永樂科技可換股票據2的負債部分約為2,140,000港元，該數額乃使用實際利率法按攤銷成本列賬。永樂科技可換股票據2的實際利息開支約為5,000港元已於截至二零一二年十二月三十一日止年度的綜合收益表確認。

持有人贖回選擇權衍生工具的估值

二項式模型用於持有人贖回選擇權衍生工具的估值。模型之輸入參數如下：

	二零一二年 十二月三十一日
股價	0.19港元
行使價	0.50港元
選擇權期限	35個月
無風險利率	0.13%

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

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

29. 可換股票據 (續)

本集團及本公司 (續)

可換股票據之負債部分於年內的變動載於下文：

		Liability component	Equity component	Financial derivative-asset	Financial derivative-liability	Total
		負債部分	權益部分	金融衍生工具-資產	金融衍生工具-負債	總計
		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
Carrying amount at 31 December 2011	於二零一一年十二月三十一日之賬面值	92,922	8,041	-	250	101,213
Redemption of CB 2009 A3A	贖回二零零九年可換股債券A3A	(843)	(360)	-	(47)	(1,250)
Conversion of CB 2009 A3B	兌換二零零九年可換股債券A3B	(3,510)	(240)	-	-	(3,750)
Settlement of CB 2011B	結算二零一一年可換股債券B	(35,584)	(616)	-	-	(36,200)
Adjustment on CB 2011B interest	調整二零一一年可換股債券B利息	(1,100)	-	-	-	(1,100)
Conversion of CB 2009 A4B	兌換二零零九年可換股債券A4B	(3,616)	(246)	-	-	(3,862)
Adjustment on CB 2009 A4B interest	調整二零零九年可換股債券A4B利息	(186)	-	-	-	(186)
Redemption of CB 2009 A4A	贖回二零零九年可換股債券A4A	(868)	(372)	-	(48)	(1,288)
Adjustment on CB 2009 A4A interest	調整二零零九年可換股債券A4A利息	(191)	-	-	-	(191)
Issuance of EICN-1 in 2012	於二零一二年發行永樂國際可換股票據1	16,839	3,312	-	449	20,600
Issuance of EICN-2 in 2012	於二零一二年發行永樂國際可換股票據2	23,706	4,662	-	632	29,000
Issuance of EICN-3 in 2012	於二零一二年發行永樂國際可換股票據3	7,059	1,389	-	188	8,636
Issuance of ETCN-1 in 2012	於二零一二年發行永樂科技可換股票據1	5,722	1,126	-	152	7,000
Issuance of ETCN-2 in 2012	於二零一二年發行永樂科技可換股票據2	2,135	420	-	57	2,612
Effective interest expense	實際利息開支	3,353	-	-	-	3,353
Change in fair value	公平值變動	-	-	-	(157)	(157)
Carrying amount at 31 December 2012	於二零一二年十二月三十一日之賬面值	105,838	17,116	-	1,476	124,430

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Notes:

- (a) Set out below are details of Conversion of the Convertible notes 2009 during the year 2011:

Date of conversion	兌換日期
14 January 2011	二零一一年一月十四日
18 January 2011	二零一一年一月十八日
18 April 2011	二零一一年四月十八日

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

Date of conversion	贖回日期
14 January 2011	二零一一年一月十四日
18 January 2011	二零一一年一月十八日
18 April 2011	二零一一年四月十八日

29. 可換股票據 (續)

本集團及本公司 (續)

附註：

- (a) 下文載列於二零一一年兌換二零零九年可換股票據的詳情：

Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目 (adjusted due to share consolidation in 2009) (由於二零零九年股份合併作出調整)
HK\$ 港元	
3,750,000	3,712,871
3,154,106	3,122,877
4,726,441	4,679,633

- (b) 下文載列於二零一一年贖回二零零九年可換股票據之詳情：

Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目 (adjusted due to share consolidation in 2009) (由於二零零九年股份合併作出調整)
HK\$ 港元	
1,250,000	Nil零
1,000,000	Nil零
1,575,479	Nil零

29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Notes: (Continued)

- (c) Set out below are details of conversion of the Convertible notes 2009 during the year 2012:

Date of conversion	兌換日期	Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目 (adjusted due to share consolidation in 2009) (由於二零零九年股份合併作出調整)
14 January 2012	二零一二年一月十四日	3,750,000	3,712,871
31 July 2012	二零一二年七月三十一日	3,862,454	3,824,211

- (d) Set out below are details of Redemption of the Convertible notes 2009 during the year 2012:

Date of conversion	贖回日期	Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目 (adjusted due to share consolidation in 2009) (由於二零零九年股份合併作出調整)
14 January 2012	二零一二年一月十四日	1,250,000	Nil 零
31 October 2012	二零一二年十月三十一日	1,287,480	Nil 零

29. 可換股票據 (續)

本集團及本公司 (續)

附註：(續)

- (c) 下文載列於二零一二年兌換二零零九年可換股票據的詳情：

Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目 (adjusted due to share consolidation in 2009) (由於二零零九年股份合併作出調整)
3,750,000	3,712,871
3,862,454	3,824,211

- (d) 下文載列於二零一二年贖回二零零九年可換股票據的詳情：

Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目 (adjusted due to share consolidation in 2009) (由於二零零九年股份合併作出調整)
1,250,000	Nil 零
1,287,480	Nil 零

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29. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Notes: (Continued)

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

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

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

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

The Group's convertible notes were valued by Grant Sherman Appraisal Limited, an independent qualified valuer not connected with the Group, for each of the years ended 31 December 2012 and 2011.

29. 可換股票據 (續)

本集團及本公司 (續)

附註：(續)

- (e) 下文載列於二零一一年兌換二零一一年可換股票據A的詳情：

Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目 (adjusted due to share consolidation in 2009) (由於二零零九年股份合併作出調整)
HK\$ 港元	
30,000,000	60,000,000
30,000,000	60,000,000

- (f) 下文載列於二零一一年兌換二零一一年可換股票據C及二零一一年可換股票據D的詳情：

Principal amount of the convertible notes 可換股票據本金額	Number of Ordinary shares issued 發行普通股數目
19,500,000	39,000,000

本集團截至二零一二年及二零一一年十二月三十一日止年度各年的可換股票據由與本集團並無關連的獨立合資格估值師中正評估有限公司進行估值。

30. OPERATING LEASE COMMITMENTS

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

		The Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	2,772	1,829
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	1,587	984
Over five years	五年以上	-	-
		4,359	2,813

Leases are negotiated and rentals are fixed for terms of 1 to 5 years (2011: 1 to 5 years).

租約乃按一至五年(二零一一年：一至五年)之年期磋商及定租。

31. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities at the end of the reporting period (2011: Nil).

31. 或然負債

於報告期末，本集團概無擁有任何或然負債(二零一一年：無)。

32. PLEDGED OF ASSETS

At the end of the reporting period, none of the Group's assets (2011: Nil) were pledged to secure the Group's banking facilities.

32. 資產抵押

於報告期末，本集團概無資產(二零一一年：無)已抵押作為本集團銀行信貸之擔保。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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

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

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2012 in relation to each class of recognized financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade receivables and other receivables. In order to minimise credit risk, management has certain monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivables regularly at each reporting date to ensure that adequate impairment losses are adequately made for irrecoverable amounts. The credit risk on liquid funds is limited because the counterparties are commercial banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

33. 財務風險管理宗旨及政策

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

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

信貸風險

倘若交易對手方無法履行彼等截至二零一二年十二月三十一日有關每類已確認金融資產之債項，本集團承受之最大信貸風險為綜合財務狀況表內所列示之該等資產之賬面值。本集團承受之信貸風險主要來自應收貿易賬款及其他應收款項。為盡量降低信貸風險，管理層已設立若干監管程序，確保能採取跟進行動追收逾期債務。此外，於各報告日期，本集團定期檢討每宗個別應收貿易賬款之可收回金額，確保就無法收回金額作出足夠之減值虧損。由於交易對手方為獲國際信貸評級機構評為高信貸評級之商業銀行，故流動資金之信貸風險有限。本集團並無高度集中之信貸風險，風險分佈於數目眾多之交易對手方及客戶。

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Interest rate risk

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

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

At 31 December 2012, it is estimated that a general increase/decrease of 50 basis points (2011: 50 basis points) in interest rates, with all other variables held constant, would increase/decrease the Group's (loss) before tax and accumulated losses by approximately HK\$701,526 (2010: HK\$93,343).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for the non-derivative financial liabilities in existence at that date. The 50 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2012.

Foreign currency risk

The Group has transactional currency exposures, primarily with respect to Renminbi ("RMB"), for the years 2012 and 2011. Such exposures arise from online professional training and multimedia education products in currencies other than the Group's functional currency (i.e. Hong Kong dollar). All of the Group's sales are denominated in RMB for the years 2012 and 2011.

33. 財務風險管理宗旨及政策 (續)

利率風險

本集團之利率風險主要來自本集團之銀行存款。所有借款及存款均以浮息利率計息。

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

於二零一二年十二月三十一日，估計利率普遍上升/下跌50個基點(二零一一年：50個基點)(所有其他變數保持不變)，將導致本集團除稅前(虧損)及累計虧損增加/減少約701,526港元(二零一零年：93,343港元)。

上述之敏感度分析乃經假設於報告日期利率出現變動而釐定，且已應用於當日存在之非衍生金融負債之利率風險。利率上升/下跌50個基點顯示出管理層對下年度報告日期前期間內利率之合理可能變動作出之評估。二零一二年按相同基準進行有關分析。

外匯風險

於二零一二年及二零一一年年度，本集團面對的交易性貨幣風險主要涉及人民幣(「人民幣」)。該等風險源於遠程專業培訓及多媒體教學產品以本集團功能貨幣(即港元)以外之貨幣計值。本集團於二零一二年及二零一一年年度之全部銷售額均以人民幣計值。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Foreign currency risk (Continued)

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

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

Liquidity risk

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

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

	On demand or within one year 應要求 或一年內 HK\$'000 千港元	More than one year but less than two years 一年以上 但兩年以內 HK\$'000 千港元	More than two years but less than five years 兩年以上 但五年以內 HK\$'000 千港元	Total undiscounted cash flow 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2012	於二零一二年十二月三十一日				
Financial liabilities	金融負債				
Trade and other payables	30,950	-	-	30,905	30,950
Bank overdraft	39	-	-	39	39
Other borrowings	56,737	-	-	56,737	56,737
Convertible notes	37,814	68,024	-	105,838	105,838

33. 財務風險管理宗旨及政策

(續)

外匯風險 (續)

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

本集團主要以人民幣進行其業務交易。本集團之匯率風險並不重大。

流動資金風險

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

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Capital risk management

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

The capital structure of the Group consists of cash and cash equivalents and equity attributable to the owners of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a regular basis. As a part of this review, the directors of the Company consider the cost of capital and the associated risks and take appropriate actions to adjust the Company's capital structure. The overall strategy of the Company remained unchanged during each of the two years ended 31 December 2012 and 2011.

34. SHARE-BASED EMPLOYEE COMPENSATION

Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme on 24 November 2001. Under the Pre-IPO Share Option Scheme, 44,000,000 Options were granted on 27 November 2001 of which 40,000,000 Options were lapsed and none of such Options were exercised or cancelled, and there were 164,467 outstanding Options (after adjustment for the share consolidation effected in the year 2006, and the share consolidation effected in December 2009 and the Open Offer effected in June 2010) granted and yet to be exercised under the Pre-IPO Share Option Scheme.

According to the terms of the Pre-IPO Share Option Scheme, no further Option can be granted thereunder.

33. 財務風險管理宗旨及政策 (續)

資本風險管理

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

本集團之資本架構包括現金及現金等值項目以及本公司持有人應佔權益(包括已發行股本及儲備)。本公司董事定期檢討資本架構。作為該檢討的一部分，本公司董事會考慮資金成本及相關風險，並會採取適當措施調整本公司之資本架構。截至二零一二年及二零一一年十二月三十一日止兩個年度各年，本公司整體策略保持不變。

34. 以股支付僱員薪酬

公開發售前購股權計劃

本公司於二零零一年十一月二十四日採納首次公開發售前購股權計劃。於二零零一年十一月二十七日，已根據首次公開發售前購股權計劃授出44,000,000份購股權，其中40,000,000份購股權已經失效，該等購股權並無獲行使或註銷。根據首次公開發售前購股權計劃授出而有待行使之尚未行使之購股權數目為164,467份(已就二零零六年之股份合併、二零零九年十二月之股份合併以及二零一零年六月之公開發售作出調整)。

根據首次公開發售前購股權計劃之條款，此後不可授出其他購股權。

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34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme

On 23 May 2011, the Company adopted a new Share Option Scheme (the “New Scheme”) and the share option scheme adopted on 24 November 2001 (the “Old Scheme”) became terminated therefrom. The New Scheme became effective on 23 May 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon termination of the Old Scheme, no further Options under the Old Scheme can be granted but the Options which have been granted during the life of the Old Scheme shall continue to be exercisable in accordance with their terms of issue and the provisions of Chapter 23 of the GEM Listing Rules.

34. 以股支付僱員薪酬 (續)

購股權計劃

本公司於二零一一年五月二十三日採納一項新購股權計劃(「新計劃」)，於二零零一年十一月二十四日採納的購股權計劃(「舊計劃」)則自該日起終止。新計劃於二零一一年五月二十三日生效，新計劃除註銷或修訂外，自二零一一年五月二十三日起10年內有效。於舊計劃終止後，不可再根據舊購股權授出其他購股權，惟於舊購股權年期內授出的購股權可繼續按其發行條款及創業板上市規則第23章之條文予以行使。

34. SHARE-BASED EMPLOYEE COMPENSATION *(Continued)*

Share Option Scheme *(Continued)*

Pursuant to the New Scheme, the Board may grant options to any employee of the Group or any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group to subscribe for shares of the Company at a price determined by the Board and shall be no less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer of the option which must be a business day, (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the options; and (iii) the nominal value of a share on the date of offer of the options.

Since the adoption of the New Scheme on 23 May 2011, no options have been granted.

35. ACQUISITION OF SUBSIDIARIES

Acquisition of Everjoy International

On 20, December 2012 the Group acquired 100% equity interest in Everjoy International Media Corporation ("Everjoy International"). Everjoy International is a company incorporated in the BVI. Its principal business is the distribution of event tickets to its sub-distributors procured through Beijing Everjoy Cultural Communication Co., Ltd.

The following table summarises the consideration for the acquisition of Everjoy International, and the fair values of the assets acquired and liabilities assumed recognised at the acquisition date.

34. 以股支付僱員薪酬 *(續)*

購股權計劃 *(續)*

根據新計劃，董事會可向本集團任何僱員或董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士授出可認購本公司股份之購股權，價格由董事會釐訂，惟不得低於下列各項之最高者：(i)授出購股權當日（必須為營業日）股份於聯交所日報表上所報之收市價；(ii)緊接授出購股權當日前五個營業日股份於聯交所日報表上所報之平均收市價；及(iii)授出購股權當日股份之面值。

自二零一一年五月二十三日採納新計劃之後，本公司概無授出任何購股權。

35. 收購附屬公司

收購永樂國際

於二零一二年十二月二十日本集團收購永樂國際傳媒有限公司（「永樂國際」）的100%股權。永樂國際是一間在英屬處女群島註冊成立的公司，其主要業務為通過北京春秋永樂文化傳播有限公司向其分銷商分銷活動門票。

下表概列永樂國際收購事項的代價，及於收購日期確認的所收購資產及所承擔負債之公平值。

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35. ACQUISITION OF SUBSIDIARIES

(Continued)

Acquisition of Everjoy International

(Continued)

The fair values of the identifiable assets and liabilities of Everjoy International the date of acquisition were as follows:

35. 收購附屬公司 (續)

收購永樂國際 (續)

永樂國際於收購日期的可識別資產及負債之公平值如下：

		Fair value recognised on acquisition 於收購時確認 之公平值 HK\$'000 千港元
Purchase consideration:	收購代價：	
– Cash paid	– 已付現金	2,000
– Convertible bonds (note (i))	– 可換股債券 (附註(i))	58,236
		60,236
Recognised amounts of identifiable assets acquired and liabilities assumed	已確認可識別的所收購資產 及所承擔負債的金額	
Cash and cash equivalents	現金及現金等值項目	8,839
Other payables	其他應付款項	12
Total identifiable net assets	總可識別資產淨值	8,827
Goodwill	商譽	51,409
An analysis of the net inflow of cash and cash equivalents in respect of the acquisition are as follows:	收購事項的淨現金及現金 等值項目流入分析：	
Cash and cash equivalents acquired	所收購的現金及現金等值項目	8,839
Less: Consideration satisfied by cash	減：以現金償付的代價	2,000
Net cash inflow on acquisition of a subsidiary	收購一間附屬公司的淨現金流入	6,839

35. ACQUISITION OF SUBSIDIARIES

(Continued)

Acquisition of Everjoy International

(Continued)

Notes:

The fair value of the liability component of the CB was initially recognised at the date of acquisition at HK\$ 47,604,000 by using the Binomial Tree model. This liability component was subsequently measured at fair value of HK\$47,720,000 as at 31 December 2012 in convertible bonds (Note 29), with change in fair value of HK\$116,000 recognised as finance costs in the consolidated income statement. The equity component of the CB of HK\$9,363,000 which represents the value of the equity conversion option of was recognised in the convertible bonds reserves in the consolidated statement of changes in equity. The derivative option of HK\$1,260,000 was recognized in financial derivative liability at the date of acquisition and subsequently measured at the fair value of HK\$1,265,000 as at 31, December 2012.

Acquisition of Everjoy Technology

On 20 December 2012 the Group acquired 100% equity interest in Everjoy Technology Development Corporation ("Everjoy Technology"). Everjoy Technology is a company incorporated in the BVI. Everjoy Technology is principally engaged in the design, development and improvement of a software system in an integrated environment for the booking and management of event tickets under the system being developed (i.e. the Ticketing System).

The following table summarises the consideration for the acquisition of Everjoy Technology, and the fair values of the assets acquired and liabilities assumed recognised at the acquisition date.

35. 收購附屬公司 (續)

收購永樂國際 (續)

附註：

於收購日期使用二叉樹模型初步確認的可換股債券負債部分之公平值為47,604,000港元。該負債部分其後於二零一二年十二月三十一日按公平值計量為47,720,000港元(附註29)，116,000港元之公平值變動於綜合收益表內確認為融資成本。可換股債券的股權部分9,363,000港元代表股權轉換權的價值，乃於綜合權益變動表中確認為可換股債券儲備。選擇權衍生工具部分為1,260,000港元乃於收購日期確認為金融衍生工具負債，其後於二零一二年十二月三十一日按公平值計量為1,265,000港元。

收購永樂科技

於二零一二年十二月二十日本集團收購永樂科技發展有限公司(「永樂科技」)的100%股權。永樂科技是一間在英屬處女群島註冊成立的公司。永樂科技主要從事一體化環境下軟件系統的設計、開發及改進，該軟件系統用於開發中的系統(即票務系統)下的活動門票預訂及管理。

下表概列永樂科技收購事項的代價，及於收購日期確認的所收購資產及所承擔負債之公平值。

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35. ACQUISITION OF SUBSIDIARIES (Continued)

Acquisition of Everjoy Technology (Continued)

The fair values of the identifiable assets and liabilities of Everjoy International the date of acquisition were as follows:

35. 收購附屬公司 (續)

收購永樂科技 (續)

永樂科技於收購日期的可識別資產及負債之公平值如下：

		Fair value recognised on acquisition 於收購時確認 之公平值 HK\$'000 千港元
Purchase consideration:	收購代價：	
– Cash paid	– 已付現金	8,000
– Convertible bonds (note (i))	– 可換股債券 (附註(i))	9,612
		30,000
Recognised amounts of identifiable assets acquired and liabilities assumed	已確認可識別的所收購資產 及所承擔負債的金額	
Cash and cash equivalents	現金及現金等值項目	987
Other payables	其他應付款項	21
Total identifiable net assets	總可識別資產淨值	966
Goodwill	商譽	16,646
An analysis of the net inflow of cash and cash equivalents in respect of the acquisition are as follows:	收購事項的淨現金及現金 等值項目流入分析：	
Cash and cash equivalents acquired	所收購的現金及現金等值項	987
Less: Consideration satisfied by cash (note (i))	減：以現金償付的代價 (附註(i))	8,000
Net cash outflow on acquisition of a subsidiary	收購一間附屬公司的淨現金流入	7,013

35. ACQUISITION OF SUBSIDIARIES

(Continued)

Acquisition of Everjoy Technology

(Continued)

Notes:

The fair value of the liability component of the CB was initially recognised at the date of acquisition at HK\$7,857,000 by using the Binomial Tree model. This liability component was subsequently measured at fair value of HK\$7,838,000 as at 31 December 2012 in convertible bonds (Note 29), with change in fair value of HK\$19,000 recognised as finance costs in the consolidated income statement. The equity component of the CB of HK\$1,545,000 which represents the value of the equity conversion option of was recognised in the convertible bonds reserves in the consolidated statement of changes in equity. The derivative option of HK\$209,000 was recognized in financial derivative liability at the date of acquisition and subsequently measured at the fair value of HK\$209,000 as at 31, December 2012.

36. SUBSEQUENT EVENTS

- i) On 10 January 2013, the Company has fully repaid the Judgment Debt. (Reference is made to the announcements of the Company dated 19 September 2012, 14 December 2012 and 3 January 2013 in relation to the payment of the Judgment Debt). Therefore all disputes between the Company and Pacific Foundation Assets Management Limited have been fully settled.
- ii) On 18 January 2013, an Advertisements Agency Agreement was signed between Xinhua Gallery and the Company in relation to the cooperation for advertising production business and solicitation of advertisements broadcast business on the LED Screen for a period of three years.

35. 收購附屬公司 (續)

收購永樂科技 (續)

附註：

於收購日期使用二叉樹模型初步確認的可換股債券負債部分之公平值為7,857,000港元。該負債部分其後於二零一二年十二月三十一日按公平值計量為7,838,000港元(附註29)，19,000港元之公平值變動於綜合收益表內確認為融資成本。可換股債券的股權部分1,545,000港元代表股權轉換權的價值，乃於綜合權益變動表中確認為可換股債券儲備。選擇權衍生工具部分為209,000港元乃於收購日期確認為金融衍生工具負債，其後於二零一二年十二月三十一日按公平值計量為209,000港元。

36. 期后事項

- i) 於二零一三年一月十日，本公司已悉數償還判決款項(茲提述本公司日期為二零一二年九月十九日、二零一二年十二月十四日及二零一三年一月三日之公告，內容有關繳付判決款項)。因此，本公司與太平基建資產管理有限公司之間的所有糾紛已經全部解決。
- ii) 於二零一三年一月十八日，新華影廊與本公司訂立一份廣告代理合同，內容有關新華影廊與本公司就廣告製作業務及徵集LED屏幕廣告廣播業務進行合作，為期三年。

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36. SUBSEQUENT EVENTS (Continued)

ii) (Continued)

On 7 February 2013, a Strategic Cooperation Agreement was signed between CybEye, Inc. and the Company in relation to the cooperation for the technical development of mobile image social network software and the provision of network intelligence platforms based on image networks. The cooperation term of the Strategic Cooperation Agreement is one year.

The Company's management has assessed the aforesaid agreements and concluded there is no impact on the financial statements of the Company as at 31 December, 2012.

iii) On 18 February 2013, the special resolutions proposed at the EGM were duly passed by the Shareholders by way of poll. Reference is made to the circular and the notice of the extraordinary general meeting of the Company dated 18 January 2013 in relation to the Capital Reorganisation.

37. COMPARATIVE FIGURES

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

36. 期后事項 (續)

ii) (續)

於二零一三年二月七日，CybEye, Inc. 與本公司訂立一份戰略合作協議，內容有關移動圖片社交網絡軟件技術開發及提供以圖片網絡為基礎的網絡智能平台方面展開合作。戰略合作協議的合作期限為一年。

本公司的管理層已經評估前述協議並得出結論，該等協議對本公司截至二零一二年十二月三十一日的財務報表並無影響。

iii) 於二零一三年二月十八日，於股東特別大會提呈之特別決議案已以投票表決方式獲股東正式通過。茲提述本公司日期為二零一三年一月十八日的通函及股東特別大會通告，內容有關股本重組。

37. 比較數據

若干比較數據經已重列，以符合本年度之呈列方式。



中国网络教育集团有限公司
CHINA E-LEARNING GROUP LTD.