



盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 851

ANNUAL REPORT 2018 年報

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Qiu Bin
Ms. Cheng Kit Sum, Clara

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Tze Wa
Dr. Huan Guocang
Mr. Lo Ka Wai

AUDIT COMMITTEE

Mr. Lo Ka Wai (*Chairman*)
Mr. Fung Tze Wa
Dr. Huan Guocang

REMUNERATION COMMITTEE

Mr. Fung Tze Wa (*Chairman*)
Dr. Huan Guocang
Mr. Lo Ka Wai

NOMINATION COMMITTEE

Dr. Huan Guocang (*Chairman*)
Mr. Fung Tze Wa
Mr. Lo Ka Wai

COMPANY SECRETARY

Mr. Or Wing Keung

STOCK CODE

851

WEBSITE

www.shengyuan.hk

董事會

執行董事

邱斌先生
鄭潔心女士

獨立非執行董事

馮子華先生
宦國蒼博士
羅嘉偉先生

審核委員會

羅嘉偉先生 (*主席*)
馮子華先生
宦國蒼博士

薪酬委員會

馮子華先生 (*主席*)
宦國蒼博士
羅嘉偉先生

提名委員會

宦國蒼博士 (*主席*)
馮子華先生
羅嘉偉先生

公司秘書

柯永強先生

股份代號

851

網址

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CORPORATE INFORMATION

公司資料

SHARE REGISTRAR

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Hong Kong

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Hamilton HM11
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PRINCIPAL OFFICE IN HONG KONG

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AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

SOLICITORS

Lau, Horton & Wise LLP
In association with CMS Hasche Sigle, Hong Kong LLP
17th Floor, Sun House
90 Connaught Road, Central
Hong Kong

PRINCIPAL BANKERS

The Hong Kong & Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

股份過戶登記處

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香港
皇后大道東183號
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註冊辦事處

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2 Church Street
Hamilton HM11
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核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
干諾道中111號
永安中心25樓

律師

Lau, Horton & Wise LLP
(與CMS德和信律師事務所聯盟)
香港
干諾道中90號
太新行17樓

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

For the year ended 31 December 2018, the fee and commission income of the Group substantially decreased to approximately HK\$31.7 million, representing 47.5% decrease as compared with approximately HK\$60.4 million for the year ended 31 December 2017. For the year ended 31 December 2018, the interest income of the Group decreased to approximately HK\$2.4 million due to decreased income from money lending business, representing 13.4% decrease as compared with approximately HK\$2.8 million for the year ended 31 December 2017. Loss for the year ended 31 December 2018 was approximately HK\$81.6 million, as compared with loss of approximately HK\$184.5 million of the year ended 31 December 2017. Such decrease in loss is primarily attributable to decrease in staff costs, the absence of impairment loss on interest of and decrease in loss on share of results of Xinhua (Daqing) Merchandise Exchange Company Limited and without the provision for settlement of convertible bonds for the year ended 31 December 2018.

In 2018, the global economy continued its growth momentum in the previous year but faced a more challenging environments. Although the positive signs remained unchanged, momentum of margin growth weakened. Meanwhile, the global economy was exposed to increasing risks and difficulties, including the slowdown of growth of major economies, rising inflation, beginning of a tightened currency policy circle as well as pick-up of trading protectionism. Overall, the global economic condition in 2018 weakened as compared to 2017 due to increased adverse effects of external environment.

In 2018, dragged by the news of trade war between China and the US, the stock market in Hong Kong swung downward repeatedly, with approximately 9,000 points move. The Hang Seng Index had a roaring start in the first month of the year, beating the 2017 high at one stroke and recording various new highs. In February 2018, however, as the attitude of the chairman of the US Federal Reserve toward interest rate hike gradually became positive and the interest of the US 10-Year Bond soared, combined with the uncertainties of the trade war between China and the US, the stock market in Hong Kong fluctuated after a surge.

During the year ended 31 December 2018, the total revenue of Sheng Yuan Financial Services Group Limited and its subsidiaries (collectively, the "SYFS Group") decreased by nearly 47.6% to approximately HK\$31.7 million (2017: HK\$60.5 million).

業務及財務回顧

截至二零一八年十二月三十一日止年度，本集團之費用及佣金收入大幅減少至約31,700,000港元，較截至二零一七年十二月三十一日止年度之約60,400,000港元減少47.5%。截至二零一八年十二月三十一日止年度，本集團之利息收入因貸款業務收入減少而減少至約2,400,000港元，較截至二零一七年十二月三十一日止年度之約2,800,000港元減少13.4%。截至二零一八年十二月三十一日止年度之虧損約為81,600,000港元，而截至二零一七年十二月三十一日止年度之虧損約為184,500,000港元。有關虧損減少主要是由於截至二零一八年十二月三十一日止年度之員工成本減少、無出現為新華(大慶)商品交易所有限公司之權益減值虧損及應佔其業績虧損減少以及並不需要為結算可換股債券作出撥備所致。

二零一八年，全球經濟延續去年的增長勢頭，但面臨的環境更具挑戰性。儘管復蘇向好形勢尚未改變，但邊際增長動能有所減弱。同時，全球經濟遇到的風險和困難逐步增多，主要經濟體增長放緩、通脹上升，緊縮貨幣政策週期開啟，與此同時，貿易保護主義正在抬頭。整體來看，二零一八年全球經濟形勢較二零一七年有所弱化，面臨的外部環境不利因素增多。

受中美貿易戰消息拖累，香港股市於二零一八年反覆向下，高低波幅約9,000點。恒指於今年首月氣勢如虹，一舉突破二零一七年高位，並屢創歷史新高，但二零一八年二月美國聯儲局主席對加息態度漸趨積極，美國十年期債息飆高，加上中美貿易戰不明朗消息所拖累，令香港股市先升後反覆波動。

Sheng Yuan Financial Services Group Limited 及其附屬公司(統稱「SYFS集團」)在截至二零一八年十二月三十一日止年度之總收入下跌近47.6%至約31,700,000港元(二零一七年：60,500,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For securities business, revenue from securities brokerage and financial services during the year ended 31 December 2018 decreased significantly by 77.0% to approximately HK\$4.1 million (2017: approximately HK\$17.8 million); segment result recorded a loss of approximately HK\$7.8 million (2017: profit of approximately HK\$1.9 million). Such decrease in revenue was mainly due to the absence of income from placement for the year ended 31 December 2018 as a result of a comparably less active placing market caused by the repeated downswing of stock market for the year.

For asset management business, Sheng Yuan Asset Management Limited ("SYAM") acts as the fund manager or investment adviser for 8 funds and 5 discretionary accounts. The total assets under management (the "AUM") of SYAM have decreased by nearly 24.0% to approximately HK\$7.9 billion for the year ended 31 December 2018 (2017: approximately HK\$10.4 billion). During the year ended 31 December 2018, SYAM recorded segment revenue of approximately HK\$30.1 million (2017: approximately HK\$45.7 million), representing a decrease of approximately 34.1%; it recorded segment profit of approximately HK\$2.8 million (2017: approximately HK\$8.2 million), representing a decrease of approximately 65.9%. The decrease in profit was mainly due to the decrease in management fee and investment advisory fee as a result of the liquidation of some funds upon the completion of their investment projects. SYAM knows well of the dynamics in the capital market and owns experienced investment team and unique analysis and advice. Currently, it manages various investment projects and is organizing fund-raising activities for funds and special accounts to maximize the return to its investors after keeping risks under control.

For proprietary trading business, the SYFS Group mainly invests in the listed shares and private funds in Hong Kong market. During the year ended 31 December 2018, as no additional investment in proprietary trading business, the segment loss from proprietary trading business was approximately HK\$31.2 million (2017: HK\$30.8 million). Such loss was mainly due to decrease in the market value of shares and private funds held by the Group owing to under-performance of the stock market.

證券業務方面，於截至二零一八年十二月三十一日止年度，來自證券經紀及金融服務之收益大幅減少77.0%至約4,100,000港元(二零一七年：約17,800,000港元)；分部業績出現虧損約7,800,000港元(二零一七年：溢利約1,900,000港元)。有關收益減少主要是由於股票市場年內反覆向下，令配售市場相對不活躍，致令證券業務於截至二零一八年十二月三十一日止年度未能錄得有關配售之收入。

資產管理業務方面，盛源資產管理有限公司(「盛源資產管理」)作為基金管理人或投資顧問管理的基金已達8隻，管理的專戶達5個。截至二零一八年十二月三十一日止年度，盛源資產管理所管理之資產(「管理資產」)總額減少近24.0%至約79億港元(二零一七年：約104億港元)。於截至二零一八年十二月三十一日止年度，盛源資產管理分部收益減少約34.1%至約30,100,000港元(二零一七年：約45,700,000港元)；分部溢利減少約65.9%至約2,800,000港元(二零一七年：約8,200,000港元)。有關溢利減少主要是因為部分基金已完成其投資項目進行清算，以致管理費和投資顧問費減少。盛源資產管理熟識資本市場動態，擁有資深的研究投資團隊和獨有的分析建議，目前有多個投資項目，正在為基金及專戶募集資金，為投資者在收益與可承受風險的平衡下獲取最大的回報。

自營買賣業務方面，SYFS集團主要投資香港市場之上市股份及私募基金。於截至二零一八年十二月三十一日止年度，自營買賣業務並沒有再增加投資，自營買賣業務帶來之分部虧損約31,200,000港元(二零一七年：30,800,000港元)。其出現虧損主要由於股票市場表現欠佳，本集團已持有股票及私募基金的市價降低所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As the Group focuses on the development of financial services business and the recovery of commodity market remains slow, the Group has continued to suspend its trading business for the year ended 31 December 2018. The segment loss for trading business for the year ended 31 December 2018 was approximately HK\$0.3 million (2017: segment loss of HK\$2.3 million).

SETTLEMENT OF SYFS CBs

On 29 December 2017, the Company, Sheng Yuan Financial Services Group Limited ("SYFS") and Team Effort Investments Limited ("Team Effort") entered into a deed of settlement (the "Deed of Settlement"), pursuant to which the Company would issue the convertible bonds of a principal amount of HK\$90,000,000 to Team Effort, bearing the rate of interest of 8% per annum and at the initial conversion price of HK\$0.35 per share (the "Convertible Bonds"), for the settlement and release of SYFS' obligations under the convertible bonds issued by SYFS on 16 June 2014 due on 15 June 2017 in the principal amount of HK\$45,000,000 ("SYFS CBs"). Details of the SYFS CBs and the Convertible Bonds have been set out in the circular and announcement of the Company dated 16 May 2014 and 29 December 2017 respectively.

On 4 June 2018, the issuance of Convertible Bonds in the principal amount of HK\$90,000,000 by the Company to Team Effort was completed. The approval for the listing of, and permission to deal in, the 257,142,857 Conversion Shares upon conversion of the Convertible Bonds issued to Team Effort was granted by the Stock Exchange.

On 14 December 2018, the Company received a conversion notice from Team Effort to convert the Convertible Bonds in the principal amount of HK\$90,000,000 into 257,142,857 shares of the Company at a conversion price of HK\$0.35 each.

由於本集團專注於發展金融服務業務，且商品市場復甦依然緩慢，本集團於截至二零一八年十二月三十一日止年度繼續暫停其貿易業務。截至二零一八年十二月三十一日止年度，貿易業務之分部虧損約為300,000港元（二零一七年：分部虧損2,300,000港元）。

結算 SYFS 可換股債券

於二零一七年十二月二十九日，本公司、Sheng Yuan Financial Services Group Limited（「SYFS」）與 Team Effort Investments Limited（「Team Effort」）訂立結算契據（「結算契據」），據此，本公司將按初始兌換價每股0.35港元向 Team Effort 發行本金額為90,000,000港元年利率為8厘之可換股債券（「可換股債券」），以結算及解除 SYFS 於二零一四年六月十六日發行、於二零一七年六月十五日到期且本金額為45,000,000港元之可換股債券（「SYFS 可換股債券」）項下之 SYFS 債務。SYFS 可換股債券及可換股債券之詳情已載於本公司日期分別為二零一四年五月十六日及二零一七年十二月二十九日之通函及公告。

本公司向 Team Effort 發行本金額為90,000,000港元之可換股債券已於二零一八年六月四日完成。257,142,857 股兌換股份已獲聯交所批准於向 Team Effort 發行的可換股債券兌換後上市及買賣。

於二零一八年十二月十四日，本公司接獲 Team Effort 之轉換通知，按換股價每股換股股份0.35港元將本金額為90,000,000港元之可換股債券轉換為257,142,857股本公司股份。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

ISSUE OF SYHL BONDS AND ITS SETTLEMENT

On 23 November 2017, the Company issued 8% interest convertible bonds (the “SYHL Bonds”) due on 22 November 2018 in the aggregate principal amount of HK\$10,000,000 and HK\$100,000,000 to two individual subscribers (“Subscriber One” and “Subscriber Two” respectively).

On 22 November 2018, the Company redeemed the SYHL Bonds held by Subscriber One and paid the outstanding interest accrued thereon to Subscriber One. On the same day, the Company entered into a deed of settlement with Subscriber Two pursuant to which the Company would repay HK\$24,032,876.71 to Subscriber Two in cash and entered into a loan agreement in the principal amount of HK\$80,000,000 at an interest rate of 10% per annum due on 21 December 2018 with Subscriber Two (the “Loan Agreement”) as a full and final settlement, and released by Subscriber Two, of the Company from all sums of money, debts, dues, contracts, covenants, bonds, actions, proceedings, accounts, claims, demands, liabilities and obligations that may arise out of or in respect of the SYHL Bonds held by Subscriber Two. A share charge over the Company’s shares was provided by the single largest shareholder of the Company in connection with the Loan Agreement.

On 24 December 2018, the Company as borrower entered into a facility agreement (the “First Facility Agreement”) with an independent third party lender (the “First Lender”) to borrow a term loan in the principal amount of HK\$80,000,000 from the First Lender at an interest rate of 24% per annum to be repayable in full on a date falling three months from the draw down date for refinancing all indebtedness of the Company under the Loan Agreement. Share charges over the Company’s shares were provided by various shareholders of the Company in connection with the First Facility Agreement.

發行盛源控股債券及其結算

於二零一七年十一月二十三日，本公司向兩名個人認購方（分別為「第一名認購方」及「第二名認購方」）發行息率為8厘、於二零一八年十一月二十二日到期及本金總額分別為10,000,000港元及100,000,000港元之可換股債券（「盛源控股債券」）。

於二零一八年十一月二十二日，本公司贖回第一名認購方持有之其中一份盛源控股債券，並向第一名認購方支付尚未償還本金加應計利息。同日，本公司與第二名認購方訂立一份清償契據，據此，本公司將以現金方式向第二名認購人償還24,032,876.71港元，並與第二名認購方訂立本金額為80,000,000港元、年息為10厘並於二零一八年十二月二十一日到期之第二名認購方解除之貸款協議（「貸款協議」），作為本公司可能因第二名認購方持有之盛源控股債券所產生或與其有關之所有款項、債項、費用、合約、契諾、債券、訴訟、法律程序、賬目、申索、要求、責任及義務之完全及最終清償款。本公司股份的股份押記乃就本公司之單一最大股東提供，與貸款協議有關。

於二零一八年十二月二十四日，本公司（作為借款人）與一名獨立第三方放款人（「第一名放款人」）訂立一份融資協議（「第一份融資協議」），以向第一名放款人借貸本金額為80,000,000港元、年息為24厘、須於自提取日起計三個月當日悉數償還之定期貸款，以就貸款協議項下本公司所有債務進行再融資。本公司股份的股份押記由本公司不同股東就第一份融資協議而提出。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Subsequently, on 22 March 2019, the Company entered into a facility agreement (the “Second Facility Agreement”) with another independent third party lender (the “Second Lender”) to borrow a term loan in the principal amount of HK\$90,000,000 from the second Lender at an interest rate of 24% per annum to be repayable in full on a date falling three months from the draw down date for (i) refinancing all indebtedness of the Company under the First Facility Agreement; (ii) payment of associated costs and expenses; and (iii) general working capital purposes of the Company. Share charges over the Company's shares were also provided by various shareholders of the Company in connection with the Second Facility Agreement.

PROSPECTS

With the implementation of the “One Belt, One Road” initiative and the development of Guangdong-Hong Kong-Macau Greater Bay Area, Hong Kong, as a free and open economy, will further facilitate the cash flows between Hong Kong and Macau and Mainland China. We believe the fundamental of Mainland China's economy remains good and the People's Bank of China will maintain its monetary easing policy, which is expected to have a positive effect on and benefit Hong Kong economy. Therefore, we expect stable growth to continue.

Looking forward to 2019, Hong Kong will be exposed to increasing risks and difficulties, mainly from the evolvement of the trade war between China and the US, greater fluctuations in the financial markets arising from unclear interest rate policy of US Federal Reserve, the Brexit deadlock, economic slow down and credit squeeze in Mainland China and economic downturn in emerging markets.

其後於二零一九年三月二十二日，本公司與另一名獨立第三方放款人（「第二名放款人」）訂立一份融資協議（「第二份融資協議」），以向第二名放款人借貸本金額為90,000,000港元、年息為24厘、須於自提取日起計三個月當日悉數償還之定期貸款，以(i)就第一份融資協議項下本公司之所有債務進行再融資；(ii)支付相關成本及費用；及(iii)作本公司一般營運資金之用。本公司股份的股份押記亦由本公司不同股東就第二份融資協議而提出。

前景

隨著「一帶一路」建設及粵港澳大灣區發展，香港作為自由開放經濟體，有助促進港澳與中國內地的資金流進一步暢通。我們認為中國內地經濟基本面將持續向好，中國人民銀行繼續放寬銀根，香港經濟會因此而受惠，帶來正面影響，展望繼續保持穩定增長。

展望二零一九年，香港將遇到的風險和困難逐步增多，主要是中美貿易戰的演變；美國聯儲局的不明朗利率政策導致金融市場波動加劇，英國脫歐陷入僵局，經濟放緩；中國內地信貸收緊；及新興市場經濟下滑。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The SYFS Group will focus on strengthen its platform of financial management service. Apart from the consolidation of its traditional brokerage business, Sheng Yuan Securities Limited will continue to develop the intermediary businesses, such as underwriting of IPO, securities financing and placement of funds and shares, to secure steady and diversified profits. SYAM will continue to put its efforts in funds management and discretionary accounts management services, establish additional funds of various types, develop more financial products and expand its customer base to keep abreast of the market trends by focusing on high-valued customers and potential professional investor groups. Sheng Yuan Capital (Hong Kong) Limited will continue to expand its financial consultancy businesses including IPO financing arrangement, merger and acquisition. For proprietary trading business, given that the investment market is expected to be increasingly volatile, it is necessary to exercise caution and care in processing each investment transaction in order to measure relevant risks. Therefore, the Group will continue to closely monitor market changes, manage and reorganize existing investment portfolio and, ultimately, achieve balance between risks and profits.

ACQUISITION AND DISPOSAL

There was no material acquisition during the year ended 31 December 2018.

On 28 June 2018, the Company had entered into an agreement to sell the entire issued share capital of a subsidiary, Joinbo Holdings Limited, which indirectly owns 24.975% of the equity interest in Xinhua (Daqing) Merchandise Exchange Company Limited ("XHME"). XHME is an entity incorporated in the PRC which is principally operating an electronic merchandise exchange platform for commodity goods trading in the PRC. Following the completion of the disposal on 28 June 2018, the Company no longer held any of the interest in XHME and XHME ceased to be recognised as an associate of the Company.

SYFS 集團將重點鞏固其金融理財服務平台，而盛源證券有限公司除鞏固傳統的經紀業務之外，將加強發展中間業務，如：IPO承銷，證券融資、基金及股份配售等中間業務，以獲得穩健及多元化的收益；盛源資產管理方面 將繼續大力發展基金管理和專戶管理服務，設立更多不同類型基金，開拓更多金融產品，並關注高增值客戶及有潛力專業投資者客群，以擴大客戶基礎，把握市場脈搏。盛源資本(香港)有限公司則繼續開拓IPO融資安排諮詢，兼併 與收購等財務諮詢業務。自營買賣業務方面，由於預期投資市場更加波動，各項投資買賣需嚴謹處理，監察相關風險，本集團將繼續密切監察市場內的變動、管理及重整已持有之投資組合，以最終達致風險收益平衡。

收購及出售

於截至二零一八年十二月三十一日止年度，概無任何重大收購。

於二零一八年六月二十八日，本公司訂立一項協議以出售附屬公司駿寶集團有限公司之全部已發行股本，該附屬公司間接擁有新華(大慶)商品交易所有限公司(「新商所」)之24.975%股權。新商所為一家於中國註冊成立之實體，主要於中國經營商品貨物貿易之電子商品交易平台。於二零一八年六月二十八日出售完成後，本公司不再於新商所持有任何權益及新商所不再被確認為本公司之聯營公司。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, cash and bank balances in general accounts maintained by the Group were approximately HK\$47.3 million, representing a decrease of approximately 46.0% from approximately HK\$87.6 million as at 31 December 2017. Balances in trust and segregated accounts were approximately HK\$45.4 million (2017: HK\$221.6 million). Trade and other receivables and prepayments were approximately HK\$40.1 million as at 31 December 2018 (2017: HK\$69.5 million), which mainly represented decreased receivables from money lending business and securities brokerage. Trade and other payables and accruals were approximately HK\$54.2 million as at 31 December 2018 (2017: HK\$242.5 million), which was due to decrease in trade payable from securities brokerage.

The Group's current assets and current liabilities as at 31 December 2018 were approximately HK\$140.6 million (2017: HK\$418.2 million) and approximately HK\$135.1 million (2017: HK\$420.3 million) respectively. The borrowings as at 31 December 2018 were approximately HK\$80.4 million (2017: HK\$nil). The gearing of the Group, measured as total debts to total assets, was approximately 53.7% as at 31 December 2018 (2017: 33.2%). As at 31 December 2018, the Group recorded net assets of approximately HK\$14.6 million (2017: HK\$12.5 million). During the year ended 31 December 2018, the Group financed its operations with internally generated cash flow and funds from borrowings.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's transactions are mainly denominated in Hong Kong dollars, United States dollars ("USD"), and Renminbi ("RMB"). The Group has not implemented any foreign currencies hedging policies. However, the Group's management will closely monitor exchange rate movement and will take appropriate actions to reduce the risks.

流動資金及財務資源

於二零一八年十二月三十一日，本集團維持現金及銀行結餘（屬一般賬戶）約47,300,000港元，較二零一七年十二月三十一日之約87,600,000港元減少約46.0%。信託及獨立賬戶之結餘約為45,400,000港元（二零一七年：221,600,000港元）。於二零一八年十二月三十一日，貿易及其他應收賬款以及預付款項約為40,100,000港元（二零一七年：69,500,000港元），主要源於來自貸款及證券經紀業務之應收賬款減少。於二零一八年十二月三十一日，貿易及其他應付賬款以及應計費用約為54,200,000港元（二零一七年：242,500,000港元），乃由於證券經紀之貿易應付賬款減少所致。

本集團於二零一八年十二月三十一日之流動資產及流動負債分別約為140,600,000港元（二零一七年：418,200,000港元）及約135,100,000港元（二零一七年：420,300,000港元）。於二零一八年十二月三十一日，借貸約為80,400,000港元（二零一七年：零港元）。於二零一八年十二月三十一日，本集團之資產負債比率（按總債務對總資產計算）約為53.7%（二零一七年：33.2%）。於二零一八年十二月三十一日，本集團錄得資產淨值約14,600,000港元（二零一七年：12,500,000港元）。於截至二零一八年十二月三十一日止年度，本集團以內部現金流量及借款資金為其業務提供資金。

外匯風險管理

本集團之交易主要以港元、美元（「美元」）及人民幣（「人民幣」）列值。本集團並無實行任何外幣對沖政策。然而，本集團管理層將密切監控匯率變動，並將採取適當行動減低風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CAPITAL STRUCTURE

During the year ended 31 December 2018, 257,142,857 shares of the Company were issued upon conversion of Convertible Bonds.

SIGNIFICANT SECURITIES INVESTMENTS

During the year ended 31 December 2018, the Group has no further investments in held-for-trading securities in Hong Kong. As at 31 December 2018, the Company held an aggregate of 145,294,903 shares of Hong Kong Life Sciences and Technologies Group Limited, a company listed on the GEM of the Stock Exchange (stock code: 8085) at an average cost of HK\$0.144 each for a consideration of approximately HK\$21.0 million. As at 31 December 2018, such securities investment was at fair value of approximately HK\$5.2 million (31 December 2017: HK\$37.8 million), accounting for approximately 3.5% of the Group's total assets and the loss on the change in fair value for the year ended 31 December 2018 was approximately HK\$15.7 million (31 December 2017: HK\$16.7 million).

CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any material contingent liabilities.

DIVIDEND POLICY

The Company has a dividend policy, the objective of which is to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's future growth. The declaration, form, frequency and amount of dividend paid by the Company must be in accordance with relevant laws and regulations and subject to the bye-laws of the Company. In deciding whether to declare any dividend, the Board will take into account a number of factors, including the financial results, the distributable reserves, the operations and liquidity requirements, and the current and future development plans of the Company. The Board will review the dividend policy of the Company as appropriate from time to time.

資本架構

於截至二零一八年十二月三十一日止年度，因兌換可換股債券而已發行257,142,857股本公司股份。

重大證券投資

於截至二零一八年十二月三十一日止年度，本集團於香港並無進一步投資持作交易證券。於二零一八年十二月三十一日，本公司持有香港生命科學技術集團有限公司（一間於聯交所GEM上市之公司（股份代號：8085））合共145,294,903股股份，平均成本為每股0.144港元，代價約為21,000,000港元。於二零一八年十二月三十一日，有關證券投資公平值約為5,200,000港元（二零一七年十二月三十一日：37,800,000港元），佔本集團資產總值之約3.5%，及截至二零一八年十二月三十一日止年度公平值變動虧損約為15,700,000港元（二零一七年十二月三十一日：16,700,000港元）。

或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債。

股息政策

本公司已制定股息政策，旨在令本公司股東參與分享本公司之溢利，同時保留充足之儲備維持本集團未來增長。本公司所派付之股息之宣派、形式、頻次及金額須遵守相關法律法規，並受本公司之公司細則規限。於釐定是否宣派任何股息時，董事會將計及多個因素，包括本公司之財務業績、可供分配儲備、營運及流動資金需求以及當前及未來發展計劃。董事會將不時檢討本公司之股息政策（如適用）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PLEDGE OF ASSETS

As at 31 December 2018, the Group did not have any pledged assets.

HUMAN RESOURCES

As at 31 December 2018, the Group employed 58 employees. The remuneration policy and package of the Group's employees are maintained at market level and are reviewed annually by management. In addition to basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

抵押資產

於二零一八年十二月三十一日，本集團並無任何抵押資產。

人力資源

於二零一八年十二月三十一日，本集團聘用58名僱員。本集團僱員之薪酬政策及待遇維持在市場水平，並由管理層每年檢討。除基本薪金、酌情花紅、強制性公積金及醫療保險計劃外，董事會亦會根據個別僱員表現及本集團業績，酌情向合資格僱員授出購股權。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTOR

Mr. Qiu Bin, aged 51, was appointed as an executive Director and the chief operating officer of the Company in July 2017 and was re-designated as the chief executive officer of the Company in May 2018. Mr. Qiu holds a Master of Business Administration Degree from the City University of Macau. He had worked with various large corporations in mainland China and been responsible for project investment, assets restructuring, property development and property leasing and management. Mr. Qiu has over 15 years of experience in investment management. Mr. Qiu was the general manager of China Technology Education Trust Association during the period from January 2009 to October 2011. Mr. Qiu was the executive director of Suncity Group Holdings Limited (formerly known as Sun Century Group Limited), the shares of which are listed on the main board of the Stock Exchange, during the period from June 2012 to May 2015.

Ms. Cheng Kit Sum, Clara, aged 47, was appointed as an executive Director in June 2014 and the chief financial officer of the Company in August 2014. Ms. Cheng is responsible for the overall financial and administrative functions and corporate governance of the Group. Ms. Cheng has over 20 years of professional and senior managerial experiences in legal compliance, corporate financial planning and management. Ms. Cheng has been holding senior positions in listed companies in Hong Kong since 2000. She also worked for First Shanghai Capital Limited and PricewaterhouseCoopers. Ms. Cheng holds a bachelor's degree in accountancy from the Hong Kong Polytechnic University. She is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

執行董事

邱斌先生，51歲，於二零一七年七月獲委任為本公司之執行董事及營運總裁，並於二零一八年五月調任為本公司行政總裁。邱先生持有澳門城市大學工商管理碩士學位。彼曾於國內多間大型公司工作，負責專案投資、資產重組及房地產開發、物業租賃及管理，在投資管理方面具有超過15年的經驗。於二零零九年一月至二零一一年十月期間，邱先生出任中國科技教育基金會總經理。於二零一二年六月至二零一五年五月期間，邱先生曾擔任太陽城集團控股有限公司（前稱為太陽世紀集團有限公司）之執行董事，該公司股份於聯交所主板上市。

鄭潔心女士，47歲，於二零一四年六月獲委任為執行董事，於二零一四年八月獲委任為本公司財務總裁。鄭女士負責本集團整體財務及行政職能以及企業管治。鄭女士於法律規章、企業融資規劃及管理方面擁有逾二十年專業及高級管理經驗。鄭女士自二零零零年起一直擔任香港上市公司之高級職務。彼亦曾任職於第一上海融資有限公司及羅兵咸永道會計師事務所。鄭女士持有香港理工大學之會計文學士學位，並為香港會計師公會會員及英國特許公認會計師公會資深會員。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Fung Tze Wa, aged 62, was appointed as an independent non-executive Director in May 2018. Mr. Fung is a certified public accountant and a director of an accounting firm in Hong Kong. Mr. Fung has many years of experience in auditing, taxation and company secretarial practice in Hong Kong. He obtained a master degree in professional accounting from the Hong Kong Polytechnic University in 2000. He is a member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, The Taxation Institute of Hong Kong and The Society of Chinese Accountants and Auditors. He has been appointed as an independent non-executive director of Freeman FinTech Corporation Limited (Stock Code: 279) since 2017, Citychamp Watch & Jewellery Group Limited (Stock Code: 256) since 2004 and Imperium Group Global Holdings Limited (Stock Code: 776) since 2012. These companies are listed on the Main Board of the Stock Exchange.

Dr. Huan Guocang, aged 69, was appointed as an independent non-executive Director in June 2015. Dr. Huan is currently the chief executive officer of Primus Pacific Partners Limited ("Primus"). Dr. Huan holds master degrees in arts from the Graduate School of International Studies of the University of Denver in 1982 and Columbia University in 1983, a PhD degree from Princeton University in 1987 and John Olin post doctoral fellow from the Centre for International and Strategic Studies of Harvard University in 1987. Before the set-up of Primus in 2005, Dr. Huan has been the Head of Investment Banking (Asia Pacific) of HSBC, the co-Head of Investment Banking (Asia Pacific) of Citigroup, the managing director and Head of China of BZW Asia Limited, a senior economist and vice president of J.P. Morgan, an assistant professor of Columbia University and an economist of Deutsche Bank. Dr. Huan is currently the independent non-executive director of Beijing Development (Hong Kong) Limited, the shares of which are listed on the Stock Exchange.

獨立非執行董事

馮子華先生，62歲，於二零一八年五月獲委任為獨立非執行董事。馮先生為執業會計師及香港一間會計師事務所之董事。馮先生在香港擁有多年核數、稅務及公司秘書實務經驗。彼於二零零零年取得香港理工大學專業會計碩士學位。彼為香港會計師公會、特許公認會計師公會、香港稅務學會及華人會計師及核數師公會之會員。彼分別自二零一七年、二零零四年及二零一二年獲委任為民眾金融科技控股有限公司(股份代號：279)、冠城鐘錶珠寶集團有限公司(股份代號：256)及帝國集團環球控股有限公司(股份代號：776)之獨立非執行董事。該等公司均於聯交所主板上市。

宦國蒼博士，69歲，於二零一五年六月獲委任為獨立非執行董事。宦博士現任博智資本有限公司(「博智資本」)之行政總裁。宦博士分別於一九八二年及一九八三年在美國丹佛大學國際學研究生院及美國哥倫比亞大學獲得文學碩士學位，於一九八七年在美國普林斯頓大學獲得哲學博士學位，並於同年在美國哈佛大學歐林國際戰略研究中心作博士後研究員。宦博士於二零零五年成立博智資本之前，歷任滙豐銀行亞太區投資銀行主管、花旗集團亞太區投資銀行聯席主管、巴克萊德勝亞洲有限公司董事總經理兼中國業務主管、摩根大通高級經濟師兼副總裁、美國哥倫比亞大學助理教授，以及德意志銀行經濟分析師。宦博士現為北京發展(香港)有限公司(其股份於聯交所上市)之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Mr. Lo Ka Wai, aged 50, was appointed as an independent non-executive Director in March 2014. Mr. Lo has over 20 years experience in financial management and corporate finance gained from working as a chief financial officer and/or a company secretary for various listed companies in Hong Kong. Currently, Mr. Lo is an independent non-executive director of Yusei Holdings Limited, the shares of which are listed on the main board of the Stock Exchange. Mr. Lo had been an executive director of Han Tang International Holdings Limited and National United Resources Holdings Limited, the shares of both of which are listed on the main board. Mr. Lo had also been a chief financial officer of a company, the shares of which are listed on the GEM of the Stock Exchange. Mr. Lo graduated from the University of Wollongong, Australia with a bachelor degree in commerce. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.

羅嘉偉先生，50歲，於二零一四年三月獲委任為獨立非執行董事。羅先生曾於多間香港上市公司任職財務總裁及／或公司秘書，於金融管理及企業融資方面擁有逾二十年經驗。羅先生現時擔任友成控股有限公司之獨立非執行董事（該公司股份於聯交所主板上市）。羅先生曾擔任漢唐國際控股有限公司及國家聯合資源控股有限公司之執行董事（該等公司股份均於主板上市）。羅先生亦曾擔任一間公司之財務總裁（該公司股份於聯交所GEM上市）。羅先生畢業於澳洲卧龍崗大學（University of Wollongong），獲頒商學士學位。羅先生為香港會計師公會及澳洲會計師公會會員。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code on corporate governance practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the year ended 31 December 2018 except the following deviations:

The Code provision A.2.1 stipulates that the role of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. Although the Company does not have a Chairman, all major decisions are made in consultation with the Board members and the senior management of the Company. There are three independent non-executive Directors in the Board. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

Under the Code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings. Dr. Huan Guocang and Mr. Wu Fred Fong, independent non-executive Directors and former independent non-executive Directors respectively, were unable to attend the annual general meeting of the Company held on 25 May 2018 as they had other business commitments.

企業管治常規

本公司致力維持高水平之企業管治標準及程序，以保障全體股東之利益，以及加強公司問責性及提高透明度。本公司於截至二零一八年十二月三十一日止年度一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之《企業管治常規守則》（「守則」），惟下列偏離情況除外：

守則條文第A.2.1條訂明主席及行政總裁之職能應有所區分及不應由同一人擔任。儘管本公司並無設主席職位，但所有重大決策均經諮詢本公司董事會成員及高級管理層後作出。董事會有三名獨立非執行董事。董事會認為已有足夠之權力平衡，且現有之安排可維持本公司管理層之強勢地位。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會。獨立非執行董事宦國蒼博士及前獨立非執行董事胡晃先生因有其他事務需要處理而均未能出席本公司於二零一八年五月二十五日舉行之股東週年大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules as a code of conduct of the Company for directors’ securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company’s code of conduct regarding directors’ securities transactions throughout the year ended 31 December 2018.

BOARD OF DIRECTORS

As at 31 December 2018, the Board comprised two executive Directors, three non-executive Directors and three independent non-executive Directors.

The composition of the Board’s members during the year ended 31 December 2018 and up to the date of this report is as follows:

EXECUTIVE DIRECTORS

Mr. Qiu Bin (*Chief Executive Officer*)
Ms. Cheng Kit Sum, Clara (*Chief Financial Officer*)
Mr. Wu Siu Lam, William (*resigned on 28 May 2018*)

NON-EXECUTIVE DIRECTORS

Mr. Chiu Hau Shun, Simon (*appointed on 24 December 2018 and resigned on 22 March 2019*)

Ms. Tang Lai Shan, Jo Jo (*appointed on 24 December 2018 and resigned on 22 March 2019*)

Mr. Chen Zhong Min (*resigned on 1 January 2019*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Tze Wa (*appointed on 28 May 2018*)

Dr. Huan Guocang

Mr. Lo Ka Wai

Mr. Wu Fred Fong (*resigned on 28 May 2018*)

董事進行證券交易的標準守則

本公司已採納上市規則所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為本公司董事進行證券交易之操守準則。本公司已向全體董事作出具體查詢，各董事於截至二零一八年十二月三十一日止整個年度一直遵守標準守則所載規定標準，以及本公司有關董事進行證券交易之操守準則。

董事會

於二零一八年十二月三十一日，董事會由兩名執行董事、三名非執行董事及三名獨立非執行董事組成。

於截至二零一八年十二月三十一日止年度及截至本報告刊發日期，董事會之組成成員如下：

執行董事

邱斌先生(*行政總裁*)
鄭潔心女士(*財務總裁*)
胡少霖先生(*二零一八年五月二十八日辭任*)

非執行董事

趙孝純先生
(*二零一八年十二月二十四日獲委任及於二零一九年三月二十二日辭任*)
鄧麗珊女士
(*二零一八年十二月二十四日獲委任及於二零一九年三月二十二日辭任*)
陳重民先生
(*二零一九年一月一日辭任*)

獨立非執行董事

馮子華先生
(*二零一八年五月二十八日獲委任*)
宦國蒼博士
羅嘉偉先生
胡晃先生(*二零一八年五月二十八日辭任*)

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2018, thirteen Board meetings were held. Details of the Directors' attendance records were as follows:-

於截至二零一八年十二月三十一日止年度，共舉行十三次董事會會議。有關董事出席詳情載列如下：

Name	Meetings attended/ Eligible to attend 出席會議次數／ 合資格出席會議次數
Executive Directors	執行董事
Mr. Qiu Bin	邱斌先生 13/13
Ms. Cheng Kit Sum, Clara	鄭潔心女士 13/13
Mr. Wu Siu Lam, William (resigned on 28 May 2018)	胡少霖先生 (二零一八年五月二十八日辭任) 3/3
Non-executive Directors	非執行董事
Mr. Chiu Hau Shun, Simon (appointed on 24 December 2018 and resigned on 22 March 2019)	趙孝純先生 (二零一八年十二月二十四日獲委任及 於二零一九年三月二十二日辭任) 1/1
Ms. Tang Lai Shan, Jo Jo (appointed on 24 December 2018 and resigned on 22 March 2019)	鄧麗珊女士 (二零一八年十二月二十四日獲委任及 於二零一九年三月二十二日辭任) 1/1
Mr. Chen Zhong Min (resigned on 1 January 2019)	陳重民先生 (二零一九年一月一日辭任) 5/9
Independent Non-executive Directors	獨立非執行董事
Mr. Fung Tze Wa (appointed on 28 May 2018)	馮子華先生 (二零一八年五月二十八日獲委任) 9/9
Dr. Huan Guocang	宦國蒼博士 13/13
Mr. Lo Ka Wai	羅嘉偉先生 13/13
Mr. Wu Fred Fong (resigned on 28 May 2018)	胡晃先生 (二零一八年五月二十八日辭任) 3/3

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2018, one general meeting was held. Details of the Directors' attendance records were as follows:-

於截至二零一八年十二月三十一日止年度，共舉行一次股東大會。有關董事出席詳情載列如下：

Name		Meetings attended/ Eligible to attend 出席會議次數／ 合資格出席會議次數
Executive Directors		
Mr. Qiu Bin	執行董事 邱斌先生	1/1
Ms. Cheng Kit Sum, Clara	鄭潔心女士	1/1
Mr. Wu Siu Lam, William (resigned on 28 May 2018)	胡少霖先生 (二零一八年五月二十八日辭任)	0/1
Non-executive Directors		
Mr. Chiu Hau Shun, Simon (appointed on 24 December 2018 and resigned on 22 March 2019)	非執行董事 趙孝純先生 (二零一八年十二月二十四日獲委任及 於二零一九年三月二十二日辭任)	0/0
Ms. Tang Lai Shan, Jo Jo (appointed on 24 December 2018 and resigned on 22 March 2019))	鄧麗珊女士 (二零一八年十二月二十四日獲委任及 於二零一九年三月二十二日辭任)	0/0
Mr. Chen Zhong Min (resigned on 1 January 2019)	陳重民先生 (二零一九年一月一日辭任)	1/1
Independent Non-executive Directors		
Mr. Fung Tze Wa (appointed on 28 May 2018)	獨立非執行董事 馮子華先生 (二零一八年五月二十八日獲委任)	0/0
Dr. Huan Guocang	宦國蒼博士	0/1
Mr. Lo Ka Wai	羅嘉偉先生	1/1
Mr. Wu Fred Fong (resigned on 28 May 2018)	胡晃先生 (二零一八年五月二十八日辭任)	0/1

The Board is responsible for formulation of the Group's strategies and policies, approval of annual budget and business plan, and supervising the management of day-to-day operation of the Group to ensure the business objectives are met. In addition, the Board has also delegated various responsibilities to the remuneration committee (the "Remuneration Committee") and the audit committee (the "Audit Committee") of the Company. Further details of these committees are set out in this report.

董事會負責制定本集團之策略及政策、審批年度預算及業務計劃，以及監督本集團之日常營運管理，致力確保業務目標得以實現。此外，董事會亦已向本公司薪酬委員會（「薪酬委員會」）及審核委員會（「審核委員會」）轉授多項職責。該等委員會之進一步詳情載於本報告內。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2018, the Board has reserved for its decisions all major matters of the Group including:-

1. discussion on the Group's strategies and future development;
2. reviewed the term of appointment of Directors;
3. discussion on and approval of the financial results of the Group and the recommendation of any dividend;
4. approval of the appointment and resignation of Directors;
5. approval on conversion of convertible bonds;
6. reviewed the interim results of the Group for the six months ended 30 June 2018;
7. reviewed the internal control system and risk management of the Group;
8. approval on acquisition of a financed leased company;
9. approval on the grant of share options;
10. approval on the borrowing of term loans;
11. approval on disposal of equity interest in Xinhua (Daqing) Merchandise Exchange Company Limited; and
12. matters as required by laws and ordinance.

於截至二零一八年十二月三十一日止年度，董事會保留其對本集團所有重要事項之決定權，包括：

1. 討論本集團之策略及未來發展；
2. 檢討董事任期；
3. 討論及批准本集團財務業績及建議任何股息；
4. 批准董事委任及辭任；
5. 批准轉換可換股債券；
6. 審閱本集團截至二零一八年六月三十日止六個月之中期業績；
7. 檢討本集團內部監控制度及風險管理；
8. 批准收購一間融資租賃公司；
9. 批准授出購股權；
10. 批准借出定期貸款；
11. 批准出售新華(大慶)商品交易有限公司之股權；及
12. 法例及條例規定之事宜。

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged at the expenses of the Company whenever necessary.

董事之持續專業發展

董事持續獲得有關法例及監管制度發展以及業務環境變動之最新資料，以便彼等履行職責。此外，如有需要，本公司亦會為董事安排持續簡報及專業發展培訓，費用由本公司承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Directors are committed to complying with the Code provision A.6.5 on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided their training records for the financial year ended 31 December 2018 to the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has not adopted A.2.1 of the Code by appointing separate individual to take up the roles of the chairman and chief executive officer. In the absence of a chairman, the executive Directors will be responsible for the management of the Board and ensure good corporate governance practices will be implemented.

NON-EXECUTIVE DIRECTORS

The non-executive Directors (including independent non-executive Directors) are appointed for a specific term subject to retirement by rotation and re-election as required by the bye-law of the Company (the "Bye-Law").

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with specific written terms of reference which deals clearly with its authority and duties. The principal duties of the Remuneration Committee include:-

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management;
2. to determine the specific remuneration packages of all executive Directors and senior management and make recommendations to the Board of the remuneration of non-executive Directors;
3. to review and approve performance-based remuneration from time to time;

董事承諾遵守守則條文第A.6.5條有關董事培訓之規定。全體董事均曾參與持續專業發展，以發展並更新其知識及技能，並已向本公司提供其於截至二零一八年十二月三十一日止財政年度之培訓記錄。

主席及行政總裁

本公司並無採納守則第A.2.1條，委任單獨個人為主席及行政總裁。本公司並無設立主席職位，執行董事將負責董事會管理事務，並確保實施良好企業管治常規。

非執行董事

非執行董事（包括獨立非執行董事）按特定任期獲委任，並須根據本公司之公司細則（「公司細則」）規定輪值告退及接受重選。

薪酬委員會

本公司已成立薪酬委員會，並書面訂明其具體職權範圍，清楚說明其職權及職責。薪酬委員會之主要職責包括：

1. 就本公司所有董事及高級管理層之薪酬政策及架構向董事會提出推薦意見；
2. 釐定全體執行董事及高級管理層之特定薪酬方案，並就非執行董事之薪酬向董事會提出推薦意見；
3. 不時檢討及審批與表現掛鉤之薪酬；

CORPORATE GOVERNANCE REPORT

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4. to review and approve the compensation payable to executive Directors and senior management and compensation arrangements relating to dismissal or removal of Directors for misconduct; and

5. to ensure that no Director or any of his associates is involved in deciding his own remuneration.

Currently, the members of the Remuneration Committee are Mr. Fung Tze Wa (Chairman), Dr. Huan Guocang and Mr. Lo Ka Wai. During the year ended 31 December 2018, the Remuneration Committee held one meeting. The attendance of individual members was set out in the following table.

4. 檢討及審批應付執行董事及高級管理層之賠償以及由於行為不當而解僱或罷免董事之賠償安排；及

5. 確保概無董事或其任何聯繫人士參與訂定其本身之薪酬。

現時，薪酬委員會成員為馮子華先生（主席）、宦國蒼博士及羅嘉偉先生。於截至二零一八年十二月三十一日止年度，薪酬委員會曾舉行一次會議。下表載列各成員出席會議之情況。

Name		Meetings attended/ Eligible to attend
姓名		出席會議次數／ 合資格出席會議次數
Mr. Fung Tze Wa (appointed on 28 May 2018)	馮子華先生 (二零一八年五月二十八日獲委任)	0/0
Dr. Huan Guocang	宦國蒼博士	1/1
Mr. Lo Ka Wai	羅嘉偉先生	1/1
Mr. Wu Fred Fong (resigned on 28 May 2018)	胡晃先生 (二零一八年五月二十八日辭任)	0/0

CORPORATE GOVERNANCE REPORT

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NOMINATION COMMITTEE

The Nomination Committee was established with specific written terms of reference which deals clearly with its authority and duties. The principal duties of the Nomination Committee include:

1. to review the structure, size and composition of the Board and make recommendations for changes as necessary, 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, to assess the independence of independent non-executive Directors, and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the CEO. The Nomination Committee should meet at least once a year and when the need arises.
2. responsible for identifying, recruiting and evaluating new nominees to the Board and the assessment of the qualifications of the directors. The criteria adopted to select and recommend candidates for directorship includes the candidate's experience, professional knowledge, integrity, time commitment and other statutory or regulatory requirements.

The Board has adopted a Board Diversity Policy (the "Policy") to comply with the Code Provision on board diversity. The Policy aims to set out the approach to achieve diversity in the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates on merit and against the objective criteria with due regard for the benefits of diversity on the Board.

提名委員會

本公司已成立提名委員會，並書面訂明其具體職權範圍，清楚說明其職權及職責。提名委員會之主要職責包括：

1. 檢討董事會之架構、規模及組成，並於必要時就任何變動提出推薦意見，物色具備合適資格可擔任董事會成員之人士，並甄選提名有關人士出任董事或就此向董事會提出推薦意見，評核獨立非執行董事之獨立性，以及就有關董事委任或重新委任及董事（尤其是主席及行政總裁）繼任計劃之相關事宜向董事會提出推薦意見。提名委員會須每年最少舉行一次會議以及於有需要時舉行會議。
2. 負責為董事會物色、招聘及評估新獲提名人士，以及評估董事之資歷。提名委員會已採納用以甄選及建議董事會候選人之準則，包括有關候選人之經驗、專業知識、誠信、付出之時間及其他法定或監管規定。

董事會已採納一項董事會多元化政策（「該政策」）以遵守就董事會多元化之守則條文。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee currently consists of three independent non-executive Directors namely Dr. Huan Guocang (Chairman), Mr. Lo Ka Wai and Mr. Wu Fred Fong. During the year ended 31 December 2018, the Nomination Committee held two meetings. The attendance of individual members was set out in the following table.

提名委員會現時由三名獨立非執行董事(即宦國蒼博士(主席)、羅嘉偉先生及胡晃先生)組成。於截至二零一八年十二月三十一日止年度, 提名委員會曾舉行兩次會議。下表載列各成員出席會議之情況。

Name		Meetings attended/ Eligible to attend 出席會議次數/ 合資格出席會議次數
姓名		
Dr. Huan Guocang	宦國蒼博士	2/2
Mr. Fung Tze Wa (appointed on 28 May 2018)	馮子華先生 (二零一八年五月二十八日獲委任)	1/1
Mr. Lo Ka Wai	羅嘉偉先生	2/2
Mr. Wu Fred Fong (resigned on 28 May 2018)	胡晃先生 (二零一八年五月二十八日辭任)	0/0

During the meetings, the Nomination Committee reviewed the composition of the Board member.

會上, 提名委員會檢討董事會成員之組成。

AUDITOR'S REMUNERATION

During the year ended 31 December 2018, the remunerations payable to the auditor of the Company, BDO Limited, are set out as follows:

核數師酬金

於截至二零一八年十二月三十一日止年度, 應付本公司核數師香港立信德豪會計師事務所有限公司之酬金載列如下:

		Services rendered Fee payable 提供服務 應付費用 HK\$'000 千港元
Audit services	審核服務	1,400
Non-audit services	非審核服務	708

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企業管治報告

AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference which deals clearly with its authority and duties. The principal duties of the Audit Committee include:

1. to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and review and monitor their independence and objectivity as well as the effectiveness of the audit process;
2. to approve the remuneration and terms of engagement of external auditors, maintain appropriate relationship between the Group and the external auditors and develop policy on the engagement of the external auditors to supply non-audit services;
3. to ensure the integrity of the interim and annual consolidated financial statements and any significant financial reporting judgments contained in them; and review the external auditors' work, including management letter and management's response; and
4. to review the Company's internal control and risk management systems.

Currently, the members of the Audit Committee are Mr. Lo Ka Wai (Chairman), Dr. Huan Guocang and Mr. Fung Tze Wa. During the year ended 31 December 2018, the Audit Committee held two meetings and the attendance of individual members was set out in the following table.

審核委員會

本公司已成立審核委員會，並書面訂明其具體職權範圍，清楚說明其職權及職責。審核委員會之主要職責包括：

1. 就外聘核數師之委任、重新委任及罷免向董事會提出推薦意見，並檢討及監察外聘核數師是否獨立客觀，以及審核程序是否有效；
2. 批准外聘核數師之酬金及聘用條款、維持本集團與外聘核數師之適當關係及制定委聘外聘核數師提供非審核服務之政策；
3. 確保中期及年度綜合財務報表及當中所載有關任何財務申報之重大意見之完整性；以及審閱外聘核數師之工作，包括管理層函件及管理層之回應；及
4. 檢討本公司之內部監控及風險管理制度。

現時，審核委員會成員為羅嘉偉先生（主席）、宦國蒼博士及馮子華先生。於截至二零一八年十二月三十一日止年度，審核委員會曾舉行兩次會議，下表載列各成員出席會議之情況。

Name		Meetings attended/ Eligible to attend 出席會議次數／ 合資格出席會議次數
姓名		
Mr. Lo Ka Wai	羅嘉偉先生	2/2
Mr. Fung Tze Wa	馮子華先生	
(appointed on 28 May 2018)	(二零一八年五月二十八日獲委任)	1/1
Dr. Huan Guocang	宦國蒼博士	2/2
Mr. Wu Fred Fong	胡晃先生	
(resigned on 28 May 2018)	(二零一八年五月二十八日辭任)	2/2

CORPORATE GOVERNANCE REPORT

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During the year ended 31 December 2018, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors.

COMPANY SECRETARY

Mr. Or Wing Keung, the Company Secretary of the Company, is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chief Executive Officer and is responsible for advising the Board on corporate governance matters. During the year ended 31 December 2018, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is directly responsible for internal control of the Group and for reviewing its effectiveness. The Board conducts a review on the internal control system of the Group on an annual basis and has the responsibility to maintain an effective internal control system. The Board also reviews and monitors the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate.

The Group's internal control system is comprised of a system of controlled management wherein various authoritative limits are placed to ensure that the Group is able to supervise, control and assess various functions within Group. The system further permits the Group to safeguard its accounting records to minimize material errors in order to provide as accurate as possible financial information.

During the year under review, the Company engaged an external independent consultant to conduct a review on the internal control system of the Group in order to maintain high standards of corporate governance. The Board has also reviewed the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function. Based on the above, the Board is of the view that the Company has established a proper internal control system which is effective and adequate.

於截至二零一八年十二月三十一日止年度，董事會與審核委員會在外聘核數師之甄選、委任、辭任或罷免等事宜上，並無任何意見分歧。

公司秘書

本公司之公司秘書柯永強先生為本集團全職僱員，彼對本公司日常事務瞭如指掌。公司秘書向行政總裁匯報並負責就企業管治事宜向董事會提供意見。於截至二零一八年十二月三十一日止年度，公司秘書一直妥為遵守上市規則第3.29條項下有關相關專業培訓之規定。

內部監控及風險管理

董事會直接負責本集團的內部監控並檢討其成效。董事會每年檢討本集團的內部監控系統，負責維持內部監控系統的有效性。董事會亦定期檢討並監察內部監控及風險管理系統的成效，以確保現行系統充分有效。

本集團的內部監控系統由管理控制系統組成，在該系統中會設立各種權限，以確保本集團能監察、控制及評估本集團內部的各種職能。此系統能進一步令本集團保障其會計記錄，盡量減少重大錯誤，從而提供盡可能準確的財務資料。

於回顧年度，本公司委聘一名外部獨立顧問就本集團內部監控系統進行檢討，以維持高水平的企業管治。董事會亦對本公司會計及財務申報職能的資源充裕性、員工資質及經驗、培訓計劃及預算作出檢討。綜上所述，董事會認為本公司已建立一套適宜的內部監控系統，有效且充分。

CORPORATE GOVERNANCE REPORT

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The Company have formulated an inside information policy providing guideline on handling inside information. The Company regularly reminds the Directors and employees about compliance with all policies adopted by the Company regarding inside information including the Model Code set out in Appendix 10 of the Listing Rules in relation to dealings in securities of the Company.

RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The statement of the auditor of the Company, Messrs. BDO Limited, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 74 to 84 of this annual report. Saved as disclosed in the independent auditor's report under the heading "Material Uncertainty Related to Going Concern", the Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern as at 31 December 2018.

The Directors wish to make the following statement with regard to the Material Uncertainty Related to Going Concern in the Independent Auditor's Report:

The Group had incurred loss after tax of approximately HK\$82 million and net operating cash outflows of approximately HK\$14 million for the year ended 31 December 2018. As at 31 December 2018, the Group's liabilities included borrowings with principal amount of approximately HK\$80 million (2017: Nil) which is repayable within three months from 31 December 2018 and the Group had cash and cash equivalents of approximately HK\$47 million (2017: HK\$88 million) and net assets of approximately HK\$15 million (2017: HK\$13 million). These conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern and therefore that, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

本公司已制定內幕消息政策，就處理內幕消息提供指引。本公司定期提醒董事及僱員，買賣本公司證券時遵守本公司採用的所有內幕消息相關政策，包括上市規則附錄十所載之標準守則。

就綜合財務報表須承擔之責任

董事確認彼等須負責根據法定規定及適用會計準則編製本集團綜合財務報表。本公司核數師香港立信德豪會計師事務所有限公司就其對本集團綜合財務報表須承擔之申報責任而發出之聲明，載於本年報第74至84頁之「獨立核數師報告」。除獨立核數師報告「與持續經營相關之重大不確定性」所披露者外，於二零一八年十二月三十一日，董事並不知悉任何有關可能使本集團持續經營能力嚴重存疑之事件或狀況之重大不確定性。

就獨立核數師報告「與持續經營相關之重大不確定性」而言，董事聲明如下：

本集團於截至二零一八年十二月三十一日止年度產生稅後虧損約82,000,000港元及經營現金流出淨額約14,000,000港元。於二零一八年十二月三十一日，本集團之負債包括本金額約80,000,000港元（二零一七年：無）之借貸須於二零一八年十二月三十一日起計三個月內償還，本集團擁有現金及現金等同項目約47,000,000港元（二零一七年：88,000,000港元）及資產淨值約15,000,000港元（二零一七年：13,000,000港元）。此等情況表明存在重大不明朗因素，或會對本集團之持續經營能力存疑，因此，其可能無法於一般業務過程中變現其資產及償還其負債。

CORPORATE GOVERNANCE REPORT

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Notwithstanding the above conditions, the financial statements were prepared based on the assumption that the Group can be operated as a going concern after taking into consideration of the following plans and measures:

- subsequent to the end of the reporting period, the Group had entered into an agreement with an independent third party for borrowings of HK\$90 million due in June 2019, approximately HK\$84.8 million of which was applied for the settlement of borrowings as at 31 December 2018 with the remaining approximately HK\$5.2 million being applied as general working capital of the Group;
- the Group is soliciting for further financing arrangements which include placing of new shares to new potential investors, for the future repayment of borrowings of HK\$90 million due in June 2019 and general working capital purpose;
- the Group shall continuously review and monitor its receivables in order to ensure the receivables are recovered on time; and
- the Group shall expand its existing business from the proceeds received from the additional financing and shall continue to apply various measures to tighten its operating expenditures in order make improvements in cash inflow from its operations.

The Directors are of the view that the Group and the Company will be able to continue as going concern and that the financial statements have been prepared on that basis.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board is committed to providing clear and full performance information of the Group to Shareholders through the publication of interim and annual reports. In addition to dispatching circulars, notices, financial reports to Shareholders, addition information is also available to Shareholders from the Group's website. Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The chairman and Directors are available to answer question on the Group's businesses at the meeting.

儘管存在上述情況，經考慮下列計劃及措施，基於財務報表按本集團能夠持續經營的假設而編製：

- 於報告期間結算日後，本集團與一名獨立第三方就於二零一九年六月到期之借款90,000,000港元訂立協議，其中約84,800,000港元已用於結算於二零一八年十二月三十一日之借款，而餘下約5,200,000港元將用作本集團之一般營運資金；
- 本集團正在物色進一步融資安排，包括向新潛在投資者配售新股份用於日後償還將於二零一九年六月到期之借款90,000,000港元及用作一般營運資金；
- 本集團持續審閱及監察其應收賬款以確保應收賬款可按時收回；及
- 本集團將透過收取額外融資之所得款項擴展其現有業務，並將繼續採取多種措施縮緊營運開支以改善其自營運產生之現金流入。

董事認為本集團及本公司能夠持續經營及財務報表已按此基準編製。

投資者關係及股東權利

董事會透過刊發中期報告及年度報告，致力為股東提供清晰而全面之本集團表現資料。除了寄發通函、通告及財務報告予股東外，本集團亦會於網站登載其他資料，以供股東瀏覽。本公司鼓勵股東出席股東週年大會，而本公司會就股東週年大會發出最少二十個完整營業日之通知。主席及董事均會出席大會，以解答有關本集團業務之提問。

CORPORATE GOVERNANCE REPORT

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Pursuant to the Bye-laws, Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions put to vote at the annual general meeting will be taken by way of poll. The chairman of the annual general meeting will explain the detailed procedure for conducting a poll at the commencement of the annual general meeting.

Shareholders who have enquiries to put to the Board may write to the company secretary of the Company at the principal place of business in Hong Kong at Suites 4301-5, 43/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company will not normally deal with verbal or anonymous enquiries. For the avoidance of doubt, the Shareholder(s) must provide their full name, contact details and identification in order that the Company can give them a reply.

The Group values feedback from Shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

CONSTITUTIONAL DOCUMENTS OF THE COMPANY

During the year ended 31 December 2018, the Company has not made any changes to the Bye-laws. An updated version of the Bye-laws is available on the websites of the Company and the Stock Exchange.

根據公司細則，於遞呈要求日期持有不少於本公司繳足股本（附有可於本公司股東大會上投票之權利）十分之一的股東，於任何時候均有權向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理相關要求中列明的任何事宜，而有關大會必須於相關要求遞呈後兩個月內舉行。

根據上市規則第13.39(4)條，於股東大會上，股東所作之任何表決必須以投票方式進行。因此，於股東週年大會提呈表決之所有決議案，將以投票方式表決。股東週年大會主席將於股東週年大會開始時，講解有關以投票方式表決之詳細程序。

股東如欲向董事會作出查詢，可致函本公司之公司秘書安排處理，有關函件須寄往本公司之香港主要辦事處，地址為香港銅鑼灣勿地臣街1號時代廣場1座43樓4301-5室。本公司一般不會處理口頭或匿名查詢。為免生疑問，股東必須提供全名、聯絡資料及身份證明，以便本公司作出回覆。

本集團致力提高公司透明度及促進投資者關係，並且十分重視其股東之回饋意見。本公司歡迎股東隨時發表意見及提出建議。

本公司組織章程文件

截至二零一八年十二月三十一日止年度，本公司並未對公司細則作出任何變更。公司細則最新版本刊載於本公司及聯交所網站，可供查閱。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION AND APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE AND REPORTING

This Environmental, Social and Governance Report (the “ESG Report”) summarizes the initiatives, programmes and performance of the Group as well as demonstrating its commitment to sustainability.

The Group principally engages in securities brokerage, financial services, asset management services, and proprietary trading services in Hong Kong.

The Group believes that environmental protection, low carbon footprint, resources conservation and sustainable development are the key trends in society. In order to follow the key trends and pursue a successful and sustainable business model, the Group recognizes the importance of integrating Environmental, Social and Governance (“ESG”) aspects into its risk management system and has taken corresponding measures in its daily operation and governance perspective.

REPORTING SCOPE

Unless stated otherwise, the ESG Report covers the Group’s business activities in Hong Kong, which represent the Group’s major sources of revenue. ESG Key Performance Indicators (“KPIs”) data is gathered and included within this report. The ESG Report includes the Group’s direct operational control together with its subsidiaries. The following business sections are reported:

- Securities brokerage and financial services;
- Asset management services; and
- Proprietary trading.

The Group will continue to assess the major ESG aspects of different businesses to determine whether it needs to be included in the ESG Report.

緒言以及環境、社會及管治方針與報告

本環境、社會及管治報告(「本報告」)總結本集團在環境、社會及管治上的倡議、計劃及表現，並展示其在可持續發展方面的承諾。

本集團主要於香港從事證券經紀、金融服務、資產管理服務及自營買賣服務。

本集團認為環保、低碳足跡、節約資源及可持續發展乃社會大趨勢。為順應大趨勢及追求成功及可持續的商業模式，本集團認同將環境、社會及管治(「環境、社會及管治」)理念融入其風險管理制度的重要性，並已在其日常營運及管治方面採取相應措施。

報告範圍

除非另有說明，本報告涵蓋本集團於香港的業務活動，此乃本集團收益的主要來源。環境、社會及管治關鍵績效指標(「關鍵績效指標」)資料蒐集並記錄於本報告內。本報告包括本集團直接營運控制公司連同其附屬公司。本集團已報告以下業務部分：

- 證券經紀及金融服務；
- 資產管理服務；及
- 自營買賣。

本集團將繼續評估不同業務的重大環境、社會及管治範疇，以釐定是否需納入本報告範圍內。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

REPORTING FRAMEWORK

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Information related to corporate governance practices of the Group is included in the Corporate Governance Report on pages 16 to 29 of this report.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures being taken during the year ended 31 December 2018 (the “Reporting Period”).

STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback regarding our businesses and ESG aspects. In understanding and addressing their concerns, we maintain close communication with our key stakeholders, including customers, employees, suppliers, government and regulatory bodies, shareholders and investors, as well as community and any other stakeholders in concern.

報告框架

本報告乃根據香港聯合交易所有限公司證券上市規則附錄二十七所載《環境、社會及管治報告指引》（「環境、社會及管治報告指引」）編製。

與本集團企業管治常規有關的資料載於本報告第16至29頁的企業管治報告。

報告期間

本報告詳述本集團於截至二零一八年十二月三十一日止年度（「報告期間」）於環境、社會及管治方面開展的活動、面臨的挑戰及採取的措施。

持份者參與

我們重視持份者及其對本集團業務及環境、社會及管治事宜的反饋。為了解及回應彼等的關注事項，我們與主要持份者，包括客戶、僱員、供應商、政府及監管機構、股東及投資者以及社區及任何其他有關持份者等維持密切溝通。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In forming our operational strategies and ESG measures, we consider stakeholders' expectations and strive to improve ESG performance through mutual co-operation, which require utilizing diversified engagement approaches and communication channels in creating greater value for the community and others:

在制訂營運策略及環境、社會及管治措施時，我們會考慮持份者的期望，致力於透過彼此合作的方式使本集團不斷改善環境、社會及管治表現，這需利用多元化的參與方式及溝通渠道，為社區及其他人締造更大價值：

Stakeholders 持份者	Communication Channel and Feedback Approach 溝通渠道及反饋方式	Frequency 頻率
Customers 客戶	<ul style="list-style-type: none"> Emails and customer service hotline 電郵及客戶服務熱線 Meetings 會議 Website, annual and interim reports 網站、年報及中期報告 	<ul style="list-style-type: none"> Day-to-day and/or irregular 每日及／或不定期
Employees 僱員	<ul style="list-style-type: none"> Training, seminars and briefing sessions 培訓、研討會及簡報會 Conference 會議 Emails 電郵 	<ul style="list-style-type: none"> Irregular 不定期
Suppliers 供應商	<ul style="list-style-type: none"> Supplier assessment exercise 供應商評估機制 Business cooperation 業務合作 	<ul style="list-style-type: none"> Irregular 不定期
Government and regulatory bodies 政府及監管機構	<ul style="list-style-type: none"> Consultations 磋商 Meetings 會議 Mails and website 電郵及網站 	<ul style="list-style-type: none"> Irregular 不定期
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Annual general meeting 股東週年大會 Investor meetings 投資者會議 Press releases 新聞稿 Annual and interim reports, announcements and circulars 年報及中期報告、公告及通函 	<ul style="list-style-type: none"> Annual and/or if necessary 每年及／或倘需要
Community 社區	<ul style="list-style-type: none"> Community services and activities 社區服務及活動 	<ul style="list-style-type: none"> Irregular 不定期

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community on a continuous basis.

MATERIALITY ASSESSMENT

The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, assisted the Group in reviewing its operation, identifying key ESG issues and assessing the importance of these issues to our businesses and stakeholders. We compiled a questionnaire in reference to the identified material ESG issues to collect the information from relevant departments and business units of the Group.

We have considered feedback from relevant stakeholders in determining the Group's material ESG aspects to be covered in this Report. These are shown in the table below, together with the aspects of the ESG Guide to which they relate:

我們旨在與持份者共同努力提升我們的環境、社會及管治表現，不斷為更廣泛的社區創造更大的價值。

重要範疇評估

負責本集團各主要職能的管理層及僱員均有參與編製本報告，協助本集團檢討其營運、甄別關鍵環境、社會及管治事宜以及評估相關事宜對我們的業務及持份者的重要性。我們已根據經甄別的重大環境、社會及管治事宜編製調查問卷，向本集團相關部門及業務單位收集資料。

我們於釐定本報告將涵蓋的重大環境、社會及管治事宜時已考慮相關持份者的反饋。有關重大事宜連同其相關的環境、社會及管治報告指引範疇於下表列示：

The ESG Reporting Guide 環境、社會及管治報告指引	The ESG material aspects of the Group 本集團環境、社會及管治重要範疇	Page 頁碼
A. Environment		
A. 環境		
A1. Emissions 排放物	Emissions 排放物	35
	Sewage Discharge 污水排放	38
	Waste Management 廢棄物管理	38
A2. Use of Resources 資源使用	Energy Consumption 能源消耗	42
	Water Consumption 水源消耗	43
A3. The Environmental and Natural Resources 環境及天然資源	Indoor Air Quality 室內空氣質素	45
	Repair and Maintenance 維修及保養	45

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The ESG Reporting Guide 環境、社會及管治報告指引	The ESG material aspects of the Group 本集團環境、社會及管治重要範疇	Page 頁碼
B. Society		
B. 社會		
B1. Employment 僱傭	Recruitment and Remuneration 招聘及薪酬	46
	Work-life Balance 工作與生活平衡	47
	Promotion and Career Development 晉升及職業發展	47
	Communication Channels 溝通渠道	48
	Equal Opportunity and Anti-discrimination 平等機會及反歧視	48
B2. Health and Safety 健康與安全	Safety Training 安全培訓	49
	Employee Health Management 僱員健康管理	49
B3. Development and Training 發展及培訓	Training and Development Management 培訓及發展管理	50
B4. Labor Standards 勞工準則	Prevention of Child Labor or Forced Labor 防止童工或強制勞工	51
B5. Supply Chain Management 供應鏈管理	Environmental and Social Responsibility of Suppliers 供應商環境及社會責任	51
B6. Product Responsibility 產品責任	Customer Service Policy 客戶服務政策	52
	Safeguarding Customer's Assets 保障客戶資產	52
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The recognition of sustainable development, employee benefits and development as well as environmental protection are the most fundamental elements to the operation of the Group.

During the Reporting Period, the Group confirmed that appropriate and effective management policies and internal control systems for ESG issues are in place and confirmed the information disclosed in the ESG Report meets the ESG Reporting Guide.

CONTACT US

Comments and suggestions are welcome from our stakeholders. Stakeholders may provide comments on the ESG Report or towards our performance in respect of sustainable development.

A. ENVIRONMENT

A1. EMISSIONS

General Disclosure and Key Performance Indicators (“KPI”)

The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. We are committed to promoting a green environment by introducing environmentally friendly business practices, educating our employees to raise their awareness on environmental protection and complying with the relevant environmental laws and regulations.

In order to enhance our environmental governance practice and mitigate the environmental impact produced by the Group's operations, we have adopted and implemented relevant environmental policies and have communicated such policies to our employees. These policies apply the waste management principles of “reduce”, “reuse”, “recycle” and “replace” as well as emission mitigation principle, with an objective of minimizing the adverse environmental impacts. These policies also ensure the waste disposal or emission generated is conducted in an environmentally responsible manner.

Within our policy framework, we continually look for different opportunities to pursue environmental friendly initiatives, enhance our environmental performance by reducing energy and use of other resources.

可持續發展、僱員福利及發展以及環境保護實屬本集團營運的最基本要素。

於報告期間，本集團確認已就環境、社會及管治事宜設立合適及有效的管理政策及內部監控制度，並確認本報告所披露資料符合環境、社會及管治報告指引的要求。

聯絡我們

我們歡迎持份者提供意見及建議。持份者可就本報告或我們在可持續發展方面的表現提供寶貴意見。

A. 環境

A1. 排放物

一般披露和關鍵績效指標（「關鍵績效指標」）

本集團通過就其業務活動及工作場所實施控制活動及監控措施，致力保護環境。我們致力推廣綠色環境，引入環保商業慣例，教導僱員提升環保意識並遵守相關環保法律法規。

為提高環境管理實踐及減輕本集團營運活動對環境的影響，我們已採納並實施相關環保政策及已將有關政策傳達致僱員。該等政策應用「減少使用」、「廢物重用」、「循環再造」及「替代使用」的廢物管理原則以及減排原則，旨在減少負面環境影響。該等政策亦確保所產生廢物或排放物處置方式符合環保原則。

在我們的政策框架內，我們不斷尋求各種機會實行環保措施，通過減少能源及其他資源使用，從而提升本集團的環保表現。

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During the Reporting Period, the Group was not aware of any material non-compliance with environmental laws and regulations in Hong Kong, including but not limited to the “Waste Disposal Ordinance”, “Air Pollution Ordinance”, and “Water Pollution Control Ordinance”, that would have a significant impact on the Group.

Emissions

Since the Group’s major business is securities trading and asset management in Hong Kong, the Group has no industrial production or any factory facilities. Therefore, the Group did not generate notable level of air or water pollutants during the Reporting Period.

On the other hand, the Group only generated limited greenhouse gas (“GHG”) emissions mainly arising from the petrol consumed in business vehicles and electricity usage of the workplace. During the Reporting Period, the Group’s total GHG emissions amounted to approximately 140.93 tCO₂e (2017: 139.59 tCO₂e) and the intensity was 2.71 tCO₂e per employee (2017: 2.85 tCO₂e/employee). The detailed summary of the GHG emission is shown as below:

GHG Emission Performance Summary:

於報告期間，本集團並未發現對本集團造成重大影響的違反香港環保法律法規（包括但不限於《廢物處置條例》、《空氣污染管制條例》及《水污染管制條例》）的情況。

排放物

由於本集團主要於香港從事證券買賣及資產管理業務，本集團並無工業生產或任何工廠設施。因此，於報告期間本集團並未產生明顯的空氣或水污染物。

另一方面，本集團僅產生有限溫室氣體（「溫室氣體」）排放乃主要由於商務車用油及工作場所用電所致。於報告期間，本集團溫室氣體排放總量約140.93噸二氧化碳當量（二零一七年：139.59噸二氧化碳當量），排放密度為每僱員2.71噸二氧化碳當量（二零一七年：2.85噸二氧化碳當量／僱員）。溫室氣體排放量詳細概要如下所示：

溫室氣體排放表現概要：

GHG Scope ¹	2018 二零一八年		2017 二零一七年	
	tCO ₂ e	Intensity ² (tCO ₂ e/ employee) 密度 ²	tCO ₂ e	Intensity (tCO ₂ e/ employee) 密度
溫室氣體範圍 ¹	噸二氧化碳 當量	(噸二氧化碳 當量／僱員)	噸二氧化碳 當量	(噸二氧化碳 當量／僱員)
Direct GHG emission (Scope 1)				
– petrol consumption	21.43	0.41	22.89	0.47
直接溫室氣體排放量（範圍1）				
– 油耗				
Indirect GHG emission (Scope 2)				
– electricity consumption	119.50	2.30	116.70	2.38
間接溫室氣體排放量（範圍2）				
– 電耗				
Total GHG emission (Scope 1 and Scope 2)	140.93	2.71	139.59	2.85
溫室氣體排放總量（範圍1及範圍2）				

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Notes:

1. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5), and the Sustainability Report 2017 published by the Hongkong Electric Company.
2. As at 31 December 2018, the Group had a total of 52 employees in Hong Kong office. The data is also used for calculating other intensity data.

Electricity consumption accounts for a major source of our greenhouse gas emissions. We have adopted various green measures in our offices to improve our operational efficiency and to reduce the greenhouse gas emissions as well as energy consumption of the Group.

During the Reporting Period, the Group has performed the following measures relating to mitigating emissions:

- Adopted lighting control based on actual needs;
- Replaced energy-inefficient light bulbs to energy efficient LED lightings by phases;
- Utilized higher energy-efficiency office equipment in our workplace;
- Arranged regular examination of the business vehicles on the exhaust gas emission;
- Encouraged our staff to utilize teleconferences and video conferences, to reduce air and carbon emissions related to transportation needed for meetings;
- Publicised environmental protection messages and green tips to our staff on the message board, staff newsletters or emails regularly; and
- Encouraged our staff to participate in activities relating to the promotion of green environment.

Despite the Group's energy efficiency and emission performance being improved in long term, our colleagues' sense of environmental protection and emission mitigation has been continuously fostered and awareness of their responsibility in achieving energy saving in workplace has been strengthened.

附註：

1. 溫室氣體排放資料乃按二氧化碳當量呈列，並參照包括但不限於世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、香港交易所發佈的《如何準備環境、社會及管治報告？－附錄二：環境關鍵績效指標彙報指引》、二零一四年政府間氣候變化專門委員會發佈的《第五次評估報告》(AR5)的「全球升溫潛能值」、及香港電燈有限公司刊發的二零一七年可持續發展報告的匯報規定計算。
2. 截至二零一八年十二月三十一日，本集團香港辦公室僱員總數為52人。該數據亦用於計算其他密度數據。

電耗為本集團溫室氣體排放的主要來源。我們已於辦公室採納多項環保措施以改善我們的營運效益及減少溫室氣體排放以及本集團能耗。

於報告期間，本集團已執行下列有關減排措施：

- 根據實際需求採納照明控制；
- 分階段將高能耗的燈泡更換為高效能的LED照明燈；
- 在我們的辦公場所使用更高效能的辦公設備；
- 定期檢查商務車的廢氣排放；
- 鼓勵我們的員工利用電話會議及視頻會議，以減少會議所需交通運輸產生的相關空氣及碳排放；
- 定期於留言板、員工通訊或電子郵件向員工宣傳環保信息及環保提示；及
- 鼓勵員工參與促進環保相關的活動。

儘管長期來看本集團的節能效率及排放表現得以改善，本集團亦將不斷培養同事的環保及減排意識並加強彼等於辦公場所實現節能的責任意識。

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Sewage Discharge

As aforementioned, we do not consume significant amounts of water through our business activities and therefore our business activities did not generate material portion of discharges into water. The water supply and discharge facilities of the offices are managed by the property management company.

Waste Management

Due to the business nature, we also did not generate significant amount of hazardous wastes and only generated limited non-hazardous wastes during the Reporting Period.

The non-hazardous wastes generated by the Group's operations mainly consist of paper. During the Reporting Period, the consumption volume generated by the Group is shown as below:

Non-hazardous waste category	2018 二零一八年		2017 二零一七年	
	Quantity (Pages)	Intensity (Pages/ employee)	Quantity (Pages)	Intensity (Pages/ employee)
	數量 (張)	密度 (張／僱員)	數量 (張)	密度 (張／僱員)
無害廢棄物種類				
Paper 紙張	183,976 ³	3,538	182,611 ⁴	3,726.76

The Group adheres to waste management principle and strives to properly manage and dispose wastes produced by our business activities.

Notes:

3. Equivalent to 0.8 tonnes.
4. Equivalent to 0.8 tonnes.

污水排放

如上文所述，我們的業務活動中不會消耗大量用水。因此，我們的業務活動並未產生大量污水。辦公室的供水和排水設施由物業管理公司管理。

廢棄物管理

業務性質使然，於報告期間，我們亦未產生大量有害廢棄物，及僅產生有限無害廢棄物。

本集團營運產生的無害廢棄物主要為紙張。於報告期間，本集團用紙量如下所示：

本集團堅守廢物管理原則，致力適當處理及處置我們的業務活動產生的所有廢物。

附註：

3. 相當於0.8噸。
4. 相當於0.8噸。

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Non-hazardous waste handling method

Our staff and the assigned administrative staff in the workplace collectively take the responsibilities for the waste management, in reference to the established environmental policies, including but not limited to the following measures:

- Organized, maintained and cleaned the garbage and waste recycling areas;
- Sorted recycled wastes into appropriate containers;
- Placed appropriate signage on walls and bins, indicating the types of wastes to be recycled; and
- Ensured that no garbage is to be placed on building colonnade areas.

Under the waste management principles of “reduce”, “reuse”, “recycle” and “replace” established in the relevant guidelines, the Group has taken the above measures.

Usage of paper

During the Reporting Period, the Group has performed the following measures relating to efficient use of paper:

- Minimized the paper usage at our workplace by recycling used papers regularly and using double-sided printing;
- Encouraged our staff to use electronic communications for directories, forms, reports and storage when possible;
- Recycled and reused papers, carton boxes, envelopes and folders which have been used, including all non-confidential documents from the Group; and
- Explored the opportunity of using Forest Stewardship Council certified paper.

With the aim of minimizing the environmental impact of generating non-hazardous wastes from its business operation, the Group recycled approximately 738 kg (2017: 671 kg) papers, which are equivalent to reduce the greenhouse emissions amounted to around 3.54 tonnes (2017: 3.22 tonnes).

無害廢棄物處理方法

我們的員工及工作場所指定管理人員共同負責廢棄物管理，參考已制定的環保政策，包括但不限於下列措施：

- 整理、維持及清理垃圾及廢棄物回收區；
- 將回收廢棄物分類至合適收集箱；
- 於牆壁及垃圾箱上張貼合適標示，註明可回收廢棄物類別；及
- 確保樓宇柱廊區域沒有傾倒垃圾。

根據相關指引制定的「減少使用」、「廢物重用」、「循環再造」及「替代使用」的廢物管理原則，本集團已採納上述措施。

紙張的使用

於報告期間，本集團已採納下列有關有效使用紙張措施：

- 通過定期回收使用紙張及雙面打印減少工作場所紙張使用量；
- 鼓勵員工盡可能就名錄、表格、報告及儲存採用電子通訊方式；
- 循環使用曾用過的紙張、紙箱、信封及文件夾，包括本集團所有非機密文件；及
- 尋求機會使用森林管理委員會認可的紙張。

為盡量減低本集團業務營運產生的無害廢棄物對環境的影響，本集團已回收約 738 千克 (二零一七年：671 千克) 紙張，相當於減少溫室氣體排放約 3.54 噸 (二零一七年：3.22 噸)。

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Maximizing the lifespan of office stationary

The procurement and disposal of office stationary serves another focus of our operational sustainability efforts. The office stationary has a great hidden environmental and social impact across its product life. The impacts arise from its production and use to eventual disposal. We have launched the following measures:

- Maximized every stationary lifespan (such as plastic binding ring, paper clip, etc.) by searching opportunities to reuse and refurbish them internally whenever feasible;
- Purchased reusable stationary whenever it is possible, such as refillable rollerball pens and correction type paper;
- Avoided single-use disposable items; and
- Used rechargeable batteries where applicable.

Enhancement of awareness

The Group has enhanced general awareness of importance of reducing waste generation and disposal through green procurement practices and by training and promotion to our staff, suppliers and customers.

Despite the Group's waste disposal being reduced in long run, our staff's awareness of their responsibility in reducing the wastes in workplace has been strengthened.

On top of complying with the general disclosure requirement of Aspect A1, we have complied with the KPI requirement which is summarized below:

盡量延長辦公用品的使用壽命

辦公用品的採購及處理是我們努力實現營運可持續性的另一重要方面。辦公用品在其產品壽命中隱藏著巨大的環境及社會影響。這種影響來自於其生產、使用乃至最終處理。我們已推出以下措施：

- 透過發掘辦公用品在可行情況下再次使用及對其內部進行整修的機會，盡量延長每件用品（如塑料圈裝、紙夾等）的使用壽命；
- 盡可能購買可重複使用的用品，如可換芯簽字筆及改錯帶；
- 避免使用一次性用品；及
- 如適用使用可充電電池。

提高環保意識

本集團通過實行綠色採購常規以及對員工、供應商及客戶進行培訓並向其推廣，提高減少廢物產生及處理的重要性認識。

儘管長期來看本集團的廢物處理已減少，本集團員工於辦公場所減少製造廢物的責任意識已得以加強。

除遵守A1層面的一般披露要求外，我們已遵守關鍵績效指標之要求，概述如下：

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“Comply or explain” Provisions

「不遵守就解釋」條文

KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Disclosed 已述
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity. 溫室氣體總排放量（以噸計算）及（如適用）密度。	Disclosed 已述
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生有害廢棄物總量（以噸計算）及（如適用）密度。	Not applicable 不適用
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生無害廢棄物總量（以噸計算）及（如適用）密度。	Disclosed 已述
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Disclosed 已述
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Disclosed 已述

A2. USE OF RESOURCES

General Disclosure and KPI

The Group is committed to optimizing the use of resources in all of its business operations. Therefore, we have taken the initiatives to introduce resource efficiency and eco-friendly measures to the Group's operations on a continuous basis.

The Group has established relevant policies and procedures in governing the efficient use of resources, including petrol, electricity and office consumables, in accordance with the objectives of achieving higher energy efficiency and reducing the unnecessary use of materials.

A2. 資源使用

一般披露和關鍵績效指標

本集團致力於在其所有業務營運中優化利用資源。因此，本集團一如既往將節能及環保概念融入其業務營運中。

本集團已根據達致更高能源效率及減少非必要材料使用的目標，制定相關政策及程序管理有效利用資源，包括汽油、電力及辦公耗材。

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Energy Consumption

Due to the business nature of the Group, the volume of petrol consumption and electricity consumption are considered as relatively low.

During the Reporting Period, the Group's consumption in petrol and electricity were:

能源消耗

基於本集團的業務性質，本集團的油耗及用電量相對較低。

於報告期間，本集團汽油消耗量和耗電量為：

Energy Type	Unit	2018 二零一八年		2017 二零一七年	
		Consumption	Intensity (Unit/ employee) 密度 (單位／僱員)	Consumption	Intensity (Unit/ employee) 密度 (單位／僱員)
能源種類	單位	消耗量	(單位／僱員)	消耗量	(單位／僱員)
Petrol ⁵ 汽油 ⁵	Litre 升	8,057.98	154.96	8,453.21	172.51
Electricity 電力	kWh 千瓦時	151, 271	2,909.06	147,727	3,041.84

Note:

5. In reference to the conversion provided on U.S. Energy Information Administration Energy Conversion Calculators, gasoline consumption equivalent to 75,147.55 kWh and 78,833.41 kWh in 2018 and 2017 respectively.

附註：

5. 經參考美國能源信息局能源轉換計算器所提供的轉換結果，二零一八年及二零一七年汽油消耗分別相當於75,147.55千瓦時及78,833.41千瓦時。

On top of the energy saving measures disclosed in Aspect A1, the Group has also conducted the following actions to improve the energy efficiency performance, including but not limited to:

- Placed reminder stickers next to the power switches and power buttons and reminder posters in order to encourage our staff to take initiatives in energy saving;
- Encouraged employees to turn off idling equipment, computers and lightings, when not in use or after working hours;
- Monitored the energy usage on a monthly basis, along with investigating significant variance noted;
- Utilized natural light where possible;
- Adopted power-saving features for office equipment and computers;
- Performed vehicle and equipment maintenance on a regular basis to prevent inefficient fuel consumption or abnormal operations;

除A1層面所述的節能措施外，本集團亦實行下列措施提高能源效率表現，包括但不限於：

- 於電源開關、電源按鈕及提示海報旁張貼提醒標籤，鼓勵我們的員工採取節能措施；
- 在不需要使用或下班後，鼓勵員工關掉閒置設備，如電腦及照明設備；
- 每月監測能源使用情況，並對顯著差異進行調查；
- 盡可能利用自然光；
- 採用辦公設備及電腦的節電功能；
- 定期對車輛及設備進行保養，以防止低效燃料消耗或異常操作；

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- Supported the Energy Saving Charter in 2018 imposed by the Building Department, including taking below measures:
 - o Maintained an average indoor temperature between 24-26°C during the summer period;
 - o Switched off electrical appliances when not in use from; and
 - o Procured energy efficient appliances only upon replacement of old appliances or due to new business needs.

Throughout adopting different energy conservation measures, the Group believes it has set a role model for corporate social responsibility as well as has enhanced its green and low-carbon image. More importantly, the Group strives in cost reduction in terms of less electricity consumption in workplace in the long run.

Water Consumption

The Group has not consumed significant water in its business activities. During the Reporting Period, only 8.75 tonnes (2017: 8.82 tonnes) of drinking water were consumed by the Group and the drinking water consumption per employee was 0.17 tonnes per employee (2017: 0.18 tonnes per employee).

The Group recognizes the growing concern of the public regarding water conservation and is committed to promoting awareness of water conservation amongst its staff.

Green messages and labels of water conservation are posted to remind staff to avoid unnecessary water consumption, including encouraging them utilize hand dryer instead of paper towel in toilets.

Due to the Group's business nature and operation mainly based in Hong Kong, the issue in sourcing water that is fit for purpose is not relevant to the Group.

Use of packaging material

In addition, the Group has no industrial production or any factory facilities. Therefore, we did not consume significant amount of package materials during the Reporting Period

- 支持屋宇署於二零一八年推行的節能約章，包括採取以下措施：
 - o 夏季維持室內平均溫度為24-26°C；
 - o 於不用時關閉電器；及
 - o 僅於更換舊電器或開展新業務需要時採購節能電器。

透過採納各種節能措施，本集團相信其已為企業社會責任樹立榜樣，並已提高其倡導環保與低碳的企業形象。更重要的是，長期而言，本集團致力降低工作場所電力消耗降低成本。

水源消耗

本集團在業務活動中不會大量用水。於報告期間，本集團僅用了8.75噸（二零一七年：8.82噸）飲用水，每位僱員的飲水量為0.17噸／僱員（二零一七年：0.18噸／僱員）。

本集團意識到公眾對節約用水的日益關注，並致力提高其員工的節水意識。

張貼節約用水環保信息及標籤提醒員工避免不必要用水，包括鼓勵其如廁後使用烘手機而非紙巾。

基於本集團的業務性質及其主要於香港開展業務，因此，本集團並無求取適用水源問題。

包裝材料使用

此外，本集團並無工業生產或任何工廠設施。因此，於報告期間本集團並未消耗大量包裝材料。

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On top of complying with the general disclosure requirement of Aspect A2, we have complied with the KPI requirement which is summarized below:

除遵守A2層面的一般披露要求外，我們已遵守關鍵績效指標之要求，概述如下：

“Comply or explain” Provisions

「不遵守就解釋」條文

KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type and intensity. 按類型劃分的直接及／或間接能源耗量及密度。	Disclosed 已述
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity. 總耗水量及密度。	Disclosed 已述
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Disclosed 已述
KPI A2.4 關鍵績效指標 A2.4	Description on whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Issue in sourcing water – not applicable due to its business nature; Remaining – disclosed 求取水源問題 – 不適用（因業務性質）；其他 – 已述
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products. 製成品所用包裝材料的總量。	Not applicable due to its business nature 不適用（因業務性質）

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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A3. ENVIRONMENT AND NATURAL RESOURCES

General Disclosure and KPI

Although the Group has remote impact on the environment and natural resources, as an ongoing commitment to good corporate citizenship, the Group endeavours to minimize negative environmental impact of our business operations and our investment portfolios, in order to achieve a sustainable development for generating long-term values to our stakeholders and community as a whole.

We regularly assess the environmental risks of our businesses, and adopt preventive measures as necessary to reduce the risks and ensure the compliance of relevant laws and regulations.

On top of considering the sustainability element in its investment portfolios, we have also carried out the following measures to mitigate any adverse impact, including but not limited to:

Indoor Air Quality

Indoor air quality in our workplace is regularly monitored and measured. By adopting air purifying equipment in the workplace as well as conducting regular cleaning of air conditioning system, these measures resulted in maintaining indoor air quality and filtering out pollutants, contaminants and dust particles.

Repair and Maintenance

From time to time, our offices may undergo repair and maintenance work. To lessen the disturbance of these activities on our staff and customers, our suppliers are requested to use materials or equipment with less emissions and noises when performing such repair and maintenance work.

During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations in respect of the environment and natural resources.

A3. 環境及天然資源

一般披露和關鍵績效指標

儘管本集團對環境及天然資源影響甚微，作為良好企業公民的持續承諾，本集團盡力將業務營運及投資組合對環境的負面影響減至最低，以實現可持續發展，為我們的持份者及社區整體產生長期價值。

我們定期評估我們業務的環境風險，並採納必要的防範措施以減少風險及確保遵守相關法律及規例。

除考慮其投資組合內的可持續性因素外，我們亦已執行下列措施以減輕任何負面影響，包括但不限於：

室內空氣質素

定期監控及測量工作場所的室內空氣質素。本集團通過在工作場所採用空氣淨化設備以及定期清潔空調系統等舉措，以維持室內空氣質素以及過濾污染物及灰塵。

維修及保養

我們的辦公室可能需不時進行維修及保養工作。為減輕該等活動對我們的員工及客戶的干擾，當進行有關維修及保養工作時，要求我們的供應商使用較少排放及噪音的材料或設備。

於報告期間，本集團並不知悉存在有關環境及天然資源方面的任何不符合法律法規的情況。

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On top of complying with the general disclosure requirement of Aspect A3, we have complied with the KPI requirement which is summarized below:

除遵守A3層面的一般披露要求外，我們已遵守關鍵績效指標之要求，概述如下：

“Comply or explain” Provisions

「不遵守就解釋」條文

KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed
關鍵績效指標 A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	已述

B. SOCIETY

B1. EMPLOYMENT

General disclosure

Human resources are the foundation in supporting the development of the Group. Hence, we established the Human Resources Management Policy to fulfill our vision on people-oriented management and realizing the full potential of employees. The captioned policy and procedures are formally documented in the Staff Handbook, covering resources planning, performance evaluation, training, recruitment, resignation, transfer, compensation and welfare and employee satisfaction survey, etc.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations (i.e. “Employment Ordinance”) in Hong Kong that would have a significant impact on the Group.

Recruitment and Remuneration

The Company hires employees through open recruitment, fair competition and strict appraisals, and recruits staff on a selective basis in accordance with the standard of “having both ability and integrity”. Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The promotion and remuneration of the Group's employees are subject to review regularly. Remuneration packages include holidays, annual leave, medical scheme, dental scheme, group insurance, mandatory provident fund, yearend double pay and discretionary bonus.

B. 社會

B1. 僱傭

一般披露

人力資源為支持本集團發展之基礎。因此，我們制定了人力資源管理政策，以實現以人為本之管理願景，發揮僱員之全部潛能。上述政策及程序在員工手冊中有正式記錄，涵蓋資源規劃、表現評估、培訓、招聘、辭職、調職、薪酬與福利及僱員滿意度調查等方面。

於報告期間，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反僱傭相關法律及法規（即《僱傭條例》）之情況。

招聘及薪酬

本公司錄用僱員採取公開招聘、公平競爭、嚴格考核的辦法，按照「德才兼備」之標準，擇優錄用。本集團向僱員提供具競爭力之薪酬，並會根據其表現及經驗給予獎勵。本集團會定期檢討僱員之晉升及薪酬情況。薪酬待遇包括假期、年假、醫療計劃、牙醫保險計劃、集團保險、強制性公積金、年終雙糧及酌情花紅。

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Work-life Balance

We value the importance of maintaining a healthy lifestyle and work-life balance of our employees. The Group actively engages its employees through social, employee bonding, outing, volunteer works and charity activities. We have organized work-life balancing activities for employees:

- Buffet;
- Christmas party;
- Spring tea;
- Longer lunch hour to enhance productivity: 12:30 pm-2 pm (1.5 hours);
- Birthday celebration for every employee; and
- Celebration of festivals.

Promotion and Career Development

The employee promotion is subject to review regularly. The Group has established objective performance indicators for annual performance evaluation. In facilitating an effective two-way communication, every supervisor has to discuss the work performance with their subordinates regularly. Based on the assessment result, we offer rewards to employees in encouraging their continuous improvement.

We strive to develop an efficient human resource management mechanism to serve for the development strategy for the Group. Therefore, we offer chances of learning, training, practice and improvement to our talents according to their ability, quality and personal development with combination to their career path. We also implement track inspection and position dynamic management to help our talents to improve their comprehensive ability.

工作與生活平衡

我們重視維護僱員之健康生活方式及工作與生活平衡之價值。本集團積極推動僱員熱誠投入參與社會、僱員聯誼、外遊、志願者工作及慈善活動。我們已為僱員舉辦工作與生活之間平衡相關活動：

- 自助午餐；
- 聖誕聯歡會；
- 春茗；
- 延長午餐時間以提高產能：下午十二時三十分至下午二時（1.5小時）；
- 為每位僱員慶祝生日；及
- 共度佳節。

晉升與事業發展

本集團定期檢討僱員之晉升情況。本集團制定了客觀績效指標以評估年度表現。為促進有效之雙向溝通，每名主管定期與其下屬僱員討論績效。我們會根據評估結果獎勵僱員，以鼓勵彼等不斷進步。

我們努力制訂有效之人力資源管理機制，為本集團之發展策略服務。因此，我們根據各類人才之能力、質素情況及個人發展，結合彼等之職業發展路徑，對人才給予相應之學習培訓、實踐提高的機會。我們亦實施追蹤考察及職位動態管理，幫助僱員提升綜合能力。

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Communication Channels

To understand the work satisfaction of our employees, we have established various channels to communicate with them, including briefing sessions for new joiners, mailbox for recommendation, and employee satisfaction survey. On semi-annual basis, survey forms are distributed to collect employees' opinions on work responsibility, working environment, organization and employee relationship, compensation and benefits, etc. The management reviews the result of the survey and implements corresponding improvement actions.

Equal Opportunity and Anti-discrimination

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics, gender or age. The Group has Staff Handbook outlining the terms and conditions of employment, expectation for employees' conducts and behaviours as well as employees' rights and benefits. The Group has also established and implemented policies in order to promote a harmony and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance on sexual harassment or abuse in the workplace in any form.

The proportion of employees by gender:

Male 男性	Percentage (%) 百分比 (%)	Female 女性	Percentage (%) 百分比 (%)	Total 總計	Percentage (%) 百分比 (%)
22	42.31	30	57.69	52	100

溝通渠道

為了解僱員之工作滿意度，我們建立了各種渠道與僱員溝通，包括新入職僱員簡報會、建議郵箱和僱員滿意度調查。每半年派發一次調查表蒐集僱員對工作責任、工作環境、組織及僱員關係、薪酬及福利等方面之意見。管理層審閱調查結果並因應實施改善措施。

平等機會及反歧視

無論個人特徵、性別或年齡，本集團為所有人士提供平等就業機會。本集團之員工手冊概列其僱傭條款及條件、僱員操守及行為預期以及僱員權利及福利等。本集團亦制定及執行政策，以建立充滿和諧與尊重之工作場所。為確保全體僱員受到合理公正之保護，本集團對於工作場所發生之任何形式性騷擾或虐待持零容忍態度。

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B2. HEALTH AND SAFETY

General disclosure

The Group prides itself on providing a safe and effective work environment as we believe that employees are the valuable assets of an enterprise and regards human resources as its corporate wealth. To maintain a safe working environment, the Group has established safety policies on the prevention and remediation of safety accidents, and detection on potential safety hazards in workplace.

The Group follows the occupational health and safety guidelines recommended by Labour Department and Occupational Safety and Health Council, and regularly encourages employees to attend relating workshops or training courses. The Human Resources and Administration Department also takes responsibilities for offices' occupational health and safety and relevant promotions and monitoring.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations relating to health and safety (i.e. "Occupational Safety and Health Ordinance") in Hong Kong that would have a significant impact on the Group.

Safety Training

Employees should attend the trainings organized by the Group, in relation to occupational safety. Emergency and evacuation procedures were established to response timely and orderly in any major safety accidents. Employees are also free to provide feedbacks on improving the workplace safety.

Employee Health Management

The Group offers comprehensive health care coverage for our entire employees, including medical benefits and dental benefits. The Group has also continued to organize work-life balancing activities for employees and carry out other activities to promote healthy living practices. Health and safety communications are provided to employees to present the relevant information and raise awareness of occupational health and safety issues.

B2. 健康與安全

一般披露

本集團以提供安全及有效之工作環境為傲，因為我們認為僱員是企業的寶貴財產，並視人力資源為其公司財富。為維持安全的工作環境，本集團已制定安全政策以預防及治理安全事故，並檢測工作場所潛在安全隱患。

本集團遵循勞工處及職業安全健康局推薦的職業健康與安全指引，並鼓勵僱員定期參加有關工作坊或培訓課程。人力資源及行政部亦負責確保辦公場所的職業健康與安全以及開展相關宣傳及監控。

於報告期間，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反健康及安全相關法律及法規（即《職業安全及健康條例》）之情況。

安全培訓

僱員應參加本集團就職業安全組織之培訓。本集團設立緊急與逃生程序以及時有序地應對任何重大安全事故。本集團亦歡迎僱員為提升工作場所安全性提供反饋。

僱員健康管理

本集團為全體僱員提供綜合醫療保障，包括醫療福利及牙齒保健福利。本集團亦不斷為僱員組織工作與生活之間平衡的活動以及開展其他活動以促進養成健康的生活方式。我們為僱員提供健康與安全通訊以提供相關資訊，以提升職業健康與安全問題意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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B3. DEVELOPMENT AND TRAINING

General disclosure

The Group regards our staff as the most important asset as they help to sustain its core values and culture. The Group is committed to providing comprehensive on-the-job trainings, which collectively serve as a platform to encourage staff to develop potential and self-improvement.

Training and Development Management

The Group has developed relevant training policies and procedures to enhance the training effectiveness. A training plan is developed by respective management based on the requirements from various departments and employees. Employees are granted training for acquiring the related licenses such as license of the Securities and Futures Commission ("SFC") if necessary. Management examines the effectiveness of training programs, and provides improvement plans.

The Group has also organized workshops, seminars, and training programmes for employees covering various aspects to improve their level of skills and knowledge and maximize their potentials. Employees are also encouraged to enroll in external study opportunities and job-related courses to enrich themselves through acquiring higher professional skills and qualifications.

During the Reporting Period, we organized in-house training classes, and invited external trainers to deliver training classes. Categories of the training classes included language proficiency, operational management, leadership skills, occupational health and safety, Continuous Professional Training of professional qualifications, and professional license examinations preparation, etc., for enhancing employees' awareness, skills, knowledge and leaderships.

B3. 發展及培訓

一般披露

本集團視員工為最重要的資產，因為彼等幫助本集團維持其核心價值及文化。本集團致力提供全面的在職培訓項目，作為鼓勵員工開發潛力和自我提升之平台。

培訓及發展管理

本集團已制定有關培訓政策及程序提升培訓成效。各管理層根據多個部門及僱員之要求制定培訓計劃。僱員獲授進行培訓以取得相關執照，如證券及期貨事務監察委員會（「證監會」）之執照（倘必要）。管理層檢測培訓項目之成效並提出改進方案。

本集團亦為僱員舉辦工作坊、研討會及培訓課程，內容涵蓋各個方面，藉以提高其技能及知識水平，並發揮其最大潛能。本集團亦鼓勵僱員報讀外部進修機會及與工作相關之課程，通過獲取更高之專業技能及資格充實自己。

於報告期間，我們舉辦內部培訓班，並邀請外部導師任教，種類包括語言能力、營運管理、領導技能、職業健康及安全、專業資格持續培訓，以及專業執照備試課程等，以提升僱員意識、技能、知識及領導力。

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B4. LABOUR STANDARDS

General disclosure

Prevention of Child Labor or Forced Labor

Child and forced labour are strictly prohibited during the recruitment process as defined by the laws and regulations. The Group strictly complies with local laws and conducts recruitment based on the Hong Kong "Employment Ordinance". Personal data are collected during the process to assist in the selection of suitable candidates. The Human Resources Department also ensures identity documents are carefully checked. If violation is involved, it will be dealt with in the light of the circumstances as clearly stated in the Group's Staff Handbook.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations relating to child and forced labour (i.e. "Employment Ordinance", etc.) in Hong Kong that would have a significant impact on the Group.

B5. SUPPLY CHAIN MANAGEMENT

General disclosure

The Company recognizes the importance of green supply chain management in mitigating the indirect environmental and social risks. In view of green supply chain management, we are aware of the environmental and social practices of the suppliers, and strive to engage suppliers with responsible acts to the society.

Environmental and Social Responsibility of Suppliers

We actively share green practices with our suppliers, and deliver the importance of sustainable operations to them. In the supplier selection process, suppliers' environmental and social performances are considered as a selection criteria for establishing long-term relationship. Suppliers should not violate the relevant environmental and labour laws, and substantial violation may incur the termination of supplier relationship.

On the other hand, we have also formulated rules to ensure our suppliers competing under an open and fair mechanism. We do not differentiate or discriminate certain suppliers and we also strictly monitor and prevent all kinds of business bribery.

B4. 勞工準則

一般披露

防止童工或強制勞工

根據法律法規之規定，在招聘過程中會嚴格禁止童工和強制勞工。本集團嚴格遵守當地法律規定，根據香港《僱傭條例》開展招聘工作。招聘過程中收集之個人資料乃用於輔助甄選合適人選。人力資源部亦會確保仔細核查身份證明文件。若出現違規情況，將按照本集團員工手冊之明確規定結合具體情況進行處理。

於報告期間，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反有關童工及強制勞工相關法律及法規（即《僱傭條例》等）之情況。

B5. 供應鏈管理

一般披露

本公司確認綠色供應鏈管理對降低間接環境及社會風險之重要性。就綠色供應鏈管理而言，我們知悉供應商環境及社會實踐並努力促使供應商作出對社會負責之行為。

供應商之環境及社會責任

我們積極與供應商分享環保實踐，向彼等傳遞可持續經營之重要性。於供應商甄選過程中，供應商之環境及社會表現被視作建立長遠關係之甄選標準。供應商不應違反有關環境及勞工法，嚴重違反可能導致供應關係終止。

另一方面，我們亦制訂規則以確保供應商根據公開公平機制進行競爭。我們不會區分對待或歧視供應商，我們亦會嚴格監督及阻止各種商業賄賂。

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B6. PRODUCT RESPONSIBILITY

General disclosure

The Group is committed to provide reliable products and services by offering sustainable and responsible platform and services as well as protects the interests of clients.

During the Reporting Period, the Group was not aware of any material non-compliance with customer services, asset protection and data privacy-related laws and regulations (i.e. “Personal Data (Privacy) Ordinance”, “Securities and Futures (Client Securities) Rules”, etc.) in Hong Kong that would have a significant impact on the Group.

Customer Service Policy

The Group strives to provide excellent services in supporting our customers. Customer service personnel offers the required assistance to customers on the application of services with their professional knowledge.

Customers are free to provide feedback on our service delivery. If customer is dissatisfied on the service quality, they can raise a complaint to the Group, and we have established complaint resolution procedures and logs for settling complaints. Complaints are summarized regularly for the review of management in designing remedial actions for major deficiency. On annual basis, the Group performs a customer satisfaction survey in understanding the customer opinions.

Safeguarding Customer's Assets

Certain subsidiaries of the Group are licensed and regulated under SFC. As a custodian of customers' assets, we strictly comply with the relevant laws and regulations on handling and safeguarding of customers' assets. We implement the necessary controls to ensure customers' assets are accounted for properly and promptly, and adequately safeguarded.

B6. 產品責任

一般披露

本集團致力於透過提供可持續及負責任的平台及服務以及保護客戶權益的方式提供可靠產品及服務。

於報告期間，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反客戶服務、資產保護及資料私隱有關之法律法規（即《個人資料（私隱）條例》、《證券及期貨（財政資源）規則》等）之情況。

客戶服務政策

本集團致力於為客戶提供優質服務。客戶服務人員會以彼等專業知識在客戶應用服務時提供所需的幫助。

歡迎客戶提出有關我們所提供服務之反饋。如果客戶不滿意我們的服務質量，可以向本集團提出投訴，我們已建立投訴解決程序及日誌以處理投訴，定期總結投訴，以便在設計重大缺陷之補救措施時供管理層進行審查。本集團每年進行客戶滿意度調查，了解客戶之意見。

保障客戶資產

本集團之若干附屬公司為持牌經營，須受證監會監管。我們身為客戶資產之託管人，會恪守關於處理及保障客戶資產之相關法律法規。我們會採取必要之監控措施，確保客戶資產得到妥善而迅速之處理，提供充分保障。

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Segregated accounts are maintained in keeping customers' assets. Transactions should only be executed when customers' consent is received, or customers' obligation is required to be met on agreed contracts. Adequate audit trail is maintained to enable investigation of suspected irregularities. Regular compliance reviews and audits are conducted to detect any non-compliance with regulatory requirements. Any irregularities should be immediately reported to management.

Data Privacy and Protection

The Group strictly adheres to regulatory requirements on data privacy, through fulfilling high security and confidentiality of personal data privacy protection. We are committed to maintaining and protecting personal data.

Internal policy has been established to govern the collection and handling of personal data received from a data subject.

Under our data protection principles, a Privacy Policy Statement is acknowledged to enable our clients to understand our general policies and practices in relation to the collection, holding and use of individual personal data.

Furthermore, in accordance with our data protection principle, whenever there is collection of personally identifiable information from individuals, a Personal Information Collection Statement is acknowledged to notify clients for certain matters in relation to specific collections of personal information from them. The Group will not use or provide personal data to any person for use in direct marketing unless we have obtained the clients' consent in writing. Meanwhile, the Group maintains secure measures to prevent unauthorized use of personal data.

客戶資產以獨立賬戶保管。我們只會在得到客戶同意，或客戶須履行協定合約責任之情況下進行交易。我們備有充足的審計工作記錄，以便遇有懷疑違規個案時進行調查。我們亦定期進行合規審查及審計工作，以監察有否任何違反監管規定的情況。一旦發現任何違規情況，即會向管理層通報。

資料私隱及保護

本集團實行高度安全及保密標準保護個人資料私隱，以嚴守有關資料私隱的監管規定。我們致力維護及保護個人資料。

本集團訂有內部政策，規管向資料當事人收集個人資料及處理該等資料的方式。

根據我們的資料保護原則，我們須遵照私隱政策聲明，讓我們的客戶了解有關收集、持有及使用個人資料之一般政策及做法。

此外，根據我們的資料保護原則，我們向個別人士收集可供辨識個人身份之資料時須遵照收集個人資料聲明，讓客戶知悉有關收集其特定個人資料之若干事宜。除非經客戶書面同意，本集團不會將個人資料用於直銷推廣用途，或將個人資料提供予任何人士作該等用途。同時，本集團維持安全措施，防止個人資料遭未經授權使用。

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Investor Protection and Education

The Group has also established procedures relating to the services and products provided. After the “Know Your Clients” procedures and assessment processes are performed, the financial services or products provided to clients are thus based on their financial background, trading experience and risk tolerance level to suit the their needs.

We are committed to provide clear and balanced information to clients. The Group established a classification system that classifies the capability and intentions of investors. The Company divides clients into professional investors and retail investors based on the standard of financial knowledge of investors. It will especially protect the retail investors, conduct risk evaluation for retail investors, classify and grade the investors according to the results of risk tolerance evaluation.

The Group adopts appropriateness tests for different financial products. We have adopted risk assessment for different financial products to evaluate their risk level according to gained information of them. We have established a matching principle between product and clients’ risk tolerance ability to fully reveal the product risks and ensure appropriate products are recommended to appropriate clients.

Moreover, the Group has set standards for advertising and sales literature which require information contained in all advertising and sales literature must be factual, and we have also prohibited the use of false, misleading or inaccurate statements in any form of communication.

投資者保護及教育

本集團亦已制定有關提供服務及產品之程序。本集團於執行「認識你的客戶」之程序以及評估機制後，根據客戶之財務狀況、交易經驗及風險承受能力，從而提供合適彼等之金融服務或產品，以迎合客戶的需求。

我們承諾為客戶提供清晰且全面之資訊。本集團設立區分投資者能力及意向之分類制度。本公司根據投資者之財務知識準則，將客戶分為專業投資者及散戶投資者，其將進一步保護散戶投資者、對散戶投資者進行風險測評，根據風險承受能力評估結果對投資者進行分類分級。

本集團對不同金融產品採用適當之測試方法。我們根據了解之金融產品信息，為不同金融產品採取風險評估，評估其風險等級。我們已建立產品與客戶風險承受能力之適配原則，充分揭示產品風險，確保將適當之產品推介給適當之客戶。

此外，本集團已就廣告及銷售材料制定準則，規定所有廣告及銷售材料所載資料真確無誤，我們亦已禁止在任何形式之通訊中使用虛假、誤導或失實陳述。

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B7. ANTI-CORRUPTION

General disclosure

The Company strives to achieve high standard of ethics in our business operations. Fraudulent acts such as corruption, bribery, and collusion are strictly prohibited. Employees should comply with the Code of Conduct in performing business activities, and they should consult the management if they suspect any professional misconduct. Employees should also declare any conflict of interest under their job responsibility which may impair the integrity on work.

We have established a whistle-blowing mechanism for reporting any potential fraudulent cases. The management is responsible for the investigation and resolution. To further mitigate business frauds, internal audit function is established for continuous evaluation of the Group's internal control effectiveness, detecting potential deficiency, and identifying areas of improvement. Internal audit report is distributed to the responsible department for the timely remediation.

During the Reporting Period, the Group has strictly complied with all applicable laws and regulations, as well as guidance from various regulatory bodies, including the SFC. The Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money-laundering that would have a significant impact on the Group. The Group provides clear guidance for its employees and business partners regarding misconduct reporting and investigation regulations, ensuring that its employees can inform their matters of concern through different channels in an absolutely confidential manner. The Group ensures that all reported matters of true concern will be investigated and handled as required.

B7. 反貪污

一般披露

本公司傾力秉持業務營運的高標準道德水平，嚴禁發生腐敗、賄賂和勾結等欺詐事件。僱員在執行業務活動時應遵守行為守則，如有懷疑任何專業失當，應諮詢管理層。如僱員發現任何可能因利益衝突損害其工作操守之情況，亦應上報管理層。

我們設立了舉報機制，以供報告任何潛在之欺詐事件，管理層會負責調查及解決該等事件。為進一步減除業務欺詐，已成立內部審計部，持續評估本集團之內部控制成效，檢測潛在缺陷，並鑑定改進領域。我們會分發內部審計報告給負責部門及時進行補救。

於報告期間，本集團已嚴格遵守所有適用法例法規，以及包括證監會在內之多個監管機構之指引。本集團並不知悉存在對本集團有重大影響之任何嚴重違反有關賄賂、勒索、欺詐及洗黑錢法律法規之情況。本集團對不當行為舉報及調查規章為僱員及業務伙伴提供清晰指引，確保僱員可在絕對保密的情況下經不同渠道通報彼等關注之事項。本集團確保所有舉報確有其事之事項均得到所需之調查及處理。

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Anti-corruption

We believe that fairness, honesty and integrity are important business assets of the Group. Our employees must ensure that our corporate reputation would never be compromised by fraud, deceit or corruption. Anti-corruption has its own dedicated section within our Staff Handbook, which defines and restricts the code of conduct of our employees in this regard. Compliant with the "Prevention of Bribery Ordinance" ("POBO") enforced by the Hong Kong Independent Commission Against Corruption ("ICAC"), the Group bans all employees from receiving any benefits for personal gain. This prevents any negative impact or disruption to our business operations. Any report of suspected behaviors would lead to disciplinary action, dismissal or reported to ICAC or relevant agencies. Employees are also given briefings organized by the Group or seminars on anti-corruption organized by the ICAC.

The Group strives to create a clean culture. Therefore, we launches law and discipline observation education, compliance and duty competence education and professional ethics education for employees to let them deeply understand the laws and disciplines, hold out the bottom line of laws, regulations and ethics, and reject bad habits consciously.

Prevention of Money-laundering

The Group has formulated policies and procedures in governing Know Your Clients ("KYC") and Anti-Money Laundering ("AML"). A robust review program on KYC and AML and compliance department have been put in place to ensure the Group in compliance with all the regulatory rules.

A designated staff as Money Laundering Reporting Officer is appointed to hold responsibility for investigating AML issue and reporting if necessary. Induction training as well as annual training is provided to ensure all the staffs within the Group keep abreast of the knowledge and regulatory update in respect of KYC and AML.

We have also developed Anti-Money Laundering Guidance Note ("AML Manual") to assist employees in identifying the types of risks and their relevant major characteristics.

反貪污

本集團認為平等、誠實及誠信是本集團重要之業務資產。我們的僱員必須確保我們的企業聲譽不會因欺詐、欺騙或腐敗而受到損害。員工手冊中有關於反貪污的指定部分，其中界定和約束僱員在這方面的行為守則。本集團嚴格遵守香港廉政公署（「廉署」）執行之《防止賄賂條例》（《防止賄賂條例》），禁止所有僱員為個人利益收取任何收益，防止對我們的業務運營造成任何負面影響或中斷。任何涉嫌行為的報告都有機會導致紀律處分、解職或向廉署或相關機構報送。僱員會參與本集團舉辦之簡介會或廉署舉辦之防止貪污研討會。

本集團加強廉潔文化建設。因此，我們在僱員中開展遵紀守法教育、合規展業教育及職業道德教育，引導廣大僱員知紀懂法，從而嚴守法律、紀律和道德之底線，自覺抵制不良風氣侵襲。

防止洗黑錢

本集團已就「認識你的客戶」及反洗黑錢相關事宜備置管理政策及程序。本集團已針對「認識你的客戶」及反洗黑錢事宜制定完善之審閱計劃，並成立監察部門以確保本集團遵守所有監管規定。

本集團委任一名指定員工為反洗黑錢報告總監，負責調查涉及反洗黑錢的問題並於必要時遞交報告。本集團提供入職培訓及年度進修機會，以確保本集團全體員工掌握有「認識你的客戶」及反洗黑錢的最新知識及監管資料。

我們亦已制定反洗黑錢指引（「反洗黑錢手冊」），以協助員工確定各類風險類型及其相關主要特徵。

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The Group tried its best to implement the anti-money laundering management rules during the progress of establishing business relationship with clients or handling the services, including client identification, filing of clients' identity materials and transactional records, carrying out client identification, checking identity certification documents of clients, registering the basic information of clients' identity, getting aware of the clients and transaction nature through KYC policy, strengthening the adequacy management of clients, identifying and evaluating the money laundering risks, and actively improving the prevention, management and control of clients' money laundering risks.

The Group has carried out the monitoring and report work on large-amount and suspicious transactions strictly. We have designed monitoring model for suspicious transactions actively and independently, made efforts to improve identification capability of suspicious transactions, and positively helped the clients to prevent money laundering risks based on the characteristics of security industry and the actuality of the Group.

B8. COMMUNITY INVESTMENT

General disclosure

The Group is committed to embolden and support the public by way of social participation and contribution as part of its strategic development, and to nurture the corporate culture and practices of corporate citizen in the daily work life throughout the Group. To sustain our corporate social responsibility, we focus to inspire our human resources towards the employee relations and social welfare concerns. We encourage our staff to donate to recognized charitable institutions in order to help the under privileged and those in need. Employees are also encouraged to suggest areas of contribution based on their experiences in the community.

本集團在與客戶建立業務關係或提供服務時勤勉盡責落實客戶身份識別、客戶身份資料及交易記錄保存等反洗黑錢管理規則，開展客戶身份識別，核對客戶身份證明文件、登記客戶身份基本信息，透過觀察「認識你的客戶」了解客戶及其交易目的性質，充分加強客戶管理，識別及評估洗黑錢風險，積極加強預防、管控客戶洗黑錢風險。

本集團加強了大額交易及可疑交易之監測和報告工作。我們從證券行業特徵和本集團實際出發，積極自主設計可疑交易監測模型，努力提高可疑交易的識別能力，積極幫助客戶防範洗黑錢風險。

B8. 社區投資

一般披露

本集團致力參與社會活動，貢獻社會，鼓勵及支援社會，作為其戰略發展之一部分，並在本集團整個日常工作生活中培育企業文化及企業公民慣例。為承擔企業社會責任，我們會朝著僱員關係及社會福利事宜之方向啟發本集團之人力資源。我們鼓勵員工向認可慈善機構捐款以幫助弱勢群體及有需要人士。我們亦鼓勵員工根據社區經驗提議貢獻領域。

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“Comply or explain” Provisions

「不遵守就解釋」條文

Aspect B1 B1 層面	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.</p> <p>一般披露</p> <p>有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Disclosed 已述
Aspect B2 B2 層面	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>一般披露</p> <p>有關提供安全工作環境及保障僱員避免職業性危害的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Disclosed 已述
Aspect B3 B3 層面	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>一般披露</p> <p>有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。</p>	Disclosed 已述

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Aspect B4 B4 層面	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p>一般披露</p> <p>有關防止童工及強制勞工的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Disclosed 已述
Aspect B5 B5 層面	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p> <p>一般披露</p> <p>管理供應鏈的環境及社會風險政策。</p>	Disclosed 已述
Aspect B6 B6 層面	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> <p>一般披露</p> <p>有關所提供產品及服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Disclosed 已述

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Aspect B7 B7 層面	<p>General Disclosure</p> <p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. <p>一般披露</p> <p>有關防止賄賂、勒索、欺詐及洗黑錢的：</p> <ul style="list-style-type: none"> (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 	Disclosed 已述
Aspect B8 B8 層面	<p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests</p> <p>一般披露</p> <p>有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策</p>	Disclosed 已述

DIRECTORS' REPORT

董事會報告書

The Directors present their report and audited financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 40 to the audited financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including a discussion of the principal risks and uncertainties facing the group and an indication of likely future developments in the group's business, can be found in the Management Discussion and Analysis set out on pages 4 to 12.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2018 and the state of affairs of the Group at that date are set out in the audited financial statements on page 85 to 227.

The Directors did not recommend the payment of any dividend for the year ended 31 December 2018.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last four financial years and the year ended 31 December 2018, as extracted from the audited financial statements and restated as appropriate, is set out on page 228. This summary does not form part of the audited financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for approximately 76.8% of the Group's total turnover and the largest customer accounted for approximately 54.7% of the Group's total turnover. The Group is a provider of financial services. In the opinion of the Directors, it is therefore of no value to disclose details of the Group's suppliers.

董事謹此提呈截至二零一八年十二月三十一日止年度之董事會報告書及本集團經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於經審核財務報表附註40。《公司條例》附表5所規定之該等業務之進一步討論及分析(包括主要風險及集團所面臨之不明朗因素以及集團業務未來發展趨向之討論)載於管理層討論及分析第4至12頁。

業績及股息

本集團截至二零一八年十二月三十一日止年度之虧損及本集團於該日之業務狀況載於經審核財務報表第85至227頁。

董事並不建議就截至二零一八年十二月三十一日止年度派付任何股息。

財務資料概要

本集團於過去四個財政年度及截至二零一八年十二月三十一日止年度之已刊發業績以及資產及負債概要載於第228頁，有關資料乃摘錄自經審核財務報表並已作出適當之重列呈報。此概要並非經審核財務報表之組成部分。

主要客戶及供應商

本集團五大客戶佔本集團總營業額約76.8%，而最大客戶則佔本集團總營業額約54.7%。本集團為金融服務提供商。因此，董事認為並無必要披露本集團供應商之詳情。

DIRECTORS' REPORT

董事會報告書

So far as is known to the Directors, other than those disclosed in note 33 to the consolidated financial statements, none of the Directors, their associates or substantial shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the share capital of the Group's five largest suppliers or customers.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 24 September 2004 (the "2004 Scheme"). Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 15 October 2014, the Company adopted a new share option scheme (the "2014 Scheme"), the purpose of which is to enable the Group to grant share options to the eligible participants as incentives or rewards for their contribution to the Group. Particulars of the 2004 Scheme and the 2014 Scheme are set out in note 29 to the consolidated financial statements. No further option shall be granted under the 2004 Scheme but the options granted under the 2004 Scheme prior to its expiry shall remain valid and exercisable in accordance with the terms of the respective grants. No share option has been granted under the 2014 Scheme and the movements of the share options granted under the 2004 Scheme during the year ended 31 December 2018 were as follows:

據董事所知，除綜合財務報表附註33所披露者外，概無董事、彼等之聯繫人士或主要股東（據董事所深知擁有本公司已發行股本逾5%）於本集團五大供應商或客戶之股本中擁有任何權益。

股本

本公司股本詳情載於綜合財務報表附註28。

購股權計劃

於二零零四年九月二十四日，本公司採納一項購股權計劃（「二零零四年計劃」）。根據本公司於二零一四年十月十五日舉行之股東特別大會上通過之一項普通決議案，本公司採納一項新購股權計劃（「二零一四年計劃」），二零一四年計劃旨在使本集團向合資格參與者授出購股權，作為彼等為本集團作出貢獻之獎勵或回報。二零零四年計劃及二零一四年計劃之詳情載於綜合財務報表附註29。概無根據二零零四年計劃進一步授出購股權，惟根據二零零四年計劃於其屆滿前授出之購股權根據相關授出之條款仍將有效及可予行使。於截至二零一八年十二月三十一日止年度，概無根據二零一四年計劃授出購股權，而根據二零零四年計劃授出之購股權之變動如下：

DIRECTORS' REPORT

董事會報告書

SHARE OPTION

購股權

Grantees	Date of grant	Exercise price (HK\$)	Vesting period	Exercisable period	Outstanding as at 1 January 2018 於二零一八年一月一日尚未行使	Granted during the period 於期內已授出	Exercised during the period 於期內已行使	Cancelled/Lapsed during the period 已取消/失效	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使
承授人	授出日期	行使價 (港元)	歸屬期	行使期					
Directors									
董事									
Mr. Qiu Bin 邱斌先生	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	10,000,000	-	-	-	10,000,000
Ms. Cheng Kit Sum, Clara 鄭潔心女士	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	12,000,000	-	-	-	12,000,000
Dr. Huan Guocang 宦國蒼博士	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	3,000,000	-	-	-	3,000,000
Mr. Lo Ka Wai 羅嘉偉先生	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	3,000,000	-	-	-	3,000,000
Mr. Wu Siu Lam, William (note) 胡少霖先生(附註)	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	12,000,000	-	-	(12,000,000)	-
Mr. Wu Fred Fong (note) 胡晃先生(附註)	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	3,000,000	-	-	(3,000,000)	-
Employees in aggregate									
僱員合計									
	25/8/2011 二零一一年八月二十五日	0.2800	Nil 無	25/8/2011-25/8/2021 二零一一年八月二十五日至二零二零年八月二十五日	480,000	-	-	-	480,000
	25/8/2011 二零一一年八月二十五日	0.2800	25/8/2011-24/8/2012 二零一一年八月二十五日至二零一二年八月二十四日	25/8/2012-25/8/2021 二零一二年八月二十五日至二零二零年八月二十五日	720,000	-	-	-	720,000
	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	3,000,000	-	-	-	3,000,000
	26/3/2018 二零一八年三月二十六日	0.2400	26/3/2018-31/3/2019 二零一八年三月二十六日至二零一九年三月三十一日	1/4/2019-1/4/2022 二零一九年四月一日至二零二零年四月一日	-	35,000,000	-	-	35,000,000
Other grantees									
其他承授人									
	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至二零二零年九月七日	50,000,000	-	-	-	50,000,000
					97,200,000	35,000,000	-	(15,000,000)	117,200,000
Total number of shares available for issue at year end date 於本年度結算日可發行股份總數					97,200,000				82,200,000
Total number of shares available for issue as a percentage to issued shares 可發行股份總數佔已發行股份百分比					2.73%				2.15%

Note: Mr. Wu Siu Lam, William and Mr. Wu Fred Fong resigned as the directors of the Company on 28 May 2018.

附註：胡少霖先生及胡晃先生於二零一八年五月二十八日辭任本公司董事。

DIRECTORS' REPORT

董事會報告書

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the audited financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 December 2018, no reserves are available for distribution to shareholders.

DIRECTORS AND DIRECTOR'S SERVICE CONTRACTS

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

EXECUTIVE DIRECTORS:

Mr. Qiu Bin
Ms. Cheng Kit Sum, Clara
Mr. Wu Siu Lam, William (resigned on 28 May 2018)

NON-EXECUTIVE DIRECTORS:

Mr. Chiu Hau Shun, Simon (appointed on 24 December 2018 and resigned on 22 March 2019)

Ms. Tang Lai Shan, Jo Jo (appointed on 24 December 2018 and resigned on 22 March 2019)

Mr. Chen Zhong Min (resigned on 1 January 2019)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Fung Tze Wa
Dr. Huan Guocang
Mr. Lo Ka Wai
Mr. Wu Fred Fong (resigned on 28 May 2018)

物業、廠房及設備及投資物業

本集團物業、廠房及設備於年內之變動詳情載於經審核財務報表附註15。

儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。

本公司之可供分派儲備

於二零一八年十二月三十一日，概無任何可供分派予股東之儲備。

董事及董事服務合約

本公司於年內及直至本報告日期之董事如下：

執行董事：

邱斌先生
鄭潔心女士
胡少霖先生
(於二零一八年五月二十八日辭任)

非執行董事：

趙孝純先生
(於二零一八年十二月二十四日獲委任並
於二零一九年三月二十二日辭任)
鄧麗珊女士
(於二零一八年十二月二十四日獲委任並
於二零一九年三月二十二日辭任)
陳重民先生
(於二零一九年一月一日辭任)

獨立非執行董事：

馮子華先生
宦國蒼博士
羅嘉偉先生
胡晃先生(於二零一八年五月二十八日辭任)

DIRECTORS' REPORT

董事會報告書

In accordance with Article 86(2) of the Company's Bye-laws, Mr. Fung Tze Wa was appointed as a Director by the Board to fill the casual vacancies, will hold office until the forthcoming annual general meeting and being eligible, offers himself for re-election.

In accordance with Article 87(1) of the Company's Bye-laws, Mr. Qiu Bin and Ms. Cheng Kit Sum, Clara will retire at the forthcoming annual general meeting and being eligible, offers themselves for re-election.

The Directors being proposed for re-election at the forthcoming annual general meeting do not have a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of a compensation (other than statutory compensation).

The non-executive Directors (including the independent non-executive Directors) have been appointed for a specific term subject to retirement by rotation as required by the Bye-laws.

DIRECTORS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No contract 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 end 31 December 2018.

DIRECTORS' INTERESTS

At 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in the shares capital and underlying shares and convertible bonds of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

根據本公司之公司細則第86(2)條，馮子華先生獲董事會委任為董事以填補臨時空缺，任期直至應屆股東週年大會，而彼合資格及願意膺選連任。

根據本公司之公司細則第87(1)條，邱斌先生及鄭潔心女士將會於應屆股東週年大會上告退，而彼等合資格及願意膺選連任。

擬於應屆股東週年大會接受重選之董事概無與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償（法定賠償除外）予以終止之服務合約。

非執行董事（包括獨立非執行董事）獲委任特定任期，並須根據公司細則之規定輪值告退。

董事於重大合約之權益

本公司或其任何附屬公司概無訂立於本年度結算日或截至二零一八年十二月三十一日止年度內任何時間仍然有效，且董事於當中直接或間接擁有重大權益之重大合約。

董事權益

於二零一八年十二月三十一日，董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股本、相關股份及可換股債券中擁有並已記錄於本公司根據證券及期貨條例第352條須予存置之登記冊之權益及淡倉，或根據上市發行人之董事進行證券交易的標準守則須另行知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' REPORT

董事會報告書

LONG POSITION IN ORDINARY SHARES OF HK\$0.05 EACH OF THE COMPANY

於本公司每股面值0.05港元之普通股之好倉

Name of Directors	Capacity	Number of shares held	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
董事姓名	身份	所持有股份數目	
Mr. Qiu Bin (Note) 邱斌先生(附註)	Interest of corporation controlled 受控法團權益	10,300,000	0.27%

Note: These shares are held by Pacific Assets Alliance Limited which is wholly owned by Mr. Qiu Bin.

附註：該等股份由邱斌先生全資擁有的Pacific Assets Alliance Limited持有。

LONG POSITION – SHARE OPTIONS

好倉 – 購股權

Name of Directors	Capacity	Number of options held	Number of underlying shares
董事姓名	身份	所持有購股權數目	相關股份數目
Mr. Qiu Bin 邱斌先生	Beneficial owner 實益擁有人	10,000,000	10,000,000
Ms. Cheng Kit Sum, Clara 鄭潔心女士	Beneficial owner 實益擁有人	12,000,000	12,000,000
Dr. Huan Guocang 宦國蒼博士	Beneficial owner 實益擁有人	3,000,000	3,000,000
Mr. Lo Ka Wai 羅嘉偉先生	Beneficial owner 實益擁有人	3,000,000	3,000,000

DIRECTORS' REPORT

董事會報告書

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executive had registered an interest or short position in the shares, underlying shares or convertible bonds of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the convertible bonds discussed above and the share option scheme of the Company, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2018, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than interest disclosed above in respect of certain Directors and chief executive, the following shareholders had notified the Company of their relevant interests in the shares, underlying shares and convertible bonds of the Company.

除上文所披露者外，於二零一八年十二月三十一日，概無董事或主要行政人員已作登記，表示其於本公司或其任何相聯法團之股份、相關股份或可換股債券中擁有根據證券及期貨條例第352條之規定須予記錄之權益或淡倉或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

董事收購股份或債券之權利

除上文所討論可換股債券及本公司購股權計劃外，於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉收購本公司或任何其他法團之股份或債券而獲益，且彼等之配偶或十八歲以下之子女並無擁有可認購本公司證券之任何權利，亦無於年內行使任何有關權利。

主要股東權益

於二零一八年十二月三十一日，根據本公司遵照證券及期貨條例第336條存置之主要股東登記冊所示，除上文所披露有關若干董事及主要行政人員所擁有之權益外，下列股東已知會本公司彼等於本公司股份、相關股份及可換股債券之相關權益。

DIRECTORS' REPORT

董事會報告書

LONG POSITION – ORDINARY SHARES OF HK\$0.05 EACH OF THE COMPANY

好倉 – 本公司每股面值0.05港元之普通股

Name of Shareholders	Capacity	Number of shares held	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
股東姓名	身份	所持有股份數目	
King Lion Group Limited (Note 1)	Beneficial owner	1,011,000,000	26.47%
King Lion Group Limited (附註1)	實益擁有人		
Mr. Lu Xing (Note 2)	Interest of corporation controlled	420,000,000	11.00%
路行先生(附註2)	受控法團權益		
Redhead Investments Limited (Note 2)	Beneficial owner	300,000,000	7.85%
Redhead Investments Limited (附註2)	實益擁有人		
Mr. Choi Chung Lam (Note 3)	Beneficial owner and interest of corporation controlled	408,142,857	10.69%
蔡忠林先生(附註3)	實益擁有人及受控法團權益		
Team Effort Investments Limited (Note 3)	Beneficial owner	358,142,857	9.38%
Team Effort Investments Limited (附註3)	實益擁有人		
Front Riches Investments Limited (Note 4)	Beneficial owner	370,000,000	9.69%
拓富投資有限公司(附註4)	實益擁有人		

Notes:

附註：

- (1) King Lion Group Limited is wholly owned by Smart Chant Limited which in turn is wholly owned by Mr. Gao Yongzhi.
- (2) Redhead Investments Limited, Ascher Group Limited and Headwind Holdings Limited, all are wholly-owned by Mr. Lu Xing, beneficially owns 300,000,000 shares, 100,000,000 shares and 20,000,000 shares of the Company respectively.
- (3) Team Efforts Investments Limited is wholly-owned by Mr. Choi Chung Lam.
- (4) Front Riches Investments Limited is a corporation controlled by Mr. Hu Yishi.

- (1) King Lion Group Limited 由 Smart Chant Limited 全資擁有，而 Smart Chant Limited 則由 Gao Yongzhi 先生全資擁有。
- (2) Redhead Investments Limited、Ascher Group Limited 及 Headwind Holdings Limited 均由路行先生全資擁有，該等公司分別實益擁有本公司300,000,000股、100,000,000股及20,000,000股股份。
- (3) Team Effort Investments Limited 由蔡忠林先生全資擁有。
- (4) 拓富投資有限公司為由胡翼時先生控制之法團。

DIRECTORS' REPORT

董事會報告書

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no other person as having a notifiable interest or short position in the shares, underlying shares and convertible bonds of the Company as at 31 December 2018.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Saved as disclosed in note 33 to the consolidated financial statements, the Group has not entered into any other connected transaction or continuing connected transactions for the year ended 31 December 2018 which should be disclosed pursuant to the requirement of Chapter 14A to the Listing Rules.

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

During the year ended 31 December 2018, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company's corporate governance report is set out in pages 16 to 29 of this report.

除上文所披露之權益外，根據本公司遵照證券及期貨條例第336條存置之主要股東登記冊所披露，於二零一八年十二月三十一日，概無其他人士於本公司股份、相關股份及可換股債券中擁有須予知會之權益或淡倉。

關連交易及持續關連交易

除綜合財務報表附註33所披露者外，截至二零一八年十二月三十一日止年度，本集團並無訂立根據上市規則第14A章規定須予披露之任何其他關連交易或持續關連交易。

購買、贖回或出售本公司上市證券

於截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

企業管治

本公司之企業管治報告載於本報告第16至29頁。

DIRECTORS' REPORT

董事會報告書

KEY RELATIONSHIPS

EMPLOYEES

Employees are one of the valuable assets of the Group and the Group regards the personal development of its employees as highly important. The Group aims to continue to be an attractive employer for committed employees and strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. The Group provides on-the-job training and development opportunities to its employees and considers all valuable feedback from its employees for enhancing workplace productivity and harmony.

The Group offers competitive remuneration packages to its employees.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The Company has adopted a share option scheme as an incentive to Directors and eligible employees. Details of the scheme are set out in note 29 to the consolidated financial statements.

CUSTOMERS AND SUPPLIERS

The customers and suppliers of the Group are independent third parties to the Group. The Group is committed to maintain good relationships with its customers and suppliers in the long run by adopting various means to strengthen communication channels with them. During the year ended 31 December 2018, there were no material and significant dispute between the Group and its customers and suppliers.

重要關係

僱員

僱員為本集團最寶貴的財富之一，本集團高度重視其僱員的個人發展。本集團有意繼續吸引盡忠職守之僱員加盟，並致力於以明確的職業規劃及提供機會增進及完善技能激勵其僱員。本集團為其僱員提供在職培訓及發展機會，並考慮其僱員有關提升工作效率及和諧工作氛圍之所有寶貴意見。

本集團為其僱員提供具競爭力之薪酬待遇。

董事薪酬乃由薪酬委員會經考慮本公司經營業績、個人表現及可供比較市場統計數據後決定。本集團僱員之薪酬政策乃由薪酬委員會根據本集團僱員之功績、資歷及能力制定。本公司採納了一項購股權計劃，以向董事及合資格僱員提供獎勵。有關計劃之詳情載於綜合財務報表附註29。

客戶及供應商

本集團客戶及供應商為本集團之獨立第三方。本集團致力於透過各種方式加強與其客戶及供應商的溝通，以維持與彼等之長期良好關係。截至二零一八年十二月三十一日止年度，本集團與其客戶及供應商之間並無發生任何重大及主要糾紛。

DIRECTORS' REPORT

董事會報告書

EQUITY-LINKED AGREEMENTS

Other than the share option scheme as disclosed above, the convertible bonds as disclosed in note 26 and share options granted to a consultant as disclosed in note 29 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year ended 31 December 2018 or subsisted at the end of the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the bye-laws of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, damages and expenses which he/she may sustain or incur or about the execution and discharge of his duties or in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the Directors and officers of the Company during the year.

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise its environmental impact by saving electricity and encouraging recycle of office supplies and other materials.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the subsidiaries of the Company in Hong Kong and the PRC while the shares of Company (the "Shares") are listed on the Stock Exchange. The Group's establishment and operations shall comply with relevant laws and regulations in Hong Kong, the PRC and the respective place of incorporation of the Company and its subsidiaries. In addition, the Company is required to comply with the Listing Rules and SFO.

During the year ended 31 December 2018 and up to the date of this report, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

權益掛鈎協議

除上文所披露之購股權計劃、綜合財務報表附註26所披露之可換股債券及附註29所披露之授予顧問之購股權外，本公司概無於截至二零一八年十二月三十一日止年度訂立或於本年度結算日存續之任何權益掛鈎協議。

獲准許的彌償條文

根據本公司之公司細則，各董事有權就所有在執行及履行本身職責時或就此蒙受或招致或與之有關之成本、收費、損失、傷害及開支，獲得本公司從本公司之資產中撥付賠償。年內，本公司已就本公司董事及高級人員投購適當的董事及高級人員責任險。

環保政策

本集團致力於成為一間注重保育自然資源之環保公司。本集團透過節電及鼓勵回收辦公室用品及其他材料之方式盡量減少對環境造成之影響。

遵守法律及法規

本集團之業務主要由本公司於香港及中國之附屬公司進行，而本公司之股份（「股份」）於聯交所上市。本集團之設立及經營須遵守香港、中國及本公司及其附屬公司各自註冊成立地之相關法律及法規。此外，本公司須遵守上市規則及證券及期貨條例之規定。

於截至二零一八年十二月三十一日止年度及直至本報告日期，就本公司所知悉，本集團並不存在對本集團業務及營運造成重大影響之適用法律及法規之重大違背或不合規情況。

DIRECTORS' REPORT

董事會報告書

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited. The Company considers all of the independent non-executive Directors are independent.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda, which would 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 2018.

CHARITABLE CONTRIBUTIONS

During the year, the Group did not make any charitable contributions.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audited results for the year ended 31 December 2018 have been reviewed by the Audit Committee. The Audit Committee comprises three members namely Mr. Lo Ka Wai (Chairman), Mr. Fung Tze Wa and Dr. Huan Guocang. All of them are independent non-executive Directors.

REMUNERATION COMMITTEE

The Remuneration Committee has been set up with written term of reference in accordance with the requirements of the Listing Rules. The Remuneration Committee comprises three independent non-executive Directors namely, Mr. Fung Tze Wa (Chairman), Dr. Huan Guocang and Mr. Lo Ka Wai.

委任獨立非執行董事

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則第3.13條之規定就其獨立性而發出之年度確認書。本公司認為，全體獨立非執行董事均具獨立身份。

優先購買權

本公司之公司細則或百慕達法例並無有關本公司須按比例向現有股東提呈發售新股之優先購買權條文。

充足公眾持股量

於截至二零一八年十二月三十一日止年度，本公司一直維持充足公眾持股量。

慈善捐款

年內，本集團並無作出任何慈善捐款。

審核委員會

本公司設立了審核委員會，其根據上市規則第3.21條之規定成立，專責審閱及監察本集團之財務申報程序及內部監控。審核委員會已審閱截至二零一八年十二月三十一日止年度之經審核業績。審核委員會由三名成員組成，即羅嘉偉先生(主席)、馮子華先生及宦國蒼博士。彼等均為獨立非執行董事。

薪酬委員會

本公司已根據上市規則之規定成立薪酬委員會，並已制定其書面職權範圍。薪酬委員會由三名獨立非執行董事組成，即馮子華先生(主席)、宦國蒼博士及羅嘉偉先生。

DIRECTORS' REPORT

董事會報告書

NOMINATION COMMITTEE

The Nomination Committee has been set up with written term of reference in accordance with the requirements of the Listing Rules. The Nomination Committee comprises three independent non-executive Directors namely, Dr. Huan Guocang (Chairman), Mr. Fung Tze Wa and Mr. Lo Ka Wai.

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 were audited by BDO Limited. A resolution will be submitted to the annual general meeting to re-appoint BDO Limited as the auditor of the Company.

On behalf of the Board

Qiu Bin

Director

29 March 2019

提名委員會

本公司已根據上市規則之規定成立提名委員會，並已制定其書面職權範圍。提名委員會由三名獨立非執行董事組成，即宦國蒼博士（主席）、馮子華先生及羅嘉偉先生。

核數師

本集團截至二零一八年十二月三十一日止年度之綜合財務報表已由香港立信德豪會計師事務所有限公司審核。本公司將於股東週年大會上提呈一項決議案以重新委任香港立信德豪會計師事務所有限公司為本公司之核數師。

代表董事會

董事

邱斌

二零一九年三月二十九日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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TO THE SHAREHOLDERS OF SHENG YUAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

致盛源控股有限公司全體股東

(於百慕達註冊成立之有限公司)

QUALIFIED OPINION

We have audited the consolidated financial statements of Sheng Yuan Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 85 to 227, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

保留意見

本核數師(以下簡稱「吾等」)已審核刊於第85至227頁有關盛源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日之綜合財務狀況表，與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，其包括主要會計政策概要。

吾等認為，除吾等作出之報告之「保留意見之基礎」一節所述之事宜之可能影響外，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公允地反映了貴集團於二零一八年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，且已根據香港公司條例之披露規定妥為編製。

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



BASIS FOR QUALIFIED OPINION

The Group had disposed of a subsidiary, Joinbo Holdings Limited ("JHL"), which indirectly owned the equity interest in an associate and had recognised a loss on disposal of subsidiaries of HK\$2,919,000 for the year ended 31 December 2018. The Group also recognised its share of associate's loss of HK\$1,723,000 for the year ended 31 December 2018 using the equity method of accounting prior to the disposal of JHL. The associate had an investment in a PRC company ("Investee Company") which was included in the Group's interests in an associate under the equity method of accounting during the year ended 31 December 2018. The Investee Company was acquired by the associate in prior years at RMB18,000,000, in which the Group had an effective interest of HK\$5,114,000 and a full impairment loss of HK\$5,114,000 was recognised by the Group as part of the Group's share of loss of the associate of HK\$31,937,000 during the year ended 31 December 2017.

The Investee Company was not a listed entity in the PRC and we were unable to obtain relevant financial and other information of the Investee Company which we considered necessary and there were no alternative procedures which we could carry out to assess the carrying amount of the associate's investment in the Investee Company prior to the disposal of JHL. As such, we were unable to determine whether the Group's share of associate's loss of HK\$1,723,000 and loss on disposal of subsidiaries of HK\$2,919,000 for the year ended 31 December 2018 was fairly stated. The Group's share of loss of the associate and loss on disposal of subsidiaries for the year was also qualified due to the matter explained in the paragraph below.

保留意見之基礎

貴集團已出售一間附屬公司駿寶集團有限公司(「駿寶」，其間接擁有一間聯營公司之股權)，並於截至二零一八年十二月三十一日止年度確認出售附屬公司虧損2,919,000港元。於出售駿寶前，貴集團亦使用權益會計法確認截至二零一八年十二月三十一日止年度其應佔該聯營公司之虧損1,723,000港元。該聯營公司於一間中國公司(「被投資公司」)擁有投資，並於截至二零一八年十二月三十一日止年度根據權益會計法計入貴集團於一間聯營公司之權益。被投資公司由該聯營公司於過往年度以人民幣18,000,000元收購，當中貴集團擁有有效權益為5,114,000港元，且貴集團於截至二零一七年十二月三十一日止年度內確認全部減值虧損5,114,000港元為貴集團應佔該聯營公司虧損31,937,000港元的一部份。

被投資公司並非中國上市實體，吾等無法獲取吾等認為必要的被投資公司的有關財務及其他資料，且吾等別無其他程序用以評估於出售駿寶前該聯營公司於被投資公司之投資之賬面值。因此，吾等無法釐定截至二零一八年十二月三十一日止年度貴集團應佔該聯營公司之虧損1,723,000港元及出售附屬公司虧損2,919,000港元是否妥為呈列。而由於下段所說明之事項，年內貴集團應佔該聯營公司之虧損及出售附屬公司虧損亦有所保留。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



BASIS FOR QUALIFIED OPINION (Continued)

Our audit opinion on the Group's consolidated financial statements for the year ended 31 December 2017 was qualified as there were insufficient audit evidence available to us relating to the impairment review of the Group's interest in associate as of 31 December 2017 and we were unable to obtain relevant financial and other information of the Investee Company which we considered necessary. Accordingly, we were unable to assess the carrying amount of the associate's investment in the Investee Company and therefore the Group's share of results of an associate and the impairment loss on interests in an associate for the year ended 31 December 2017 and interests in the associate as of 31 December 2017 as set out in our report dated 21 March 2018. The limitations leading to our qualified opinion remained unresolved during our audit of the Group's consolidated financial statements for the year ended 31 December 2018 and may have consequential impact on the Group's share of associate's loss of HK\$1,723,000 and the loss on disposal of subsidiaries of HK\$2,919,000 for the year ended 31 December 2018. Our audit opinion on the Group's consolidated financial statements for the year ended 31 December 2018 is also qualified because of the possible effect of this matter on the comparability of the related 2018 figures and the 2017 figures in the consolidated financial statements for the year ended 31 December 2018.

保留意見之基礎 (續)

吾等有關 貴集團截至二零一七年十二月三十一日止年度之綜合財務報表之審計意見為保留意見，乃由於吾等審計 貴集團於二零一七年十二月三十一日於該聯營公司之權益有否減值缺乏充足審計憑證及吾等無法獲取吾等認為必要的被投資公司的有關財務及其他資料。因此，吾等無法評估該聯營公司於被投資公司之投資之賬面值，故此無法評估吾等日期為二零一八年三月二十一日之報告所載截至二零一七年十二月三十一日止年度 貴集團應佔該聯營公司業績及於聯營公司權益之減值虧損以及於二零一七年十二月三十一日於聯營公司之權益。於吾等審計 貴集團之截至二零一八年十二月三十一日止年度之綜合財務報表期間，導致吾等發表保留意見的限制仍然懸而未決，且可能對截至二零一八年十二月三十一日止年度 貴集團應佔聯營公司虧損1,723,000港元及出售附屬公司之虧損2,919,000港元產生重要影響。吾等有關 貴集團截至二零一八年十二月三十一日止年度之綜合財務報表之審計意見亦為保留意見，原因是該事項對截至二零一八年十二月三十一日止年度之綜合財務報表所載相關二零一八年數字與二零一七年數字之比較性可能會造成影響。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



BASIS FOR QUALIFIED OPINION (Continued)

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3.1 in the consolidated financial statements, which indicates that the Group had incurred loss after tax of approximately HK\$82 million and net operating cash outflows of approximately HK\$14 million for the year ended 31 December 2018. As stated in note 3.1, these conditions, along with other matters as set forth in note 3.1, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

保留意見之基礎(續)

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。吾等就該等準則承擔之責任在吾等作出之報告之「核數師就審核綜合財務報表承擔之責任」一節中進一步闡述。根據香港會計師公會之「職業會計師道德守則」(「守則」)，吾等獨立於貴集團，並已履行守則中之其他道德責任。吾等相信，吾等所獲得之審核憑證能充足及適當地為下列保留審核意見建立基礎。

與持續經營相關之重大不確定性

吾等注意到綜合財務報表附註3.1中，顯示貴集團截至二零一八年十二月三十一日止年度已產生除稅後虧損約82,000,000港元及經營現金流出淨額約14,000,000港元。誠如附註3.1所述，該等事件連同附註3.1所載之其他事宜，均反映出存在重大不確定因素，可能對貴集團之持續經營能力構成重大疑問。吾等不會就此更改意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the “Basis for Qualified Opinion” section and “Material Uncertainty Related to Going Concern” section, we have determined the matters described below to be the key audit matters to be communicated in our report.

IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES

The carrying amount of the Group's trade receivables as at 31 December 2018 amounted to HK\$36,716,000 as set out in note 20 to the consolidated financial statements. Management have assessed the amount of the expected credit losses that would result from all possible default events within 12 months after the reporting date or over the expected life of the receivables according to the accounting policy as set out in note 3.11(A). Based on management's assessment, no loss allowance has been recognised in respect of these receivables as the amount of expected credit loss as estimated is insignificant.

We consider this a key audit matter because the management's impairment assessment of trade receivables requires the use of significant judgments and estimates and because the receivables are a significant item in the consolidated financial statements.

Refer to note 3.11(A) for accounting policies, note 4(I) for critical accounting estimates and notes 20 and 35(B)(I) of the accompanying financial statements.

關鍵審核事項

關鍵審核事項乃根據吾等之專業判斷，對本期間綜合財務報表之審核最為重要之事項。該等事項乃於吾等審核整體綜合財務報表及就此出具意見時進行處理，及吾等不會就該等事項提供單獨意見。除「保留意見之基礎」一節及「與持續經營相關之重大不確定性」一節所述之事宜外，吾等釐定下文所述之事宜為將於吾等作出之報告中溝通之關鍵審核事項。

貿易應收賬款之減值評估

貴集團之貿易應收賬款於二零一八年十二月三十一日之賬面值為36,716,000港元（載於綜合財務報表附註20）。管理層已根據附註3.11(A)所載之會計政策評估因報告日期後12個月內或應收賬款之預期年內之所有可能違約活動而引致之預期信貸損失金額。根據管理層之評估，由於估計之預期信貸損失金額並不重大，故概無就該等應收賬款確認任何損失撥備。

我們將其視為關鍵審核事項乃由於管理層對貿易應收賬款之減值進行評估時需使用重大判斷及估計以及由於該等應收賬款在綜合財務報表中屬重大項目。

請參閱隨附財務報表附註3.11(A)會計政策、附註4(I)關鍵會計估計及附註20及35(B)(I)。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



KEY AUDIT MATTERS (Continued)

Our response:

Our work included, but was not necessarily limited to, the following procedures:

- understanding the established policies and procedures with respect to the estimation of expected credit losses;
- substantively validating the accuracy of the ageing of trade receivables as at the reporting date, by agreeing a sample of data to the underlying documents;
- assessing the reasonableness of the management's estimate on loss allowance by examining the information used to form such judgement, which include testing the accuracy of the historical default data and the existence and fair value of collateral, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and assessing whether there was an indication of management bias when recognising loss allowances; and
- inspecting cash receipts from customers after the financial year end relating to trade receivable balances as at 31 December 2018 on a sample basis.

關鍵審核事項(續)

吾等之應對：

吾等之工作包括(但不一定限於)以下程序：

- 了解就預期信貸損失之估計制定之政策及程序；
- 透過檢查數據樣本是否與相關文件一致，核實貿易應收賬款於報告日期之賬齡準確性；
- 透過審查管理層形成其判斷所用之資料(包括測試歷史違約數據之準確性及抵押品之現況及公平值)評估管理層估計損失撥備之合理性，評估歷史損失率是否根據經濟現狀及前瞻性資料作適當調整，及評估管理層在確認損失撥備時是否存在偏見跡象；及
- 抽樣檢查就有關於二零一八年十二月三十一日之貿易應收賬款結餘於財政年結日後來自客戶之現金收據。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the "Basis for Qualified Opinion" section above, we were unable to obtain sufficient evidence about the Group's share of loss of the associate and loss on disposal of subsidiaries for the year. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

年報所載其他資料

董事須對其他資料負責。其他資料包括載於貴公司年報之資料，惟不包括綜合財務報表及吾等就此發出之核數師報告。

吾等對綜合財務報表之意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式之鑒證結論。在吾等審核綜合財務報表時，吾等之責任乃閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解之情況有重大不一致，或者似乎有重大錯誤陳述。

基於吾等已執行之工作，倘吾等認為此其他資料有重大錯誤陳述，吾等須報告該事實。誠如上文「保留意見之基礎」一節所述，吾等未能獲得有關貴集團年內所佔聯營公司虧損及出售附屬公司虧損之充足憑證。因此，就該事項而言，吾等無法得出結論其他資料是否有重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair value in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objective are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平之反映，及落實其認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際之替代方案。

董事亦負責監督 貴集團財務報告過程。審核委員會協助董事履行其餘此方面之職責。

核數師就審核綜合財務報表承擔之責任

吾等之目標乃對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括吾等意見之核數師報告。本報告乃按照百慕達一九八一年公司法第90條之規定，僅向全體股東報告，而不作其他用途。吾等不會就本報告之內容向任何其他人士負責或承擔任何責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表承擔之責任(續)

合理保證乃高水平之保證，但不能保證按香港審計準則進行之審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響該等綜合財務報表之基準使用者所作出之經濟決定，則有關錯誤陳述可被視作重大。

在根據香港審計準則進行審核之過程中，吾等運用了職業判斷，保持了職業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審核程序以應對該等風險，以及取得充足及適當之審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致重大錯誤陳述之風險較因錯誤而導致重大錯誤陳述之風險為高。
- 了解與審核相關之內部控制，以設計適當之審核程序，但非旨在對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性以及作出會計估計及相關披露資料之合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師就審核綜合財務報表承擔之責任(續)

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所得之審核憑證，決定是否存在與可能對貴集團持續經營之能力構成重大疑慮之事件或情況有關之重大不確定性。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者對綜合財務報表中相關披露資料之關注。假若有關披露資料不足，則吾等須出具非無保留意見之核數師報告。吾等之結論乃基於截至核數師報告日期止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事實。
- 就集團中實體或業務活動之財務資料獲取充分、適當之審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等對審核意見承擔全部責任。

吾等就(其中包括)審核之計劃範圍、時間安排及重大審核結果，包括吾等於審核期間所識別內部控制之任何重大缺陷，與審核委員會進行了溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Chiu Wing Cheung Ringo

Practising Certificate No.: P04434

Hong Kong, 29 March 2019

核數師就審核綜合財務報表承擔之責任(續)

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性之相關職業道德要求，並與他們溝通所有合理認為會影響吾等獨立性之關係及其他事項，以及(如適用)相關防範措施。

從與董事溝通之事項中，吾等決定何種事項對本期綜合財務報表之審核最為重要，因而構成關鍵審核事項。吾等會在核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見之情況下，若有合理預期在吾等之報告中溝通某事項而造成之負面後果將會超過其產生之公眾利益，吾等將不會於此等情況下於報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

招永祥

執業證書號碼：P04434

香港，二零一九年三月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fee and commission income	費用及佣金收入	6	31,699	60,420
Interest income	利息收入	6	2,447	2,827
			34,146	63,247
Other gains and losses	其他收益及虧損	7	(33,987)	(28,625)
Other income	其他收入	8	211	63
Staff costs	員工成本	10	(29,524)	(56,148)
Depreciation	折舊		(237)	(418)
Finance costs	融資成本	9	(28,277)	(27,508)
Reversal of provision/(Provision)	撥備撥回/(撥備)	26	4,394	(33,708)
Other expenses	其他費用	10	(25,327)	(26,358)
Share of results of an associate	分佔一間聯營公司業績		(1,723)	(31,937)
Impairment loss on interests in an associate	於一間聯營公司之權益 之減值虧損	18	-	(40,791)
Loss before income tax	除所得稅前虧損	10	(80,324)	(182,183)
Income tax expense	所得稅開支	11	(1,330)	(2,341)
Loss for the year	年內虧損		(81,654)	(184,524)
Other comprehensive income	其他全面收益			
Item that may be reclassified subsequently to profit or loss	其後可重新分類至 損益之項目			
- Exchange differences on translating foreign operations	- 換算海外業務產生 之匯兌差額			
Exchange differences arising during the year	年內所產生 之匯兌差額		(424)	2,488
Reclassification adjustments relating to foreign operations disposed of during the year	年內有關出售 海外業務之 重新分類調整		6,528	-
Other comprehensive income for the year	年內其他全面收益		6,104	2,488
Total comprehensive income for the year	年內全面收益總額		(75,550)	(182,036)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year attributable to:	以下各項應佔年內虧損：		
– Owners of the Company	– 本公司擁有人	(81,646)	(184,507)
– Non-controlling interests	– 非控股權益	(8)	(17)
		(81,654)	(184,524)
Total comprehensive income for the year attributable to:	以下各項應佔年內 全面收益總額：		
– Owners of the Company	– 本公司擁有人	(75,542)	(182,019)
– Non-controlling interests	– 非控股權益	(8)	(17)
		(75,550)	(182,036)
Loss per share	每股虧損	HK cents 港仙	HK cents 港仙
– Basic	– 基本	(2.28)	(5.19)
– Diluted	– 攤薄	(2.28)	(5.19)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018
於二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	15	物業、廠房及設備	352	527
Trading rights	16	買賣權	–	3,322
Goodwill	17	商譽	7,000	7,000
Interests in an associate	18	於一間聯營公司之權益	–	1,863
Other assets	19	其他資產	1,730	1,730
Deferred tax assets	27	遞延稅項資產	–	144
			9,082	14,586
Current assets		流動資產		
Trade and other receivables and prepayments	20	貿易及其他應收賬款 以及預付款項	40,145	69,481
Held for trading investments	21	持作買賣用途投資	6,828	39,616
Current tax assets		即期稅項資產	938	–
Trust bank balances held on behalf of clients	22	代表客戶持有之信託 銀行結餘	45,407	221,581
Cash and cash equivalents	23	現金及現金等同項目	47,262	87,556
			140,580	418,234
Current liabilities		流動負債		
Trade and other payables and accruals	24	貿易及其他應付賬款 以及應計費用	54,219	242,453
Borrowings	25	借貸	80,421	–
Convertible bonds	26	可換股債券	–	143,517
Provision	26	撥備	–	33,708
Contract liabilities		合約負債	450	–
Current tax liabilities		即期稅項負債	–	606
			135,090	420,284
Net current assets/(liabilities)		流動資產／(負債)淨值	5,490	(2,050)
Net assets		資產淨值	14,572	12,536

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018
於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
EQUITY	權益			
Share capital	股本	28	190,985	178,128
Reserves	儲備	31	(176,413)	(183,381)
Equity/(Capital deficiency) attributable to owners of the Company	本公司擁有人應佔權益／(資本虧絀)		14,572	(5,253)
Non-controlling interests	非控股權益		–	17,789
Total equity	權益總額		14,572	12,536

On behalf of the Board

代表董事會

Qiu Bin
邱斌
Director
董事

Cheng Kit Sum, Clara
鄭潔心
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests 非控股權益			
		Share capital	Share premium*	Shareholder's contribution*	Capital redemption reserve*	Convertible bond equity reserve*	Share option reserve*	Currency translation reserve*	Accumulated losses*	Total	Share of net assets of subsidiaries	Convertible bond equity reserve of a subsidiary	Total
		股本	股份溢價*	股東注資*	資本贖回儲備*	可換股債券權益儲備*	購股權儲備*	貨幣換算儲備*	累計虧損*	總計	分佔附屬公司資產淨值	可換股債券權益儲備	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	177,128	241,062	7,834	477	34,408	4,001	(9,925)	(306,342)	148,633	14	17,792	17,806
Equity-settled share-based payments	股本結算股份付款	-	-	-	-	-	9,520	-	-	9,520	-	-	9,520
Issue of convertible bonds by the Company	本公司發行可換股債券	-	-	-	-	13,713	-	-	-	13,713	-	-	13,713
Issue of shares upon exercise of share options	因購股權行使而發行股份	1,000	5,333	-	-	-	(1,433)	-	-	4,900	-	-	4,900
Transactions with owners	與擁有人之交易	1,000	5,333	-	-	13,713	8,087	-	-	28,133	-	-	28,133
Loss for the year	年內虧損	-	-	-	-	-	-	-	(184,507)	(184,507)	(17)	-	(184,524)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of foreign operations	- 換算海外業務財務報表產生之匯兌差額	-	-	-	-	-	-	2,488	-	2,488	-	-	2,488
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	2,488	(184,507)	(182,019)	(17)	-	(182,036)
Transferred to accumulated losses on 2014 SYHL Bonds Maturity Date	於二零一四年盛源控股債券到期日轉撥至累計虧損	-	-	-	-	(34,408)	-	-	34,408	-	-	-	-
Forfeiture of share options	沒收購股權	-	-	-	-	-	(2,365)	-	2,365	-	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	178,128	246,395	7,834	477	13,713	9,723	(7,437)	(454,076)	(5,253)	(3)	17,792	17,789
At 1 January 2018	於二零一八年一月一日	178,128	246,395	7,834	477	13,713	9,723	(7,437)	(454,076)	(5,253)	(3)	17,792	17,789
Shares issued upon exercise of convertible bonds	因可換股債券行使而發行股份	12,857	73,985	-	-	(9,267)	-	-	-	77,575	-	-	77,575
Transactions with owners	與擁有人之交易	12,857	73,985	-	-	(9,267)	-	-	-	77,575	-	-	77,575
Loss for the year	年內虧損	-	-	-	-	-	-	-	(81,646)	(81,646)	(8)	-	(81,654)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of foreign operations	- 換算海外業務財務報表產生之匯兌差額	-	-	-	-	-	-	(424)	-	(424)	-	-	(424)
- Reclassification adjustments on disposal of foreign operations	- 因出售海外業務之重新分類調整	-	-	-	-	-	-	6,528	-	6,528	-	-	6,528
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	6,104	(81,646)	(75,542)	(8)	-	(75,550)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	11	-	11
Settlement of 2014 SYHL Bonds by way of issuing 2018 SYHL Bonds under the deed of settlement	透過根據結算契據發行二零一八年盛源控股債券之方式結算二零一四年SYHL債券	-	-	-	-	9,267	-	-	8,525	17,792	-	(17,792)	-
Transferred to accumulated losses on 2017 SYHL Bonds Maturity Date	於二零一七年盛源控股債券到期日轉撥至累計虧損	-	-	-	-	(13,713)	-	-	13,713	-	-	-	-
Forfeiture of share options	沒收購股權	-	-	-	-	-	(1,266)	-	1,266	-	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	190,985	320,370	7,834	477	-	8,457	(1,333)	(512,218)	14,572	-	-	14,572

* These accounts comprise negative reserves of HK\$176,413,000 (2017: HK\$183,381,000) in the consolidated statement of financial position at 31 December 2018.

* 該等賬目包括於二零一八年十二月三十一日綜合財務狀況表之負儲備176,413,000港元(二零一七年: 183,381,000港元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash flows from operating activities	經營活動所得現金流量		
Loss for the year	年內虧損	(81,654)	(184,524)
Adjustments for:	調整：		
Income tax expense	所得稅開支	1,330	2,341
Changes in third party interests in collective investment schemes	集體投資計劃之第三方權益變動	—	(5,325)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	237	418
Equity-settled share-based payment expense	股本結算股份付款開支	—	9,520
Finance costs	融資成本	28,277	27,508
Impairment losses on interests in an associate	於一間聯營公司之權益之減值虧損	—	40,791
Impairment losses on trade receivables	貿易應收賬款減值虧損	—	637
Impairment losses on trading rights	買賣權之減值虧損	3,322	—
Interest income from banks and others	銀行及其他利息收入	(211)	(27)
Loss on disposal of subsidiaries	出售附屬公司之虧損	2,919	—
Net losses on disposals of property, plant and equipment	出售物業、廠房及設備之虧損淨額	—	2
(Reversal of provision)/Provision for settlement of convertible bonds	結算可換股債券之(撥備撥回)/撥備	(4,394)	33,708
Share of results of an associate	分佔一間聯營公司業績	1,723	31,937
Operating loss before working capital changes	營運資金變動前之經營虧損	(48,451)	(43,014)
Decrease/(Increase) in trade and other receivables and prepayments	貿易及其他應收賬款以及預付款項減少/(增加)	28,830	(38,672)
Decrease in held for trading investments	持作買賣用途投資減少	32,788	192,541
Decrease in trust bank balances held on behalf of clients	代表客戶持有之信託銀行結餘減少	176,174	79,564
Decrease in trade and other payables and accruals	貿易及其他應付賬款以及應計費用減少	(191,842)	(117,052)
Increase in contract liabilities	合約負債增加	450	—
Cash (used in)/generated from operations	經營(所用)/所得現金	(2,051)	73,367
Interest paid	已付利息	(9,503)	(11,467)
Interest received from banks and others	已收銀行及其他利息	211	27
Income tax paid	已付所得稅	(2,730)	(356)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	(14,073)	61,571

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash flows from investing activities	投資活動所得現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(63)	(382)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	–	13
Proceeds from disposal of subsidiaries	出售附屬公司之所得款項	3,982	–
	30		
<i>Net cash generated from/(used in) investing activities</i>	<i>投資活動所得／(所用) 現金淨額</i>	3,919	(369)
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from other holders of collective investment schemes	集體投資計劃其他持有人之所得款項	–	2,000
Payments to other holders of collective investment schemes	向集體投資計劃其他持有人付款	–	(56,719)
Proceeds from issue of convertible bonds	發行可換股債券之所得款項	–	110,000
Proceeds from issue of shares upon exercise of share options	因購股權獲行使而發行股份之所得款項	–	4,900
Proceeds from loans advanced from a substantial shareholder, a director of the Company and a related company	一名主要股東、本公司一名董事及一家關連公司墊付貸款之所得款項	160,000	5,000
Redemption of convertible bonds	贖回可換股債券	(110,000)	(135,000)
Repayments of loans advanced from a substantial shareholder, a director of the Company and a third party	償還一名主要股東、本公司一名董事及一名第三方墊付之貸款	(80,000)	(31,040)
	23		
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>	(30,000)	(100,859)
Net decrease in cash and cash equivalents	現金及現金等同項目減少淨額	(40,154)	(39,657)
Cash and cash equivalents at beginning of the year	於年初之現金及現金等同項目	87,556	126,461
Effect of foreign exchange rate changes, on cash held	匯率變動對所持現金之影響	(140)	752
Cash and cash equivalents at end of the year	於年終之現金及現金等同項目	47,262	87,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

1. GENERAL INFORMATION

Sheng Yuan Holdings Limited (the “Company”) is an exempted company with limited liability incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Suites 4301-5, 43/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The Company is an investment holding company. Its subsidiaries are principally engaged in provision of securities brokerage and financial services, asset management services, proprietary trading and trading business.

The consolidated financial statements for the year ended 31 December 2018 were approved for issue by the board of directors on 29 March 2019.

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

In the current year, the Group has applied new standards, amendments and interpretations which are effective for the Group's financial statements for the annual period beginning on 1 January 2018. HKFRSs include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Except as explained below, the adoption of new or amended HKFRSs has no material impact on the Group's financial statements.

1. 一般資料

盛源控股有限公司(「本公司」)為一間於百慕達註冊成立及登記之獲豁免有限公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, 其主要營業地點位於香港銅鑼灣勿地臣街1號時代廣場1座43樓4301-5室。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司為投資控股公司，其附屬公司主要從事提供證券經紀及金融服務、資產管理服務、自營買賣及貿易業務。

截至二零一八年十二月三十一日止年度之綜合財務報表於二零一九年三月二十九日獲董事會批准刊發。

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則

於本年度內，本集團已採納於二零一八年一月一日開始之年度期間之本集團財務報表生效之新訂準則、修訂及詮釋。香港財務報告準則包括香港會計師公會(「香港會計師公會」)頒佈之所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋。除下文所述者外，採納新訂或經修訂香港財務報告準則不會對本集團之財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 9, FINANCIAL INSTRUMENTS

HKFRS 9 replaces HKAS 39 “Financial Instruments: Recognition and Measurement” and the Group has applied HKFRS 9 in accordance with the transition provisions. HKFRS 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities and (ii) impairment for financial assets that is relevant to the Group.

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and liabilities in terms of the requirements of HKFRS 9) is 1 January 2018. Accordingly, the Group has applied the requirements of HKFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018 in accordance with the transition requirements. Comparative amounts as at 31 December 2017 continue to be reported under HKAS 39 and have not been restated.

In addition, as a result of the adoption of HKFRS 9, the Group adopted consequential amendments to HKAS 1 “Presentation of Financial Statements” which requires interest revenue calculated using the effective interest method to be presented separately from revenue. Previously, the Group presented revenue from contracts with customers and interest revenue in a single line item.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號取代香港會計準則第39號「金融工具：確認及計量」，根據過渡性條文，本集團已採納香港財務報告準則第9號。香港財務報告準則第9號引入(i)金融資產及金融負債之分類及計量及(ii)有關本集團之金融資產減值之新規定。

首次應用日期(即本集團根據香港財務報告準則第9號之規定評估其現有金融資產及負債當日)為二零一八年一月一日。因此，本集團已應用於二零一八年一月一日持續確認香港財務報告準則第9號工具之規定，且根據過渡性規定並無將有關規定應用於二零一八年一月一日已取消確認之工具。於二零一七年十二月三十一日之比較金額繼續根據香港會計準則第39號呈報且尚未予以重列。

此外，由於採納香港財務報告準則第9號，故本集團已採納香港會計準則第1號「財務報表列報」之相應修訂，其規定採用實際利率法計算之利息收益將自收益分開呈列。先前，本集團以單一項目呈報客戶合同收益及利息收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

(a) Classification and measurement

Under HKFRS 9, all recognised financial assets are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. HKFRS 9 basically retains the existing requirements in HKAS 39 for the classification and measurements of financial liabilities. Further details of these new requirements are described in note 3.11 to these financial statements.

The directors of the Company reviewed and assessed the Group's existing financial instruments as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of HKFRS 9 has had the following impact on the Group's financial instruments as regards their classification and measurement:

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

(a) 分類及計量

根據香港財務報告準則第9號，所有已確認之金融資產其後須按攤銷成本或根據實體業務模式之公平值計量，以管理金融資產及金融資產之合約現金流量特徵。香港財務報告準則第9號大致保留現有香港會計準則第39號有關金融負債之分類及計量之規定。該等新規定之進一步詳情於該等財務報表附註3.11闡述。

本公司董事根據二零一八年一月一日存在的事實及情況檢討及評估本集團於該日之現有金融工具並認為就其分類及計量而言首次應用香港財務報告準則第9號對本集團之金融工具具有以下影響：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

(a) *Classification and measurement* (Continued)

- financial assets classified as loans and receivables under HKAS 39 that were measured at amortised cost continue to be measured at amortised cost under HKFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding; and
- there is no change in the measurement of the Group’s investments in equity instruments that are held for trading; those instruments were and continue to be measured at fair value through profit or loss.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

(a) 分類及計量(續)

- 根據香港會計準則第39號分類為貸款及應收賬款之金融資產乃按攤銷成本計量，由於彼等於為收回合約現金流量之業務模式中持有且該等現金流量純為支付本金及未償還本金之利息，故該等金融資產將繼續根據香港財務報告準則第9號按攤銷成本計量；及
- 本集團持作買賣用途之股本工具投資之計量並無變動；該等工具按並繼續按公平值計入損益進行計量。

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

(a) Classification and measurement (Continued)

The following table summarises the measurement categories and their carrying amount determined in accordance with HKAS 39 and HKFRS 9 for each class of the Group's financial assets as at 1 January 2018:

Measurement category			Carrying amount	
計量類別			賬面值	
	HKAS 39 香港會計準則 第39號	HKFRS 9 香港財務報告準則 第9號	HKAS 39 香港會計準則 第39號 HK\$'000 千港元	HKFRS 9 香港財務報告準則 第9號 HK\$'000 千港元
Financial assets				
金融資產				
Other assets	Loans and receivables	Amortised cost	1,730	1,730
其他資產	貸款及應收賬款	攤銷成本		
Trade receivables	Loans and receivables	Amortised cost	64,260	64,260
貿易應收賬款	貸款及應收賬款	攤銷成本		
Other receivables	Loans and receivables	Amortised cost	4,212	4,212
其他應收賬款	貸款及應收賬款	攤銷成本		
Held for trading investments	Fair value through profit or loss	Fair value through profit or loss	39,616	39,616
持作買賣用途投資	公平值計入損益	公平值計入損益		
Trust bank balances held on behalf of clients	Loans and receivables	Amortised cost	221,581	221,581
代表客戶持有之信託銀行結餘	貸款及應收賬款	攤銷成本		
Cash and cash equivalents	Loans and receivables	Amortised cost	87,556	87,556
現金及現金等同項目	貸款及應收賬款	攤銷成本		

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

(a) 分類及計量(續)

下表概述本集團於二零一八年一月一日各類金融資產根據香港會計準則第39號及香港財務報告準則第9號釐定之計量類別及賬面值：

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

(a) Classification and measurement (Continued)

The above reclassifications of financial assets did not have any impact on the Group's financial position, profit or loss, other comprehensive income or total comprehensive income for the current year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Further details of these new requirements are described in note 3.11 to these financial statements.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

(a) 分類及計量(續)

上述金融資產之分類對本集團於本年度之財務狀況、損益、其他全面收益或全面收益總額並無任何影響。

(b) 金融資產減值

關於金融資產減值，香港財務報告準則第9號規定按一項預期信貸損失模型，而非根據香港會計準則第39號按一項已發生的信貸損失模型。該預期信貸損失模型規定本集團須計算其預期信貸損失及該等預期信貸損失於各報告日期之變動，以反映自初步確認金融資產以來所產生之信貸風險之變動。換而言之，現已毋須對信貸事件發生之前的信貸損失予以確認。該等新規定之進一步詳情於該等財務報表附註3.11闡述。

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

(b) Impairment of financial assets (Continued)

At 1 January 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The result of the assessment is as follows:

- Trade receivables from clearing house are usually settled a few days after the execution of relevant transactions. Trade receivables from asset management services rarely default, given the Group manages assets worth multiples of any outstanding fees on behalf of those clients.
- Trade receivables from margin clients and money lending services are collateralised and have sufficiently low “Loan to value” ratio.
- All bank balances are held with reputable banking institutions and other assets mainly represented deposits with the clearing houses which are governed under the Hong Kong Securities and Futures Ordinance.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

(b) 金融資產減值(續)

於二零一八年一月一日，本公司董事已按照香港財務報告準則第9號之規定，使用毋須花費不必要成本或精力獲取之合理有據資料審閱及評估本集團現有金融資產之減值情況。評估結果如下：

- 來自結算所之貿易應收賬款通常於訂立相關交易後數日內結算。鑒於本集團代表該等客戶管理價值數倍於任何未支付費用之資產，來自資產管理服務之貿易應收賬款極少違約。
- 來自孖展客戶及貸款服務之貿易應收賬款已作抵押且「貸款對估值」比率非常低。
- 所有銀行結餘均由聲譽卓著的銀行機構持有，其他資產主要指根據香港證券及期貨條例監管之結算所之存款。

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

(b) Impairment of financial assets (Continued)

After considering the potential for default at any point and using its historical experience, external indicators and forward-looking information, the directors considered that the impact of expected credit losses on the Group's financial position and financial performance as at 1 January 2018 was insignificant.

HKFRS 15, REVENUE FROM CONTRACTS WITH CUSTOMERS

In the current period, the Group has applied HKFRS 15 (as amended in June 2016). HKFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Under HKFRS 15, revenue is recognised when (or as) the entity satisfies its performance obligation by transferring promised goods or service to a customer. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. Furthermore, for contracts that contain variable consideration, revenue is recognised at an amount to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

(b) 金融資產減值(續)

考慮到任何時間點均可能發生違約事件及採用其過往經驗、外部指標及前瞻性資料，董事認為，預期信貸損失對本集團於二零一八年一月一日之財務狀況及財務表現之影響不屬重大。

香港財務報告準則第15號「客戶合同收益」

於本期間，本集團已應用香港財務報告準則第15號(於二零一六年六月修訂)。香港財務報告準則第15號引入了五步法來確認收益。香港財務報告準則第15號已就特殊情況之處理方法加入更明確之指引。根據香港財務報告準則第15號，實體當(或於)完成履約責任，即向客戶轉移承諾貨品或服務時確認收益。當(或於)客戶取得貨品或服務之控制權時，貨品或服務方會轉讓予客戶。此外，就包括可變代價之合同而言，當與可變代價相關之不確定性其後解決時，收益將於累計收益金額不大可能出現重大撥回之情況下確認。

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2018

(Continued)

HKFRS 15, REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

The Group has applied HKFRS 15 in accordance with the modified retrospective transitional approach whereby the cumulative effect of initially applying HKFRS 15 for uncompleted contracts with customers as at 1 January 2018, if any, are adjusted at the opening balance of equity as at 1 January 2018 and prior period comparatives are not restated.

In addition, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

The Group's accounting policies for its revenue streams are disclosed in detail in note 3.6 to these financial statements. Apart from providing more extensive disclosures on the Group's revenue transactions, the application of HKFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一八年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第15號「客戶合同收益」(續)

本集團已按照經修訂追溯過渡方式應用香港財務報告準則第15號，據此，於二零一八年一月一日就未完成客戶合約首次應用香港財務報告準則第15號之累積影響(如有)按於二零一八年一月一日之權益期初結餘作出調整，而過往期間之比較數字未經重列。

此外，本集團分列就客戶合同確認之收益為不同類別，以描述收益及現金流量之性質、金額、時間及不確定性如何受經濟因素所影響。本集團亦披露有關收益分類披露與每個可申報分部披露之收益資料之間關係之資料。

本集團收益流之會計政策詳情於該等財務報表附註3.6披露。除本集團之收益交易須提供更廣泛之披露外，應用香港財務報告準則第15號對本集團財務狀況及／或財務表現並無重大影響。

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

At the date of authorisation of these financial statements, certain new or amended HKFRSs have been issued but are not yet effective. The Group has not early adopted these new or amended HKFRSs in the financial statements for the year ended 31 December 2018. The directors of the Company anticipate that these pronouncements will be adopted in the Group’s accounting policies for the first period beginning after the effective date of the pronouncement.

Information on new or amended HKFRSs that have not been adopted early by the Group but expected to have impact on the Group’s accounting policies is provided below. Other new or amended HKFRSs have been issued but are not yet effective and not adopted in advance are not expected to have a material impact on the Group’s consolidated financial statements.

HKFRS 16, LEASES

The HKICPA has published the new lease standard in May 2016. The new standard will have a significant impact on many entities across various industries. HKFRS 16 superseded HKAS 17 “Leases” and the related interpretations.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則

於授權該等財務報表之日期，若干新訂或經修訂香港財務報告準則已頒佈但尚未生效。本集團並無於截至二零一八年十二月三十一日止年度之財務報表中提早採納該等新訂或經修訂香港財務報告準則。本公司董事預期，該等頒佈將於其生效日期後開始之首個期間於本集團之會計政策採納。

預期對本集團會計政策構成影響但本集團並無提早採納之新訂或經修訂香港財務報告準則資料載列如下。其他已頒佈但尚未生效且並無提早採納之新訂或經修訂香港財務報告準則預期不會對本集團綜合財務報表構成重大影響。

香港財務報告準則第16號「租賃」

香港會計師公會於二零一六年五月頒佈新租賃準則。新準則將對不同行業之眾多實體造成重大影響。香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋。

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

HKFRS 16, LEASES (Continued)

From the perspective as a lessee, under the existing standard, leases are classified as either finance lease or operating lease, resulting in different accounting treatment. Finance leases are required to be accounted for “On Balance Sheet” (i.e. lease asset and corresponding liabilities are recognised in the statement of financial position); while operating lease is accounted for “Off Balance Sheet” where no asset or liabilities are recognised and the lease expenses are recognised on a straight-line basis along the lease period. Under the new standard, “On Balance Sheet” accounting treatment is required for all leases, except for certain short-term leases and leases of low-value assets.

From the perspective as a lessor, HKFRS 16 substantially carried forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

就承租人而言，根據現有準則，租賃乃分類為融資租賃或經營租賃，因而導致不同會計處理方式。融資租賃須於「資產負債表內」(即租賃資產及相關負債於財務狀況表內確認)入賬；而經營租賃須於「資產負債表外」入賬，租賃期內並無資產或負債予以確認，而租賃開支乃以直線法確認。根據新準則，所有租賃(若干短期租賃及低值資產的租賃除外)均須採取「資產負債表內」的會計處理方式。

就出租人而言，香港財務報告準則第16號大致上轉承香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同之會計處理。

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2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

HKFRS 16, LEASES (Continued)

HKFRS 16 is effective for accounting period beginning on 1 January 2019. The Group plans to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$5,905,000 as disclosed in note 32 for which the lease term ends within 12 months of the date of initial application. The Group plans to take advantage of the practical expedients to account for leases with a remaining term of twelve months or less from the date of application as short-term leases (i.e. not to recognise on the statement of the financial position) even though the initial term of the leases from lease commencement date may have been more than twelve months. Accordingly, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statements from 2019 onwards.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

香港財務報告準則第16號於二零一九年一月一日開始之會計期間生效。本集團計劃就採納香港財務報告準則第16號而使用經修訂追溯法，並會於二零一九年一月一日將首次應用的累計影響確認為權益年初結餘調整，並不會重列比較資料。於二零一八年十二月三十一日，本集團不可撤銷經營租約承擔為5,905,000港元(如附註32所披露)，租賃期於初步應用日期12月內終止。本集團計劃利用權宜措施將自應用日期起為12個月或以下之剩餘租賃期列作短期租賃(即不在財務狀況表中確認)，即使自租賃開始日期起之租賃初始期可能超過12月。因此，本集團預計於初步採納香港財務報告準則第16號後所作之過渡性調整並不重大。然而，上文所述會計政策之預期變動可能對本集團於二零一九年以來之財務報表造成重大影響。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The financial statements on pages 85 to 227 have been prepared in accordance with HKFRSs issued by the HKICPA. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impact on the Group's financial statements, if any, are disclosed in note 2 to the financial statements.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4 to the financial statements.

3. 主要會計政策概要

3.1 編製基準

載於第85至227頁之財務報表已根據香港會計師公會頒佈之香港財務報告準則編製。該等財務報表亦符合香港公司條例及聯交所證券上市規則(「上市規則」)之適用披露規定。

編製該等財務報表所採用之主要會計政策概述如下。除另有說明者外，該等政策均貫徹應用於所呈報之所有年度。採納新訂或經修訂香港財務報告準則及對本集團財務報表之影響(如有)於財務報表附註2披露。

財務報表已按歷史成本基準編製，惟若干以公平值計量之金融工具除外。計量基準於下文會計政策內詳述。

務請注意，編製財務報表時已運用會計估計及假設。儘管該等估計乃基於管理層對現時事件及行動之一切所知及判斷，實際結果最終或會與該等估計有所差異。涉及高度判斷或複雜性之範疇或涉及對財務報表屬重大之假設及估計之範疇於財務報表附註4披露。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.1 BASIS OF PREPARATION (Continued)

The Group had incurred losses after tax of approximately HK\$82 million (2017: losses after tax of approximately HK\$185 million) and net operating cash outflows of approximately HK\$14 million (2017: net operating cash inflows of approximately HK\$62 million) for the year ended 31 December 2018. As at 31 December 2018, the Group's liabilities included borrowings with principal amount of approximately HK\$80 million (2017: Nil) which is repayable within three months from 31 December 2018 and the Group had cash and cash equivalents of approximately HK\$47 million (2017: HK\$88 million) and net assets of approximately HK\$15 million (2017: HK\$13 million). These conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern and therefore that, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above conditions, the financial statements were prepared based on the assumption that the Group can be operated as a going concern after taking into consideration of the following plans and measures:

3.1 編製基準(續)

本集團於截至二零一八年十二月三十一日止年度產生稅後虧損約82,000,000港元(二零一七年:稅後虧損約185,000,000港元)及經營現金流出淨額約14,000,000港元(二零一七年:經營現金流入淨額約62,000,000港元)。於二零一八年十二月三十一日,本集團之負債包括本金額約80,000,000港元(二零一七年:無)之借貸須於二零一八年十二月三十一日起計三個月內償還,本集團擁有現金及現金等同項目約47,000,000港元(二零一七年:88,000,000港元)及資產淨值約15,000,000港元(二零一七年:13,000,000港元)。此等情況表明存在重大不明朗因素,或會對本集團能否按持續基準繼續經營業務之能力產生疑問,因此,其可能無法於一般業務過程中變現其資產及償還負債。

儘管存在上述情況,財務報表乃經計及下列計劃及措施之代價後基於假設本集團能夠持續經營而編製:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.1 BASIS OF PREPARATION (Continued)

- subsequent to the end of the reporting period, the Group had entered into an agreement with an independent third party for borrowings of HK\$90 million due in June 2019, approximately HK\$84.8 million of which was applied for the settlement of borrowings as at 31 December 2018 as disclosed in note 25 with the remaining approximately HK\$5.2 million being applied as general working capital of the Group;
- the Group is soliciting for further financing arrangements which include placing of new shares to new potential investors, for the future repayment of borrowings of HK\$90 million due in June 2019 and general working capital purpose;
- the Group shall continuously review and monitor its receivables in order to ensure the receivables are recovered on time; and
- the Group shall expand its existing business from the proceeds received from the additional financing and shall continue to apply various measures to tighten its operating expenditures in order make improvements in cash inflow from its operations.

3.1 編製基準(續)

- 於報告期間結算日後，本集團與一名獨立第三方就於二零一九年六月到期之借款90,000,000港元訂立協議，其中約84,800,000港元已用於結算於二零一八年十二月三十一日之借款(如附註25所披露)，而餘下約5,200,000港元將用作本集團之一般營運資金；
- 本集團正在徵求進一步融資安排，包括向新潛在投資者配售新股份用於償還日後將於二零一九年六月到期之借款90,000,000港元及作一般營運資金用途；
- 本集團持續審閱及監察其應收賬款以確保應收賬款可按時收回；及
- 本集團將透過收取額外融資之所得款項擴展其現有業務，並將繼續採取多種措施縮緊營運開支以改善其自營運產生之現金流入。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.1 BASIS OF PREPARATION (Continued)

Having regard to the cash flow projections of the Group, which are prepared assuming that the above-mentioned plans and measures are successful, the directors of the Company are of the opinion that, the Group will have sufficient working capital to satisfy its future working capital and other financing requirements for at least the next twelve months from 31 December 2018. Accordingly, these financial statements were prepared on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets as current assets. The effect of these adjustments has not yet been reflected in the financial statements.

3.2 BUSINESS COMBINATION AND BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in consolidated profit or loss.

3.1 編製基準(續)

經考慮按假設上述計劃及措施取得成功而編製之本集團現金流量預測，本公司董事認為，本集團將具備足夠營運資金以滿足其自二零一八年十二月三十一日起至少未來十二個月之日後營運資金及其他資金需要。因此，該等財務報表乃按持續經營基準編製。

倘本集團無法繼續按持續基準經營業務，則須於財務報表作出調整以將資產價值撇減至其可收回金額，為可能產生之任何進一步負債作出撥備，以及將非流動資產重新分類為流動資產。此等調整之影響並未於財務報表內反映。

3.2 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團公司之間之內部公司交易及結餘連同未變現之溢利於編製綜合財務報表時悉數對銷。未變現虧損亦做對銷，除非是項交易提供已轉移資產之減值證據，則在綜合損益表中確認虧損。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 BUSINESS COMBINATION AND BASIS OF CONSOLIDATION (Continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amount of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

3. 主要會計政策概要(續)

3.2 業務合併及綜合基準(續)

年內購入或出售之附屬公司之業績自實際購入日期起或截至實際出售日期止(視情況而定)計入綜合損益及其他全面收益表。本公司會因應需要對附屬公司之財務報表作出調整，致使其會計政策與本集團其他成員公司所應用之會計政策一致。

屬現時擁有之權益且於清盤時賦予持有人按比例分佔實體淨資產權利之非控股權益，初步按非控股權益應佔被收購公司可識別資產淨值的已確認金額比例計量。即使會導致非控股權益出現虧絀結餘，損益及其他全面收益之各部分仍歸屬於本公司擁有人及非控股權益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 BUSINESS COMBINATION AND BASIS OF CONSOLIDATION

(Continued)

Acquisition of businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity. Goodwill is recognised initially as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of any acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of any acquirer's previously held equity interest in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain. Subsequent to initial recognition, goodwill is measured at cost less impairment losses.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and receivable and the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

3. 主要會計政策概要(續)

3.2 業務合併及綜合基準(續)

收購業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購之可識別資產及所承擔負債則主要按收購當日之公平值計量。所產生之收購相關成本列作開支，除非其產生自發行股本工具，在此情況下，有關成本自權益中扣除。商譽按所轉撥之代價、非控股權益於被收購公司中所佔金額及收購方以往持有被收購公司權益之公平值之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後之差額初步確認。倘經重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購公司中所佔金額及收購方以往持有被收購公司權益之公平值之總和，則差額即時於損益內確認為議價購入收益。於初步確認後，商譽按成本減減值虧損計量。

倘若本集團失去對附屬公司之控制權，則收益或虧損於損益內確認並按已收及應收代價之公平值總額與附屬公司資產(包括商譽)及負債以及任何非控股權益之先前賬面值之差額計算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 SUBSIDIARIES

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights relating to the investee (held by the Group and others) are considered. For a right to be substantive, the Group must have the practical ability to exercise that right. Control is reassessed when facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3.4 ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. 主要會計政策概要(續)

3.3 附屬公司

附屬公司指本集團控制之實體(包括結構性實體)。倘本集團對被投資方擁有權力、因參與被投資方業務而可就其可變回報承受風險或享有權利且能利用其於被投資方之權力影響該等可變回報之能力，則本集團對被投資方擁有控制權。於評估本集團是否有權力時，僅考慮(由本集團及其他方持有的)被投資方之實質權利。就實質權利而言，本集團須有實際能力行使該權利。倘有事實及情況顯示任何此等控制權因素之一項或多項可能有變，則會重新評估控制權。

於本公司財務狀況表中，於附屬公司之投資列賬為成本減減值虧損(如有)。附屬公司之業績乃由本公司按已收及應收股息基準入賬。

3.4 聯營公司

聯營公司指本集團對其擁有重大影響力之實體。重大影響力指對被投資方之財務及營運政策決策之參與權，但並非對該等政策之控制或共同控制權。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.4 ASSOCIATES (Continued)

In consolidated financial statements, the investments in associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the post-acquisition change in the Group's share of net assets and any impairment losses relating to the investment. The Group's share of the post-acquisition, post-tax results of the investees, including any impairment losses on the investments in associates for the year, are recognised in the consolidated profit or loss, whereas the Group's share of the post-acquisition, post-tax items of the investees' other comprehensive income are recognised in other comprehensive income of the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the consolidated profit or loss in the period in which the investment is acquired.

3.4 聯營公司(續)

於綜合財務報表中，於聯營公司之投資乃使用權益法入賬，據此，其初步按成本確認，其後，其賬面值會就本集團應佔是項投資之淨資產及任何減值虧損之收購後變動作出調整。本集團所佔被投資方之收購後稅後業績（包括年內於聯營公司投資之任何減值虧損）於綜合損益確認，而本集團所佔被投資方於其他全面收益之收購後稅後項目，則在本集團之其他全面收益中確認。倘本集團所佔聯營公司虧損超過本集團於該聯營公司之權益，則本集團終止確認其所佔之額外虧損。額外虧損僅於本集團產生法律或推定責任或代表聯營公司付款時方會確認。

就收購於聯營公司之投資而言，投資成本與本集團所佔被投資方之可識別資產及負債之公平淨值之任何差額乃確認為商譽，並計入投資之賬面值。本集團所佔可識別資產及負債之公平淨值與投資成本之任何差額，經重估後，即時於收購投資期間之綜合損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.4 ASSOCIATES (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associates. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are immediately recognised in profit or loss.

Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. The difference between the carrying amount of the associate at the date when the equity method was discontinued and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

3.4 聯營公司(續)

本集團與其聯營公司間之交易所產生之未變現溢利及虧損，僅以非關連投資者於該等聯營公司之權益為限予以確認。投資者應佔聯營公司自該等交易產生之溢利及虧損，會與該聯營公司之賬面值對銷，惟倘未變現虧損提供已轉讓資產之減值證據除外，在該情況下，其會即時於損益內確認。

倘聯營公司所用會計政策並非本集團於同類情況下就類似交易及事件所採用者，本集團於應用權益法使用聯營公司之財務報表時會作出調整，以使該聯營公司之會計政策與本集團所採用者一致。

本集團自投資不再為聯營公司當日起終止使用權益法。聯營公司於終止採用權益法當日之賬面值與出售聯營公司部分權益之任何所得款項之差額，會於釐定出售該聯營公司之收益或虧損時入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.5 FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company. All value are rounded to the nearest thousand except when otherwise indicated.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the foreign exchange rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.5 外幣換算

財務報表以港元(「港元」)呈列，港元亦為本公司之功能貨幣。除另有指明外，所有價值均湊整至最接近之千元。

於各綜合實體之個別財務報表內，外幣交易均按交易當日之匯率換算為個別實體之功能貨幣。於報告日期，以外幣計值之貨幣資產及負債按照該日之現行匯率換算。結算以及於報告日期重新換算貨幣資產及負債而產生之外匯收益及虧損，均於損益中確認。以外幣計值按公平值入賬之非貨幣項目按釐定公平值當日之現行匯率重新換算，並作為部分公平值收益或虧損而呈報。以外幣及按過往成本計算之非貨幣項目不進行重新換算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.5 FOREIGN CURRENCY TRANSLATION (Continued)

3.5 外幣換算(續)

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rate at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in currency translation reserve in equity and attributable to non-controlling interests as appropriate. Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

On disposal of a foreign operation involving loss of control over a subsidiary or significant influence over an associate that includes a foreign operation, the cumulative exchange differences relating to that foreign operation accumulated in currency translation reserve are reclassified from equity to profit or loss as part of the gain or loss on disposal.

於綜合財務報表內，所有海外業務之個別財務報表（原先以不同於本集團呈報貨幣之貨幣呈列）已兌換為港元。資產及負債已按照報告日期之收市匯率換算為港元。收入及開支則按交易日期之匯率或在匯率並無重大波動下按報告期間之平均匯率換算為港元。任何經此程序產生之差額已於其他全面收益中確認及分開累計於權益之貨幣換算儲備內，並列為非控股權益應佔（倘適用）。透過收購海外業務所收購之可識別資產及所承擔之負債之商譽及公平值調整乃作為海外業務之資產及負債處理，並按於報告期結算日之適用匯率進行換算。產生之匯兌差額乃於其他全面收益確認。

當出售海外業務而涉及失去對一間包括海外業務的附屬公司之控制權或一間包括海外業務的聯營公司之重大影響力時，於貨幣換算儲備積累有關該海外業務之累計匯兌差額由權益重新分類為損益，作為出售盈虧之一部分。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.6 FEE AND COMMISSION INCOME

Fee and commission income is recognised when the Group transfers control of service to a customer and is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, fee and commission income is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

The Group's recognition policies for fee and commission income since 1 January 2018 in relation to the following services are as follows. Fee and commission income for these services was recognised on a similar basis in the comparative period under HKAS 11.

3.6 費用及佣金收入

費用及佣金收入於本集團將服務之控制權轉移至客戶時確認，按本集團於客戶合約中預期有權收取之代價計量，且不包括代表第三方收取之金額。

倘合約載有向客戶提供超過12個月之重大融資利益之融資組成部分，則費用及佣金收入按應收金額之現值計量，並使用反映於與有關客戶之個別融資交易之貼現率貼現，且利息收入根據實際利率法分開應計。倘合約載有向本集團提供重大融資利益之融資組成部分，則根據該合約確認之收入包括根據實際利率法合約責任附有之利息開支。本集團利用香港財務報告準則第15號第63段之權宜措施，並無於倘融資期為12個月或以下而就重大融資組成部分之任何影響調整代價。

本集團自二零一八年一月一日起就以下有關服務收取費用及佣金收入之確認政策載列如下。就該等服務收取之費用及佣金收入乃根據香港會計準則第11號按比較期間之類似基準進行確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 FEE AND COMMISSION INCOME (Continued)

(A) FUND AND PORTFOLIO MANAGEMENT AND INVESTMENT ADVISORY SERVICES

The Group earns management and investment advisory fees from investment funds and portfolio from managing clients' assets, at a fixed percentage of monthly net asset value or invested capital. The fees are recognised over the period when the related services are performed as customers simultaneously consume and receive benefits when services are rendered. Management and investment advisory fees are a form of variable consideration because the fees the Group entitled to is subject to a broad range of possible outcomes due to market volatility and other factors outside of the Group's control. Fees are billed on a regular basis (typically monthly, quarterly and semi-annually of a calendar year) and are earned to the extent that a significant reversal in future is not highly probable in accordance with specific terms of individual contracts. Generally, fees are not subject to clawback when they are billed.

The Group also earns performance and incentive fees based on fund performance during the measurement period (generally over twelve-months), subject to the achievement of high-water marks or hurdle rates, in accordance with the respective terms set out in the investment management agreement. The fees are recognised as revenue when it is probable that a significant reversal of such fees will not occur. Performance and incentive fees are recognised as revenue when the amount of fees is crystallised or is no longer subject to fluctuations in the market value of investments held by the fund at the end of the measurement period and are not subject to clawback or reversal.

3. 主要會計政策概要(續)

3.6 費用及佣金收入(續)

(A) 基金及投資組合管理以及投資顧問服務

本集團按每月資產淨值或投資資本之固定百分比賺取來自管理客戶資產之投資基金及投資組合之管理及投資顧問費。由於客戶於提供服務時同時消費及收取利益，故有關費用於提供相關服務之期間確認。管理以及投資顧問費為一種可變代價形式，因為本集團有權收取之費用由於市場波動及本集團無法控制之其他因素而受到大量可能結果之影響。有關費用定期(通常為曆年之月度、季度及半年度)開具發票，並且根據個別合約之具體條款不太可能在未來發生重大撥回之情況下收取。一般情況下，費用一旦開具發票則不可回撥。

本集團亦根據投資管理協議所載之有關條款，賺取基於計量期(一般超過12個月)內基金表現之表現及獎勵費，惟須達致高水位或最初增幅目標。有關費用於可能不會發生重大撥回時確認為收益。表現及獎勵費於計量期末確認有關費用金額或不再受基金所持有投資之市值波動影響時確認為收益，且不可回撥或撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 FEE AND COMMISSION INCOME (Continued)

(B) SECURITIES AND FUTURES BROKERAGE SERVICES

The Group earns commissions from execution of client transactions in the trading securities and listed derivatives. The execution of client transactions also included settlement and clearing services, which are provided together and represent a single performance obligation as the services are not separately identifiable from other promises within the context of the contract. Commissions are recognised at a point in time on trade date when the performance obligation is satisfied, that is when the customer obtained the rights to the underlying financial instruments.

(C) UNDERWRITING AND PLACEMENT SERVICES

The Group earns underwriting and placing commissions by providing capital raising services for corporate clients. Underwriting and placing fees are recognised at a point in time on trade date (the date on which the Group purchases the securities from the issuer) for the portion the Group is contracted to buy, at which point of time the performance obligation has been satisfied.

3. 主要會計政策概要(續)

3.6 費用及佣金收入(續)

(B) 證券及期貨經紀服務

本集團自執行客戶之買賣證券及上市衍生工具之交易中賺取佣金。執行客戶交易亦包括結算及清算服務，該等服務乃一併提供並代表單一表現責任，原因是服務於合約內並無與其他承諾單獨識別。佣金於交易日(表現責任獲達成時，即客戶已獲得相關金融工具之權利時)之某個時間點確認。

(C) 承銷及配售服務

本集團透過為企業客戶提供融資服務而賺取承銷及配售佣金。承銷及配售費用於本集團訂約購買之部分之交易日(本集團自發行人購買證券當日)之某個時間點確認，於該時間點表現責任已獲達成。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 FEE AND COMMISSION INCOME (Continued)

(D) FINANCIAL ADVISORY SERVICES

The Group earns financial advisory fee income from assignments in connection with mergers, acquisitions and restructuring transactions. The Group's performance obligation is generally satisfied at a point in time upon closing of a transaction, at which point of time the Group has transferred and the customer obtains control of the promised service. Non-refundable deposits and milestone payments are initially recorded as contract liability in the statement of financial position and subsequently recognised in revenue upon completion of the underlying transaction or when the contract is terminated. However, for certain contracts, revenue is recognised over time for advisory arrangements in which the performance obligations are simultaneously provided by the Group and consumed by the customers and the fee from these advisory services are recognised rateably over the service period. Expenses associated with financial advisory assignments are generally reimbursed from client. Reimbursements for such expenses are included in financial advisory fee income.

3.7 BORROWING COSTS

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised as part of the cost of that asset during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

3. 主要會計政策概要(續)

3.6 費用及佣金收入(續)

(D) 財務顧問服務

本集團自承接合併、收購及重組交易中賺取財務顧問費收入。本集團之表現責任一般於交易完成後之某個時間點，即本集團已轉移而客戶取得承諾服務之控制權時達成。不可退還按金及進度付款初步於財務狀況表中列為合約負債，其後於完成有關交易或終止合約時方會確認為收益。然而，就若干合約而言，顧問安排之收益會隨時間流逝而確認，其中表現責任由本集團提供之同時由客戶消費，該等顧問服務之費用於服務期間按比例確認。與承接財務顧問事宜相關之費用一般由客戶報銷。有關開支之報銷金額計入財務顧問費收入。

3.7 借貸成本

收購、建設或生產任何合資格資產所產生之借貸成本，於完成及將資產達致擬定用途所需時間期限內資本化，作資產成本其中部分。合資格資產為需要長時間達到擬定用途或銷售狀況之資產。其他借貸成本於產生時支銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.8 TRADING RIGHTS

Trading rights represent the eligibility rights to trade on or through Hong Kong Futures Exchange Limited and the Stock Exchange. Trading rights acquired separately are measured initially at cost. The cost of trading rights acquired in a business combination is its fair value at the acquisition date. After initial recognition, trading rights with indefinite useful lives are carried at cost less any accumulated impairment losses. The useful life of trading rights that is indefinite is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

3.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less any accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss of the financial period in which they are incurred.

Depreciation is provided to write off the cost less their estimated residual value over their estimated useful lives, using the straight-line method, as follows:

Leasehold improvements	Over the lease terms
Furniture, fixtures and equipment	15% – 20%
Motor vehicles	20%

3.8 買賣權

買賣權指於或透過香港期貨交易所有限公司及聯交所進行買賣之合法權利。獨立收購之買賣權初步按成本計量。於業務合併中收購買賣權之成本為其於收購日期之公平值。於初步確認後，具無限使用年期之買賣權按成本減任何累計減值虧損列賬。具無限使用年期之買賣權每年進行檢討，以釐定有關事件及情況是否繼續支持無限使用年期之評估。

3.9 物業、廠房及設備

物業、廠房及設備按成本減任何累計折舊及任何減值虧損入賬。其後成本僅於與該項目相關之日後經濟利益有可能流入本集團，且該項目之成本能可靠計算時，方會計入資產之賬面值或確認為獨立資產（視乎情況而定）。所有其他成本（如維修及保養）均於產生之財政期間自損益中扣除。

折舊於估計可使用年期以直線法撇銷成本減估計剩餘價值計提如下：

租賃物業裝修	於租賃期內
傢俬、固定裝置及設備	15% – 20%
汽車	20%

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.9 PROPERTY, PLANT AND EQUIPMENT (Continued)

The assets' estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss.

3.10 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

Payments made under operating leases are charged to profit or loss on straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss over the lease terms as an integral part of the aggregate net lease payments made.

3.9 物業、廠房及設備(續)

資產之估計剩餘價值、折舊方法及估計可使用年期於每個報告日期進行檢討，並於適用時作出調整。

廢棄或出售產生之收益或虧損，按出售所得款項淨額(如有)與資產賬面值之差額釐定，並於損益中確認。

3.10 租約

凡租約條款把擁有權之絕大部分風險及回報撥歸承租人之租約均列為融資租約。所有其他租約均列為經營租約。

根據經營租約支付之款項按直線法於租期內自損益扣除，惟倘出現其他基準更能代表租賃資產產生利益之時間模式除外。已收租金優惠於租期內作為所支付租金總淨額之組成部分於損益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS

3.11 金融工具

(A) FINANCIAL ASSETS

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Trade receivable without a significant financing component is initially measured at transaction price. All other financial assets are initially measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when, and only when, the contractual rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount of assets derecognised and the sum of the consideration received and receivable is recognised in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets under a contract whose terms that require delivery of assets within the time frame established generally by regulation or convention in the marketplace concerned.

(A) 金融資產

貿易應收賬款於產生時作初次確認。所有其他金融資產於及僅於本集團成為工具合約條文之訂約方時予以初次確認。並無重大融資部分之貿易應收賬款初步按交易價計量。所有其他金融資產初步按公平值計量，如屬並非按公平值計入損益之金融資產，則另加直接應佔交易成本。

僅從金融資產收取現金流之合約權利屆滿或已轉讓及擁有權之絕大部分風險及回報已轉讓時，方會取消確認金融資產。全數取消確認金融資產時，取消確認資產賬面值與已收及應收代價總額間之差額於損益確認。

所有日常金融資產買賣於交易日確認及取消確認。日常買賣乃指根據合約條款需按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Classification and measurement since 1 January 2018

Financial assets of the Group are classified into (i) financial assets measured at amortised cost and (ii) financial assets measured at fair value through profit or loss. The classification is determined by both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. Interest income and any gain or loss on derecognition are recognised in profit or loss.

3.11 金融工具(續)

(A) 金融資產(續)

自二零一八年一月一日起之分類及計量

本集團之金融資產分類為(i)按攤銷成本計量之金融資產及(ii)按公平值計入損益計量之金融資產。分類透過實體管理金融資產之業務模式及金融資產之合約現金流量特徵釐定。

倘金融資產為以持有金融資產及收取合約現金流量為目的之業務模式中持有；及金融資產合約條款產生之現金流量純為支付本金及未償還本金之利息時，金融資產按攤銷成本計量。初步確認後，金融資產按實際利率法以攤銷成本計量。對於隨後以攤銷成本計量的債務工具，利息收入乃使用實際利率法確認。利息收入乃根據對金融資產的總賬面值應用實際利率計算，惟隨後出現信貸減值的金融資產除外。終止確認時，利息收入及任何收益或虧損於損益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Classification and measurement since 1 January 2018 (Continued)

Financial assets that do not meet the criteria for being measured at amortised cost and that are held within a business model other than “hold to collect and sell” are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

Classification and measurement prior to 1 January 2018

Financial assets of the Group are classified into (i) loans and receivables and (ii) financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised on time-proportion basis taking into account the principal outstanding and effective interest rate applicable.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(A) 金融資產(續)

自二零一八年一月一日起之分類及計量(續)

金融資產如不符合按攤銷成本計量之條件並於除「持作收回及出售」以外之業務模式內持有時按公平值計入損益計量。於各報告期間結算日，按公平值計入損益之金融資產隨後按公平值計量，而任何公平值收益或虧損於損益確認。於損益確認之收益或虧損淨值不包括就金融資產所賺取之任何股息或利息。

於二零一八年一月一日前之分類及計量

本集團金融資產分類為(i)貸款及應收賬款及(ii)按公平值計入損益之金融資產。

貸款及應收賬款指可按固定或待定數額收款而並無活躍市場報價之非衍生金融資產。於初步確認後，貸款及應收賬款均按實際利率法以攤銷成本扣減任何減值計量。利息收入根據未償還本金額及適用實際利率，按時間比例確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

3.11 金融工具(續)

(A) FINANCIAL ASSETS (Continued)

(A) 金融資產(續)

Classification and measurement prior to 1 January 2018 (Continued)

於二零一八年一月一日前之分類及計量(續)

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling it in the near term, or on initial recognition, they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognised in profit or loss. Fair value gain or loss does not include any dividend or interest earned on these financial assets.

按公平值計入損益之金融資產包括持作買賣用途之金融資產。倘金融資產獲收購之目的為於不久之將來出售，或於初步確認時，其為集中管理之已識別金融工具組合之一部分，並有證據證明於近期形成短期獲利之實際模式，則分類為持作買賣用途。衍生工具(包括獨立內含衍生工具)亦分類為持作買賣用途，除非其被指定為有效對沖工具。於初步確認後，按公平值計入損益之金融資產乃按公平值計量，而公平值變動則於損益確認。公平值收益或虧損不包括該等金融資產賺取所得之任何股息或利息。

Impairment of financial assets since 1 January 2018

自二零一八年一月一日起之金融資產減值

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses, which are measured as the present value of the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive (i.e. expected cash shortfalls). The expected cash shortfalls are discounted at the effective interest rate of the financial assets. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

本集團就按攤銷成本計量之債務工具投資確認預期信貸損失之減值準備。預期信貸損失(「預期信貸損失」)為信貸損失之概率加權估計值，其按根據合約應付本集團之現金流量與本集團預期收取之現金流量(即預期現金差額)差額之現值計量。預期現金差額按金融資產之實際利率貼現。預期信貸損失之金額於各報告日期更新，以反映自各金融工具初步確認起信貸風險之變化。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets since 1 January 2018
(Continued)

The Group always recognises lifetime ECLs for trade receivables that result from transactions that are within the scope of HKFRS 15. Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial assets measured at amortised cost, when the credit risk on a financial instrument has not increased significantly since initial recognition (i.e. stage 1), the Group is required to measure the loss allowance for a financial instrument at an amount equal to 12-month ECLs, which represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. When the credit risk on that financial instrument has increased significantly since initial recognition (i.e. stage 2) or when the financial instrument is a credit-impaired financial asset (i.e. stage 3), the Group recognised lifetime ECLs.

3.11 金融工具(續)

(A) 金融資產(續)

*自二零一八年一月一日起之
金融資產減值(續)*

本集團始終就香港財務報告準則第15號範圍內交易產生之貿易應收賬款確認終身預期信貸損失。終身預期信貸損失指於金融工具預期年內發生的所有可能違約事件所導致的預期信貸損失。該等金融資產之預期信貸損失乃使用根據本集團過往信貸損失經驗計算的撥備矩陣進行估計，並就債務人之特定因素、整體經濟狀況及對於報告日期之現時狀況及預測動向的評估作出調整。

就按攤銷成本計量之所有其他金融資產而言，倘金融工具信貸風險自初步確認以來並無顯著上升(即第一階段)，則本集團須按12個月預期信貸損失之相同金額計量該金融工具之損失撥備，12個月預期信貸損失指金融工具於報告日期後12個月內可能發生之違約事件預計產生之終身預期信貸損失部分。倘金融工具信貸風險自初步確認以來顯著上升(即第二階段)或倘金融工具為信貸已減值之金融資產(即第三階段)，則本集團確認終身預期信貸損失。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets since 1 January 2018
(Continued)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- significant increases in credit risk on other financial instruments of the same debtor.

3.11 金融工具(續)

(A) 金融資產(續)

*自二零一八年一月一日起之
金融資產減值(續)*

於評估金融工具之信貸風險是否自初步確認以來顯著上升時，本集團比較金融工具於報告日期出現違約之風險與該金融工具於初步確認日期出現違約之風險。作此評估時，本集團均會考慮合理及有理據之定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得之前瞻性資料。尤其是，評估信貸風險是否自初步確認以來顯著上升時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級之實際或預期重大惡化；
- 預期將導致債務人履行其債務責任之能力大幅下降之業務、財務或經濟狀況之現有或預測不利變動；
- 債務人經營業績之實際或預期重大惡化；或
- 同一債務人其他金融工具之信貸風險顯著上升。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets since 1 January 2018
(Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group also considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade".

3.11 金融工具(續)

(A) 金融資產(續)

自二零一八年一月一日起之
金融資產減值(續)

無論上述評估的結果如何，本集團假設倘合約付款逾期超過30天，則金融資產之信貸風險自初步確認以來已顯著上升，除非本集團有能說明信貸風險並未顯著上升之合理可靠資料，則作別論。

根據金融工具之性質，信貸風險顯著上升之評估按個別基準或共同基準進行。當評估以共同基準進行時，會按照金融工具之共同信貸風險特徵(例如逾期狀態及信貸風險評級)歸類。

儘管有上述規定，若於報告日期金融工具被判定為具有較低信貸風險，本集團會假設金融工具之信貸風險自初步確認以來並未顯著上升。在以下情況下，金融工具會被判定為具有較低信貸風險：(i) 金融工具具有較低違約風險；(ii) 借款人有很強能力履行近期之合約現金流量義務；及(iii) 經濟及商業狀況之長期不利變動有可能但未必會降低借款人履行合約現金流量義務之能力。本集團亦認為，倘金融資產之內部或外部信貸測評為「投資級」，則該金融資產具有較低信貸風險。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets since 1 January 2018
(Continued)

On the other hand, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- a breach of contract, such as a default or past due event.

3.11 金融工具(續)

(A) 金融資產(續)

*自二零一八年一月一日起之
金融資產減值(續)*

另一方面，當發生一項或多項對金融資產估計未來現金流量有不利影響之事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

- 發行人或借款人陷入重大財務困難；
- 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件；
- 借款人可能會破產或進行其他財務重組；或
- 違反合約，如違約或逾期事件。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets since 1 January 2018
(Continued)

In addition, the Group considers that an event of default occurs when there is a breach of financial covenants by the counterparty; or information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.11 金融工具(續)

(A) 金融資產(續)

*自二零一八年一月一日起之
金融資產減值(續)*

此外，本集團認為，倘對手方違反財務契諾；或內部生成之或自外部資源獲得之資料顯示債務人不太可能向其債權人(包括本集團)悉數付款(不考慮本集團持有之任何抵押品)，則發生違約事件。無論上述情形如何，本集團認為，倘金融資產逾期超過90天，則發生違約事件，除非本集團有能說明更寬鬆的違約標準更為合適的合理可靠資料，則作別論。

本集團於損益中確認所有金融工具之減值收益或虧損，並透過損失撥備賬相應調整其賬面值。本集團在有資料顯示對手方陷入嚴重財務困難，且無實際收回可能之時(例如對手方遭受清盤或已進入破產程序)撤銷金融資產。在考慮法律意見(如適當)後，已撤銷金融資產仍可根據本集團之收回程序實施強制執行。任何收回款項於損益中確認。

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截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets prior to 1 January 2018

At each reporting date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- (i) significant financial difficulty of the debtor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- (iv) granting concession to a debtor because of the debtor's financial difficulty.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

3.11 金融工具(續)

(A) 金融資產(續)

於二零一八年一月一日前之金融資產減值

於每個報告日期，貸款及應收賬款予以審閱，以確定是否有任何減值之客觀憑證。個別金融資產之客觀減值證據包括本集團注意到下列一項或多項虧損事件之可觀察數據：

- (i) 債務人陷入重大財政困難；
- (ii) 違反合約，例如：拖欠或逾期支付利息或本金；
- (iii) 債務人很可能破產或進行其他財務重組；或
- (iv) 因債務人有財政困難而給予債務人優惠。

一組金融資產之虧損事件包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現逆轉。

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截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets prior to 1 January 2018 (Continued)

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss of the financial period in which the impairment occurs. If, in a subsequent period, the amount of the impairment loss on loans and receivables decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the financial period in which the reversal occurs.

Where the recovery of loans and receivables is considered doubtful but not remote, the impairment losses are recorded using an allowance account. When the Group considered that recovery of receivables is remote, the amount considered irrecoverable is written off against the receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(A) 金融資產(續)

於二零一八年一月一日前之金融資產減值(續)

倘有客觀證據顯示貸款及應收賬款已產生減值虧損，則虧損金額按資產賬面值與按金融資產之原實際利率折現之估計未來現金流量(不包括尚未產生之未來信貸虧損)之現值之差額計量。虧損金額於減值產生之財務期間之損益中確認。倘於其後期間，貸款及應收賬款之減值虧損金額減少且該減少客觀上與減值確認後發生之事件有關，則過往確認之減值虧損會予以撥回，惟撥回不應使金融資產之賬面值超過於減值撥回日期尚未確認減值時之攤銷成本。撥回金額於其產生財務期間之損益中確認。

倘貸款及應收賬款被認為有可能但並非不能收回，則減值虧損會使用撥備賬列賬。當本集團認為不大可能收回應收賬款時，則被認為屬不可收回之金額乃直接自應收賬款撇銷，而於撥備賬內就有關應收賬款持有之任何金額會予以撥回。其後收回過往自撥備賬扣除之金額乃撥回至撥備賬。撥備賬之其他變動及其後收回過往直接撇銷之金額乃於損益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL LIABILITIES

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial liabilities are recognised initially, they are measured at fair value, less, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities are derecognised when, and only when, the obligation under the financial liabilities is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amount is recognised in profit or loss.

Financial liabilities of the Group are classified into financial liabilities measured at amortised cost. Financial liabilities at amortised cost are subsequently measured at amortised cost, using effective interest method. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(B) 金融負債

金融負債於及僅於本集團參與訂立工具之合約協議時確認。當金融負債初步確認時，倘其並非按公平值計入損益，則按公平值減直接應佔交易成本計量。

金融負債於及僅於金融負債責任履行或註銷或到期時取消確認。取消確認之金融負債之賬面值與已付及應付代價之間之差額於損益中確認。倘一項現有金融負債被相同借款人按基本上不同之條款提供之其他負債取代，或現有金融負債條款被重大修改，該取代或修改會被視作取消確認原有金融負債及確認一項新金融負債，且各有關賬面值間之差額會於損益中確認。

本集團之金融負債被分類為按攤銷成本計量之金融負債。按攤銷成本列賬之金融負債其後採用實際利率法按攤銷成本計量。所有與利息相關開支根據本集團借貸成本之會計政策確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

3.11 金融工具(續)

(C) CONVERTIBLE BONDS

Convertible bonds issued by the Company and subsidiaries that contain both the host liability component, conversion option component and other embedded derivatives components (such as early redemption option) which are not closely related to the host liability component are classified separately into their respective items on initial recognition.

Conversion option that will be settled by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments is classified as an equity instrument. Conversion option that will be settled by the issuer other than exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments is a conversion option derivative. Derivatives embedded in host contracts are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts and the host contract are not held for trading or designated as at fair value through profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability, derivative and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the period of the convertible bonds using the effective interest method. Transaction costs relating to the derivative component are recognised in profit or loss immediately. Transaction costs relating to the equity component are recognised directly in equity.

(C) 可換股債券

本公司及附屬公司所發行可換股債券包含主負債部分、兌換權部分及與主負債部分並非密切相關之其他內含衍生工具部分(如提前贖回選擇權)，於初步確認時被分開分類至其各自項目。

發行人將透過用固定金額之現金或另一金融資產交換其自身固定數目之股本工具而行使之兌換權將被分類為股本工具。發行人將透過用固定金額之現金或另一金融資產交換其自身固定數目之股本工具以外之方式行使之兌換權為兌換權衍生工具。倘主合約內含之衍生工具之經濟特徵及風險與主合約所具有者並不密切相關，且主合約並非持作買賣或指定按公平值計入損益，則有關衍生工具按獨立之衍生工具入賬。

與發行可換股債券有關之交易成本按所得款項總額之分配比例分配至負債、衍生工具及權益部分。有關負債部分之交易成本計入負債部分之賬面值，並採用實際利率法於可換股債券期間內攤銷。與衍生工具部分有關之交易成本即時於損益中確認。有關權益部分之交易成本直接於權益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(C) CONVERTIBLE BONDS (Continued)

Convertible bonds (convertible into ordinary shares of the Company) containing liability and equity components and multiple embedded derivatives

Multiple embedded derivatives are generally treated as a single compound derivative. At the date of initial recognition, both the liability and compound derivative components are recognised at fair value. The equity component is determined by deducting the amount of the liability and compound derivative components from the fair value of the convertible bonds and is included in convertible bond equity reserve within equity.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The compound derivative component is measured at fair value with changes in fair value recognised in profit or loss. The equity component will remain in convertible bond equity reserve until the conversion option is exercised (in which case the amount included in convertible bond equity reserve, the fair value of the embedded derivative component and the carrying value of the liability component at the time of conversion are transferred to share capital and share premium as consideration for the shares of the Company issued). Where the conversion option remains unexercised at the expiry dates, the balance stated in convertible bond equity reserve will be released to the retained profits/accumulated losses and the difference between the redemption amount and the carrying amounts of the liability and the embedded derivative components is recognised in profit or loss.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(C) 可換股債券(續)

包含負債及權益部分以及多個內含衍生工具之可換股債券(可兌換為本公司普通股)

多個內含衍生工具通常被視為單一複合衍生工具。於初步確認日期，負債及複合衍生工具部分按公平值確認。權益部分透過自可換股債券之公平值扣除負債及複合衍生工具部分之金額釐定，並計入權益內之可換股債券權益儲備。

於其後期間，可換股債券之負債部分乃採用實際利率法按攤銷成本入賬。複合衍生工具部分按公平值計量，公平值變動於損益確認。權益部分將繼續留在可換股債券權益儲備內，直至兌換權獲行使為止(於此情況下，兌換時計入可換股債券權益儲備之金額、內含衍生工具部分之公平值及負債部分之賬面值作為已發行本公司股份之代價轉撥至股本及股份溢價)。倘兌換權於到期日仍未獲行使，可換股債券權益儲備所載之結餘將撥回保留溢利／累計虧損，而負債及內含衍生工具部分之贖回金額與賬面值間之差額於損益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(C) CONVERTIBLE BONDS (Continued)

Convertible bonds (convertible into ordinary shares of the Company) containing liability and equity components

At the date of initial recognition, the liability component is recognised at fair value. The equity component is determined by deducting the amount of the liability component from the fair value of the convertible bonds and is included in convertible bond equity reserve within equity.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component will remain in convertible bond equity reserve until the conversion option is exercised (in which case the amount included in convertible bond equity reserve and the carrying value of the liability component at the time of conversion are transferred to share capital and share premium as consideration for the shares of the Company issued). Where the conversion option remains unexercised at the expiry dates, the balance stated in convertible bond equity reserve will be released to the retained profits/accumulated losses.

3.11 金融工具(續)

(C) 可換股債券(續)

包含負債及權益部分之可換股債券(可兌換為本公司普通股)

於初步確認日期，負債部分按公平值確認。權益部分透過自可換股債券公平值扣除負債部分之金額釐定，並計入權益內之可換股債券權益儲備。

於其後期間，可換股債券之負債部分乃採用實際利率法按攤銷成本入賬。權益部分將繼續留在可換股債券權益儲備內，直至兌換權獲行使為止(於此情況下，兌換時計入可換股債券權益儲備之金額及負債部分之賬面值作為已發行本公司股份之代價轉撥至股本及股份溢價)。倘兌換權於到期日仍未獲行使，可換股債券權益儲備所載之結餘將撥回保留溢利／累計虧損。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

3.11 金融工具(續)

(C) CONVERTIBLE BONDS (Continued)

Convertible bonds (convertible into ordinary shares of subsidiaries) containing liability and equity components

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds on issuing of the convertible bonds and the fair value assigned to the liability component, representing the option for the holder to convert the bonds into ordinary shares of the subsidiary, is included in non-controlling interests within equity.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the bonds into ordinary shares of the subsidiary, will remain in non-controlling interests. When the conversion option is exercised, the carrying value of the liability component at the time of conversion is transferred to the non-controlling interests as consideration for the shares of the subsidiary issued. Where the conversion option remains unexercised at the expiry dates, the balance stated in the non-controlling interests will be released to the retained profits/accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

(C) 可換股債券(續)

包含負債及權益部分之可換股債券(可兌換為附屬公司普通股)

於初步確認時，負債部分之公平值乃採用類似不可兌換債務之現行市場利率釐定。發行可換股債券所得款項與持有人將債券兌換為附屬公司普通股之選擇權代表之負債部分獲分配之公平值間之差額計入權益內之非控股權益。

於其後期間，可換股債券之負債部分乃採用實際利率法按攤銷成本入賬。將債券兌換為附屬公司普通股之選擇權代表之權益部分將繼續留在非控股權益內。倘兌換權獲行使，兌換時負債部分之賬面值作為已發行附屬公司股份之代價轉撥至非控股權益。倘兌換權於到期日仍未獲行使，非控股權益所載之結餘將撥回保留溢利／累計虧損。選擇權兌換或到期時概不確認收益或虧損。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(D) OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount are presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(E) EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3.12 ACCOUNTING FOR INCOME TAXES

Income taxes comprise current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

3.11 金融工具(續)

(D) 抵銷金融工具

當(及僅當)本集團現時擁有於法律上可強制執行之權利,有權抵銷已確認金額,並有意按淨額基準結算或同時變現資產及結算負債時,金融資產及金融負債便會予以抵銷,淨額則於綜合財務狀況表呈列。

(E) 股本工具

股本工具指能證明某一實體資產剩餘權益(已扣除其所有負債)之任何合約。本集團所發行之股本工具按已收所得款項扣除直接發行成本確認。

3.12 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括就當前或以往報告期間須向稅務機構承擔或由稅務機關提出但於報告日期尚未支付之責任或申索。該等金額乃基於該年度應課稅溢利,根據有關財務期間適用之稅率及稅法計算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 ACCOUNTING FOR INCOME TAXES (Continued)

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply to the period when the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the reporting date.

Current tax and changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity, respectively.

3. 主要會計政策概要(續)

3.12 所得稅會計處理(續)

於報告日期，遞延稅項採用負債法就財務報表中資產及負債之賬面值與彼等各自稅基間之暫時差額計算。遞延稅項負債通常就所有應課稅暫時差額予以確認。遞延稅項資產通常就所有可抵扣暫時差額、可滾存之稅項虧損及其他未使用稅項抵免予以確認，惟應以能抵銷該可抵扣暫時差額、未使用之稅項虧損及未使用之稅項抵免之可能出現之未來應繳稅溢利(包括現有應課稅暫時差額)數額為限。

倘暫時差額乃由商譽或由既不影響應課稅亦不影響會計溢利或虧損之交易中之資產及負債之初步確認(不包括業務合併)產生，則不會確認遞延稅項資產及負債。

遞延稅項負債就投資於附屬公司及聯營公司而產生之應課稅暫時差額確認，惟倘本集團可控制暫時差額之撥回及暫時差額不大可能於可見將來撥回之情況則除外。

未計折現之遞延稅項乃按預期於結清負債或資產變現期間適用，並假設於報告日期已頒佈或實質上已頒佈之稅率計算。

倘遞延稅項資產或負債之即期稅項及變動涉及於其他全面收益或直接於權益中扣除或計入之項目，則分別於損益或其他全面收益，或直接於權益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 ACCOUNTING FOR INCOME TAXES (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax assets and current tax liabilities are presented in net if, and only if, (a) the Group has a legally enforceable right to set off the recognised amounts; and (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if, (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. 主要會計政策概要(續)

3.12 所得稅會計處理(續)

遞延稅項資產之賬面值會於各報告期結算日進行檢討，並在不再可能產生足夠的應課稅溢利以使用有關的稅務利益時作調減。倘可能存在足夠的應課稅溢利供利用，則任何該等扣減將被撥回。

當且僅當(a)本集團具有可抵銷已確認金額之依法可強制執行權力；及(b)本集團有意按淨額基準結算，或同時變現資產及結清負債時，即期稅項資產及即期稅項負債方會按淨額呈列。

當且僅當出現以下情況時，本集團方會以淨額呈列遞延稅項資產及遞延稅項負債：(a)本集團有依法強制執行權可以將即期稅項資產及即期稅項負債對銷；及(b)遞延稅項資產及遞延稅項負債是關於同一稅務機關就以下任何一項所徵收之所得稅：(i)同一應課稅實體；或(ii)不同應課稅實體計劃於各段未來期間(期間預期將結清或收回大額之遞延稅項負債或資產)以淨額基準結算即期稅項負債及資產或同時變現資產及結清負債。

3.13 現金及現金等同項目

現金及現金等同項目包括手頭現金、活期存款及原到期日為三個月或少於三個月、可隨時轉換為已知數額之現金且價值變動風險並不重大之短期高流動性投資。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.14 EMPLOYEE BENEFITS

RETIREMENT BENEFITS

The Group participates in staff retirement benefit schemes for employees in Hong Kong and the People's Republic of China ("PRC"), comprising a Mandatory Provident Fund Scheme ("MPF Scheme") and a state-managed retirement benefit scheme. The assets of these schemes are held separately from those of the Group in independently administered funds. The retirement benefit schemes are generally funded by payments from employees and the relevant group companies. The retirement benefit scheme costs charged to profit or loss represent contributions payable by the Group to the schemes.

The Group contributes to the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The Group's employer contributions vested fully with the employees when contributed into the MPF Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully in accordance with the rules of the MPF Scheme.

The subsidiaries operating in the PRC are required to participate in the state-managed retirement benefit scheme for their employees, organised by the relevant local government authorities. They are required to make contributions to the retirement benefit scheme at a specified percentage of the employees' relevant income and there are no other further obligations to the Group.

3.14 僱員福利

退休福利

本集團為香港及中華人民共和國(「中國」)之僱員參與員工退休福利計劃，包括強制性公積金計劃(「強積金計劃」)及國家管理退休福利計劃。該等計劃之資產與本集團獨立管理資金之資產分開持有。退休福利計劃之資金來源一般為僱員及相關集團公司之付款。於損益中扣除之退休福利計劃之成本指本集團應向有關計劃支付之供款。

本集團按照強制性公積金計劃條例為香港全體合資格僱員向強積金計劃供款。供款乃按僱員基本薪金之百分比作出，並根據強積金計劃之規則於應付時在損益中扣除。本集團之僱主供款在供款予強積金計劃時全數歸屬僱員所有，惟本集團之僱主自願性質供款，在供款全數歸屬前僱員離職之情況下，可按強積金計劃之規則退回予本集團。

於中國營業之附屬公司須為其僱員參與由相關地方機關運作之國家管理退休福利計劃。該等附屬公司須按僱員相關收入之特定百分比向退休福利計劃供款，除此之外，本集團並無其他義務。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.14 EMPLOYEE BENEFITS (Continued)

SHORT-TERM EMPLOYEE BENEFITS

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3.15 SHARE-BASED PAYMENTS

All services received in exchange for the grant of any share options are measured at their fair value. These are indirectly determined by reference to the fair value of share options granted. Their value is appraised at the grant date and excludes the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets).

All services received in exchange for the grant of any share options are ultimately recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in share option reserve within equity.

3.14 僱員福利(續)

短期僱員福利

本集團根據僱傭合約按曆年基準向僱員提供有薪年假。在若干情況下，於報告日期未支用之假期允許予以結轉並由各僱員於下年度使用。僱員於年內賺取之有薪年假之預期日後成本於報告日期列為應計項目，並予以結轉。

不能累積之有薪假(如病假及產假)，直至休假時方會確認。

3.15 股份付款

所有為換取授出任何購股權而取得之服務乃按公平值計量，並參考所授出之購股權之公平值而間接釐定。其價值於授出日期作出估值，惟不計入任何服務及非市場表現歸屬條件(如盈利能力及銷售增長目標)之影響。

所有為換取授出任何購股權而取得之服務最終於歸屬期間於損益中確認為開支，或倘所獲授之購股權即時歸屬，則於授出日期全數確認為開支，並導致權益內之購股權儲備相應提高。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 SHARE-BASED PAYMENTS (Continued)

If service or non-market performance vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market performance and service conditions are included in assumptions about the number of share options that are expected to vest. At the end of the reporting period, the Group revises its estimates of the number of share options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits/accumulated losses.

3.16 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and trading rights with an indefinite useful life are tested for impairment at least annually and whenever there is any indication that they may be impaired. Property, plant and equipment and interests in associates are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

3. 主要會計政策概要(續)

3.15 股份付款(續)

倘服務或非市場表現歸屬條件適用，則按對預期歸屬之購股權數目之最佳估計於歸屬期內確認開支。就預期可歸屬購股權之數目作出假設時，須考慮非市場表現及服務條件。於報告期間結算日，本集團修訂其對預期可最終歸屬購股權數目之估計。修訂原有估計之影響(如有)於損益中確認，故累計開支反映已修訂估計，並對購股權儲備作出相應調整。

行使購股權時，過往於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後遭沒收或於到期時尚未行使，則過往於購股權儲備確認之金額將轉撥至保留溢利／累計虧損。

3.16 非金融資產減值

商譽及具有無限可使用年期之買賣權最少每年進行減值測試及於出現任何跡象顯示有關資產可能減值時，進行減值測試。物業、廠房及設備以及於聯營公司之權益在有跡象顯示資產之賬面值可能不能收回時進行減值測試。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.16 IMPAIRMENT OF NON-FINANCIAL ASSETS (Continued)

Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value-in-use. 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 time value of money and the risk specific to the asset for which the future cash flow estimates have not been adjusted.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets or group of assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. cash-generating unit, "CGU"). Goodwill is allocated to the relevant CGUs that are expected to benefit from the synergies of the acquisition. As a result, some assets are tested individually for impairment and some are tested at CGU level. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

An impairment loss is recognised as an expense immediately for the amount by which the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment loss recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGUs, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, if measurable; and value-in-use, if determinable.

3.16 非金融資產減值(續)

可收回金額為公平值(反映市況減銷售成本)與使用價值兩者中之較高者。於評估使用價值時,估計未來現金流量採用反映現時市場對貨幣時間價值及資產之特定風險之評估之除稅前折現率,折現至其現值,及並無就此對未來現金流量估計予以調整。

就評估減值而言,若一項資產所產生之現金流入基本上不獨立於其他資產或資產組別所產生之現金流入,則以能獨立產生現金流入之最小資產組別(即現金產生單位「現金產生單位」)釐定可收回金額。預期獲分配至相關現金產生單位之商譽將受益於收購產生之協同效應。因此,部分資產個別進行減值測試,部分則在現金產生單位層次進行測試。當可確定合理及貫徹一致之分配基準時,企業資產亦分配至個別現金產生單位,否則,則將企業資產分配至能確定合理及貫徹一致之分配基準之最小現金產生單位組別。

減值虧損按資產或其所屬現金產生單位之賬面值超過其可收回金額之金額,即時確認為開支。就已分配商譽之現金產生單位確認之減值虧損,初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本(如可計量)及使用價值(如可釐定)外,任何餘下減值虧損按比例自現金產生單位之其他資產扣除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 IMPAIRMENT OF NON-FINANCIAL ASSETS (Continued)

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, there has been a favourable change in the estimates used to determine the recoverable amount of the asset or the CGUs and only to the extent that the carrying amount of the asset or the CGUs does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. Reversal of impairment loss is recognised immediately in profit or loss.

3.17 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to be required to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

3. 主要會計政策概要(續)

3.16 非金融資產減值(續)

商譽產生之減值虧損不會於其後期間撥回。就其他資產而言，倘有任何跡象表明過往期間確認之減值虧損不再存在或已減少，用以釐定資產或現金產生單位之可收回金額之估計已出現有利變動，則減值虧損會予以撥回，惟資產或現金產生單位之賬面值不得超過倘並無確認減值虧損而原應釐定之賬面值（經扣除折舊或攤銷）。減值虧損撥回乃即時在損益中確認。

3.17 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及經濟利益流出，並能可靠地估計履行有關責任所涉及之金額，則確認有關撥備。若貨幣之時間價值乃屬重大，則撥備按履行該責任預計所需開支之現值列賬。

所有撥備於各報告日期作出檢討並作出調整以反映當時之最佳估算。

倘若導致經濟利益流出之可能性不大，或未能可靠地估計有關金額，除非導致經濟利益流出之可能性極低，否則現有責任會披露為或然負債。須視乎一宗或多宗不確定且不完全在本集團控制範圍以內的未來事件是否發生才能確定存在與否之因過往事件所引致之可能責任亦會披露為或然負債，惟倘導致經濟利益流出之可能性極微者除外。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.18 RELATED PARTIES

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.

3.18 關連人士

- (a) 如某人士符合下列條件，該人士或該人士之直系親屬即與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團具有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員之成員。
- (b) 如以下任何一項條件適用，某實體即與本集團有關連：
 - (i) 該實體與本集團為同一集團之成員公司。
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或一間實體為另一實體所屬集團之成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體為同一第三方之合營企業。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 RELATED PARTIES (Continued)

(b) (Continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (a) that person's children and spouse or domestic partner; (b) children of that person's spouse or domestic partner; and (c) dependants of that person or that person's spouse or domestic partner.

3. 主要會計政策概要(續)

3.18 關連人士(續)

(b) (續)

- (iv) 一間實體為某第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- (v) 該實體是以本集團或與本集團有關連之實體之僱員為受益人之退休福利計劃。
- (vi) 該實體受(a)項所述人士控制或共同控制。
- (vii) (a)(i)項所述人士對該實體具有重大影響力，或為該實體(或該實體之母公司)之主要管理人員之成員。
- (viii) 該實體或任何構成該實體一部分之集團成員公司為本集團或本集團母公司提供主要管理人員服務。

任何人士之直系親屬為預期可影響該名人士與實體進行買賣或與實體進行買賣時可受該名人士影響之家庭成員，包括(a)該人士之子女及配偶或同居伴侶；(b)該人士之配偶或同居伴侶之子女；及(c)該人士或該人士之配偶或同居伴侶之受養人。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND OTHER KEY SOURCES OF ESTIMATION OF UNCERTAINTY

The Group makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In addition to the critical accounting judgements and other key sources of estimation uncertainty disclosed elsewhere in these financial statements, other key sources of estimation uncertainty at the end of the reporting period and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(I) ECL OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

The measurement of the ECL allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgments, including determining the criteria for significant increase in credit risk, are also required in applying the accounting requirements for measuring ECLs. Details about the judgements and assumptions used in measuring ECLs is set out in note 3.11(A) to these financial statements. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECLs to be recognised.

4. 關鍵會計估計及判斷以及估計不確定性之其他主要來源

本集團作出有關未來之判斷、估計及假設。顧名思義，所作會計估計甚少與有關之實際結果相同。除於該等財務報表其他章節所披露之關鍵會計判斷及估計不確定性之其他主要來源外，可能會導致須對下個財政年度資產與負債之賬面值進行重大調整之於報告期間結算日之估計不確定性之其他主要來源及假設討論如下：

(I) 按攤銷成本計量之金融資產之預期信貸損失

計量按攤銷成本計量之金融資產之預期信貸損失撥備，要求使用對未來經濟狀況及信貸行為（如客戶違約及引致虧損之可能性）之重大假設。在應用計量預期信貸損失之會計規定時亦須作出多項重大判斷（包括確定信貸風險顯著上升之標準）。有關計量預期信貸損失所使用之判斷及假設載於該等財務報表附註3.11(A)。此等估計及假設之變動可能會導致預期信貸損失將予確認之時間及數額出現重大變動。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND OTHER KEY SOURCES OF ESTIMATION OF UNCERTAINTY *(Continued)*

(II) IMPAIRMENT OF TRADING RIGHTS AND GOODWILL

Goodwill and trading rights with an indefinite useful life are tested for impairment at least annually. At each reporting date, the Group also reviews internal and external sources of information to identify indications that any of these assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The sources utilised to identify indications of impairment are often subjective in nature and the directors of the Company are required to use judgement in applying such information to its business. Their interpretation of such information has a direct impact on whether an impairment assessment is performed as at any given reporting date.

The impairment tests are further subjected to an exercise that requires the Group to estimate the recoverable amount. Depending on the assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or may engage external advisers in making this assessment.

Regardless of the resources utilised, the Group is required to make many assumptions in this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of these assets.

4. 關鍵會計估計及判斷以及估計不確定性之其他主要來源(續)

(III) 買賣權及商譽之減值

具無限使用年期之商譽及買賣權須至少每年進行減值測試。於各報告日期，本集團亦檢討內外部資料來源，以識別是否有跡象顯示任何該等資產減值，或先前確認之減值虧損不再存在或減少。用來識別減值跡象之資源通常具有主觀性質，故本公司董事將該等資料應用於其業務時須加以判斷。彼等對該等資料之詮釋直接影響是否於指定報告日期評估減值。

本集團進一步處理減值測試時須估計資產之可收回金額。視乎本集團對檢討資產整體重要性之評估及合理估計可收回金額之複雜性，本集團可能會利用內部資源或委聘外部顧問進行有關評估。

無論利用何種資源，本集團於評估時均須作出眾多假設，包括有關資產之使用情況、產生之現金流量、適當市場貼現率及預計市場及規管情況。該等假設如出現任何變動，可能會導致日後對該等資產可收回金額之估計出現重大變動。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND OTHER KEY SOURCES OF ESTIMATION OF UNCERTAINTY *(Continued)*

(III) CURRENT TAX AND DEFERRED TAX

The Group is mainly subjected to income tax in Hong Kong. Significant judgement is required in determining the amount of the provision and the timing of payment. There are many transactions and calculations for which the ultimate tax expense is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final outcome of these matters is different from the amounts that were originally estimated, such differences will impact the provision for income tax and deferred tax in the period in which such determination is made.

Deferred tax assets relating to certain deductible temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax expense in the period in which such estimate is changed.

4. 關鍵會計估計及判斷以及估計不確定性之其他主要來源 (續)

(III) 即期稅項及遞延稅項

本集團主要須繳納香港所得稅。於釐定撥備金額及付款時間時須作出重大判斷。在一般業務過程中，許多交易及計算難以明確釐定最終稅務開支。本集團參考現行稅法及慣例根據對可能結果之估計確認稅項。倘該等事宜之最終稅務結果有別於原先估計之金額，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

有關若干可扣稅暫時性差異及稅項虧損之遞延稅項資產將會在管理層認為將會有未來應課稅利潤可用以抵銷可扣稅暫時性差異或稅項虧損時方會確認。倘預期有別於原先估計，該等差額將會影響有關估計產生變動期間之遞延稅項資產及所得稅開支之確認。

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5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major service lines as follows:

- (a) securities brokerage and financial services – provision of discretionary and non-discretionary dealing services for securities and futures contracts, securities placing and underwriting services, margin financing and money lending services, corporate finance advisory and general advisory services;
- (b) asset management services – provision of fund management and discretionary portfolio management and investment advisory services;
- (c) proprietary trading – investment holding and securities trading; and
- (d) trading business – trading of chemical products and energy and minerals products.

No operating segments identified have been aggregated in arriving at the reportable segments of the Group. Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches.

5. 分部資料

本集團根據向執行董事申報以供彼等決定分配資源至本集團業務分部及檢討該等分部表現之定期內部財務資料識別經營分部及編製分部資料。向執行董事申報之內部財務資料所載之業務分部根據本集團之主要服務行業釐定如下：

- (a) 證券經紀及金融服務 — 提供證券及期貨合約之全權委託及非全權委託交易服務、證券配售及承銷服務、孖展融資及貸款服務、企業融資顧問及一般顧問服務；
- (b) 資產管理服務 — 提供基金管理及全權委託組合管理及投資顧問服務；
- (c) 自營買賣 — 投資控股及證券買賣；及
- (d) 貿易業務 — 買賣化工產品、能源及礦產品。

於得出本集團之可申報分部時，概無將已識別之任何經營分部作合併處理。由於各服務行業之資源需求及市場推廣方式不同，該等各經營分部乃分開管理。

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5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

2018 二零一八年		Securities brokerage and financial services 證券經紀及 金融服務 HK\$'000 千港元	Asset management services 資產 管理服務 HK\$'000 千港元	Proprietary trading 自營買賣 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment revenue	可申報分部收益					
External customers	外界客戶					
– Fee and commission income	– 費用及佣金收入	1,604	30,095	–	–	31,699
– Interest income	– 利息收入	2,447	–	–	–	2,447
		4,051	30,095	–	–	34,146
Inter-segment	分部間	–	–	–	–	–
		4,051	30,095	–	–	34,146
Fee and commission income from external customers	來自外界客戶之 費用及佣金收入					
– Timing of revenue recognition	– 收益確認之時間					
Point in time	特定時間	1,604	–	–	–	1,604
Over time	一段時間	–	30,095	–	–	30,095
		1,604	30,095	–	–	31,699
– Geographical region	– 地理位置					
Hong Kong	香港	1,604	29,954	–	–	31,558
Mainland China	中國內地	–	141	–	–	141
		1,604	30,095	–	–	31,699
Reportable segment result	可申報分部業績	(7,828)	2,778	(31,238)	(349)	(36,637)
Impairment losses on trading rights	買賣權之減值虧損	3,322	–	–	–	3,322
Depreciation	折舊	56	72	15	–	143
Fair value loss on held for trading investments	持作買賣用途投資 之公平值虧損	–	–	28,155	–	28,155
Finance costs	融資成本	1	–	–	–	1
Reportable segment assets	可申報分部資產	54,665	37,181	6,955	56	98,857
Expenditures for additions to non-current segment assets*	添置非流動分部 資產之開支*	–	40	–	–	40
Reportable segment liabilities	可申報分部負債	47,130	1,351	1,306	49	49,836

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5. SEGMENT INFORMATION (Continued)

5. 分部資料 (續)

2017 二零一七年		Securities brokerage and financial services 證券經紀及 金融服務 HK\$'000 千港元	Asset management services 資產 管理服務 HK\$'000 千港元	Proprietary trading 自營買賣 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment revenue	可申報分部收益					
– Fee and commission income	– 費用及佣金收入	14,983	45,437	–	–	60,420
– Interest income	– 利息收入	2,827	–	–	–	2,827
		17,810	45,437	–	–	63,247
Inter-segment	分部間	–	247	–	–	247
		17,810	45,684	–	–	63,494
Fee and commission income from external customers	來自外界客戶之 費用及佣金收入					
– Timing of revenue recognition	– 收益確認之時間					
Point in time	特定時間	14,983	–	–	–	14,983
Over time	一段時間	–	45,437	–	–	45,437
		14,983	45,437	–	–	60,420
– Geographical region	– 地理位置					
Hong Kong	香港	14,983	44,486	–	–	59,469
Mainland China	中國內地	–	951	–	–	951
		14,983	45,437	–	–	60,420
Reportable segment result	可申報分部業績	1,893	8,155	(30,848)	(2,325)	(23,125)
Impairment losses on trade receivables	貿易應收賬款 減值虧損	–	637	–	–	637
Decrease in third party interests in collective investment schemes	集體投資計劃之 第三方權益減少	–	–	5,325	–	5,325
Depreciation	折舊	127	74	15	51	267
Fair value loss on held for trading investments	持作買賣用途投資 之公平值虧損	–	–	33,394	–	33,394
Finance costs	融資成本	2	–	–	–	2
Reportable segment assets	可申報分部資產	264,652	35,732	39,967	59	340,410
Expenditures for additions to non-current segment assets*	添置非流動分部 資產之開支*	119	18	2	–	139
Reportable segment liabilities	可申報分部負債	239,002	1,838	313	53	241,206

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5. SEGMENT INFORMATION (Continued)

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that other income; equity-settled share-based payment expense, directors' emoluments; interest expenses on convertible bonds and loans from a substantial shareholder, a director of the Company and a related company; loss on disposal of subsidiaries, provision for settlement of convertible bonds (including any reversal), share of results of and impairment loss on interests in an associate accounted for using the equity method; income tax expense; and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segments. Common expenditures are allocated between operating segments based on proportion of segment revenue where necessary. Inter-segment revenue are charged on the expenses incurred by the relevant subsidiary plus certain percentage.

Segment assets include all assets but do not include interests in an associate; current tax assets; deferred tax assets and bank balances of the Group. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarters. Segment liabilities include all liabilities but do not include borrowings, convertible bonds, provision for settlement of convertible bonds and current tax liabilities. In addition, corporate liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

5. 分部資料(續)

本集團根據香港財務報告準則第8號用作申報分部業績之計量政策與其根據香港財務報告準則編製之財務報表內採用者相同，惟於釐定經營分部之經營業績時並無計入其他收入；股本結算股份付款開支；董事酬金；可換股債券及來自一名主要股東、本公司一名董事及一家關連公司之貸款之利息開支；出售附屬公司之虧損、結算可換股債券之撥備(包括任何撥回)、使用權益法入賬之分佔一間聯營公司業績及權益之減值虧損；所得稅開支；以及非直接歸屬於任何經營分部業務活動之公司收入及開支。公共開支按分部收益比例於經營分部之間分配(如需要)。分部間收益按相關附屬公司所產生開支加一定百分比收取。

分部資產包括除於一間聯營公司之權益；即期稅項資產；遞延稅項資產及銀行結餘以外之本集團所有資產。此外，非直接歸屬於任何經營分部業務活動之公司資產並無分配至任何分部，而是主要適用於本集團總部。分部負債包括除借貸、可換股債券、結算可換股債券之撥備及即期稅項負債以外之所有負債。此外，非直接歸屬於任何經營分部業務活動之公司負債並無分配至任何分部。

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5. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the financial statements as follows:

5. 分部資料(續)

本集團經營分部所呈報之總額與本集團於財務報表呈列之主要財務數據之對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Reportable segment revenue	可申報分部收益	34,146	63,494
Elimination of inter-segment revenue	分部間收益對銷	—	(247)
Group's revenue	本集團收益	34,146	63,247
Reportable segment result	可申報分部業績	(36,637)	(23,125)
Other income	其他收入	211	63
Equity-settled share-based payment expense	股本結算股份付款開支	—	(9,520)
Finance costs	融資成本	(28,276)	(27,506)
Loss on disposal of subsidiaries	出售附屬公司之虧損	(2,919)	—
Reversal of provision/(Provision) for settlement of convertible bonds	結算可換股債券之撥備撥回／(撥備)	4,394	(33,708)
Share of results of an associate	分佔一間聯營公司業績	(1,723)	(31,937)
Impairment loss on interests in an associate	於一間聯營公司之權益之減值虧損	—	(40,791)
Corporate expenses**	公司開支**	(15,374)	(15,659)
Group's loss before income tax	本集團除所得稅前虧損	(80,324)	(182,183)

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5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Reportable segment assets	可申報分部資產	98,857	340,410
Interests in an associate	於一間聯營公司之權益	–	1,863
Deferred tax assets	遞延稅項資產	–	144
Current tax assets	即期稅項資產	938	–
Cash and cash equivalents	現金及現金等同項目	47,262	87,556
Corporate assets	公司資產	2,605	2,847
Group's assets	本集團資產	149,662	432,820
Reportable segment liabilities	可申報分部負債	49,836	241,206
Borrowings	借貸	80,421	–
Convertible bonds	可換股債券	–	143,517
Provision for settlement of convertible bonds	結算可換股債券之撥備	–	33,708
Current tax liabilities	即期稅項負債	–	606
Corporate liabilities	公司負債	4,833	1,247
Group's liabilities	本集團負債	135,090	420,284

** mainly staff costs, including directors' emoluments, minimum lease payments under operating leases in respect of land and buildings and other professional fees.

** 主要為員工成本，包括董事酬金、土地及樓宇經營租賃的最低租賃款項以及其他專業費用。

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5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

	Reportable segment total		Unallocated		Consolidated	
	可申報分部總額		未分配		綜合	
	2018	2017	2018	2017	2018	2017
	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
	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
Other material items 其他重要項目						
Depreciation 折舊	143	267	94	151	237	418
Finance costs 融資成本	1	2	28,276	27,506	28,277	27,508
Expenditures for additions to non-current assets* 添置非流動資產之開支*	40	139	23	243	63	382

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets*. The geographical location of customers is based on the location at which the subsidiary operates. The geographical location of non-current assets* is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operations to which they are allocated, in the case of trading rights and goodwill, and the location of the operations, in the case of interests in an associate.

下表載列有關本集團來自外界客戶之收益及本集團非流動資產*之地理位置資料。客戶地理位置乃根據附屬公司業務所在地劃分。非流動資產*地理位置乃根據資產之實際地點(如屬物業、廠房及設備)、資產分配業務所在地(如屬買賣權及商譽)及業務所在地(如屬於聯營公司之權益)劃分。

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5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

		Revenue from external customers 來自外界客戶之收益		Non-current assets* 非流動資產*	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong (domicile)#	香港(註冊地)#	34,005	62,296	7,343	10,831
Mainland China	中國內地	141	951	9	1,881
		34,146	63,247	7,352	12,712

* Non-current assets exclude deferred tax assets and other assets.

* 非流動資產不包括遞延稅項資產及其他資產。

The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities. The Group has the majority of its operations in Hong Kong, and therefore, Hong Kong is considered as the Group's place of domicile for the purpose of disclosures as required by HKFRS 8, Operating Segments.

本公司為一間於百慕達註冊成立之投資控股公司，本集團於百慕達無任何業務。本集團大部分業務位於香港，因此，就香港財務報告準則第8號經營分部所規定之披露而言，香港被視為本集團之註冊地。

The Group's customers include the following with whom transactions have exceeded 10% of the Group's revenue:

本集團之客戶包括下列與其交易超過本集團收益10%之客戶：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A (note i)	客戶A(附註i)	18,669	17,813
Customer B (note ii)	客戶B(附註ii)	—	7,031

Notes:

附註：

- Revenue from this customer is attributable to asset management services segment.
- Revenue from this customer is attributable to securities brokerage and financial services segment.

- 來自該客戶之收益乃由於資產管理服務分部所致。
- 來自該客戶之收益乃由於證券經紀及金融服務分部所致。

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6. FEE AND COMMISSION INCOME, INTEREST INCOME 6. 費用及佣金收入以及利息收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fee and commission income	費用及佣金收入		
Securities brokerage and financial services segment:	證券經紀及金融服務分部：		
– Securities and futures brokerage	– 證券及期貨經紀	1,270	3,501
– Financial advisory	– 財務顧問	–	18
– Underwriting and placing	– 承銷及配售	–	11,107
– Others	– 其他	334	357
		1,604	14,983
Asset management services segment:	資產管理服務分部：		
– Fund and portfolio management and investment advisory	– 基金及投資組合管理以及投資顧問	30,095	45,407
– Others	– 其他	–	30
		30,095	45,437
		31,699	60,420
Interest income	利息收入		
– Margin financing and money lending	– 孖展融資及貸款	2,447	2,827
		2,447	2,827
Total	總計	34,146	63,247

During the year ended 31 December 2018, the Group had entered into financial advisory contracts with customers and upfront payments of HK\$450,000 were received under the contracts. A contract liability was recognised as at 31 December 2018 until the services have been delivered to the customers.

截至二零一八年十二月三十一日止年度，本集團與客戶訂立財務顧問合約，並根據合約收取收付款450,000港元。於二零一八年十二月三十一日確認合約負債直至服務交付予客戶為止。

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6. FEE AND COMMISSION INCOME, INTEREST INCOME (Continued)

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its customer contracts relating to fund and portfolio management and investment advisory services such that the Group had not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less and any estimated amounts of variable consideration that are constrained.

6. 費用及佣金收入以及利息收入 (續)

本集團已對其有關基金及投資組合管理及投資顧問服務的客戶合約應用香港財務報告準則第15號第121段的實際權宜法，故本集團並無披露有關其於履行原始預期年期為一年或以下的合約剩餘履約責任時可獲取收益及任何受限可變代價估計金額的資料。

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Changes in fair value of held for trading investments	持作買賣投資之公平值之變動	(28,155)	(33,394)
Changes in third party interests in collective investment schemes	集體投資計劃之第三方權益變動	-	5,325
Impairment losses on trading rights	買賣權減值虧損	(3,322)	-
Impairment losses on trade receivables	貿易應收賬款之減值虧損	-	(637)
Loss on disposal of subsidiaries	出售附屬公司之虧損	(2,919)	-
Net foreign exchange gains	外匯收益淨額	237	78
Net losses on disposals of property, plant and equipment	出售物業、廠房及設備之虧損淨額	-	(2)
Others	其他	172	5
		(33,987)	(28,625)

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8. OTHER INCOME

8. 其他收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income from banks and others	銀行及其他利息收入	211	27
Sundry income	雜項收入	-	36
		211	63

9. FINANCE COSTS

9. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Effective interest on liability component of convertible bonds	可換股債券負債部分之實際利息	27,153	27,228
Interest on bank and other borrowings	銀行及其他借貸之利息	2	4
Interest on loans from a substantial shareholder, a director of the Company and a related company	來自一名主要股東、一名本公司董事及一間關聯公司之貸款之利息	1,122	276
		28,277	27,508

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10. LOSS BEFORE INCOME TAX

10. 除所得稅前虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before income tax is arrived at after charging:	除所得稅前虧損 已扣除下列各項：		
Staff costs, including directors' emoluments	員工成本，包括董事酬金		
– Fees, salaries, allowances and bonuses	– 袍金、薪金、津貼及花紅	29,037	45,806
– Equity-settled share-based payments	– 股本結算股份付款	–	9,520
– Retirement benefit scheme contributions*	– 退休福利計劃供款*	487	822
		29,524	56,148
Other expenses	其他費用		
– Auditor's remuneration	– 核數師酬金	1,400	1,400
– Commission expense	– 佣金費用	–	1,350
– Entertainment and gifts	– 娛樂及禮品	992	1,354
– Minimum lease payments under operating leases in respect of land and buildings	– 土地及樓宇經營 租賃的最低租賃款項	9,902	9,419
– Other professional fees	– 其他專業費用	5,059	2,939
– System license and subscriptions	– 系統許可及訂閱	1,162	2,269
– Others	– 其他	6,812	7,627
		25,327	26,358

* The amount included forfeited contributions of HK\$572,000 (2017: HK\$525,000) in respect of employees who left employment prior to such contributions vesting fully in accordance with the rules of the MPF Scheme.

* 該金額包括僱員於有關供款根據強積金計劃之規則悉數獲歸屬前離職被沒收之供款572,000港元(二零一七年：525,000港元)。

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11. INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the year ended 31 December 2018, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. For year ended 31 December 2017, Hong Kong profits tax was provided at a flat rate of 16.5% on the estimated assessable profits.

11. 所得稅開支

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「該條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署生效，並於翌日在憲報刊登。根據利得稅兩級制，合資格法團按8.25%之稅率就溢利首2,000,000港元繳納稅項，並按16.5%之稅率繳納2,000,000港元以上溢利之稅項。不符合利得稅兩級制資格之法團將繼續按16.5%之稅率繳納稅項。

截至二零一八年十二月三十一日止年度，香港利得稅乃根據利得稅兩級制計算。截至二零一七年十二月三十一日止年度，香港利得稅按估計應課稅溢利之16.5%計提撥備。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax – Hong Kong profits tax	即期稅項 – 香港利得稅		
– Provision for current year	– 本年度撥備	1,327	2,511
– Over provision in respect of prior years	– 過往年度超額撥備	(141)	(170)
		1,186	2,341
Deferred tax	遞延稅項		
– Write-down of deferred tax assets	– 遞延稅項資產撇減	144	–
Total income tax expense	所得稅開支總額	1,330	2,341

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11. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and loss before income tax at applicable tax rate is as follows:

11. 所得稅開支(續)

所得稅開支與除所得稅前虧損按適用稅率之對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(80,324)	(182,183)
Notional tax at Hong Kong profits tax rate of 16.5% (2017: 16.5%)	按香港利得稅稅率 16.5% (二零一七年：16.5%) 計算之名義稅項	(13,253)	(30,060)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	135	(313)
Tax effect of concessionary tax rate	優惠稅率之稅務影響	(165)	—
Tax effect of revenue not taxable for tax purpose	毋須課稅收入之稅務影響	(915)	(1)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	4,106	23,225
Tax effect of unused tax losses not recognised as deferred tax asset	未確認作遞延稅項資產之未動用稅項虧損之稅務影響	10,953	4,685
Tax effect of prior years' unrecognised tax losses utilised this year	本年度動用之過往年度未獲確認稅項虧損之稅務影響	(4)	(319)
Tax effect of temporary differences not recognised	未獲確認暫時性差異之稅務影響	11	(7)
Tax effect of share of results of an associate	分佔一間聯營公司業績之稅務影響	284	5,270
Over provision in respect of prior years	過往年度超額撥備	(141)	(170)
Write-down of deferred tax assets	遞延稅項資產撇減	144	—
Other differences	其他差異	175	31
Income tax expense	所得稅開支	1,330	2,341

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12. DIVIDENDS

No dividend was proposed or paid during the years ended 31 December 2018 and 2017, nor has any dividend been proposed since the end of the reporting period.

13. LOSS PER SHARE

BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$81,646,000 (2017: loss of approximately HK\$184,507,000) and the weighted average number of 3,575,243,574 (2017: 3,553,329,679) ordinary shares in issue during the year.

DILUTED LOSS PER SHARE

The diluted loss per share is the same as the basic loss per share because the calculation of the diluted loss per share does not assume the exercise of the outstanding share options and conversion rights attached to the convertible bonds since their exercise would result in decrease in loss per share.

12. 股息

截至二零一八年及二零一七年十二月三十一日止年度，概無建議派發或派發任何股息。自報告期間結算日以來亦無建議派發任何股息。

13. 每股虧損

每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損約81,646,000港元(二零一七年：虧損約184,507,000港元)及年內已發行普通股之加權平均數3,575,243,574股(二零一七年：3,553,329,679股)計算。

每股攤薄虧損

每股攤薄虧損與每股基本虧損相同，因為計算每股攤薄虧損並無假設行使尚未行使之購股權及可換股債券所附帶之換股權，原因為該等權利之行使將導致每股虧損減少。

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14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

DIRECTORS' EMOLUMENTS

The aggregate amounts of emoluments paid and payable to the directors of the Company are as follows:

14. 董事及五名最高薪人士酬金

董事酬金

已付及應付本公司董事之酬金總額如下：

		Fees	Salaries and allowances	Equity-settled share-based payments	Retirement benefit scheme contributions	Total
		袍金	薪金及津貼	股本結算股份付款	退休福利計劃供款	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
				(note (a))		
				(附註(a))		
2018	二零一八年					
Executive Directors	執行董事					
Mr. Qiu Bin	邱斌先生	200	1,560	-	18	1,778
Ms. Cheng Kit Sum, Clara	鄭潔心女士	200	1,600	-	102	1,902
Mr. Wu Siu Lam, William (note (b))	胡少霖先生(附註(b))	82	789	-	48	919
Non-Executive Directors	非執行董事					
Mr. Chen Zhong Min (note (c))	陳重民先生(附註(c))	718	-	-	-	718
Mr. Chiu Hau Shun, Simon (note (d))	趙孝純先生(附註(d))	-	-	-	-	-
Ms. Tang Lai Shan, Jo Jo (note (d))	鄧麗珊女士(附註(d))	-	-	-	-	-
Independent Non-Executive Directors	獨立非執行董事					
Mr. Fung Tze Wa (note (e))	馮子華先生(附註(e))	119	-	-	-	119
Dr. Huan Guocang	宦國蒼博士	200	-	-	-	200
Mr. Lo Ka Wai	羅嘉偉先生	200	-	-	-	200
Mr. Wu Fred Fong (note (f))	胡晃先生(附註(f))	82	-	-	-	82
		1,801	3,949	-	168	5,918

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14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

14. 董事及五名最高薪人士酬金(續)

DIRECTORS' EMOLUMENTS (Continued)

董事酬金(續)

		Fees	Salaries and allowances	Equity-settled share-based payments	Retirement benefit scheme contributions	Total
		袍金	薪金及津貼	股本結算股份付款	退休福利計劃供款	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
				(note (a))		
				(附註(a))		
2017	二零一七年					
Executive Directors	執行董事					
Mr. Qiu Bin (note (g))	邱斌先生(附註(g))	86	671	844	6	1,607
Ms. Cheng Kit Sum, Clara	鄭潔心女士	200	1,609	1,013	102	2,924
Mr. Wu Siu Lam, William	胡少霖先生	200	1,865	1,013	113	3,191
Independent Non-Executive Directors	獨立非執行董事					
Dr. Huan Guocang	宦國蒼博士	200	–	253	–	453
Mr. Lo Ka Wai	羅嘉偉先生	200	–	253	–	453
Mr. Wu Fred Fong	胡晃先生	200	–	253	–	453
		1,086	4,145	3,629	221	9,081

There was no arrangement under which a director waived or agreed to waive any emoluments in respect of the years ended 31 December 2018 and 2017. No emolument was paid by the Group to the directors as an inducement to join or upon joining the Group, nor as compensation for loss of office.

概無董事訂立安排，以放棄或同意放棄截至二零一八年及二零一七年十二月三十一日止年度之任何酬金。本集團並無向董事支付酬金，作為吸引彼等加入本集團或於加入本集團時之獎勵或作為離職補償。

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14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (a) These amounts represented the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the accounting policies for share-based payments as set out in note 3.15 to the financial statements.
- (b) Resigned as executive director with effect on 28 May 2018.
- (c) Appointed as non-executive director with effect on 2 January 2018.
- (d) Appointed as non-executive director with effect on 24 December 2018 and resigned on 22 March 2019.
- (e) Appointed as independent non-executive director with effect on 28 May 2018.
- (f) Resigned as independent non-executive director with effect on 28 May 2018.
- (g) Appointed as executive director with effect on 27 July 2017.

14. 董事及五名最高薪人士酬金 (續)

董事酬金 (續)

附註：

- (a) 該等金額指根據本公司購股權計劃授予董事之購股權之估計價值。該等購股權之價值根據財務報表附註3.15所載之股份付款會計政策計量。
- (b) 於二零一八年五月二十八日辭任執行董事。
- (c) 於二零一八年一月二日獲委任為非執行董事。
- (d) 於二零一八年十二月二十四日獲委任為非執行董事及於二零一九年三月二十二日辭任。
- (e) 於二零一八年五月二十八日獲委任為獨立非執行董事。
- (f) 於二零一八年五月二十八日辭任獨立非執行董事。
- (g) 於二零一七年七月二十七日獲委任為執行董事。

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14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year included two (2017: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2017: three) individuals during the year are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	6,490	8,395
Discretionary bonuses	酌情花紅	–	14,480
Retirement benefit scheme contributions	退休福利計劃供款	171	334
		6,661	23,209

During the years ended 31 December 2018 and 2017, no emolument was paid by the Group to the above remaining three (2017: three) individuals as compensation for loss of office.

The emoluments of these remaining three (2017: three) highest paid individuals fell within the following bands:

14. 董事及五名最高薪人士酬金(續)

五名最高薪人士酬金

本年度本集團之五名最高薪人士包括兩名(二零一七年：兩名)董事，彼等之酬金於上文分析反映。年內應付餘下三名(二零一七年：三名)人士之酬金如下：

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無向上述餘下三名(二零一七年：三名)人士支付酬金作為離職補償。

餘下三名(二零一七年：三名)最高薪人士之酬金介乎下列範圍：

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元	1	–
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元	1	–
HK\$4,000,001 – HK\$4,500,000	4,000,001 港元 – 4,500,000 港元	1	–
HK\$7,000,001 – HK\$7,500,000	7,000,001 港元 – 7,500,000 港元	–	1
HK\$8,000,001 – HK\$8,500,000	8,000,001 港元 – 8,500,000 港元	–	2
		3	3

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日				
Cost	成本	1,615	4,000	1,185	6,800
Accumulated depreciation	累計折舊	(1,610)	(3,691)	(924)	(6,225)
Net carrying amount	賬面淨值	5	309	261	575
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	5	309	261	575
Additions	添置	81	301	–	382
Disposals	出售	–	(15)	–	(15)
Depreciation	折舊	(35)	(203)	(180)	(418)
Translation differences	匯兌差額	1	–	2	3
Closing net carrying amount	年終賬面淨值	52	392	83	527
At 31 December 2017	於二零一七年十二月三十一日				
Cost	成本	1,698	4,279	1,198	7,175
Accumulated depreciation	累計折舊	(1,646)	(3,887)	(1,115)	(6,648)
Net carrying amount	賬面淨值	52	392	83	527
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	52	392	83	527
Additions	添置	–	63	–	63
Disposals	出售	–	–	–	–
Disposal of subsidiaries	出售附屬公司	–	(1)	–	(1)
Depreciation	折舊	(32)	(129)	(76)	(237)
Translation differences	匯兌差額	–	–	–	–
Closing net carrying amount	年終賬面淨值	20	325	7	352
At 31 December 2018	於二零一八年十二月三十一日				
Cost	成本	1,698	4,324	1,189	7,211
Accumulated depreciation	累計折舊	(1,678)	(3,999)	(1,182)	(6,859)
Net carrying amount	賬面淨值	20	325	7	352

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16. TRADING RIGHTS

16. 買賣權

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Gross carrying amount	賬面總值		
At beginning and end of the year	於年初及年末	3,322	3,322
Accumulated impairment	累計減值		
At beginning of the year	於年初	–	–
Impairment loss recognised	已確認之減值虧損	3,322	–
At end of the year	於年末	3,322	–
Net carrying amount	賬面淨值		
At beginning of the year	於年初	3,322	3,322
At end of the year	於年末	–	3,322

Trading rights represent the eligibility rights to trade on or through Hong Kong Futures Exchange Limited and the Stock Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights are considered by the management as having an indefinite useful life. Trading rights will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the purpose of impairment testing, the carrying amount of trading rights is allocated to the CGU which engaged in the securities brokerage and financial services.

買賣權指於或透過香港期貨交易所有限公司及聯交所進行買賣之合法權利。買賣權對本集團使用產生現金流量淨額之期間並無可預見之限制。因此，管理層將買賣權視為具無限使用年期。買賣權將不會攤銷，直至其使用年期釐定為有限。相反，其將每年及於出現任何跡象顯示其可能減值時進行減值測試。

就減值測試而言，買賣權之賬面值分配至從事證券經紀及金融服務之現金產生單位。

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16. TRADING RIGHTS (Continued)

Recoverable amount for the CGU was determined based on value-in-use calculation. The calculation use cash flow projections based on financial budgets approved by management covering a one-year period, and discount rate of 10% (2017: 22%). Cash flows beyond the one-year period are extrapolated for four years using a 0% growth rate. The growth rate is determined based on management's expectations for the market development and is not expected to exceed the average long-term growth rate for the relevant industry. The discount rate used is pre-tax and reflect specific risks relating to the relevant business. Taking into account of the deteriorating financial performance of the securities brokerage business, the unfavourable change in the capital market and the expectations for the market development, an impairment loss of HK\$3,322,000 (2017: Nil) was recognised in respect of the trading rights.

17. GOODWILL

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January and 31 December	於一月一日及十二月三十一日		
Gross and net carrying amount	賬面總值及淨值	7,000	7,000

For the purpose of annual impairment testing, goodwill is allocated to the CGU which engaged in the asset management business. Recoverable amount for the CGU was determined based on value-in-use calculation. The calculation use cash flow projections based on financial budgets approved by management covering a one-year period, and discount rate of 33% (2017: 19%). Cash flows beyond the one-year period are extrapolated for four years using a 10% growth rate. The growth rate is determined based on management's expectations for the market development and is not expected to exceed the average long-term growth rate for the relevant industry. The discount rate used is pre-tax and reflect specific risks relating to the relevant business. Apart from the considerations described in determining the value-in-use of the CGU above, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

16. 買賣權(續)

現金產生單位之可回收金額乃根據使用價值計算而釐定。該計算使用以管理層批核之一年期財務預算及10%(二零一七年:22%)折現率為基礎之現金流量預測。超過一年期之現金流量按0%增長率推斷四年。增長率為根據管理層對市場發展之預期釐定，預期不超過有關行業之長期平均增長率。所使用之折現率為除稅前，並反映與有關業務相關之特定風險。考慮到證券經紀業務之財務表現惡化、資本市場中之不利變動及市場發展之預期，本公司已就買賣權確認減值虧損3,322,000港元(二零一七年:無)。

17. 商譽

就年度減值測試而言，商譽分配至從事資產管理業務之現金產生單位。現金產生單位之可回收金額乃根據使用價值計算而釐定。該計算使用以管理層批核之一年期財務預算及33%(二零一七年:19%)折現率為基礎之現金流量預測。超過一年期之現金流量按增長率10%推斷四年。增長率為根據管理層對市場發展之預期釐定，預期不超過有關行業之長期平均增長率。所使用之折現率為除稅前，並反映與有關行業板塊相關之特定風險。除上文所述釐定現金產生單位之使用價值所考慮之因素外，本集團管理層現時並不知悉有任何其他可能變動而需要改變其主要估算。

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18. INTERESTS IN AN ASSOCIATE

18. 於一間聯營公司之權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Share of net assets	分佔資產淨值	-	2,800
Goodwill	商譽	-	39,854
		-	42,654
Provision for impairment	減值撥備	-	(40,791)
		-	1,863

On 28 June 2018, the Company had entered into an agreement to sell the entire issued share capital of a subsidiary, Joinbo Holdings Limited, which indirectly owns 25%* of the equity interest in Xinhua (Daqing) Merchandise Exchange Company Limited# ("XHME"). XHME is an entity incorporated in the PRC which is principally operating an electronic merchandise exchange platform for commodity goods trading in the PRC. Following the completion of the disposal on 28 June 2018, the Company no longer held any of the interest in XHME and XHME ceased to be recognised as an associate of the Company.

於二零一八年六月二十八日，本公司訂立一項協議以出售附屬公司駿寶集團有限公司之全部已發行股本，該附屬公司間接擁有新華(大慶)商品交易所有限公司#(「新商所」)之25%*股權。新商所為一家於中國註冊成立之實體，主要於中國經營商品貨物貿易之電子商品交易平台。於二零一八年六月二十八日出售完成後，本公司不再於新商所持有任何權益及新商所不再被確認為本公司之聯營公司。

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18. INTERESTS IN AN ASSOCIATE (Continued)

The following tables illustrate the financial information of XHME up to the date of disposal as extracted from its management accounts and adjusted to reflect adjustments made by the Group when applying the equity method:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	9,914	18,289
Non-current assets	非流動資產	874	884
Current liabilities	流動負債	(6,262)	(7,889)
Non-current liabilities	非流動負債	-	(33)
Net assets	資產淨值	4,526	11,251
Revenue	收益	-	6,453
Expenses	開支	(6,890)	(134,266)
Loss from operations and total comprehensive income	來自業務之虧損及全面收益總額	(6,890)	(127,813)

No dividend was received from XHME during the years ended 31 December 2018 and 2017.

18. 於一間聯營公司之權益 (續)

下表列示摘錄自新商所管理賬目並於應用權益法時作出調整以反映本集團作出調整之截至出售日期之財務資料：

截至二零一八年及二零一七年十二月三十一日止年度，概無收取新商所任何股息。

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18. INTERESTS IN AN ASSOCIATE (Continued)

Reconciliation of the above financial information of XHME to the carrying amount recognised in the consolidated financial statements:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net assets of XHME	新商所之資產淨值	4,526	11,251
Percentage of interests held by the Group*	本集團所持權益百分比*	0%	25%
Group's share of net assets in XHME	本集團分佔新商所資產淨值	-	2,800

not audited by BDO Limited

* rounded to the nearest one percent

For the year ended 31 December 2017, a material line of business operation of XHME was under suspension. The Group has therefore carried out an impairment assessment of its interest in XHME as of 31 December 2017 with assistance of an independent valuer using fair value less costs of disposal under the income approach. The key assumptions to which the fair value less costs of disposal being most sensitive in assessing the recoverable amount are as follows:

Discount for lack of marketability	14.80%
Discount for lack of control	22.24%

Based on the valuation, the recoverable amount of the Group's interests in XHME was determined to be approximately HK\$1,863,000 and accordingly, an impairment loss of approximately HK\$40,791,000 was recognised and included in the consolidated statement of profit or loss and other comprehensive income. The fair value on which the recoverable amount being based is categorised within Level 3 measurement. No additional impairment loss was recognised for the interests in XHME for the year ended 31 December 2018.

18. 於一間聯營公司之權益(續)

上述新商所財務資料與綜合財務報表所確認之賬面值對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net assets of XHME	新商所之資產淨值	4,526	11,251
Percentage of interests held by the Group*	本集團所持權益百分比*	0%	25%
Group's share of net assets in XHME	本集團分佔新商所資產淨值	-	2,800

未經香港立信德豪會計師事務所有限公司審核

* 調整至最接近之百分之一

截至二零一七年十二月三十一日止年度，新商所的一項主要業務暫停營運。因此，在獨立估值師的協助下，本集團對二零一七年十二月三十一日其於新商所的權益使用收益法按公平值減出售成本的方式進行了減值評估。於評估可收回金額時，公平值減出售成本最為敏感的主要假設如下：

缺乏適銷性之折讓	14.80%
缺乏控制性之折讓	22.24%

根據評估，本集團於新商所權益之可收回金額釐定約為1,863,000港元，因此，於綜合損益及其他全面收益表內確認並計入減值虧損約40,791,000港元。計算可收回金額使用的公平值分類為第三級計量。截至二零一八年十二月三十一日止年度，概無就於新商所之權益確認任何額外減值虧損。

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19. OTHER ASSETS

19. 其他資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Admission fee paid to Hong Kong Securities Clearing Company Limited ("HKSCC")	香港中央結算有限公司 (「香港結算」)之 已付入會費用	50	50
Cash contribution to the Guarantee Fund of HKSCC	於香港結算保證基金之 現金供款	50	50
Deposit with HKFE Clearing Corporation Limited ("HKCC")	於香港期貨結算有限公司 (「香港期貨結算」)之按金	1,500	1,500
Deposits with the Stock Exchange	於聯交所之按金		
– Compensation Fund	– 補償基金	50	50
– Fidelity Fund	– 互保基金	50	50
– Stamp duty	– 印花稅	30	30
		1,730	1,730

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

20. 貿易及其他應收賬款以及預付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收賬款	36,716	64,260
Other receivables and prepayments	其他應收賬款及預付款項	3,429	5,221
		40,145	69,481

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20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The analysis of trade receivables is as follows:

20. 貿易及其他應收賬款以及預付款項(續)

貿易應收賬款之分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Arising from the business of dealing in securities and futures contracts	來自證券及期貨合約買賣業務		
– HKSCC and HKCC	– 香港結算及香港期貨結算	60	15,967
– Margin clients	– 孖展客戶	–	1,309
Arising from asset management services	來自資產管理服務	29,415	26,539
Arising from money lending services	來自貸款服務	7,241	20,444
Arising from proprietary trading	來自自營買賣	–	1
		36,716	64,260

The normal settlement terms of trade receivables arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of trade receivables arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amounts due from HKSCC and margin clients are repayable on demand subsequent to the settlement date and bear interest at Hong Kong Dollar Prime Rate plus a spread of 3% (2017: 3%) per annum. The amounts due from HKCC are repayable on demand except for the required margin deposits for the trading of futures contracts.

來自證券買賣業務之貿易應收賬款結算期通常為各交易日期後一至兩個營業日。來自期貨合約買賣業務之貿易應收賬款結算期通常為各交易日期後一個營業日。應收香港結算及孖展客戶款項須於結算日期後按要求償還，並按港元最優惠年利率加息差3厘(二零一七年：3厘)計息。應收香港期貨結算款項須按要求償還，惟期貨合約買賣所需孖展按金除外。

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20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The Group does not provide any credit term to clients for its asset management services. Amount arising from money lending services represents a term loan which is repayable within one year from the end of reporting period and bears interest at a fixed rate of 10% (2017: 10%) per annum and is secured by marketable securities with fair value of HK\$30,000,000 (2017: HK\$39,000,000) at 31 December 2018. Amount arising from proprietary trading represents deposits placed with a securities broker which is repayable on demand.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 35(B) to these financial statements.

21. HELD FOR TRADING INVESTMENTS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed equity securities	上市股本證券	5,263	37,841
Unlisted investment funds (note)	非上市投資基金(附註)	1,565	1,775
		6,828	39,616

Note:

Pursuant to the subscription agreements, the Group's interests in the above investment funds are in the form of redeemable shares, which are puttable at the holder's option at any time, for an amount equal to the pro rata share of the fund's net assets and entitle the Group to a proportionate stake in the respective funds' net assets. These investment funds are managed by the respective unrelated investment managers who are empowered to manage their daily operations and apply various investment strategies to accomplish their respective investment objectives.

20. 貿易及其他應收賬款以及預付款項(續)

本集團並無向其資產管理服務客戶提供任何信貸期。於二零一八年十二月三十一日，來自貸款服務之款項指須自報告期間結算日起計一年內償還，按固定年利率10厘(二零一七年：10%)計息及以公平值為30,000,000港元(二零一七年：39,000,000港元)之有價證券作抵押之定期貸款。來自自營買賣之款項指存放於證券經紀之存款，須按要求償還。

有關本集團所面臨來自貿易應收賬款之信貸風險的進一步定量數據於財務報表附註35(B)披露。

21. 持作買賣用途投資

附註：

根據認購協議，本集團於上述投資基金之權益為可贖回股份形式，可隨時由持有人選擇贖回相等於基金資產淨值佔比之金額，且本集團有權按比例分攤各基金之資產淨值。該等投資基金由相關獲授權管理其日常營運及採用多項投資策略以達致其各自之投資目標之無關連之投資經理管理。

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22. TRUST BANK BALANCES HELD ON BEHALF OF CLIENTS

From the Group's ordinary business of dealing in securities and futures contracts, it receives and holds money deposited by clients in the course of conducting its regulated activities. These clients' monies are maintained in one or more segregated bank accounts and earn interest at floating rates based on daily bank deposit rates of 0.125% (2017: 0.100%) per annum. The Group has recognised the corresponding trade payables to respective clients.

23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

CASH AND CASH EQUIVALENTS

Demand deposits earn interest at floating rates based on daily bank deposit rates. The prevailing market interest rates for demand deposits in Hong Kong and in the PRC are 0.125% (2017: 0.100%) per annum and 0.350% (2017: 0.350%) per annum, respectively.

Included in cash and cash equivalents of the Group is RMB of HK\$3,239,000 (2017: HK\$2,119,000). RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchange business.

22. 代表客戶持有之信託銀行結餘

於從事買賣證券及期貨合約之日常業務中，本集團因從事受規管活動而收取並持有客戶存款。該等客戶款項存放於一個或多個獨立銀行賬戶，並按根據每日銀行存款年利率0.125厘（二零一七年：0.100厘）計算的浮動利率賺取利息。本集團已確認應付予各客戶之相應貿易賬款。

23. 現金及現金等同項目及其他現金流量資料

現金及現金等同項目

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Demand deposits and cash on hand	活期存款及手頭現金	47,262	87,556

活期存款按根據每日銀行存款利率計算的浮動利率賺取利息。香港及中國之活期存款之現行市場年利率分別為0.125厘（二零一七年：0.100厘）及0.350厘（二零一七年：0.350厘）。

計入本集團現金及現金等同項目之金額為3,239,000港元（二零一七年：2,119,000港元）之人民幣。人民幣屬不可自由轉化之貨幣。根據中國內地之外匯管理條例以及結匯、售匯及付匯管理規定，本集團獲允許透過獲授權從事外匯業務之銀行將人民幣兌換為其他貨幣。

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23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

OTHER CASH FLOW INFORMATION

The movement of liabilities arising from financing activities for the year ended 31 December 2017 is as follows:

		Third party interests in collective investment schemes 集體投資 計劃之 第三方權益 HK\$'000 千港元	Loan from a substantial shareholder and a third party 來自一名主要 股東及一名 第三方之貸款 HK\$'000 千港元	Liability component of 2014 SYFS Bonds 二零一四年 SYFS 債券 之負債部分 HK\$'000 千港元 (note 26) (附註26)	Liability component of 2014 SYHL Bonds 二零一四年 盛源控股債券 之負債部分 HK\$'000 千港元	Liability component of 2017 SYHL Bonds 二零一七年 盛源控股債券 之負債部分 HK\$'000 千港元 (note 26) (附註26)
At 1 January 2017	於二零一七年一月一日	60,044	26,427	41,695	124,107	-
Changes from financing cash flows:	融資現金流量之變動：					
- Proceeds received	- 已收所得款項	2,000	5,000	-	-	110,000
- Repayments/Redemption	- 償還／贖回	(56,719)	(31,040)	-	(135,000)	-
Other changes:	其他變動：					
- Allocated to convertible bond equity reserve	- 分配至可換股 債券權益儲備	-	-	-	-	(13,713)
- Changes in third party interests	- 第三方權益變動	(5,325)	-	-	-	-
- Effective interest recognised	- 已確認實際利息	-	276	3,305	21,693	2,230
- Interest paid	- 已付利息	-	(663)	-	(10,800)	-
At 31 December 2017	於二零一七年 十二月三十一日	-	-	45,000	-	98,517

23. 現金及現金等同項目及其他現金流量資料(續)

其他現金流量資料

截至二零一七年十二月三十一日止年度，融資活動產生之負債變動如下：

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23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

OTHER CASH FLOW INFORMATION (Continued)

The movement of liabilities arising from financing activities for the year ended 31 December 2018 is as follows:

23. 現金及現金等同項目及其他現金流量資料 (續)

其他現金流量資料 (續)

截至二零一八年十二月三十一日止年度，融資活動產生之負債變動如下：

		Liability component of 2014 SYFS Other loan 二零一四年 SYFS 債券 其他貸款 HK\$'000 千港元 (note 25) (附註 25)	Liability component of 2017 SYHL Bonds 二零一七年 盛源控股債券 之負債部分 HK\$'000 千港元 (note 26) (附註 26)	Liability component of 2018 SYHL Bonds 二零一八年 盛源控股債券 之負債部分 HK\$'000 千港元 (note 26) (附註 26)
At 1 January 2018	於二零一八年一月一日	-	45,000	98,517
Changes from financing cash flows:	融資現金流量之變動：			
- Proceeds received	- 已收所得款項	160,000	-	-
- Repayments/Redemption	- 償還／贖回	(80,000)	-	(110,000)
Other changes:	其他變動：			
- Settlement of 2014 SYFS Bonds by way of issuing 2018 SYHL Bonds under the deed of settlement	- 根據結算契據以發行二零一八年盛源控股債券的方式償還二零一四年SYFS債券	-	(45,000)	-
- Allocated to convertible bond equity reserve	- 分配至可換股債券權益儲備	-	-	(9,267)
- Effective interest recognised	- 已確認實際利息	1,122	-	20,283
- Interest paid	- 已付利息	(701)	-	(8,800)
- Exercise of conversion option	- 行使轉換權	-	-	-
- Transfer (note)	- 轉撥 (附註)	-	-	-
		-	-	(77,575)
		-	-	(3,609)
At 31 December 2018	於二零一八年十二月三十一日	80,421	-	-

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23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

OTHER CASH FLOW INFORMATION (Continued)

Note:

The 2018 SYHL Bonds bore interest at 8% per annum and the Company shall pay such interest every 6-month from the initial issue date. On 4 December 2018, the Company had entered into agreement with the sole bondholder in which interest payable on 4 December 2018 of HK\$3,609,000 can be settled within 3 months from the date of the agreement. On 14 December 2018, the 2018 SYHL Bonds were converted into ordinary shares of the Company and accordingly, the unpaid interest of HK\$3,609,000 was transferred to "Other payables and accruals" (note 24) upon conversion. Such interest was settled on 22 January 2019.

24. TRADE AND OTHER PAYABLES AND ACCRUALS

Trade payables arising from the business of dealing in securities and futures contracts	來自證券及期貨合約買賣業務之貿易應付賬款		
– Cash clients	– 現金客戶	44,354	237,628
– Margin clients	– 孖展客戶	1,134	460
		45,488	238,088
Other payables and accruals	其他應付賬款及應計費用	8,731	4,365
		54,219	242,453

The normal settlement terms of trade payables arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of trade payables arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amounts payable to cash and margin clients are repayable on demand except for the required margin deposits for the trading of futures contracts. No ageing analysis in respect of trade payables is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature.

23. 現金及現金等同項目及其他現金流量資料(續)

其他現金流量資料(續)

附註：

二零一八年盛源控股債券按年利率8厘計息，本公司須自首個發行日期起計每六個月支付其利息。於二零一八年十二月四日，本公司與唯一債券持有人訂立協議，據此，須於二零一八年十二月四日償還之利息3,609,000港元可自協議日期起計三個月內償還。於二零一八年十二月十四日，二零一八年盛源控股債券轉換為本公司普通股，因此，於轉換後，3,609,000港元未付利息轉撥至「其他應付賬款及應計費用」(附註24)。該等利息已於二零一九年一月二十二日償還。

24. 貿易及其他應付賬款以及應計費用

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

來自證券買賣業務之貿易應付賬款之一般結算期為各自交易日後之一至兩個營業日。來自期貨合約買賣業務之貿易應付賬款之一般結算期為各自交易日後之一個營業日。應付現金及孖展客戶之款項須按要求償還，惟期貨合約買賣所需之孖展按金除外。董事認為，基於業務性質使然，賬齡分析不會帶來額外好處，故並無披露貿易應付賬款之賬齡分析。

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25. BORROWINGS

25. 借貸

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loan from a related company (note 33)	來自一間關聯公司之貸款 (附註33)		
– Principal amount	– 本金	80,000	–
– Interest receivables	– 應收利息	421	–
		80,421	–

The loan is secured by a charge of the Company's shares owned by certain substantial shareholders of the Company, interest bearing at 24% per annum and repayable within three months from the end of the reporting period. The loan was settled on 22 March 2019.

該貸款由本公司若干主要股東擁有之本公司股份押記作抵押，按年利率24厘計息及須自報告期間結算日起計三個月內償還。該貸款已於二零一九年三月二十二日清償。

26. CONVERTIBLE BONDS AND PROVISION

26. 可換股債券及撥備

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Convertible bonds – Liability component	可換股債券 – 負債部分		
2014 SYFS Bonds	二零一四年SYFS債券	–	45,000
2017 SYHL Bonds	二零一七年盛源控股債券	–	98,517
2018 SYHL Bonds	二零一八年盛源控股債券	–	–
		–	143,517
Provision	撥備		
Settlement of 2014 SYFS Bonds	結算二零一四年SYFS債券	–	33,708

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26. CONVERTIBLE BONDS AND PROVISION (Continued)

2014 SYFS BONDS, PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS AND 2018 SYHL BONDS

Pursuant to a subscription agreement entered into by a wholly-owned subsidiary of the Company, Sheng Yuan Financial Services Group Limited ("SYFS") on 9 April 2014, SYFS issued zero coupon convertible bonds with principal amount of HK\$45,000,000 on 16 June 2014 ("2014 SYFS Bonds"). The 2014 SYFS Bonds entitled the holders to convert them into ordinary shares of SYFS ("SYFS Conversion Shares") at a conversion price of HK\$10,000 with certain profit conditions of SYFS and its subsidiaries ("SYFS Group") as set out in the Company's circular dated 16 May 2014. Any unconverted 2014 SYFS Bonds had to be redeemed by SYFS at 100% of its face value within 30 business days from the third anniversary day.

Based on the terms of the subscription agreement, the 2014 SYFS Bonds contained two components, (i) the liability and (ii) the equity conversion components. On 15 June 2017, the Group received conversion notice from the sole bondholder in respect of the exercise of the conversion rights attached to the 2014 SYFS Bonds in the aggregate amount of HK\$45,000,000. As the issuance of the SYFS Conversion Shares was subject to the approval of a regulator, the 2014 SYFS Bonds had not been converted into ordinary shares of SYFS. On 29 December 2017, the Company, SYFS and the sole bondholder entered into a deed of settlement. Subject to the permission from the Stock Exchange, the Company would issue convertible bonds with a principal amount of HK\$90,000,000 for a term of 2 years as settlement and release of the SYFS's obligations under the 2014 SYFS Bonds.

26. 可換股債券及撥備 (續)

二零一四年SYFS債券、結算二零一四年SYFS債券及二零一八年盛源控股債券之撥備

根據本公司之全資附屬公司Sheng Yuan Financial Services Group Limited ("SYFS")於二零一四年四月九日訂立之認購協議，SYFS於二零一四年六月十六日發行本金額為45,000,000港元之零息可換股債券("二零一四年SYFS債券")。二零一四年SYFS債券賦予持有人權利，可將之按換股價10,000港元兌換為SYFS普通股("SYFS換股股份")，並附有若干有關SYFS及其附屬公司("SYFS集團")之溢利之條件(詳見本公司於二零一四年五月十六日刊發之通函)。任何未獲兌換之二零一四年SYFS債券須由SYFS於第三週年日後30個營業日內按其面值之100%贖回。

根據認購協議之條款，二零一四年SYFS債券包括兩部分：(i)負債及(ii)權益兌換部分。於二零一七年六月十五日，本集團收到唯一債券持有人以總金額為45,000,000港元就行使二零一四年SYFS債券所附帶之換股權發出之換股通知。由於發行SYFS換股股份須經監管者批准，二零一四年SYFS債券並未兌換為SYFS普通股。於二零一七年十二月二十九日，本公司、SYFS及唯一債券持有人訂立結算契據。待取得聯交所許可後，本公司將發行兩年期本金額為90,000,000港元之可換股債券，以結算及解除SYFS於二零一四年SYFS債券下之債務。

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26. CONVERTIBLE BONDS AND PROVISION (Continued)

2014 SYFS BONDS, PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS AND 2018 SYHL BONDS (Continued)

The Group had made an application to the Stock Exchange on 29 December 2017 for the issuance of the convertible bonds under the deed of settlement and the permission from the Stock Exchange has not been granted at 31 December 2017. Given the permission from the Stock Exchange was considered as substantive, the directors of the Company believed that the Group's obligations arising from the 2014 SYFS Bonds remained outstanding at 31 December 2017 and a provision was recognised based on the best estimated settlement amount with reference to the fair value of the convertible bonds to be issued under the deed of settlement.

On 4 June 2018, convertible bonds in the principal amount of HK\$90,000,000 ("2018 SYHL Bonds") were issued to the sole bondholder after the approval from the Stock Exchange has been granted. The 2018 SYHL Bonds entitled the holder to convert them into ordinary shares of the Company at the conversion price of HK\$0.35 per share at any time before 24 months from the initial issue date ("2018 SYHL Bonds Maturity Date") and bore interest at 8% per annum. The Company shall have the right to, at any time during the period from the initial issue date and up to the 2018 SYHL Bonds Maturity Date, to redeem the 2018 SYHL Bonds at 100% of the outstanding principal amount, together with accrued interest, if any.

26. 可換股債券及撥備(續)

二零一四年SYFS債券、結算二零一四年SYFS債券及二零一八年盛源控股債券之撥備(續)

本集團已就根據結算契據發行可換股債券於二零一七年十二月二十九日向聯交所提出申請，聯交所於二零一七年十二月三十一日仍未授出有關許可。鑒於聯交所許可被認為是實質性的，本公司董事認為本集團因二零一四年SYFS債券產生之責任於二零一七年十二月三十一日仍未償還及因此已經參考結算契據項下將予發行的可換股債券之公平值而確認最佳估計結算金額之撥備。

於二零一八年六月四日，聯交所授出批准後，唯一債券持有人獲發行本金額為90,000,000港元之可換股債券（「二零一八年盛源控股債券」）。二零一八年盛源控股債券賦予持有人權利，可於首個發行日期二十四個月（「二零一八年盛源控股債券到期日」）前任何時間將之按兌換價每股股份0.35港元兌換為本公司普通股且以年利率8厘計息。本公司有權從首個發行日期至二零一八年盛源控股債券到期日期內任何時間，按全部尚未償還本金額連同應計利息（如有）贖回二零一八年盛源控股債券。

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26. CONVERTIBLE BONDS AND PROVISION (Continued)

2014 SYFS BONDS, PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS AND 2018 SYHL BONDS (Continued)

Based on the terms of the deed of settlement, the 2018 SYHL Bonds contain two components, (i) the liability and (ii) the equity conversion components. At the issue date, the fair value of the 2018 SYHL Bonds was determined using the Binomial Option Pricing Model. The fair value of the liability component of 2018 SYHL Bonds upon issuance was calculated at the present value of the estimated coupon interest payments and principal amount. The discount rate used in the calculation is 20%, representing the cost of debt applicable to the Company for a similar bond without conversion option at the issue date. The equity conversion component is determined by deducting the amount of the liability component from the fair value of the 2018 SYHL Bonds. The key inputs used in the Binomial Option Pricing Model were as follows:

Inputs

輸入值

04/06/2018

二零一八年六月四日

Stock price	HK\$0.255
股價	0.255 港元
Exercise price	HK\$0.350
行使價	0.350 港元
Expected life	2 years
預期年期	2 年
Expected volatility	47.01%
預期波幅	
Expected dividend yield	0.00%
預期股息率	
Risk-free interest rate	2.38%
無風險利率	

26. 可換股債券及撥備 (續)

二零一四年SYFS債券、結算二零一四年SYFS債券及二零一八年盛源控股債券之撥備 (續)

根據結算契據之條款，二零一八年盛源控股債券包括兩部分：(i) 負債及(ii) 權益兌換部分。於發行日期，二零一八年盛源控股債券之公平值乃採用二項式期權定價模型釐定。於發行時二零一八年盛源控股債券負債部分之公平值按估計票面利息付款及本金金額之現值計算。計算所用之折現率為20%，指本公司就於發行日期不附帶兌換權之類似債券之債務成本。權益兌換部分透過自二零一八年盛源控股債券之公平值扣除負債部分之金額釐定。二項式期權定價模型使用之主要輸入值如下：

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26. CONVERTIBLE BONDS AND PROVISION (Continued)

2014 SYFS BONDS, PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS AND 2018 SYHL BONDS (Continued)

On 14 December 2018, the 2018 SYHL Bonds were converted into ordinary shares of the Company. The movements of the liability components of 2014 SYFS Bonds and 2018 SYHL Bonds during the current and previous years are set out in note 23 to these financial statements. The movement of the provision for settlement of 2014 SYFS Bonds during the current year is as follows:

		HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	33,708
Decrease in provision	撥備減少	(4,394)
Utilised in the year	年內動用	(29,314)
At 31 December 2018	於二零一八年十二月三十一日	-

2017 SYHL BONDS

Pursuant to subscription agreements entered into by the Company on 17 November 2017, the Company issued convertible bonds with aggregate principal amount of HK\$110,000,000 ("2017 SYHL Bonds") on 23 November 2017. The 2017 SYHL Bonds entitled the holders to convert them into ordinary shares of the Company at the conversion price of HK\$0.35 per share at any time before 12 months from the initial issue date ("2017 SYHL Bonds Maturity Date") and bore interest at 8% per annum. Unless previously redeemed, converted or cancelled, the Company had to redeem each 2017 SYHL Bonds on the 2017 SYHL Bonds Maturity Date at 100% of the outstanding principal amount, together with accrued interest, if any.

26. 可換股債券及撥備 (續)

二零一四年SYFS債券、結算二零一四年SYFS債券及二零一八年盛源控股債券之撥備 (續)

於二零一八年十二月十四日，二零一八年盛源控股債券被兌換為本公司普通股。本年度及過往年度二零一四年SYFS債券及二零一八年盛源控股債券負債部分的變動載於本財務報表附註23。本年度結算二零一四年SYFS債券之撥備變動載列如下：

二零一七年盛源控股債券

根據本公司於二零一七年十一月十七日訂立之認購協議，本公司於二零一七年十一月二十三日發行本金總額為110,000,000港元之可換股債券（「二零一七年盛源控股債券」）。二零一七年盛源控股債券賦予持有人權利，可於首個發行日期起計12個月（「二零一七年盛源控股債券到期日」）前任何時間將之按兌換價每股股份0.35港元兌換為本公司普通股，及以年利率8厘計息。除非先前已贖回、兌換或註銷，本公司將於二零一七年盛源控股債券到期日按全部尚未償還本金額連同應計利息（如有）贖回各二零一七年盛源控股債券。

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26. CONVERTIBLE BONDS AND PROVISION (Continued)

2017 SYHL BONDS (Continued)

Based on the terms of the subscription agreements, the 2017 SYHL Bonds contain two components, (i) the liability and (ii) the equity conversion components. Since the initial issue date, the 2017 SYHL Bonds has not been converted into ordinary shares of the Company and were fully redeemed. The movement of the liability component of 2017 SYHL Bonds during the current and previous years are set out in note 23 to these financial statements.

2014 SYHL BONDS

Pursuant to subscription agreements entered into by the Company on 5 November 2014 and 19 December 2014, the Company issued convertible bonds with aggregate principal amount of HK\$135,000,000 ("2014 SYHL Bonds") on 19 November 2014 and 30 December 2014. The 2014 SYHL Bonds entitled the holders to convert them into ordinary shares of the Company at the conversion price of HK\$0.35 per share of the Company at any time before the third anniversary date of the initial issue dates ("2014 SYHL Bonds Maturity Date"). The 2014 SYHL Bonds bore interests at 8% per annum except that during the second and third anniversary period, no interest would be accrued to the holders when the average closing price in respect of the Company's share for the last 30 consecutive trading days ("Current Market Price") before the second anniversary of the initial issue dates ("Second Interest Payment Date") and the 2014 SYHL Bonds Maturity Date exceeded HK\$0.50 and HK\$0.55 per share of the Company, respectively.

26. 可換股債券及撥備 (續)

二零一七年盛源控股債券 (續)

根據認購協議之條款，二零一七年盛源控股債券分為兩個部分：(i) 負債及(ii) 權益兌換部分。自首個發行日期起，概無二零一七年盛源控股債券被兌換為本公司普通股，並已於截至二零一八年十二月三十一日止年度內悉數贖回。於本年度及過往年度二零一七年盛源控股債券負債部分之變動載於本財務報表附註23。

二零一四年盛源控股債券

根據本公司於二零一四年十一月五日及二零一四年十二月十九日訂立之認購協議，本公司於二零一四年十一月十九日及二零一四年十二月三十日發行本金總額為135,000,000港元之可換股債券（「二零一四年盛源控股債券」）。二零一四年盛源控股債券賦予持有人權利，可於首個發行日期之第三週年當日（「二零一四年盛源控股債券到期日」）前任何時間將之按兌換價每股本公司股份0.35港元兌換為本公司普通股。二零一四年盛源控股債券以年利率8厘計息，惟於第二及第三週年期間，倘本公司股份於首個發行日期之第二週年當日（「第二個付息日」）及二零一四年盛源控股債券到期日前最後連續30個交易日之平均收市價（「當前市價」）分別超過每股本公司股份0.50港元及0.55港元，則不對持有人計算利息。

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26. CONVERTIBLE BONDS AND PROVISION (Continued)

2014 SYHL BONDS (Continued)

When the Current Market Price on the Second Interest Payment Date exceeded HK\$0.50 per share of the Company, the Company would have the right to early redeem the 2014 SYHL Bonds (in part or in whole), at the aggregate amount of the outstanding principal and interest not later than 3 business days after the Second Interest Payment Date. Unless previously redeemed, converted or cancelled, the Company had to redeem each 2014 SYHL Bonds on the 2014 SYHL Bonds Maturity Date at 100% of the outstanding principal amount, together with accrued interest, if any.

Based on the terms of the subscription agreements, the 2014 SYHL Bonds were bifurcated into three components, (i) the liability, (ii) the derivative (i.e. early redemption option) and (iii) the equity conversion components. Since the initial issue date, the 2014 SYHL Bonds has not been converted into ordinary shares of the Company and were fully redeemed during the year ended 31 December 2017. The movement of the liability component of 2014 SYHL Bonds during the previous year are set out in note 23 to these financial statements.

26. 可換股債券及撥備(續)

二零一四年盛源控股債券(續)

倘於第二個付息日之當前市價超過每股本公司股份0.50港元，則本公司有權於第二個付息日後不遲於3個營業日按未償還本金及利息之總額提前贖回二零一四年盛源控股債券(部分或全部)。除非先前已贖回、兌換或註銷，本公司須於二零一四年盛源控股債券到期日按全部尚未償還本金連同應計利息(如有)贖回各二零一四年盛源控股債券。

根據認購協議之條款，二零一四年盛源控股債券分為三個部分：(i) 負債，(ii) 衍生工具(即提早贖回選擇權)及(iii) 權益兌換部分。自首個發行日期起，概無二零一四年盛源控股債券被兌換為本公司普通股，並已於截至二零一七年十二月三十一日止年度內悉數贖回。過往年度二零一四年盛源控股債券負債部分之變動載於本財務報表附註23。

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27. DEFERRED TAX

(A) DEFERRED TAX ASSETS RECOGNISED

		Excess of depreciation over tax depreciation allowances 折舊超出稅項 折舊撥備 HK\$'000 千港元
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年一月一日	144
Charged to profit or loss	計入損益	(144)
At 31 December 2018	於二零一八年十二月三十一日	—

(B) DEFERRED TAX ASSETS NOT RECOGNISED

The Group had estimated tax losses of HK\$256,580,000 (2017: HK\$196,347,000) to carry forward against future taxable profits. Tax losses of HK\$249,153,000 (2017: HK\$183,983,000) were related to certain subsidiaries operating in Hong Kong and could be carried forward indefinitely under the current tax legislation. In addition, certain subsidiaries operating in the PRC had tax losses of HK\$7,427,000 (2017: HK\$12,364,000) which were subject to expiry period of five years from the year in which the tax loss arose. No deferred tax asset had been recognised in respect of the estimated tax losses due to the unpredictability of future profit streams against which these unused tax losses could be utilised.

27. 遞延稅項

(A) 已確認遞延稅項資產

(B) 未確認之遞延稅項資產

本集團擁有估計稅項虧損256,580,000港元(二零一七年: 196,347,000港元)，以結轉與未來之應課稅溢利對銷。稅項虧損249,153,000港元(二零一七年: 183,983,000港元)乃與若干於香港經營之附屬公司有關，且可根據現行稅務條例無限結轉。此外，若干於中國經營的附屬公司擁有稅項虧損7,427,000港元(二零一七年: 12,364,000港元)，將於產生稅項虧損之年度起計五年後屆滿。由於可用作抵銷未用稅項虧損之未來溢利來源無法預測，故並無就估計稅項虧損確認遞延稅項資產。

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28. SHARE CAPITAL

28. 股本

		Number of ordinary shares of HK\$0.05 each 每股面值0.05港元 之普通股數目	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	8,000,000,000	400,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2017	於二零一七年一月一日	3,542,562,556	177,128
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	20,000,000	1,000
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	3,562,562,556	178,128
Issue of shares upon exercise of convertible bonds	因可換股債券獲行使而發行股份	257,142,857	12,857
At 31 December 2018	於二零一八年十二月三十一日	3,819,705,413	190,985

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

所有已發行股份在所有方面享有同等權利，包括有關股息、投票及資本退還之所有權利。

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29. SHARE-BASED PAYMENTS

- (a) Pursuant to the general meeting held on 24 September 2004, a share option scheme (“2004 Scheme”) was adopted by the Company. The purpose of the 2004 Scheme is to provide incentives or rewards to the eligible participants (including but not limited to employees, directors, suppliers and customers of the Group) (“Qualified Persons”) for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Pursuant to this 10-year term 2004 Scheme, the Company can grant share options to the Qualified Persons for a consideration of HK\$1.00 for each grant payable by the Qualified Persons. The total number of the shares issued and to be issued upon exercise of the share options granted to each Qualified Person (including exercised, cancelled and outstanding share options) in any 12-month period shall not exceed 1% of the shares then in issue. Pursuant to a resolution passed on the annual general meeting of the Company, dated 24 April 2014, the Company can grant 161,201,291 share options to the Qualified Persons.

The exercise price in relation to each share option pursuant to the 2004 Scheme shall be not less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date on which the share option is offered to a Qualified Person; or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of offer; or (iii) the nominal value of a share of the Company. There shall be no minimum holding period for the vesting or exercise of the share options under the 2004 Scheme but the share options are exercisable within the option period as determined by the board of directors of the Company.

29. 股份付款

- (a) 根據於二零零四年九月二十四日舉行之股東大會，本公司已採納一項購股權計劃（「二零零四年計劃」）。二零零四年計劃旨在向合資格參與者（包括但不限於本集團之僱員、董事、供應商及客戶）（「合資格人士」）提供獎勵或回報，以激勵或獎勵彼等為本集團作出之貢獻及／或令本集團得以聘請及留聘優秀僱員，並招攬對本集團有價值之人力資源。

根據此十年期之二零零四年計劃，本公司可向合資格人士授出購股權，而合資格人士須就每份授出購股權支付1.00港元之代價。每名合資格人士於任何12個月期間內因行使獲授之購股權（包括已行使、已註銷及尚未行使之購股權）而獲發行及將獲發行之股份總數，不得超過當時已發行股份之1%。根據於本公司股東週年大會上通過日期為二零一四年四月二十四日之決議案，本公司可向合資格人士授出161,201,291份購股權。

根據二零零四年計劃，每份購股權之行使價不得低於(i)向合資格人士提呈授出購股權當日聯交所每日報價表所列之股份收市價；或(ii)於緊接提呈授出日期前5個交易日聯交所每日報價表所列之股份平均收市價；或(iii)本公司股份面值（以最高者為準）。根據二零零四年計劃，並無有關購股權歸屬或行使前必須持有之最短期限，惟購股權須於本公司董事會釐定之購股權期限內行使。

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29. SHARE-BASED PAYMENTS (Continued)

- (b) Pursuant to a special general meeting held on 15 October 2014, a new share option scheme ("2014 Scheme") was approved by the shareholders of the Company in place of the 2004 Scheme. The share options granted for the 2004 Scheme shall continue to be valid and exercisable in accordance with the 2004 Scheme.

The 2014 Scheme is also valid and effective for 10 years, after which no further share options may be issued under the 2014 Scheme but any share options granted thereto shall remain exercisable in accordance with the 2014 Scheme. The purpose of the 2014 Scheme is to enable the Group to grant share options to the Qualified Persons as incentives or rewards for their contribution to the Group.

The maximum number of shares which can be granted under the 2014 Scheme may not exceed 10% of the issued share capital of the Company from time to time. Pursuant to a resolution passed on the annual general meeting of the Company, dated 15 October 2014, the Company can grant 161,201,291 share options to the Qualified Persons, until the next time of refreshment. The maximum number of shares which can be granted under the 2004 Scheme and the 2014 Scheme may not in aggregate exceed 30% of the issued share capital of the Company from time to time. The total number of shares issuable under the 2004 Scheme and the 2014 Scheme to each Qualified Persons within any 12-month's period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to shareholders' approval. At 31 December 2018, the number of shares in respect of which options has been granted and remained outstanding under the 2004 Scheme and 2014 Scheme was 117,200,000 (2017: 97,200,000), representing 3.1% (2017: 2.5%) of the Company's shares in issue at that date.

29. 股份付款(續)

- (b) 根據於二零一四年十月十五日舉行之股東特別大會，本公司股東已批准一項新購股權計劃（「二零一四年計劃」）以取代二零零四年計劃。就二零零四年計劃授出之購股權根據二零一四年計劃仍將有效及可予行使。

二零一四年計劃亦於十年內有效及有效力，其後或不會再根據二零一四年計劃授出購股權，惟有關已授出之任何購股權仍將根據二零一四年計劃可予行使。二零一四年計劃旨在使本集團向合資格人士授出購股權，作為彼等為本集團作出貢獻之獎勵或回報。

根據二零一四年計劃能授出之股份數目最多不得超過本公司不時已發行股本之10%。根據於本公司股東週年大會上通過日期為二零一四年十月十五日之決議案，本公司可於下次更新購股權前向合資格人士授出161,201,291份購股權。根據二零零四年計劃及二零一四年計劃能授出之股份數目最多合共不得超過本公司不時已發行股本之30%。根據二零零四年計劃及二零一四年計劃於任何十二個月期間內可向各合資格人士發行之股份總數不得超過本公司當時已發行股本之1%。進一步授出超過此限額之任何購股權須經股東批准。於二零一八年十二月三十一日，根據二零零四年計劃及二零一四年計劃已獲授出但尚未行使之購股權所涉及之股份數目為117,200,000股（二零一七年：97,200,000股），佔本公司於該日已發行股份之3.1%（二零一七年：2.5%）。

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29. SHARE-BASED PAYMENTS (Continued)

(b) (Continued)

Any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to prior shareholders' approval in a general meeting.

The exercise price in relation to each share option pursuant to the 2014 Scheme shall be not less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date on which the share option is offered to a Qualified Person; or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of offer; or (iii) the nominal value of a share of the Company. There shall be no minimum holding period for the vesting or exercise of the share options under the 2014 Scheme but the share options are exercisable within the option period as determined by the board of directors of the Company.

- (c) On 19 June 2014, the Company and Rotaland Limited (the "Consultant") entered into a consultancy agreement (the "Consultancy Agreement") pursuant to which the Company engaged the Consultant to provide marketing and introduction services advice and guidance to support the Group's business expansion and development (the "Consultancy Services") for a fixed term of three years.

As consideration for the Consultancy Services, the Company had, upon signing of the Consultancy Agreement, conditionally granted to the Consultant an option (the "Option"), at a nominal consideration of HK\$1.00, to subscribe for 140,000,000 shares of HK\$0.05 each in the share capital of the Company ("Option Shares") at an exercise price of HK\$0.25 per Option Share.

The Option was exercisable for 3 years from the date of Consultancy Agreement. Vesting of the Option was conditional upon the achievement of certain non-market performance target by a subsidiary of the Company.

29. 股份付款 (續)

(b) (續)

倘於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出之任何購股權超過本公司於任何時候已發行股份之0.1%或總值(根據本公司股份於授出日期之收市價計算)超過5,000,000港元,須經股東於股東大會上事先批准。

根據二零一四年計劃,每份購股權之行使價不得低於(i)向合資格人士提呈授出購股權當日聯交所每日報價表所列之股份收市價;或(ii)於緊接提呈授出日期前5個交易日聯交所每日報價表所列之股份平均收市價;或(iii)本公司股份面值(以最高者為準)。根據二零一四年計劃,並無有關購股權歸屬或行使前必須持有之最短期限,惟購股權須於本公司董事會釐定之購股權期限內行使。

- (c) 於二零一四年六月十九日,本公司與Rotaland Limited(「顧問」)訂立一份顧問協議(「顧問協議」),據此,本公司委聘顧問提供市場推廣及引薦服務建議和指引,以支援本集團之業務擴充及發展(「顧問服務」),固定年期為三年。

作為顧問服務之代價,本公司於簽署顧問協議時已有條件地按名義代價1.00港元向顧問授出購股權(「購股權」),可認購140,000,000股本公司股本中每股面值0.05港元之股份(「購股權股份」),行使價為每股購股權股份0.25港元。

購股權可由顧問協議日期起計三年期間內行使。購股權之歸屬待本公司之附屬公司達成若干非市場表現目標後方可作實。

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29. SHARE-BASED PAYMENTS (Continued)

None of the Option granted to the Consultant was exercised or exercisable since granted because the performance target was not met. During the year ended 31 December 2017, the above Option was expired. Movements in share options to subscribe for ordinary shares in the Company under the 2004 Scheme and 2014 Scheme during the year and their weighted average exercise price are as follows:

29. 股份付款 (續)

概無授予顧問之購股權自授出起因未達表現目標而獲行使或可予行使。截至二零一七年十二月三十一日止年度，上述購股權經已屆滿。年內根據二零零四年計劃及二零一四年計劃可認購本公司普通股之購股權之變動及其加權平均行使價如下：

		Number of share options 購股權數目		Weighted average exercise price 加權平均行使價	
		2018 二零一八年	2017 二零一七年	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Outstanding at 1 January	於一月一日未行使	97,200,000	53,200,000	0.240	0.246
Exercised	已行使	-	(20,000,000)	N/A 不適用	0.245
Forfeited	已沒收	(15,000,000)	(32,000,000)	0.240	0.245
Granted	已授出	35,000,000	96,000,000	0.240	0.240
Outstanding at 31 December	於十二月三十一日未行使	117,200,000	97,200,000	0.240	0.240
Exercisable at 31 December	於十二月三十一日可予行使	82,200,000	97,200,000	0.240	0.240

Notes:

- (i) The weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised during the year ended 31 December 2017 is HK\$0.255.

附註：

- (i) 截至二零一七年十二月三十一日止年度，緊接購股權獲行使當日以前本公司股份之加權平均收市價為0.255港元。

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29. SHARE-BASED PAYMENTS (Continued)

Notes: (Continued)

- (ii) The exercise prices and exercisable period of share options under the 2004 Scheme and 2014 Scheme outstanding at the reporting date are as follows:

Exercisable period 行使期	Number of share options outstanding as at 31 December 於十二月三十一日 尚未行使之購股權數目		Notes 附註	Exercise price 行使價	
	2018 二零一八年	2017 二零一七年		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
07/09/2017 – 07/09/2020 二零一七年九月七日至二零二零年九月七日	81,000,000	96,000,000	(a)	0.240	0.240
01/04/2019 – 25/03/2021 二零一九年四月一日至二零二一年三月二十五日	35,000,000	–	(b)	0.240	N/A 不適用
25/08/2011 – 25/08/2021 二零一一年八月二十五日至 二零二一年八月二十五日	480,000	480,000	(a)	0.280	0.280
25/08/2011 – 25/08/2021 二零一一年八月二十五日至 二零二一年八月二十五日	720,000	720,000	(c)	0.280	0.280
	117,200,000	97,200,000			

- (a) These share options were immediately vest on the date of grant.
- (b) These share options will be vested on 1 April 2019 when the audited profit after tax (excluding bonus to management and employees) of SYFS and its subsidiaries for the year ended 31 December 2018 is not less than HK\$15 million.
- (c) These share options were vested one year from the date of grant.
- (d) The weighted average remaining contractual life of share options outstanding at 31 December 2018 is 1.7 years (2017: 2.7 years).

29. 股份付款 (續)

附註：(續)

- (ii) 於報告日期尚未行使之二零零四年計劃及二零一四年計劃項下之購股權之行使價及行使期如下：

- (a) 該等購股權於授出日期即時歸屬。
- (b) 倘於截至二零一八年十二月三十一日止年度，SYFS及其附屬公司之經審核除稅後溢利(不包括管理層及僱員花紅)不低於15百萬港元，該等購股權將於二零一九年四月一日歸屬。
- (c) 該等購股權將於自授出日期起計一年歸屬。
- (d) 於二零一八年十二月三十一日，尚未行使購股權之加權平均餘下合約期限為1.7年(二零一七年：2.7年)。

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29. SHARE-BASED PAYMENTS (Continued)

During the year ended 31 December 2018, the Company granted share options that, subject to certain non-market vesting conditions, entitled the Qualified Persons to subscribe for an aggregate 35,000,000 (2017: 96,000,000) new shares of HK\$0.05 each in the share capital of the Company.

The fair value of services received in return for share options granted is based on the fair value of the share options granted of HK\$3,505,000 (2017: HK\$9,520,000), measured using Binomial Option Pricing Model. The following inputs were used in the measurement of the fair value at grant date:

Inputs	26/03/2018	07/09/2017
輸入值	二零一八年 三月二十六日	二零一七年 九月七日
Grant date share price	HK\$0.234	HK\$0.233
授出日期股價	0.234 港元	0.233 港元
Exercise price	HK\$0.240	HK\$0.240
行使價	0.240 港元	0.240 港元
Expected life	3 years	3 years
預期年期	3 年	3 年
Expected volatility	71.59%	81.26%
預期波幅		
Expected dividend yield	0.00%	0.00%
預期股息率		
Risk-free interest rate	1.67%	0.84%
無風險利率		

Expected volatility was determined by using the historical volatility of the Company's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

For the year ended 31 December 2018, no equity-settled share-based payment expense was recognised in respect of the share options granted during the year as the vesting conditions had not been met. The Group recognised equity-settled share-based payment expense of HK\$9,520,000 for the year ended 31 December 2017 under staff costs.

29. 股份付款 (續)

截至二零一八年十二月三十一日止年度，本公司授出的購股權（視乎若干非市場歸屬條件）可讓合資格人士有權認購合共35,000,000股（二零一七年：96,000,000股）本公司股本中每股面值0.05港元的新股份。

以授出購股權作為酬謝所收取服務之公平值乃基於授出購股權之公平值3,505,000港元（二零一七年：9,520,000港元）使用二項式期權定價模型計量。下列輸入值乃用於計量於授出日期之公平值：

預期波幅乃使用本公司先前三股股價升跌的過往波幅釐定。模型所用之預期年期已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。

截至二零一八年十二月三十一日止年度，由於歸屬條件未獲達成，概無就年內授出的購股權確認股本結算股份付款開支。截至二零一七年十二月三十一日止年度，本集團於員工成本下確認股本結算股份付款開支9,520,000港元。

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30. DISPOSAL OF SUBSIDIARIES

On 28 June 2018, the Company entered into an agreement to sell the entire issued share capital of a subsidiary, Joinbo Holdings Limited, for a cash consideration of HK\$4,000,000. The net assets disposed of, the resulting loss on disposal and the net cash inflow in respect of the above transaction were as follows:

30. 出售附屬公司

於二零一八年六月二十八日，本公司訂立一份協議，以出售一間附屬公司駿寶集團有限公司之全部已發行股本，現金代價為4,000,000港元。涉及上述交易之已出售資產淨值、出售產生之虧損及淨現金流入如下：

		2018 二零一八年 HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	1
Interests in an associate	於一間聯營公司之權益	193
Other receivables and prepayments	其他應收賬款及預付款項	169
Cash and cash equivalents	現金及現金等同項目	18
Other payables and accruals	其他應付賬款及應計費用	(1)
		380
Loss on disposal:	出售虧損：	
Consideration received	已收代價	4,000
Net assets disposed of	已出售資產淨值	(380)
Non-controlling interests derecognised	終止確認非控股權益	(11)
Cumulative currency translation reserve in respect of the subsidiaries and associate disposed of reclassified from equity to profit or loss on disposal	於出售時由權益重新分類為損益之有關已出售附屬公司及聯營公司之累計貨幣換算儲備	(6,528)
		(2,919)**
Net cash inflow:	淨現金流入：	
Total consideration	代價總額	4,000
Less: Cash and cash equivalents disposed of	減：已出售現金及現金等同項目	(18)
		3,982

** included in "Other gains and losses" in profit or loss

** 計入損益之「其他收益及虧損」內

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31. RESERVES

SHARE PREMIUM

Under the Bermuda Companies Act 1981, the funds in the share premium account of the Company may be credited to a contributed surplus account of the Company. Such contributed surplus, may be distributed when the Company is able to settle its liabilities when they fall due after such payment.

SHAREHOLDER'S CONTRIBUTION

Shareholder's contribution represents the amount of borrowing due by the Company which was waived by a former shareholder during the year ended 30 April 2008.

CAPITAL REDEMPTION RESERVE

Capital redemption reserve was arising from the repurchase and cancelled of 47,720,000 ordinary shares of HK\$0.01 each during the year ended 30 April 2001.

CONVERTIBLE BOND EQUITY RESERVE

Convertible bond equity reserve represented the equity component of the convertible bonds issued by the Company which had not been converted into ordinary shares of the Company. The amount attributable to 2014 SYHL Bonds was transferred to accumulated losses in the previous year as the conversion option of the relevant amount of convertible bonds remained unexercised at the 2014 SYHL Bonds Maturity Date. The amount attributable to 2017 SYHL Bonds was transferred to accumulated losses in the current year as the conversion option of the relevant amount of convertible bonds remained unexercised at the 2017 SYHL Bonds Maturity Date. The amount attributable to 2018 SYHL Bonds was transferred to share capital and share premium in the current year upon exercise of the conversion option.

SHARE OPTION RESERVE

Share option reserve represents the portion of the grant date fair value of the unexercised share options of the Company.

CURRENCY TRANSLATION RESERVE

Currency translation reserve represents all the foreign exchange differences arising from the translation of the financial statements and goodwill through acquisition of foreign operations from their functional currencies to the Group's presentation currency.

31. 儲備

股份溢價

根據一九八一年百慕達公司法，本公司股份溢價賬之資金可計入本公司繳入盈餘賬。倘本公司於支付後其負債到期時能償還負債，則該繳入盈餘可予分派。

股東注資

股東注資指本公司結欠之借貸數額，該等款項於截至二零零八年四月三十日止年度獲前股東豁免。

股本贖回儲備

股本贖回儲備指於截至二零零一年四月三十日止年度購回及註銷的每股面值0.01港元之47,720,000股普通股。

可換股債券權益儲備

可換股債券權益儲備指本公司發行之可換股債券之權益部分，該等可換股債券尚未轉換為本公司之普通股。二零一四年盛源控股債券應佔數額於過往年度轉撥至累計虧損，原因是有關可換股債券數額之換股權於二零一四年盛源控股債券到期日仍未獲行使。二零一七年盛源控股債券應佔數額轉撥至本年度累計虧損，原因是有關可換股債券數額之換股權於二零一七年盛源控股債券到期日仍未獲行使。二零一八年盛源控股債券應佔數額於兌換權獲行使後轉撥至本年度股本及股份溢價。

購股權儲備

購股權儲備指本公司未獲行使購股權授出日公平值部分。

貨幣換算儲備

貨幣換算儲備指將海外業務財務報表及透過收購產生之商譽由其功能貨幣換算為本集團呈列貨幣產生之所有外匯差額。

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32. COMMITMENTS

OPERATING LEASE COMMITMENTS

At the reporting date, the total future minimum lease payments under non-cancellable operating leases, in respect of land and buildings, are payable as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	5,905	10,544
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	–	5,902
		5,905	16,446

The Group leases a number of properties under operating leases. The leases run for an initial period of 1 to 3 years (2017: 1 to 3 years). None of the leases include contingent rentals.

OTHER COMMITMENTS

At the reporting date, the total future minimum service fee payments under non-cancellable service agreements are payable as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	630	720
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	–	630
		630	1,350

32. 承擔

經營租約承擔

於報告日期，本集團根據不可撤銷經營租約就土地及樓宇須承擔未來最低租賃款項總額如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	5,905	10,544
In the second to fifth years, inclusive	–	5,902
	5,905	16,446

本集團根據經營租約租賃多項物業。租約初始期限為一至三年(二零一七年：一至三年)。概無租約包含或然租金。

其他承擔

於報告日期，本集團根據不可撤銷服務協議須承擔之未來最低服務費用總額如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	630	720
In the second to fifth years, inclusive	–	630
	630	1,350

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33. RELATED PARTY TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

33. 關連人士交易及董事於交易、安排或合約中之重大權益

除該等財務報表其他地方詳述之交易及結餘外，本集團於年內與關連人士進行之重大交易如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
A director of the Company	本公司董事		
Mr. Chen Zhong Min	陳重民先生		
– Interest paid (note (a))	– 已付利息 (附註(a))	8,701	–
An entity has significant influence over the Company	對本公司有重大影響力之實體		
Wah Lun International Development Limited	華倫國際發展有限公司		
– Interest expense (note (b))	– 利息開支 (附註(b))	421	–
A substantial shareholder of the Company	本公司主要股東		
King Lion Group Limited	King Lion Group Limited		
– Interest income (note (c))	– 利息收入 (附註(c))	–	277
– Interest expense (note (d))	– 利息開支 (附註(d))	–	276

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33. RELATED PARTY TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (Continued)

Notes:

- (a) Mr. Chen Zhong Min was appointed as a director of the Company on 2 January 2018. Interest of HK\$8,701,000 paid was in connection with 2017 SYHL Bonds held by and loan advanced from him. The 2017 SYHL Bonds and the loan have a principal amount of HK\$100,000,000 and HK\$80,000,000, respectively and were fully redeemed/repaid in the current year.
- (b) Interest expense of HK\$421,000 was in connection with loan advanced from this entity. The loan has a principal amount of HK\$80,000,000 and was included under "Borrowings" (note 25) at 31 December 2018.
- (c) Interest income of HK\$277,000 was in connection with loans advanced to this entity. The loans had a principal amount of HK\$1,000,000 to HK\$5,000,000 and were fully settled in the previous year.
- (d) Interest expense of HK\$276,000 was in connection with loans advanced from this entity. The loans had a principal amount of HK\$2,000,000 to HK\$10,000,000 and were fully repaid in the previous year.

33. 關連人士交易及董事於交易、安排或合約中之重大權益 (續)

附註：

- (a) 陳重民先生於二零一八年一月二日獲委任為本公司董事。已付利息8,701,000港元與其所持二零一七年盛源控股債券及墊付貸款有關。二零一七年盛源控股債券及貸款本金額分別為100,000,000港元及80,000,000港元，已於本年度悉數贖回／償還。
- (b) 利息開支421,000港元與該實體墊付之貸款有關。該貸款本金額為80,000,000港元，並計入於二零一八年十二月三十一日之「借貸」（附註25）。
- (c) 利息收入277,000港元與該實體墊付之貸款有關。該貸款本金額為1,000,000港元至5,000,000港元，已於上年度悉數償還。
- (d) 利息開支276,000港元與該實體墊付之貸款有關。該貸款本金額為2,000,000港元至10,000,000港元，已於上年度悉數償還。

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33. RELATED PARTY TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (Continued)

Except as disclosed above, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	5,750	5,231
Share-based payment expense	股份付款開支	-	3,629
Post-employment benefits	退休福利	168	221
		5,918	9,081

33. 關連人士交易及董事於交易、安排或合約中之重大權益(續)

除上文所披露者外，於財政年度內或於財政年度結算日，概無與本集團業務（本公司為當中一方）有關，且本公司董事於當中直接或間接擁有重大權益之其他交易、安排或重大合約。

主要管理層人員薪酬

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34. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and liabilities as recognised at the reporting dates are categorised as follows:

34. 按類別劃分之金融資產及負債概要

本集團於報告日期確認之金融資產及負債賬面值分類如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Fair value through profit or loss	按公平值計入損益		
– Held for trading investments	– 持作買賣用途投資	6,828	39,616
		6,828	39,616
Amortised cost	攤銷成本		
– Other assets	– 其他資產	1,730	1,730
– Trade receivables	– 貿易應收賬款	36,716	64,260
– Other receivables	– 其他應收賬款	2,710	4,212
– Trust bank balances held on behalf of clients	– 代表客戶持有之信託銀行結餘	45,407	221,581
– Cash and cash equivalents	– 現金及現金等同項目	47,262	87,556
		133,825	379,339
		140,653	418,955
Financial liabilities	金融負債		
Amortised cost	攤銷成本		
– Trade and other payables and accruals	– 貿易及其他應付賬款以及應計費用	54,219	242,453
– Borrowings	– 借貸	80,421	–
– Convertible bonds	– 可換股債券	–	143,517
		134,640	385,970

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments are disclosed in note 34. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner.

(A) MARKET RISK

(I) CURRENCY RISK

The Group is exposed to currency risk primarily through receivables from and payables to clients from the provision of services and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are RMB and US\$.

To manage the currency risk, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The Group may also use foreign exchange forward contracts to minimise its currency risk exposure, except for those transactions denominated in US\$ which are, or are expected to be, entered into by operations with a functional currency of HK\$. No foreign exchange forward contracts are entered for these transactions as the Group considers the risk of changes in exchange rates between HK\$ and US\$ to be insignificant.

35. 財務風險管理目標及政策

本集團主要金融工具披露於附註34。該等金融工具之相關風險及有關減低該等風險之政策載於下文。管理層管理及監察該等風險，確保適時及有效地採取適當措施。

(A) 市場風險

(I) 貨幣風險

本集團面臨之貨幣風險主要來自就提供服務而應收及應付客戶款項以及以交易相關業務功能貨幣以外貨幣計值之現金結餘。產生此風險之貨幣為人民幣及美元。

為管理貨幣風險，本集團透過於需要時按現貨匯率買入或售出針對短期需要外匯，確保風險淨額維持在可接受水平。本集團亦會使用外匯遠期合約將其貨幣風險（以美元計值之交易除外，該等交易為或預期為功能貨幣為港元之業務訂立）。本集團認為港元與美元匯率變動風險甚微，故並無就此等交易訂立外匯遠期合約。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(A) MARKET RISK (Continued)

(I) CURRENCY RISK (Continued)

The following table details the Group's financial assets and liabilities denominated in currencies, other than the functional currency of the entities to which they relate, at the end of the reporting period:

(A) 市場風險(續)

(I) 貨幣風險(續)

下表詳列本集團於報告期間結算日以相關實體功能貨幣以外貨幣計值之金融資產及金融負債：

		Expressed in HK\$ 以港元呈列			
		2018 二零一八年		2017 二零一七年	
		US\$ 美元 \$'000 千元	RMB 人民幣 \$'000 千元	US\$ 美元 \$'000 千元	RMB 人民幣 \$'000 千元
Trade and other receivables	貿易及其他應收賬款	24,823	250	18,937	134
Trust bank balances held on behalf of clients	代表客戶持有之信託銀行結餘	707	—	814	—
Cash and cash equivalents	現金及現金等同項目	14,258	24	31,355	124
Trade and other payables and accruals	貿易及其他應付賬款以及應計費用	(707)	—	(814)	—
Borrowings	借貸	—	—	—	—
Net exposure	風險淨額	39,081	274	50,292	258

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(A) MARKET RISK (Continued)

(I) CURRENCY RISK (Continued)

The Group does not expect any significant changes in US\$/HK\$ exchange rates as US\$ is pegged to HK\$. No sensitivity analysis in respect of RMB/HK\$ exchange rates is disclosed as in the opinion of the directors, such sensitivity analysis does not give additional value in view of insignificant balances that are denominated in RMB at the reporting date.

(II) INTEREST RATE RISK

The Group is exposed to fair value interest rate risk in relation to amounts arising from money lending services (note 20), borrowings (note 25) and convertible bonds (note 26) issued at fixed rates. The Group is also exposed to cash flow interest rate risk in relation to variable-rate financial assets of amounts due from margin clients (note 20) and bank balances (notes 22 and 23).

To manage the interest rate risk, the Group may use interest rate swaps to achieve an appropriate mix of fixed and floating rate exposure consistent with the Group's policy. At 31 December 2018 and 2017, the Group did not have any outstanding interest rate swaps.

35. 財務風險管理目標及政策(續)

(A) 市場風險(續)

(I) 貨幣風險(續)

本集團預期，因美元與港元掛鈎，故美元／港元匯率不會有任何重大變動。董事認為，鑒於於報告日期以人民幣計值之結餘並不重大，人民幣／港元匯率之敏感度分析不會帶來額外價值，故並無披露有關敏感度分析。

(II) 利率風險

本集團面臨與來自貸款服務之款項(附註20)、借貸(附註25)及按固定利率發行之可換股債券(附註26)相關之公平值利率風險。本集團亦面臨有關應收孖展客戶款項(附註20)以及銀行結餘(附註22及23)之浮息金融資產之現金流利率風險。

為管理利率風險，本集團可使用利率掉期達至適當固定及浮動利率風險組合，以符合本集團政策。於二零一八年及二零一七年十二月三十一日，本集團並無任何尚未履約之利率掉期。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(A) MARKET RISK (Continued)

(II) INTEREST RATE RISK (Continued)

At 31 December 2018, if interest rates had increased by 2% (2017: 2%) while all other variables were held constant, the loss for the year would decrease by approximately HK\$1,844,000 (2017: decrease in loss by approximately HK\$6,195,000) and there would be a corresponding change in accumulated losses. If interest rates had decreased by 2% (2017: 2%) while all other variables were held constant, the loss for the year would increase by approximately HK\$1,844,000 (2017: increase in loss by approximately HK\$6,195,000) and there would be a corresponding change in accumulated losses. Other components of the consolidated equity would remain unchanged.

The sensitivity analysis has been determined by assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the analysis is prepared by assuming these financial instruments outstanding at the end of the reporting period were outstanding for the whole year. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

35. 財務風險管理目標及政策(續)

(A) 市場風險(續)

(II) 利率風險(續)

於二零一八年十二月三十一日，在所有其他變量維持不變的情況下，倘利率增長2%（二零一七年：2%），則年內虧損將下降約1,844,000港元（二零一七年：虧損減少約6,195,000港元），而累計虧損將相應變動。在所有其他變量維持不變的情況下，倘利率下跌2%（二零一七年：2%），則年內虧損將增長約1,844,000港元（二零一七年：虧損增長約6,195,000港元），而累計虧損將相應變動。綜合權益其他部分將維持不變。

該敏感度分析乃基於假設於報告期間結算日出現利率變動而釐定，且已應用於重新計量本集團持有之該等令本集團於報告期間結算日面臨公平值利率風險的金融工具。就本集團於報告期間結算日持有之浮動利率非衍生工具產生之現金流利率風險而言，有關分析乃基於假設該等於報告期間結算日尚未償還之金融工具於整個年度均未償還。管理層認為，因為於報告期間結算日的風險並不反映於年內的風險，故敏感度分析並不代表固有利率風險。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(A) MARKET RISK (Continued)

(III) EQUITY PRICE RISK

The Group is exposed to equity price risk through its investments in equity securities and investment funds classified as held for trading investments (note 21). The Group's equity securities are listed on the Stock Exchange while investment funds invest primarily in companies listed in Hong Kong. Decisions to buy and sell are based on daily monitoring of the performance of individual securities and investment funds as well as the liquidity needs.

At 31 December 2018, if relevant equity prices had increased by 10% (2017: 10%) while all other variables were held constant, the loss for the year would decrease by approximately HK\$683,000 (2017: decrease in loss by approximately HK\$3,962,000) and there would be a corresponding change in accumulated losses. If relevant equity prices had decreased by 10% (2017: 10%) while all other variables were held constant, the loss for the year would increase by approximately HK\$683,000 (2017: increase in loss by approximately HK\$3,962,000) and there would be a corresponding change in accumulated losses. Other components of the consolidated equity would remain unchanged.

The sensitivity analysis has been determined by assuming that the changes in equity price had occurred at the end of the reporting period and has been applied to those instruments which expose the Group to equity price risk at that date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent equity price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

35. 財務風險管理目標及政策(續)

(A) 市場風險(續)

(III) 股本價格風險

本集團基於分類為持作買賣用途投資(附註21)之股本證券投資及投資基金承受股本價格風險。本集團之股本證券於聯交所上市，而投資基金主要投資於在香港上市之公司。購買及出售決定乃基於對於個別證券及投資基金表現之日常監控以及流動資金需求而作出。

於二零一八年十二月三十一日，在所有其他變量維持不變的情況下，倘相關股本價格增長10%(二零一七年：10%)，則年內虧損將下降約683,000港元(二零一七年：虧損下降約3,962,000港元)，而累計虧損將相應變動。在所有其他變量維持不變的情況下，倘相關股本價格減少10%(二零一七年：10%)，則年內虧損將增長約683,000港元(二零一七年：虧損增長約3,962,000港元)，而累計虧損將相應變動。綜合權益其他部分將維持不變。

該敏感度分析乃基於假設於報告期間結算日出現股本價格變動而釐定，且已應用於該等令本集團於該日面臨股本價格風險的工具。管理層認為，敏感度分析並不代表固有股本價格風險，乃由於報告期間結算日之風險並不能反映年內風險。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(B) CREDIT RISK

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

(I) TRADE RECEIVABLES

In order to minimise the credit risk on trade receivables, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The management closely monitors the subsequent settlement of the debts and does not grant long credit period to new customers. In this regard, the directors of the Company consider that the Group's credit risk on trade receivables is significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty rather than the geographical area or industry and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual counterparties. At 31 December 2018, the Group had concentration of credit risk on trade receivables as 97% of the balance was due from five largest debtors (2017: 88% was due from five largest debtors).

35. 財務風險管理目標及政策(續)

(B) 信貸風險

倘對手方未能履行責任，則本集團就各類別已確認之金融資產所面對最大信貸風險為綜合財務狀況表內載列該等資產之賬面值。

(I) 貿易應收賬款

為盡量減低貿易應收賬款信貸風險，本集團管理層已委派專責團隊負責釐定信貸限額、信貸批核及其他監控程序，以確保採取跟進行動收回逾期債項。管理層密切監控債務之其後清償情況，且不會授予新客戶長信貸期。本公司董事認為，此舉可大幅減低本集團之貿易應收賬款信貸風險。

本集團所面對之信貸風險主要受各對手方之個別特徵所影響，而非受地理位置或行業所影響，因此，本集團重大集中信貸風險主要因承擔個別對手方之重大風險而產生。於二零一八年十二月三十一日，由於97%結餘為應收五大債務人之款項(二零一七年：88%為應收五大債務人之款項)，故本集團貿易應收賬款面臨集中信貸風險。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(B) CREDIT RISK (Continued)

(I) TRADE RECEIVABLES (Continued)

At 31 December 2018, amount due from HKSCC represents unsettled trade transacted on the last two business days prior to the end of the reporting period and amount due from HKCC represents undrawn deposits at the end of the reporting period. None of the amounts arising from money lending services are past due at the reporting date. The following table provides information about the exposure to credit risk for amounts arising from asset management services:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Not yet past due	尚未逾期	8,903	–
0 – 30 days past due	逾期0至30日	–	3,496
31 – 60 days past due	逾期31至60日	–	2,803
61 – 90 days past due	逾期61至90日	4,705	2,917
91 – 180 days past due	逾期91至180日	7,530	8,256
181 – 365 days past due	逾期181至365日	8,151	6,638
Over 365 days past due	逾期超過365日	126	2,429
		29,415	26,539

35. 財務風險管理目標及政策(續)

(B) 信貸風險(續)

(I) 貿易應收賬款(續)

於二零一八年十二月三十一日，應收香港結算款項指於報告期結算日前最後兩個交易日之未結算交易額及應收香港期貨結算款項指於報告期間結算日未動用存款。於報告日期概無來自貸款服務之款項逾期。下表提供來自資產管理服務之款項所面臨之信貸風險資料：

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(B) CREDIT RISK (Continued)

(I) TRADE RECEIVABLES (Continued)

Since 1 January 2018, the Group measures loss allowance for amounts arising from asset management services at an amount equal to lifetime ECL. In measuring the ECLs, these receivables have been assessed on a collective basis when they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers. Based on the payment profile over the past 36 months before 31 December 2018 and 1 January 2018, respectively, the corresponding historical credit losses, the fact that assets managed by the Group on behalf of those clients worth multiples of any outstanding fees as well as current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding, no loss allowance was recognised as the amount of ECL for these receivables is insignificant.

35. 財務風險管理目標及政策(續)

(B) 信貸風險(續)

(I) 貿易應收賬款(續)

自二零一八年一月一日起，本集團就來自資產管理服務之款項按終身預期信貸損失之相同金額計量損失撥備。於計量預期信貸損失時，當該等應收賬款具有共同信貸風險特徵時，其按整體基準進行評估。該等應收賬款按逾期天數及亦根據客戶之地理位置分組。根據分別於二零一八年十二月三十一日及二零一八年一月一日前過去36個月之付款情況、相關過往信貸損失、本集團代表其客戶管理之資產之價值為任何尚未支付費用之數倍之事實及影響客戶結算尚未支付款項能力之當前及未來宏觀經濟因素，由於該等應收賬款之預期信貸損失金額并不重大，故毋須確認損失撥備。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(B) CREDIT RISK (Continued)

(I) TRADE RECEIVABLES (Continued)

For amounts due from HKSCC and HKCC, these receivables are considered to have low credit risk based their historical trading records. Amounts due from margin clients and arising from money lending services have been grouped based on the shortfall of loan balances over the respective collateral amounts and average default rates are adopted in determining the ECLs. At 31 December 2018, the Group did not have any amounts due from margin clients and amount arising from money lending services of HK\$7,241,000 is secured by marketable securities with fair value of HK\$30,000,000. At 1 January 2018, amounts due from margin clients of HK\$1,309,000 and amounts arising from money lending services of HK\$20,444,000 were secured by marketable securities with fair value of HK\$6,098,000 and HK\$39,000,000, respectively. The fair value of marketable securities of each individual receivable is higher than the corresponding outstanding balance and the Group is permitted to sell these collaterals if that client defaults in payments. Accordingly, loss allowance for these receivables is measured at an amount equal to 12-month ECL. No loss allowance was recognised as the amount of ECL for these receivables is insignificant.

35. 財務風險管理目標及政策(續)

(B) 信貸風險(續)

(I) 貿易應收賬款(續)

就應收香港結算及香港期貨結算款項而言，該等應收賬款根據其過往交易記錄被認為信貸風險為低。應收孖展客戶及來自貸款服務之款項根據貸款餘額與有關抵押金額的差額及於釐定預期信貸虧損時所採納的平均違約率進行分組。於二零一八年十二月三十一日，本集團並無擁有任何應收孖展客戶款項及來自貸款服務之款項7,241,000港元以公平值為30,000,000港元之有價證券作抵押。於二零一八年一月一日，應收孖展客戶之款項1,309,000港元及來自貸款服務之款項20,444,000港元乃分別以公平值為6,098,000港元及39,000,000港元之有價證券作抵押。各個別應收賬款之有價證券之公平值高於相關尚未支付結餘，且倘客戶之付款違約，則本集團獲准出售該等抵押品。因此，該等應收賬款之損失撥備乃按12個月預期信貸損失之相同金額計量。由於該等應收賬款之預期信貸損失金額並不重大，故毋須確認損失撥備。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(B) CREDIT RISK (Continued)

(I) TRADE RECEIVABLES (Continued)

Prior to 1 January 2018, impairment loss was recognised only when there was objective evidence of impairment. At 31 December 2017, the amounts due from HKSCC and margin clients and amounts arising from money lending services and proprietary trading were neither past due nor impaired. Based on past experience, management believed that no impairment allowance was necessary due to their track record with the Group and the balances were fully recoverable. Amounts arising from asset management services have not been provided for impairment loss as there has not been a significant change in their credit quality.

(II) OTHER ASSETS AND RECEIVABLES

The balances are considered to have low credit risk as the counterparties have a low risk of default and does not have any past due amounts. Loss allowance for these balances is measured at an amount equal to 12-month ECL. No loss allowance was recognised as the amount of ECL for these balances is insignificant.

(III) TRUST BANK BALANCES HELD ON BEHALF OF CLIENTS AND CASH AND CASH EQUIVALENTS

The balances are mainly held with banks which are rated at BBB+ to A+, based on international credit ratings agencies. Loss allowance for these balances is measured at an amount equal to 12-month ECL. No loss allowance was recognised as the amount of ECL for these balances is insignificant.

35. 財務風險管理目標及政策(續)

(B) 信貸風險(續)

(I) 貿易應收賬款(續)

於二零一八年一月一日前，僅當有客觀減值證據存在時，減值虧損才會予以確認。於二零一七年十二月三十一日，應收香港結算及孖展客戶之款項及來自貸款服務及自營買賣之款項既未逾期亦未減值。根據過往經驗，管理層認為，由於其與本集團往績記錄及餘額可悉數收回，故毋須作出減值撥備。來自資產管理服務之金額並未計提減值損失撥備，乃由於其信貸質素並無重大變動。

(II) 其他資產及應收賬款

由於對手方違約風險較低且並無任何逾期金額，故結餘被視為具有低信貸風險。該等結餘之損失撥備乃按12個月預期信貸損失之相同金額計量。由於該等結餘之預期信貸損失金額並不重大，故毋須確認損失撥備。

(III) 代表客戶持有之銀行信託結餘以及現金及現金等同項目

結餘主要由國際信用評級機構評定為BBB+至A+級之銀行持有。該等結餘之損失撥備乃按12個月預期信貸損失之相同金額計量。由於該等結餘之預期信貸損失金額並不重大，故毋須確認損失撥備。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the remaining contractual maturities for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The undiscounted cash flows include both interest and principal payments:

(C) 流動資金風險

流動資金風險指本集團履行與透過交付現金或其他金融資產結算之金融負債有關之責任時將遭遇困難之風險。本集團監控並維持管理層認為足以撥付本集團營運所需現金及現金等同項目水平，並盡量減低現金流量波動之影響。

下表詳列非衍生金融負債之餘下合約到期情況。該表按照本集團可能被要求支付之最早日期金融負債之未折現現金流量編製。未貼現現金流包括利息及本金付款：

		Carrying amount	Total contractual undiscounted cash flows	On demand or less than 6 months	6 months to 1 year	2 to 5 years
		賬面值 HK\$'000 千港元	合約未貼現 現金流總額 HK\$'000 千港元	按要求或 少於六個月 HK\$'000 千港元	六個月至一年 HK\$'000 千港元	兩至五年 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日					
Trade and other payables and accruals	貿易及其他應付賬款以及應計費用	54,219	54,219	54,219	-	-
Borrowings	借貸	80,421	85,246	85,246	-	-
		134,640	139,465	139,465	-	-
At 31 December 2017	於二零一七年十二月三十一日					
Trade and other payables and accruals	貿易及其他應付賬款以及應計費用	242,453	242,453	242,453	-	-
Convertible bonds	可換股債券	143,517	163,800	45,000	118,800	-
		385,970	406,253	287,453	118,800	-

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36. FAIR VALUE MEASUREMENT

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following table presents the Group's financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position according to the fair value hierarchy. The hierarchy groups financial instruments into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial instruments. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

36. 公平值計量

按公平值計量之金融工具

下表呈列本集團根據公平值等級制度於綜合財務狀況表以經常基準按公平值計量之金融工具。該等級制度根據該等金融工具之公平值計量所採用之重要輸入值之相對可靠性，將金融工具分為三級。公平值等級制度分級如下：

- 第一級：相同資產或負債於活躍市場之報價（未經調整）；
- 第二級：資產或負債直接（即價格）或間接（即價格衍生）可觀察之輸入值，第一級包括之報價除外；及
- 第三級：資產或負債並非根據可觀察市場數據之輸入值（不可觀察輸入值）計算。

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36. FAIR VALUE MEASUREMENT (Continued)

36. 公平值計量 (續)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

按公平值計量之金融工具 (續)

		Level 1 第一級 HK\$'000 千港元 (note (a)) (附註(a))	Level 2 第二級 HK\$'000 千港元 (note (b)) (附註(b))	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日				
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產				
– Listed equity securities	– 上市股本證券	5,263	–	–	5,263
– Unlisted investment funds	– 非上市投資基金	–	1,565	–	1,565
		5,263	1,565	–	6,828
At 31 December 2017	於二零一七年十二月三十一日				
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產				
– Listed equity securities	– 上市股本證券	37,841	–	–	37,841
– Unlisted investment funds	– 非上市投資基金	–	1,775	–	1,775
		37,841	1,775	–	39,616

The levels in the fair value hierarchy within which the financial instruments are categorised in its entirety are based on the lowest level of input that is significant to the fair value measurement. There were no transfers between levels 1 and 2 or transfers into or out of level 3 in the reporting periods. The Group's policy is to recognise transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

公平值等級制度分級乃基於對公平值計量而言屬重要的輸入值的最低層次，該分級對金融工具進行整體分類。於報告期內，第一級與第二級之間並無轉移，第三級亦並無轉入或轉出。本集團的政策是於致使轉移的事件或情況發生當日確認公平值級別之間的轉移。

(A) FINANCIAL INSTRUMENTS IN LEVEL 1

The fair value of the listed equity securities is based on the quoted market prices at the reporting date. The quoted market price used for the listed equity securities held by the Group is the current bid price.

(A) 第一級中的金融工具

上市股本證券之公平值乃基於報告日期之市場報價得出。本集團持有之上市股本證券所採用之市場報價為現行市場買入價。

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36. FAIR VALUE MEASUREMENT (Continued)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

(B) FINANCIAL INSTRUMENTS IN LEVEL 2

The fair value was determined with reference to the reported net asset value of the investment funds.

FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

The fair value of the financial assets and financial liabilities at amortised cost under current assets and current liabilities, respectively, is not materially different from their carrying amount as they are all short term in nature.

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group currently has a legally enforceable right to set off the Continuous Net Settlement ("CNS") money obligations receivables and payables with HKSCC and it intends to settle on a net basis as trade receivables from or trade payables to HKSCC. For the net amounts of money obligations receivables or payables (i.e. after set-off) and other receivables and payables (such as deposits included under other assets), they do not meet the criteria for offsetting in the consolidated financial statements since the right to set-off of the recognised amount is only enforceable following an event of default and the Group does not intend to settle the balance on a net basis.

In addition, under the agreements signed between the Group and the clients for its dealing in securities and futures contracts, money obligations receivables and payables with the same client are settled on the net basis. The Group therefore has a legally enforceable right to set off the trade receivables and payables and the Group intended to settle these balances on a net basis.

36. 公平值計量(續)

按公平值計量之金融工具(續)

(B) 第二級中的金融工具

公平值乃經參考已呈報之投資基金之資產淨值釐定。

按攤銷成本計量之金融工具

流動資產及流動負債項下按攤銷成本入賬之金融資產及金融負債均為短期，故其公平值與其各自賬面值並無重大差別。

37. 抵銷金融資產及金融負債

本集團目前具有法定強制執行權利，以對銷與香港結算之間之持續淨額交收(「持續淨額交收」)應收及應付賬款之款項承擔，且擬按淨額基準結算與香港結算之間之貿易應收賬款或貿易應付賬款。就以淨額結算應收賬款或應付賬款(即抵銷後)以及其他應收及應付賬款(如其他資產項下之按金)之款項承擔淨額而言，由於抵銷已確認金額僅於違約事件發生後方可強制執行，且本集團不擬按淨額基準結算結餘，故有關款項並不符合於綜合財務報表抵銷之標準。

此外，根據本集團與客戶就證券及期貨合約買賣簽訂之協議，與同一客戶之應收賬款及應付賬款之款項承擔乃以淨額結算。因此，本集團擁有強制執行權抵銷貿易應收賬款及應付賬款，且本集團擬以淨額結算該等結餘。

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37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

37. 抵銷金融資產及金融負債(續)

The tables below set out the financial assets and liabilities subject to offsetting, enforceable master netting arrangement and similar arrangements:

涉及抵銷、可強制執行主要抵銷安排及類似安排之金融資產及負債載列於下表：

		Amounts due from HKSCC, cash clients and margin clients 應收香港結算、 現金客戶及孖展客戶款項	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Gross amount of recognised financial assets	已確認金融資產總額	279	18,580
Gross amount of recognised financial liabilities offset in the consolidated statement of financial position	於綜合財務狀況表抵銷之已確認金融負債總額	(228)	(1,304)
Net amounts of financial assets included in the consolidated statement of financial position	計入綜合財務狀況表之金融資產淨額	51	17,276
Related amount not set off in the consolidated statement of financial position	未於綜合財務狀況表抵銷之相關款項		
– financial instruments	– 金融工具	–	–
– financial collaterals	– 金融抵押品	–	(1,309)
Net amounts	淨額	51	15,967

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37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

37. 抵銷金融資產及金融負債(續)

		Amounts due to HKSCC, cash clients and margin clients 應付香港結算、 現金客戶及孖展客戶款項	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial liabilities	金融負債		
Gross amount of recognised financial liabilities	已確認金融負債總額	45,707	239,392
Gross amount of recognised financial assets offset in the consolidated statement of financial position	於綜合財務狀況表抵銷之已確認金融資產總額	(228)	(1,304)
Net amounts of financial liabilities included in the consolidated statement of financial position	計入綜合財務狀況表之金融負債淨額	45,479	238,088
Related amount not set off in the consolidated statement of financial position	未於綜合財務狀況表抵銷之相關款項		
– financial instruments	– 金融工具	–	–
– financial collaterals	– 金融抵押品	–	–
Net amounts	淨額	45,479	238,088

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37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

37. 抵銷金融資產及金融負債(續)

The table below reconciles the “Net amounts of financial assets and financial liabilities included in the consolidated statement of financial position” as set out above to line items in the consolidated statement of financial position:

下表載列上文「計入綜合財務狀況表之金融資產及金融負債淨額」與綜合財務狀況表所列項目之對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade and other receivables and prepayments	貿易及其他應收賬款以及預付款項		
Net amounts of financial assets included in the consolidated statement of financial position	計入綜合財務狀況表之金融資產淨額	51	17,276
Amount not within the scope of offsetting disclosure	抵銷披露範圍外款項	40,094	52,205
Trade and other receivables and prepayments presented in the consolidated statement of financial position	綜合財務狀況表呈列之貿易及其他應收賬款以及預付款項	40,145	69,481
Trade and other payables and accruals	貿易及其他應付賬款以及應計費用		
Net amounts of financial liabilities included in the consolidated statement of financial position	計入綜合財務狀況表之金融負債淨額	45,479	238,088
Amount not within the scope of offsetting disclosure	抵銷披露範圍外款項	8,740	4,365
Trade and other payables and accruals presented in the consolidated statement of financial position	綜合財務狀況表呈列之貿易及其他應付賬款以及應計費用	54,219	242,453

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38. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which mainly includes borrowings and convertible bonds as disclosed in notes 25 and 26 respectively and total assets of the Group.

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issuance of new shares and the addition of new borrowings.

Certain group entities are regulated by the Hong Kong Securities and Futures Commission and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout the year.

38. 資本管理

本集團對其資本進行管理，以確保本集團將能夠在持續經營同時透過優化股權均衡將股東回報最大化。自上一年度，本集團整體策略並無變動。

本集團資本架構由債務（主要包括借貸及可換股債券，分別披露於附註25及26）及本集團資產總額組成。

本公司董事持續審查資本架構。審查中，董事考慮資本成本以及資本相關風險。基於董事作出之推薦建議，本集團將透過發行新股及增加新借貸平衡其整體資本架構。

若干集團實體受香港證券及期貨事務監察委員會監管，須根據香港證券及期貨（財政資源）規則（「證券及期貨（財政資源）規則」）遵守財政資源規定。本集團受監管實體須遵守證券及期貨（財政資源）規則項下最低繳足股本規定及流動資本規定。管理層每日密切監控該等實體之流動資本水平，以確保符合證券及期貨（財政資源）規則項下最低流動資本規定。本集團受監管實體於整個年度已遵守證券及期貨（財政資源）規則施加之資本規定。

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38. CAPITAL MANAGEMENT (Continued)

The Group monitors its capital using a gearing ratio, which is total debts divided by total assets. The Group aims to maintain the gearing ratio at a reasonable level. The gearing ratio at the reporting dates is as follows:

38. 資本管理 (續)

本集團通過使用資本負債比率監控其資本，資本負債比率為債務總額除資產總額。本集團旨在將資本負債比率維持在合理水平。於報告日期之資本負債比率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Borrowings	借貸	80,421	–
Convertible bonds	可換股債券	–	143,517
Total debts	債務總額	80,421	143,517
Total non-current assets	非流動資產總額	9,082	14,586
Total current assets	流動資產總額	140,580	418,234
Total assets	資產總額	149,662	432,820
Gearing ratio	資本負債比率	54%	33%

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39. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 有關本公司財務狀況表資料

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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	27	23
Interests in subsidiaries	於附屬公司之權益	108,138	114,731
		108,165	114,754
Current assets	流動資產		
Other receivables and prepayments	其他應收賬款及預付款項	1,994	2,024
Cash and cash equivalents	現金及現金等同項目	–	20,570
		1,994	22,594
Current liabilities	流動負債		
Other payables and accruals	其他應付賬款及應計費用	4,729	1,148
Borrowings	借貸	80,421	–
Amount due to a subsidiary	應付一間附屬公司款項	25,057	–
Convertible bonds	可換股債券	–	98,517
Provision	撥備	–	33,708
		110,207	133,373
Net current liabilities	流動負債淨值	(108,213)	(110,779)
Net (liabilities)/assets	(負債)/資產淨值	(48)	3,975
EQUITY	權益		
Share capital	股本	190,985	178,128
Reserves (note)	儲備(附註)	(191,033)	(174,153)
(Capital deficiency)/Total equity	(資本虧絀)/權益總額	(48)	3,975

On behalf of the Board

代表董事會

Qiu Bin
邱斌
Director
董事

Cheng Kit Sum, Clara
鄭潔心
Director
董事

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截至二零一八年十二月三十一日止年度

39. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

Note:

附註：

		Share premium	Shareholder's contribution	Capital redemption reserve	Convertible bond equity reserve 可換股債券權益儲備	Share option reserve 購股權儲備	Accumulated losses 累計虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	241,052	7,834	477	34,408	4,001	(385,589)	(97,817)
Equity-settled share-based payments	股本結算股份付款	-	-	-	-	9,520	-	9,520
Issue of convertible bonds	發行可換股債券	-	-	-	13,713	-	-	13,713
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	5,333	-	-	-	(1,433)	-	3,900
Transactions with owners	與擁有人之交易	5,333	-	-	13,713	8,087	-	27,133
Loss for the year	年內虧損	-	-	-	-	-	(103,469)	(103,469)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(103,469)	(103,469)
Transferred to accumulated losses on 2014 SYHL Bonds Maturity Date	於二零一四年盛源控股債券到期日轉撥至累計虧損	-	-	-	(34,408)	-	34,408	-
Forfeiture of share options	沒收購股權	-	-	-	-	(2,365)	2,365	-
At 31 December 2017	於二零一七年十二月三十一日	246,385	7,834	477	13,713	9,723	(452,285)	(174,153)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

39. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

Note: (Continued)

39. 有關本公司財務狀況表資料(續)

附註：(續)

		Share premium	Shareholder's contribution	Capital redemption reserve	Convertible bond equity reserve	Share option reserve	Accumulated losses	Total
		股份溢價	股東注資	股本贖回儲備	可換股債券權益儲備	購股權儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	246,385	7,834	477	13,713	9,723	(452,285)	(174,153)
Shares issued upon exercise of convertible bonds	因可換股債券獲行使而發行股份	73,985	-	-	(9,267)	-	-	64,718
Transactions with owners	與擁有人之交易	73,985	-	-	(9,267)	-	-	64,718
Loss for the year	年內虧損	-	-	-	-	-	(81,598)	(81,598)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(81,598)	(81,598)
Settlement of 2014 SYFS Bonds by way of issuing 2018 SYHL Bonds under the deed of settlement	透過根據結算契據發行二零一八年盛源控股債券之方式結算二零一四年SYFS債券	-	-	-	9,267	-	(9,267)	-
Transferred to accumulated losses on 2017 SYHL Bonds Maturity Date	於二零一七年盛源控股債券到期日轉撥至累計虧損	-	-	-	(13,713)	-	13,713	-
Forfeiture of share options	沒收購股權	-	-	-	-	(1,266)	1,266	-
At 31 December 2018	於二零一八年十二月三十一日	320,370	7,834	477	-	8,457	(528,171)	(191,033)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The following table lists the particulars of the subsidiaries of the Company as at 31 December 2017 and 31 December 2018 which, in the opinion of the directors, principally affected the results or the assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

40. 本公司附屬公司詳情

下表載列董事認為於二零一七年十二月三十一日及二零一八年十二月三十一日對本集團業績或資產或負債造成主要影響之本公司附屬公司詳情。董事認為，提供其他附屬公司詳情會令篇幅過於冗長。

Name 名稱	Country/Place of incorporation or registration 註冊成立或 登記國家／地區	Particulars of issued/ paid-up capital 已發行／ 繳足股本詳情	Proportion of nominal value of issued/ paid-up capital/interests 已發行／繳足股本／ 權益面值比例		Principal activities and place of operations 主要業務及營運地點
			Held by the Company 本公司持有	Held by the subsidiaries 附屬公司持有	
Kingwell Management Limited [^]	Hong Kong	Ordinary shares of HK\$1,000,000	100%	–	Provision of administrative services to group entities in Hong Kong
建和管理有限公司 [^]	香港	1,000,000 港元普通股			向香港集團實體 提供行政服務
Sheng Yuan Asset Management Limited [^]	Hong Kong	Ordinary shares of HK\$20,000,000	–	100%	Provision of investment management and advisory services in Hong Kong
盛源資產管理有限公司 [^]	香港	20,000,000 港元普通股			於香港提供投資管理及 顧問服務
Sheng Yuan Finance Limited [^]	Hong Kong	Ordinary share of HK\$1	–	100%	Provision of money lending services in Hong Kong
盛源財務有限公司 [^]	香港	1 港元普通股			於香港提供貸款服務
Sheng Yuan Financial Holdings (HK) Limited [^]	Hong Kong	Ordinary share of HK\$1	–	100%	Proprietary trading in Hong Kong
盛源金融控股(香港)有限公司 [^]	香港	1 港元普通股			於香港進行坐盤交易
Sheng Yuan Financial Services Group Limited	British Virgin Islands 英屬處女群島	Ordinary shares of US\$5,500 5,500 美元普通股	100%	–	Proprietary trading in Hong Kong 於香港進行坐盤交易

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

40. 本公司附屬公司詳情 (續)

Name 名稱	Country/Place of incorporation or registration 註冊成立或 登記國家/地區	Particulars of issued/ paid-up capital 已發行/ 繳足股本詳情	Proportion of nominal value of issued/ paid-up capital/interests 已發行/繳足股本/ 權益面值比例		Principal activities and place of operations 主要業務及營運地點
			Held by the Company 本公司持有	Held by the subsidiaries 附屬公司持有	
Sheng Yuan Securities Limited [^]	Hong Kong	Ordinary shares of HK\$65,000,000	–	100%	Securities and futures dealing, margin financing, securities placing and underwriting and investment advisory services in Hong Kong
盛源證券有限公司 [^]	香港	65,000,000 港元普通股			於香港進行證券及 期貨交易、孖展融資、 證券配售及承銷服務及 投資顧問服務
Sheng Yuan Services Limited [^]	Hong Kong	Ordinary share of HK\$1	100%	–	Provision of administrative services to group entities in Hong Kong
盛源服務有限公司 [^]	香港	1 港元普通股			向香港集團實體提供 行政服務
[^] audited by BDO Limited			[^] 由香港立信德豪會計師事務所有限公司審核		

FINANCIAL SUMMARY

財務概要

Year ended 31 December

截至十二月三十一日止年度

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
RESULTS	業績					
Revenue	收益	414,588	405,678	69,475	63,247	34,146
Loss before taxation	除稅前虧損	(2,650)	(31,730)	(15,028)	(182,183)	(80,324)
Taxation	稅項	(2,379)	(2,668)	(1,879)	(2,341)	(1,330)
Loss for the year	年內虧損	(5,029)	(34,398)	(16,907)	(184,524)	(81,654)

As at 31 December

於十二月三十一日

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	528,401	671,161	778,251	432,820	149,662
Total liabilities	負債總額	(314,175)	(492,873)	(611,812)	(420,284)	(135,090)
		214,226	178,288	166,439	12,536	14,572

盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED