



華億金控集團有限公司
SINOFORTUNE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)

(Stock code 股份代號: 08123)

ANNUAL REPORT 2017 年報



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This report, for which the directors (the “Directors”) of Sinofortune Financial Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司（「聯交所」）GEM的特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

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本報告的資料乃遵照聯交所GEM證券上市規則（「GEM上市規則」）而刊載，旨在提供有關華億金控集團有限公司（「本公司」，連同其附屬公司統稱「本集團」）的資料；本公司各董事（「董事」）願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何其他事項，足以令致本報告或其所載任何陳述產生誤導。

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Wang Jiawei (*Chairman and Chief Executive Officer*)

Lai Yuk Mui

NON-EXECUTIVE DIRECTORS

Liu Runtong

James Beeland Rogers Jr.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Zhang Benzhen

Li Jianxing

Chen Shu Wen

COMPLIANCE OFFICER

Lai Yuk Mui

COMPANY SECRETARY

Woo Man Yi

COMPOSITION OF BOARD COMMITTEES

Audit Committee

Li Jianxing (*Chairman*)

Zhang Benzhen

Chen Shu Wen

Remuneration Committee

Zhang Benzhen (*Chairman*)

Wang Jiawei

Lai Yuk Mui

Li Jianxing

Chen Shu Wen

Nomination Committee

Zhang Benzhen (*Chairman*)

Wang Jiawei

Li Jianxing

Chen Shu Wen

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Cayman Islands

執行董事

王嘉偉 (*主席兼行政總裁*)

黎玉梅

非執行董事

劉潤桐

James Beeland Rogers Jr.

獨立非執行董事

張本正

李建行

陳樹文

監察主任

黎玉梅

公司秘書

胡敏伊

董事會委員會成員

審核委員會

李建行 (*主席*)

張本正

陳樹文

薪酬委員會

張本正 (*主席*)

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李建行

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李建行

陳樹文

註冊辦事處

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Cayman Islands

CORPORATE INFORMATION

公司資料

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Hong Kong

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STOCK CODE

08123

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LEGAL ADVISERS

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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公司網址

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股份代號

08123

主要往來銀行

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香港
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核數師

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香港執業會計師
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CHIEF EXECUTIVE'S STATEMENT

行政總裁報告

BUSINESS REVIEW

The Group for the year ended 31 December 2017 recorded total turnover of approximately HK\$31.4 million, which was a decrease of approximately HK\$15.5 million compared with the last corresponding year. It was due to a record of proceeds from trading of securities of approximately HK\$2.2 million for the year ended 31 December 2017, compared with approximately HK\$38.0 million for the previous year, representing a decrease of approximately HK\$35.8 million. Moreover, there were no income recorded in commission income from precious metals brokerage and spot trading profits on precious metals contracts for the year ended 31 December 2017 and a total of approximately HK\$1.5 million were recorded in those segments for the year ended 31 December 2016. On 2 August 2017, a subsidiary of the Group namely 重慶盛渝泓嘉國際貿易有限公司 (transliterated as Chongqing Sheng Yu Hong Jia International Trading Company Limited) was formed and established new segment of sales of parallel imported motor vehicles and provision of relevant agency services in the PRC. For the year ended 31 December 2017, sales of motor vehicles and agency fee income were recorded approximately HK\$19.2 million and approximately HK\$2.4 million respectively. There was no information recorded for the year ended 31 December 2016 since the subsidiary was formed in August 2017.

For proprietary stock trading, the Group recorded an unrealized loss of approximately HK\$34.8 million and realized loss of approximately HK\$3.5 million for the year ended 31 December 2017.

For electronic student card business, as there has been some technical issues that the Group needs to resolve on the change of navigating chips of electronic cards and devices of the school safety network, the segment of the trading of electronic student cards and school safety products recorded a revenue of approximately HK\$5.3 million and incurred an operating loss of approximately HK\$16.1 million for the year ended 31 December 2017. The said segment recorded revenue and operating loss of approximately HK\$5.2 million and approximately HK\$113.4 million respectively for the year ended 31 December 2016.

Due to the tightened policy of the People's Republic of China (the "PRC") Government on regulating the precious metals trading and brokerage business in the PRC, the Group did not have revenue incurred for the year ended 31 December 2017 in these principal activities and approximately HK\$1.5 million was recorded for the year ended 31 December 2016.

業務回顧

本集團於截至二零一七年十二月三十一日止年度錄得總營業額約31,400,000港元，較去年同期減少約15,500,000港元。其乃由於截至二零一七年十二月三十一日止年度出售證券之所得款項錄得約2,200,000港元，而去年則錄得約38,000,000港元，減少約35,800,000港元。此外，截至二零一七年十二月三十一日止年度並無錄得貴金屬經紀佣金收入及貴金屬現貨合約交易利潤收入，而截至二零一六年十二月三十一日止年度該等分部錄得總收入約1,500,000港元。於二零一七年八月二日，本集團附屬公司重慶盛渝泓嘉國際貿易有限公司成立並建立於中國銷售平行進口汽車及提供相關代理服務的新分部。截至二零一七年十二月三十一日止年度，銷售汽車及代理費收入分別錄得約19,200,000港元及約2,400,000港元。由於該附屬公司於二零一七年八月成立，故截至二零一六年十二月三十一日止年度並無錄得任何資料。

就自營證券交易而言，本集團於截至二零一七年十二月三十一日止年度錄得未變現虧損約34,800,000港元及已變現虧損約3,500,000港元。

就電子學生證業務而言，由於本集團須處理有關更換電子卡及校園安全網絡設備的導航芯片的若干技術問題，電子學生證及校園安全產品銷售分部於截至二零一七年十二月三十一日止年度錄得收入約5,300,000港元，並產生經營虧損約16,100,000港元。上述分部於截至二零一六年十二月三十一日止年度收入及經營虧損分別錄得約5,200,000港元及約113,400,000港元。

由於中華人民共和國（「中國」）政府對中國貴金屬交易及經紀業務之監管政策收緊，本集團於截至二零一七年十二月三十一日止年度該等主營業務並無產生收入，而截至二零一六年十二月三十一日止年度則錄得約1,500,000港元。

CHIEF EXECUTIVE'S STATEMENT

行政總裁報告

As per the Company's announcement dated 13 June 2017, our PRC legal adviser received the execution judgement issued by Intermediate People's Court (the "Court") of Suining City, Sichuan Province in relation to the compulsory execution application for the repayment of the refundable earnest money. According to the execution judgement, the Court terminated the compulsory execution of repayment of the refundable earnest money from Yang Shunhong and the Court concluded that Yang Shunhong owns no executable assets after he pledged his shares of 民勤量子新能源有限公司 (transliterated as Minqin Quantum New Energy Co. Ltd.) ("Minqin Quantum") to 首華證券諮詢(深圳)有限公司 (transliterated as First China Securities Consultancy (Shenzhen) Co., Ltd.) ("Shenzhen First China") as collateral. As at the date of this report, all the issued share capital of Minqin Quantum are pledged to Shenzhen First China. In this respect, the Company has sought legal opinion from its PRC legal adviser on the execution judgment. The Company may apply to the Court for resuming the execution procedure anytime if any executable assets of Yang Shunhong are identified.

In June 2017, we resolved to change the name of the Company to Sinofortune Financial Holdings Limited 華億金控集團有限公司 which would better reflect the current status of the Group's business development and its direction of future development.

On 4 July 2017, the Company and 深圳美麗生態股份有限公司 (transliterated as Shenzhen Ecobeauty Co., Ltd) ("Joint Venture Partner"), a limited liability company established in the PRC whose shares are listed on Shenzhen Stock Exchange under stock code 000010, entered into the joint venture agreement to establish the joint venture company, 重慶盛渝泓嘉國際貿易有限公司 (transliterated as Chongqing Sheng Yu Hong Jia International Trading Company Limited) ("Sheng Yu Hong Jia"), in Chongqing City, PRC which is 90% owned by the Company and 10% owned by the Joint Venture Partner.

根據本公司日期為二零一七年六月十三日之公佈，本公司之中國法律顧問收到由四川省遂寧市中級人民法院（「法院」）發出就申請強制執行償還可退還誠意金的執行裁定書。根據執行裁定書，法院就陽順洪償還可退還誠意金終止了強制執行，及法院總結陽順洪於抵押其於民勤量子新能源有限公司（「民勤量子」）的股份予首華證券諮詢（深圳）有限公司（「深圳首華」）作為抵押品後沒有可供執行的財產。於本報告日期，民勤量子的所有已發行股本已抵押予深圳首華。在這方面，本公司已就執行裁定書向其中國法律顧問尋求法律意見。如發現陽順洪有任何可供執行的財產，本公司可以隨時向法院申請恢復執行程序。

於二零一七年六月，我們決議將本公司更名為 Sinofortune Financial Holdings Limited 華億金控集團有限公司，該名稱可更好反映本集團之當前業務發展狀況及其未來發展方向。

於二零一七年七月四日，本公司與深圳美麗生態股份有限公司（「合資夥伴」）（於中國成立之有限公司，其股份於深圳證券交易所所以股份代號000010上市）訂立合資協議以於中國重慶市成立合資公司重慶盛渝泓嘉國際貿易有限公司（「盛渝泓嘉」）（由本公司及合資夥伴分別擁有90%及10%權益）。

CHIEF EXECUTIVE'S STATEMENT

行政總裁報告

On 2 August 2017, Sheng Yu Hong Jia was formed in Chongqing City, PRC and is licensed to carry out the businesses of sales of motor vehicles, motor vehicle parts and motor vehicle products; motor vehicles rental (excluding motor vehicles finance leasing, passenger vehicles transportation rental and road passenger and freight transport operations); international freight forwarding services; import and export businesses; motor vehicles information consultancy (excluding restricted items); motor vehicles repair and maintenance (for business items that require approval, shall only be carried out after obtain approvals) and agency for motor vehicles registration, transfer and scrap procedures for 50 years from 2 August 2017 until 1 August 2067.

Following the formation of Sheng Yu Hong Jia, the Company had made an initial capital contribution of RMB90,000,000 and the Joint Venture Partner had made its capital contributions to Sheng Yu Hong Jia of RMB10,000,000 pursuant to the joint venture agreement respectively. For the year ended 31 December 2017, the Group recorded the revenue of sales of motor vehicles approximately HK\$19.2 million and an agency fee income approximately HK\$2.4 million.

On 9 November 2017, the board of directors of Sheng Yu Hong Jia had resolved to increase the registered capital of Sheng Yu Hong Jia from RMB100,000,000 to RMB150,000,000. The Joint Venture Partner had indicated that it would forgo its right to subscribe for and contribute to its entitled 10% of the increased registered capital of Sheng Yu Hong Jia in the sum of RMB5,000,000 as a result the Company intends to make the proposed additional capital contribution and subscribe for the entire 100% of the increased registered capital of RMB50,000,000 of Sheng Yu Hong Jia.

The Directors consider that the proposed additional capital contribution will further increase the Company's equity interest in Sheng Yu Hong Jia from 90% to 93.33% and the additional capital contribution of RMB50,000,000 by the Company to Sheng Yu Hong Jia will significantly strengthen the capital base of Sheng Yu Hong Jia and will increase its trading capacity and competitiveness in the parallel import motor vehicle market of the PRC and is in the interests of the Company and the shareholders as a whole.

盛渝泓嘉已於二零一七年八月二日於中國重慶市成立，獲發牌從事之業務為銷售汽車、汽車配件及汽車用品；汽車租賃（不包括汽車融資租賃、不得從事出租客運及道路客貨運輸經營）；國際貨運代理；貨物進出口；汽車信息諮詢（不包括限制項目）；汽車維修（須經審批的經營項目，取得審批後方可從事經營）及代辦機動車登記、過戶及報廢手續，由二零一七年八月二日起至二零六七年八月一日止為期50年。

於盛渝泓嘉成立後，本公司及合資夥伴已分別根據合資協議向盛渝泓嘉初步出資人民幣90,000,000元及人民幣10,000,000元。截至二零一七年十二月三十一日止年度，本集團錄得銷售汽車收入約19,200,000港元及代理費收入約2,400,000港元。

於二零一七年十一月九日，盛渝泓嘉董事會決議將盛渝泓嘉之註冊資本由人民幣100,000,000元增加至人民幣150,000,000元。合資夥伴已表示，其將放棄認購及按其享有之盛渝泓嘉經擴大註冊資本10%配額出資人民幣5,000,000元之權利，因此，本公司擬作出建議額外出資及悉數認購盛渝泓嘉100%經擴大註冊資本人民幣50,000,000元。

董事認為，建議額外出資將令本公司於盛渝泓嘉之股權由90%進一步增加至93.33%及本公司向盛渝泓嘉額外出資人民幣50,000,000元將顯著增強盛渝泓嘉之資本基礎並將提高其於中國平行進口汽車市場之競爭力，符合本公司及股東之整體利益。

CHIEF EXECUTIVE'S STATEMENT

行政總裁報告

FINANCIAL REVIEW

Results of the Group

The Group recorded total turnover of approximately HK\$31.4 million for the year ended 31 December 2017 as compared to total turnover of approximately HK\$46.9 million for the previous year, representing a decrease of approximately HK\$15.5 million or approximately 33.0%. The sharp decrease of turnover was primarily due to the decrease in sale proceeds from trading of securities which listed in Hong Kong.

The Group recorded a loss for the year amounted to approximately HK\$136.3 million, compared with a loss of approximately HK\$244.9 million for the corresponding year. The loss of the year encompassed the realized losses and unrealized fair value losses on securities trading of approximately HK\$3.5 million and approximately HK\$34.8 million respectively, compared with realized losses and unrealized fair value losses on securities trading of approximately HK\$71.7 million and HK\$30.1 million respectively for the previous year.

The loss also took in the fair value change in contingent consideration receivables, as the profit guarantee of acquisition of a subsidiary in 2014 could not be reached and the decrease in the Company's share price during the year, for approximately HK\$13.4 million for the year under review.

Due to the continuing tightened policy of the PRC Government on regulating the precious metals trading and brokerage business in the PRC, the business operation of the Group has not resumed. The impairment of investment in one associate of approximately HK\$31.8 million, no impairment needed for such associate in the previous year.

The loss also included the impairment of refundable earnest money paid for proposed business acquisition in 2015 of approximately HK\$23.1 million for the year under review.

財務回顧

本集團業績

本集團於截至二零一七年十二月三十一日止年度錄得總營業額約31,400,000港元，而去年則錄得總營業額約46,900,000港元，減少約15,500,000港元或約33.0%。營業額急劇下降主要由於出售香港上市證券之所得款項下降所致。

本集團錄得年度虧損約136,300,000港元，而於去年則為虧損約244,900,000港元。年度虧損包括證券買賣之已變現虧損及未變現公平值虧損分別約3,500,000港元及約34,800,000港元，而於去年則為證券買賣之已變現虧損及未變現公平值虧損分別約71,700,000港元及30,100,000港元。

應收或然代價公平值於回顧年度虧損約13,400,000港元，原因為於二零一四年收購一間附屬公司的溢利保證未能達致及本公司之股價於年內下跌。

由於中國政府對中國經營之貴金屬交易及經紀業務持續收緊監管政策，本集團之業務經營尚未恢復。於一間聯營公司之投資減值約31,800,000港元，而去年該聯營公司毋須作出減值。

該虧損亦包括於回顧年度就建議於二零一五年業務收購事項所支付之可退還誠意金減值約23,100,000港元。

CHIEF EXECUTIVE'S STATEMENT

行政總裁報告

Liquidity and financial resources

The Group's current assets as at 31 December 2017 amounted to approximately HK\$374.0 million compared with approximately HK\$398.2 million as at 31 December 2016 and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 5.39 times, compared with 15.59 times for previous year. Among them, the financial assets at fair value through profit or loss were approximately HK\$34.3 million (2016: approximately HK\$64.0 million). The financial assets invested include the equity securities listed in Hong Kong and unlisted investment funds lodged in PRC. As at 31 December 2017, the Group's cash and bank balances were approximately HK\$180.7 million (2016: approximately HK\$255.0 million) of which approximately HK\$9.8 million (2016: approximately HK\$14.1 million) were held on behalf of clients in trust and segregated accounts.

As at 31 December 2017, the Group's total borrowing amounted to approximately HK\$54.4 million (2016: approximately HK\$8.6 million), of which, approximately HK\$49.9 million (2016: approximately HK\$2.0 million) was repayable within one year. The bank borrowings were secured by charges over the Group's land and buildings as well as corporate guarantee issued by the Company. The borrowing from related party was unsecured. The gearing ratio of the Group as at 31 December 2017 (calculated by the total liabilities of approximately HK\$72.7 million over equity attributable to the owners of the Company of approximately HK\$322.0 million) is 22.6% (2016: 6.8%). Taking into account of the amount of liquid assets in hand, the Board is of the view that the Group has sufficient financial resources for future development of the existing business of the Group and other business when investment opportunities arise.

The equity attributable to the owners of the Company amounted to approximately HK\$322.0 million as at 31 December 2017, representing a decrease of approximately HK\$140.9 million, or 30.4% from that of 31 December 2016. The decrease was mainly due to loss for the year attributable to the owners of the Company.

The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flow generated from business transaction locally. As at the end of the year, the Group did not have any material un-hedged foreign exchange exposure of interest rate mismatch.

流動資金及財務資源

本集團於二零一七年十二月三十一日之流動資產約為374,000,000港元，而於二零一六年十二月三十一日約為398,200,000港元，而本集團之流動性，以流動比率顯示（即流動資產／流動負債）為5.39倍，而去年為15.59倍。其中以按公平值計入損益列賬之金融資產約為34,300,000港元（二零一六年：約64,000,000港元）。該等金融資產投資於在香港上市的股本證券及在中國發行的投資基金。於二零一七年十二月三十一日，本集團的現金及銀行結餘約為180,700,000港元（二零一六年：約255,000,000港元），當中約9,800,000港元（二零一六年：約14,100,000港元）乃代客戶以信託方式於獨立賬戶持有。

於二零一七年十二月三十一日，本集團之借款總額約為54,400,000港元（二零一六年：約8,600,000港元），當中約49,900,000港元（二零一六年：約2,000,000港元）須於一年內償還。銀行借款以抵押本集團之土地及樓宇以及本公司簽訂的公司擔保作擔保。向關聯方借款無抵押。本集團於二零一七年十二月三十一日之資產負債比率（計算方法為總負債約72,700,000港元除以本公司擁有人應佔權益約322,000,000港元）為22.6%（二零一六年：6.8%）。經考慮手頭持有之流動資產金額後，董事會認為本集團具備充裕的財務資源，以應付本集團現有業務及其於投資機會出現時其他業務之未來發展。

於二零一七年十二月三十一日，本公司擁有人應佔權益約為322,000,000港元，較二零一六年十二月三十一日下降約140,900,000港元或30.4%。該下降主要由於本年度本公司擁有人應佔虧損所致。

本集團以本地業務交易產生之現金流量應付本地業務及投資所需，並藉此管理其海外業務在一般業務活動及投資中產生之外匯風險。於年終，本集團並無任何利率錯配之重大未對沖外匯風險。

CHIEF EXECUTIVE'S STATEMENT

行政總裁報告

Capital structure

As at 31 December 2017, the Company's issued share capital was 6,498,958,120 shares of HK\$0.01 each.

Precious metals spot trading and brokerage

No commission income was received during the year under review, as compared to approximately HK\$1.5 million for previous year. It was mainly attributable to the tightened policy of the PRC Government on regulating the precious metals trading and brokerage business in the PRC in which the Group operated. It reported an operating loss of approximately HK\$0.5 million for the year ended 31 December 2017, as compared to an operating loss of approximately HK\$2.0 million for the previous year.

Stock information and research services

This segment recorded approximately HK\$0.8 million of revenue for the year under review compared with same revenue for previous year. It reported an operating loss of approximately HK\$28.0 million, included an impairment of refundable earnest money paid for Yang Shunhong for approximately HK\$24.0 million for the year (2016: loss of approximately HK6.9 million).

Trading of electronic student cards and school safety products

It recorded approximately HK\$5.3 million of revenue for the year under review compared with approximately HK\$5.2 million for the same period last year. It is principally engaged in development and exploration of various telecommunication technologies in the PRC, in particular, electronic student card for school safety network. For the year under review, the navigating chips of electronic student cards and devices needed to change to operate in coordination with the BeiDou System, a system preferred by the PRC Government. The Group is studying to modify the devices in order to deal with the power consumption issues. It led to a slowdown in the production of electronic student cards and devices and incurred an operating loss of approximately HK\$16.2 million for the year, compared with loss of approximately HK\$113.4 million for the last corresponding period.

Brokerage and securities margin financing service

Total revenue of this segment recorded approximately HK\$1.5 million for the year ended 31 December 2017, compared with approximately HK\$1.4 million for the same period last year. This segment loss reached approximately HK\$3.3 million while loss of approximately HK\$4.1 million for the last corresponding period.

股本結構

於二零一七年十二月三十一日，本公司之已發行股本為6,498,958,120股每股面值0.01港元之股份。

貴金屬現貨交易及經紀

於回顧年度並無獲得佣金收入，而去年獲得約1,500,000港元。此乃主要由於中國政府對中國（本集團經營所在地）之貴金屬交易及經紀業務收緊監管政策。其於截至二零一七年十二月三十一日止年度錄得經營虧損約500,000港元，而去年則為經營虧損約2,000,000港元。

股票資訊及研究服務

該分部於回顧年度錄得收入約800,000港元，而去年的收入相同。其於年內錄得經營虧損約28,000,000港元，包括本年度就陽順洪之可退還誠意金減值約為24,000,000港元（二零一六年：虧損約6,900,000港元）。

銷售電子學生證及校園安全產品

於回顧年度錄得收入約5,300,000港元，而去年同期則為約5,200,000港元。該分部主要於中國從事開發及拓展各類通信技術，尤其是校園安全網絡之電子學生證。於回顧年度，電子學生證及設備之導航芯片須於運營上作出調整以與北斗系統（中國政府大力推介之系統）協調。本集團正在研究修正有關設備以處理電耗問題。這導致電子學生證及設備產量出現下滑，從而引致年內約16,200,000港元之經營虧損，而去年同期錄得虧損約113,400,000港元。

經紀及證券保證金融資服務

截至二零一七年十二月三十一日止年度，該分部錄得總收入約1,500,000港元，而去年同期則為約1,400,000港元。該分類之虧損達約3,300,000港元，而去年同期之虧損則為約4,100,000港元。

CHIEF EXECUTIVE'S STATEMENT

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Trading and principal investments

The securities trading recorded a realized loss of approximately HK\$3.5 million while it recorded a trading loss of approximately HK\$71.7 million in the previous year. It recorded a fair value losses of approximately HK\$34.8 million for the year under review compared with fair value losses of approximately HK\$30.1 million of the previous year. This assignment showed an operating loss of approximately HK\$44.7 million for the year 31 December 2017 and it recorded a loss of approximately HK\$102.6 million last year.

Sales of motor vehicles and provision of agency services

This segment commenced business from a newly company established in August 2017. It recorded approximately HK\$21.6 million of revenue for the year under review. It is principally engaged in sales of motor vehicles business in PRC. Due to lying in the development stage, it recorded an operating profit of approximately HK\$2.9 million for the year ended 31 December 2017.

CHARGES ON ASSETS

Property, plant and equipment of the Group with a carrying amount of approximately HK\$29.2 million (2016: approximately HK\$30.8 million) were pledged for banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any contingent liabilities (2016: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES/FUTURE PLAN FOR MATERIAL INVESTMENTS

On 2 August 2017, Sheng Yu Hong Jia was formed in Chongqing City, PRC which is 90% owned by the Company and 10% owned by the Joint Venture Partner, 深圳美麗生態股份有限公司 (transliterated as Shenzhen Ecobeauty Co., Ltd).

Following the formation of Sheng Yu Hong Jia, the Company had made an initial capital contribution of RMB90,000,000 and 深圳美麗生態股份有限公司 (transliterated as Shenzhen Ecobeauty Co., Ltd) had made its capital contributions to Sheng Yu Hong Jia of RMB10,000,000 pursuant to the joint venture agreement respectively.

買賣及自營投資

證券買賣錄得已變現虧損約3,500,000港元，而其於去年錄得交易虧損約71,700,000港元。該分部於回顧年度錄得公平值虧損約34,800,000港元，而去年錄得公平值虧損約30,100,000港元。截至二零一七年十二月三十一日止年度，該分部錄得經營虧損約44,700,000港元，而去年錄得虧損約102,600,000港元。

銷售汽車及提供代理服務

該分部來自一間於二零一七年八月成立的新公司，並開始營業。其於回顧年內錄得收入約21,600,000港元。該公司主要於中國從事銷售汽車業務。由於正處發展階段，其於截至二零一七年十二月三十一日止年度錄得經營利潤約2,900,000港元。

資產抵押

本集團賬面值約29,200,000港元（二零一六年：約30,800,000港元）之物業、機器及設備已就授予本集團之銀行融資作抵押。

或然負債

於二零一七年十二月三十一日，本集團並無任何或然負債（二零一六年：無）。

附屬公司重大收購及出售／重大投資之日後計劃

於二零一七年八月二日，盛渝泓嘉於中國重慶市成立，其90%及10%權益分別由本公司及合資夥伴深圳美麗生態股份有限公司擁有。

於盛渝泓嘉成立後，本公司及深圳美麗生態股份有限公司根據合資協議分別向盛渝泓嘉初步出資人民幣90,000,000元及人民幣10,000,000元。

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On 9 November 2017, the board of directors of Sheng Yu Hong Jia had resolved to increase the registered capital of Sheng Yu Hong Jia from RMB100,000,000 to RMB150,000,000 and Sheng Yu Hong Jia had obtained approval for the increase of its registered capital from RMB100,000,000 to RMB150,000,000 from the relevant government authority of the PRC. The additional capital of RMB50,000,000 required by Sheng Yu Hong Jia was determined by the board of directors of Sheng Yu Hong Jia after due consideration of the market of imported motor vehicles in the PRC in general, the market segment targeted by Sheng Yu Hong Jia mentioned in the circular of the Company dated 19 March 2018 and the needs of Sheng Yu Hong Jia to increase its capital base in order to negotiate for better banking finance arrangements and other financing modes such as financial leasing.

深圳美麗生態股份有限公司 (transliterated as Shenzhen Ecobeauty Co., Ltd) had indicated that it would forgo its right to subscribe for and contribute to its entitled 10% of the increased registered capital of Sheng Yu Hong Jia in the sum of RMB5,000,000 as a result the Company intends to make the proposed additional capital contribution and subscribe for the entire 100% of the increased registered capital of RMB50,000,000 of Sheng Yu Hong Jia.

The Directors consider that the proposed additional capital contribution will further increase the Company's equity interest in Sheng Yu Hong Jia from 90% to 93.33% and the additional capital contribution of RMB50,000,000 by the Company to Sheng Yu Hong Jia will significantly strengthen the capital base of Sheng Yu Hong Jia and will increase its trading capacity and competitiveness in the parallel import motor vehicle market of the PRC and is in the interests of the Company and the shareholders as a whole.

For more details, please refer to the Company's announcement dated 4 July 2017, 17 October 2017 and 29 December 2017 and the Company's circular dated 19 March 2018.

Save as disclosed, there was no other material acquisition/disposal which would have been required to be disclosed under the GEM Listing Rules for the year under review and the Group has no concrete plans for other material investments.

於二零一七年十一月九日，盛渝泓嘉董事會已議決將其註冊資本由人民幣100,000,000元增加至人民幣150,000,000元，且盛渝泓嘉已獲中國相關政府機關批准將其註冊資本由人民幣100,000,000元增加至人民幣150,000,000元。盛渝泓嘉需要之額外資本人民幣50,000,000元乃由盛渝泓嘉董事會經審慎考慮中國整體進口汽車市場、本公司日期為二零一八年三月十九日之通函所述之盛渝泓嘉專注之市場領域及盛渝泓嘉擴大其資本基礎以協商更佳之銀行融資安排及其他融資模式（如融資租賃）之需求後釐定。

深圳美麗生態股份有限公司已表示，其將放棄認購及按其享有之盛渝泓嘉經擴大註冊資本10%配額出資人民幣5,000,000元之權利，因此，本公司擬作出建議額外出資及悉數認購盛渝泓嘉100%經擴大註冊資本人民幣50,000,000元。

董事認為，建議額外出資將令本公司於盛渝泓嘉之股權由90%進一步增加至93.33%及本公司向盛渝泓嘉額外出資人民幣50,000,000元將顯著增強盛渝泓嘉之資本基礎並將提高其於中國平行進口汽車市場之競爭力，符合本公司及股東之整體利益。

有關更多詳情，請參閱本公司日期為二零一七年七月四日、二零一七年十月十七日及二零一七年十二月二十九日之公佈以及本公司日期為二零一八年三月十九日之通函。

除所披露者外，於回顧年度內，本集團概無其他重大收購／出售事項須根據GEM上市規則予以披露，且本集團並無其他重大投資之具體計劃。

CHIEF EXECUTIVE'S STATEMENT

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EMPLOYEE INFORMATION

As at 31 December 2017, the Group had a workforce of 85 employees (2016: 80). The total staff costs, including directors' emoluments, amounted to approximately HK\$20.0 million for the year ended 31 December 2017 (2016: approximately HK\$17.9 million). The Group's remuneration policies are reviewed on an annual basis and commensurate with the industry pay level. The remuneration package includes basic salary, provident fund, medical benefits and discretionary bonus. The Group has also adopted a new share option scheme as an added incentive for its employees.

OUTLOOK

Looking forward, the Group will continue to focus on improving the performance of our current businesses, such as (i) provision of securities and futures contracts trading services in Hong Kong, (ii) trading and sales of parallel imported vehicles and provision of relevant agency services in the PRC, (iii) research, exploration and development of the student safety network project and the electronic student card in the PRC, (iv) provision of stock information and research services through the internet network in the PRC, and (v) trading and principal investments in the PRC and Hong Kong.

The stock markets in the PRC and Hong Kong had seen significant gained and picked up in 2017 and the Group is optimistic about the prospect of the stock markets in the PRC and Hong Kong and will closely monitor the changes in these stock markets in order to improve performance of the Group in this segment of the Group's businesses.

Sheng Yu Hong Jia, the subsidiary of the Group, was formed in Chongqing City because of its strategic location at the terminus of the Chongqing-Xinjiang-Europe International Railway which offers an alternative route of transporting goods from Europe into the PRC by land in addition to the traditional route of transporting goods from Europe into the PRC by sea as well as the favourable policies and incentives offered by the Chongqing City authorities to import and export businesses under the Silk Road Economic Belt and the 21st-century Maritime Silk Road, better known as the One Belt and One Road Initiative ("OBOR") proposed by the central government of the PRC.

僱員資料

於二零一七年十二月三十一日，本集團聘用85名僱員（二零一六年：80名）。截至二零一七年十二月三十一日止年度，總員工成本（包括董事薪酬）合共約20,000,000港元（二零一六年：約17,900,000港元）。本集團每年均就薪酬政策作出檢討，務求薪酬水平跟業界一致。薪酬福利包括基本薪金、公積金、醫療福利及酌情花紅。本集團亦採納新購股權計劃作為對其僱員之額外獎勵。

前景

展望未來，本集團將繼續專注於提高現有業務的表現，如(i)在香港提供證券及期貨合約買賣服務；(ii)於中國買賣及銷售平行進口汽車及提供相關代理服務；(iii)在中國研究、開拓及發展學生安全網絡項目及電子學生證；(iv)透過互聯網在中國提供股票資訊及研究服務；及(v)在中國及香港買賣及自營投資。

二零一七年，中國及香港股市走勢大幅上揚，且本集團對中國及香港股市前景表示樂觀並將密切監察該等股票市場變動，以提高本集團該業務分部的表現。

本集團之附屬公司盛渝泓嘉於重慶市成立，乃由於其位於渝新歐鐵路終點站之戰略性位置（令將貨物從歐洲通過海運運至中國之傳統路線之外，增加了其他路線，即將貨物通過陸運運至中國），以及重慶市當局提供之根據絲綢之路經濟帶及21世紀海上絲綢之路（以中國中央政府提議之一帶一路政策（「一帶一路」）聞名於世）開展進出口業務之有利政策及獎勵。

CHIEF EXECUTIVE'S STATEMENT

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Sheng Yu Hong Jia is located in the China (Chongqing) Pilot Free Trade Zone which offers a series of staggered subsidies policies. Moreover, Sheng Yu Hong Jia is also the only business within the motor vehicle import and export category under the Chongqing City Open-up Inland and Highland Development Trade Fair Project under which subsidies are offered by government authorities of various levels.

Moreover, under the “3 + N” Scheme, meaning “Government + State Owned Foreign Trade Groups + Banks” scheme run by the Chongqing City government as an incentive to promote import and export trade under OBOR, when Sheng Yu Hong Jia opens letter of credit to overseas manufacturer to import motor vehicles with banks participating the scheme, the banks will provide discount subsidies to Sheng Yu Hong Jia, hence, further reducing its cost.

We expect Sheng Yu Hong Jia can provide an opportunity for the Group to expand its business in the sales of motor vehicles in the PRC market which is the largest motor vehicles market in the world and there is still a huge growth potential for the market given the relatively lower vehicle per capita compared with other developed markets of the world such as the United States. The Company believes that Sheng Yu Hong Jia can expand the income base of the Group and diversify its business portfolio.

盛渝泓嘉位於中國重慶自貿試驗區，其提供一系列之交叉補助政策。此外，盛渝泓嘉亦為重慶市內陸開放高地建設招商項目汽車進出口類別內之唯一業務實體，而各級政府當局為有關項目提供補助。

此外，根據「3+N」機制，即重慶市政府運作之「政府+國有外貿集團+銀行」機制作為促進一帶一路進出口貿易之獎勵，盛渝泓嘉向海外製造商開具信用證以進口汽車，銀行得以參與其中，銀行將向盛渝泓嘉提供貼現補助，因此，進一步降低其成本。

我們預期，盛渝泓嘉可為本集團擴大其於中國市場之汽車銷售業務之機會，中國市場為全球最大汽車市場，鑑於與世界上其他發達市場（如美國）比較相對較低之人均汽車擁有量，其仍然存在龐大市場增長潛力。本公司相信，盛渝泓嘉可擴大本集團之收入基礎及多元化其業務組合。

CHIEF EXECUTIVE'S STATEMENT

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The Group will continue to develop other businesses and look for opportunities to expand the income sources in order to enhance the revenue of the Group.

I would like to take this opportunity to thank our shareholders, Board of Directors, our staff and business partners for their continuous support and commitment.

本集團將繼續發展其他業務及尋求機會擴大其收入來源，以提升本集團的收益。

本人謹藉此機會向股東、董事會、員工及業務夥伴對本集團不斷支持及貫徹承諾致以感謝。

By order of the Board

Wang Jiawei

Chairman

Hong Kong, 20 March 2018

承董事會命

王嘉偉

主席

香港，二零一八年三月二十日

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Wang Jiawei, aged 31, has been an executive Director, a member of nomination committee of the Company since May 2013. Mr. Wang was also appointed as the chairman and chief executive officer of the Company and a member of remuneration committee of the Company with effect from 22 September 2015. He is a director of various subsidiaries of the Group. Mr. Wang obtained a Bachelor of Science in Mathematics at Imperial College London in the United Kingdom in 2009 and a Master of Science in Finance at City University London in the United Kingdom in 2010. From October 2010 to July 2011, he was a market analyst of the investment department in Shenzhen Shouguan Investment Co., Limited in the PRC. Since August 2011, Mr. Wang has been a manager of Sinofortune Securities Limited (formerly known as First China Securities Limited), a subsidiary of the Group. Mr. Wang is also the director of Victor Creation Global Limited from August 2014 and Elpis Capital from September 2014, and non-executive director of Elpis Capital Limited from September 2014.

Ms. Lai Yuk Mui, aged 48, has been an executive Director of the Company since 1 August 2015 and she was appointed as a member of remuneration committee of the Company with effect from 22 September 2015. She is a director of various subsidiaries of the Group. Ms. Lai received her Bachelor of Arts degree in Financial Services from Edinburgh Napier University in Scotland. Ms. Lai joined the Company in 14 July 2008 as the executive secretary and has been promoted to the Head of Personnel and Administration Department of the Company since 13 February 2009.

執行董事

王嘉偉先生，三十一歲，自二零一三年五月出任本公司執行董事及提名委員會成員。王先生於二零一五年九月二十二日獲委任為本公司主席、行政總裁及薪酬委員會成員。彼為本集團多間附屬公司之董事。王先生於二零零九年畢業於英國倫敦帝國學院，取得數學理學學士學位，並在二零一零年於英國倫敦城市大學取得財務學理學碩士學位。由二零一零年十月至二零一一年七月，王先生曾於中國的深圳市首冠投資有限公司投資部擔任市場分析師。自二零一一年八月，王先生一直為本集團之附屬公司，華億證券有限公司（前稱首華證券有限公司），擔任經理職位。由二零一四年八月和二零一四年九月，王先生也分別是 Victor Creation Global Limited 及 Elpis Capital 的董事，及由二零一四年九月為天澤資本有限公司的非執行董事。

黎玉梅女士，四十八歲，自二零一五年八月一日出任本公司執行董事及於二零一五年九月二十二日獲委任為本公司薪酬委員會成員。彼為本集團多間附屬公司之董事。黎女士持有蘇格蘭愛丁堡納皮爾大學金融服務文學士學位。黎女士於二零零八年七月十四日加入本公司擔任行政秘書職位，並於二零零九年二月十三日被晉升為本公司之人事及行政部門主管。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

NON-EXECUTIVE DIRECTORS

Mr. Liu Runtong, aged 44, was appointed as a non-executive Director of the Company on 2 Feb 2010. He is a chairman and general manager of 首華證券諮詢(深圳)有限公司 (transliterated as First China Securities Consultancy (Shenzhen) Co., Ltd) and a general manager of 深圳畫天影視文化傳播有限公司 (transliterated as Shenzhen Sky Picture Culture Communications Company Limited), both are the wholly-own subsidiaries of the Group. Mr. Liu obtained Bachelor Degree from Department of Chinese of Nankai University in 1996. He also holds qualifications of economist, registered securities investment consulting analyst and registered insurance broker issued by various professional organizations in China. For the past 19 years, Mr. Liu has held different positions in various financial media institutions and financial services institutions in Mainland China. During his tenure from 1998 to 2002 as a responsible person for marketing the newspaper “Securities Times”, he participated in establishing the “Panorama Network” (www.p5w.net), a well-known securities website in China and acted as its major responsible person. In 2000, he acted as consultant in establishing and operating the program “Securities Times” produced by “China Central Television”. From 2002 to 2007, he served as “Program Supervisor” in “Shenzhen Stock Exchange Shenzhen Securities Information Co., Ltd”, where he participated in setting up and managing “Trading Day”, the 24-hour PRC program regarding securities. Because of his outstanding performance, he was elected as one of the “Ten Best Staff” of the “Shenzhen Stock Exchange” in 2004. From 2013 to July 2015, Mr. Liu served Convoy China Financial Services Holding Ltd as a Vice President. He was the executive director of Shenzhen Qianhai CONVOY Asset Management Co., Ltd. from 2013 to July 2015. Mr. Liu has found Shenzhen Qianhai Yinyan Asset Management Co., Ltd. since 2014 and serves as the executive director.

非執行董事

劉潤桐先生，四十四歲，於二零一零年二月二日獲委任為本公司非執行董事。劉先生為本集團全資附屬公司首華證券諮詢(深圳)有限公司主席及總經理；及深圳畫天影視文化傳播有限公司總經理。彼於一九九六年畢業於南開大學中文系，取得學士學位。彼持有由中國各專業團體發出的經濟師、註冊證券投資諮詢分析師、註冊保險經紀人等資格。於過去19年，劉先生曾在中國大陸多家財經證券媒體、金融服務機構任職，於一九九八至二零零二年任職《證券時報》市場部負責人期間，他曾參與創辦國內知名證券網站「全景網」(www.p5w.net)，並出任主要負責人。二零零零年彼為「中國中央電視台」所製作之《證券時間》節目出任顧問。自二零零二至二零零七年彼於「深圳交易所深圳證券資訊有限公司」出任「視訊部總監」，參與創辦並運營國內二十四小時全天候證券視訊節目《交易日》，由於取得傑出業績，彼於二零零四年被選為「深圳證券交易所」「十佳員工」之一。由二零一三至二零一五年七月，劉先生於康宏中國理財服務控股有限公司擔任副總裁。彼由二零一三至二零一五年七月於深圳前海康宏匯資產管理有限公司擔任執行董事。劉先生自二零一四年起於深圳前海銀堰資產管理有限公司擔任執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. James Beeland Rogers Jr. (“Mr. Jim Rogers”), aged 75, was appointed as a non-executive Director of the Company and a senior consultant of 深圳前海首華國際商品交易中心有限公司 (transliterated as Shenzhen Qianhai First China International Commodities Exchange Centre Limited) on 22 September 2014. Mr. Jim Rogers is an author, financial commentator, adventurer, and successful international investor. He has been frequently featured in Time, The Washington Post, The New York Times, Barron’s, Forbes, Fortune, The Wall Street Journal, The Financial Times, The Business Times, The Straits Times and many media outlets worldwide. He has also appeared as a regular commentator and columnist in various media and has been a professor at Columbia University. After attending Yale and Oxford University, Mr. Jim Rogers cofounded the Quantum Fund, a global-investment partnership. Mr. Jim Rogers also served as a full professor of finance at the Columbia University Graduate School of Business, and, in 1989 and 1990, as the moderator of WCBS’s ‘The Dreyfus Roundtable’ and FNN’s ‘The Profit Motive with Jim Rogers’. Mr. Jim Rogers is the chairman of Beeland Interests, Inc., an adviser of Genagro Limited, a director of Spanish Mountain Gold Ltd. (a company listed on the TSX Venture Exchange (SPA.TSX.V)), an independent director of Geo Energy Resources Limited (a company listed on the Singapore Exchange (SGX: RE4)), a director of PJSC PhosAgro (a company listed on the Moscow Exchange and the London Stock Exchange (PHOR)), an non-executive director of Crusader Resources Limited (a company listed on The Australian Securities Exchange (ASX: CAS)), an independent director of Virtus Global Dividend and Income Fund Inc. (a company listed on the New York Stock Exchange (NYSE: ZTR)), a member of advisory board of Euro Sun Mining Inc. (a company listed on the Toronto Stock Exchange (TSX: ESM)) and a director of JSC AgroGard-Finance.

James Beeland Rogers Jr.先生（「羅傑斯先生」），七十五歲，於二零一四年九月二十二日獲委任為本公司非執行董事及深圳前海首華國際商品交易中心有限公司高級顧問。羅傑斯先生為作家、金融評論員、冒險家及成功國際投資者。彼經常於《時代》(Time)、《華盛頓郵報》(The Washington Post)、《紐約時報》(The New York Times)、《巴倫周刊》(Barron’s)、《福布斯》(Forbes)、《財富》(Fortune)、《華爾街日報》(The Wall Street Journal)、《金融時報》(The Financial Times)、《商業時報》(The Business Times)、《海峽時報》(The Straits Times)及全球眾多媒體長期撰稿人。彼亦為若干媒體之定期評論員及專欄作家並曾為哥倫比亞大學教授。就讀耶魯及牛津大學後，羅傑斯先生共同創辦了全球投資合夥量子基金。羅傑斯先生亦任哥倫比亞大學商學院金融學全職教授，並於一九八九年及一九九零年擔任WCBS電視台《The Dreyfus Roundtable》及FNN《The Profit Motive with Jim Rogers》的主持。羅傑斯先生為Beeland Interests, Inc.主席，Genagro Limited顧問，Spanish Mountain Gold Ltd.（一間於多倫多證券交易所創業板上市的公司 (SPA.TSX.V)）董事，Geo Energy Resources Limited（一間於新加坡交易所上市的公司 (SGX: RE4)）獨立董事，PJSC PhosAgro（一間於莫斯科交易所及倫敦證券交易所上市的公司 (PHOR)）董事，Crusader Resources Limited（一間於澳大利亞證券交易所上市的公司 (ASX: CAS)）非執行董事，Virtus Global Dividend and Income Fund Inc.（一間於紐約證券交易所上市的公司 (NYSE: ZTR)）獨立董事，Euro Sun Mining Inc.（一間於多倫多證券交易所上市的公司 (TSX: ESM)）顧問成員及JSC AgroGard-Finance董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Zhang Benzhen, aged 78, has been an independent nonexecutive Director of the Company since 30 September 2008 and he was appointed as a chairman of nomination committee and a member of audit committee of the Company in 2008. He was also appointed as a member and chairman of remuneration committee of the Company in 2008 and 2011 respectively. Professor Zhang graduated with a Bachelor Degree from the Faculty of Engineering Physics of the Tsinghua University in 1965. He was a visiting scholar in the Brookhaven National Laboratory of USA and the Stuttgart University of Germany. He was the vice director of the Tsinghua University R&D department and the general manager of Tsinghua University Science and Technology Corporation. During the period from 1999 to 2002, he held various senior positions in two companies listed on the Shenzhen Stock Exchange, namely Tsinghua Unisplendour Limited and Tsinghua Unisplendour Guhan Group Corporation. He was the chairman and legal representative of Tsinghua Unisplendour Guhan Group Corporation and president of Tsinghua Unisplendour Limited before he left these companies in 2002. He then joined Tsinghua Unisplendour (Group) Corporation in 2002 and was its president until 2004. Professor Zhang was the general vice president and secretary of the Beijing Non-Governmental Science & Technology Entrepreneurs Association. With his remarkable business leadership as well as exploratory initiatives, Professor Zhang had made tremendous contribution to the companies he worked for. He has not only gained compliments from the society at large, but has also won a series of honors. In 1997, Professor Zhang received the national prize of “The Third Term Science and Technology Light Award for Outstanding Scientific and Technological Entrepreneur”. In 2000, he won the “Hong Kong Bauhinia Cup Outstanding Entrepreneur Award” and the “Entrepreneurial Talent” award issued by the Beijing Non-Governmental Science and Technology Entrepreneurs Association. In 2002, he was selected as the first lot of “Zhongguan Village Outstanding Entrepreneurs”. Professor Zhang is currently the Chief Consultant of 容匯未來(北京)科技產業發展有限公司 (transliterated as Ronghui Future (Beijing) Technology Development Co., Ltd.).

獨立非執行董事

張本正教授，七十八歲，自二零零八年九月三十日出任本公司獨立非執行董事及於二零零八年獲委任為本公司提名委員會主席及審核委員會成員。彼亦分別於二零零八年及二零一一年獲委任為本公司薪酬委員會成員及主席。張教授於一九六五年畢業於清華大學工程物理系，取得學士學位。張教授曾為美國Brookhaven National Laboratory及德國斯圖加特大學訪問學者。彼曾擔任清華大學科研處副處長及清華大學科技開發總公司總經理。一九九九年至二零零二年間，彼分別在深圳證券交易所上市之清華紫光股份有限公司和清華紫光古漢集團股份有限公司擔任多項要職。在二零零二年離開此兩家公司前，他的職位分別為清華紫光古漢集團股份有限公司之董事長及法人代表以及清華紫光股份有限公司之總裁。在二零零二年，彼出任清華紫光(集團)總公司總裁，直至二零零四年。張教授曾為北京民營科技實業家協會常務副會長兼秘書長。張教授憑其卓越的商業領導才能和開拓進取精神，為其任職的企業作出了巨大的貢獻，不但贏得了社會的廣泛贊許，更獲取一系列的榮譽。一九九七年張教授榮獲「全國第三屆科技之光優秀科技企業家獎」；二零零零年獲「香港紫荊花杯傑出企業家成就獎」和北京民營科技實業家協會頒發的「創業英才」獎；二零零二年又被評為中關村首批「優秀企業家」。張教授現任容匯未來(北京)科技產業發展有限公司之首席顧問。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. Li Jianxing, aged 60, has been an independent non-executive Director, a member of audit committee, nomination committee and remuneration committee of the Company since 28 March 2011. He was also appointed as chairman of audit committee of the Company with effect from 22 September 2015. Mr. Li graduated from Shanghai Maritime University with a Bachelor Degree in accounting. He also received a Master Degree in Business Administration from Canisius College of Buffalo. Mr. Li has over 30-year experience working in the field of accounting and corporate finance and has substantial experience in management in various listed companies, investment business, investor relations and project management. He was the senior manager of both the investment department and finance department of China Everbright Holdings Co., Ltd from April 1998 to June 2000. He served as the Chief Finance Officer for Intermost Corporation from June 2000 to 2003. From April 2003 to May 2004, he was a General Manager of Investor Relations in China Resources Power Holdings Co., Ltd. He has been a director of Concord Investment Holdings Limited since 2004.

李建行先生，六十歲，自二零一一年三月二十八日出任本公司獨立非執行董事、審核委員會成員、提名委員會成員及薪酬委員會成員。李先生亦於二零一五年九月二十二日獲委任為本公司審核委員會主席。李先生畢業於上海海運學院取得會計學士學位，並於布法羅卡尼修斯學院(Canisius College)取得工商管理碩士學位。李先生於會計及企業融資行業擁有超過30年的經驗，在多家上市公司擁有豐富的管理、投資業務、投資者關係及項目管理方面之經驗。由一九九八年四月至二零零零年六月，彼曾為中國光大集團有限公司投資部門及財務部門的高級經理。由二零零零年六月至二零零三年，彼曾擔任Intermost Corporation之首席財務總監。由二零零三年四月至二零零四年五月，彼為華潤電力控股有限公司投資者關係總經理。自二零零四年起，彼為協力投資控股有限公司的董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Professor Chen Shu Wen, aged 63, has been an independent non-executive Director, a member of audit committee, nomination committee and remuneration committee of the Company since 23 September 2011. Professor Chen graduated from 東北財經大學 (Dongbei University of Finance and Economics) with a Bachelor Degree in Economics and obtained a Master Degree and a PhD in Economics from 吉林大學 (Jilin University). He is a qualified PRC lawyer currently practising at 遼寧天合律師事務所 (Liaoning Tianhe Law Firm). Professor Chen has substantial management and leadership experience serving in the PRC government. He commenced his career as the deputy county chief of the Benxi Manchu Autonomous County, Liaoning Province, PRC, in 1992 and became the director (主任) of 本溪市經濟體制改革委員會 (Benxi City Commission for Restructuring the Economic Systems) from 1995. He was the vice director general (副主任) of 本溪市對外經濟貿易合作委員會 (Benxi Foreign Trade & Economic Cooperation Committee) from 1998 until 2001. From 2001 to 2009, Professor Chen was the professor and the tutor for doctorate students at 大連理工大學管理學院 (Faculty of Management and Economics of Dalian University of Technology). From 2010 to 2014, he was the dean at 大連理工大學公共管理與法學學院 (School of Public Administration and Law of Dalian University of Technology). From 2010 to now, Professor Chen has been the professor and the tutor for doctorate students at 大連理工大學公共管理與法學學院 (School of Public Administration and Law of Dalian University of Technology). He is currently an independent non-executive director of 魏橋紡織股份有限公司 (Weiqiao Textile Company Limited) (Hong Kong Stock Exchange Stock Code: 2698) and an independent director of 獐子島集團股份有限公司 (Zhangzidao Group Co. Ltd.) (Shenzhen Stock Exchange Stock Code: 002069).

陳樹文教授，六十三歲，自二零一一年九月二十三日出任本公司獨立非執行董事、審核委員會成員、提名委員會成員及薪酬委員會成員。陳教授畢業於東北財經大學並取得經濟學學士學位，並於吉林大學取得經濟學碩士及博士學位。彼為合資格中國律師，現於遼寧天合律師事務所執業。陳教授於中國政府工作擁有多管理年及領導經驗。彼於一九九二年開展了其職業生涯並成為中國遼寧省本溪滿族自治縣副縣長，其後於一九九五年成為本溪市經濟體制改革委員會主任。由一九九八年至二零零一年，彼為本溪市對外經濟貿易合作委員會副主任。由二零零一年至二零零九年，陳教授曾任大連理工大學管理學院教授兼博士生導師。由二零一零年至二零一四年，彼曾任大連理工大學公共管理與法學學院院長。由二零一零年至今，陳教授一直任大連理工大學公共管理與法學學院教授兼博士生導師。彼現為魏橋紡織股份有限公司（香港聯交所股份代號：2698）之獨立非執行董事及獐子島集團股份有限公司（深圳證券交易所證券代碼：002069）之獨立董事。

DIRECTORS' REPORT

董事會報告

The Directors are pleased to present their annual report together with the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2017.

CORPORATE INFORMATION

The Company was incorporated on 24 May 2001 as an exempted company with limited liability in the Cayman Islands under the Company Law of Cayman Islands.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities and other particulars of the Company's subsidiaries are set out in Note 18 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2017 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 72 to 73.

The Directors do not recommend the payment of a dividend nor transfer of any amount to reserves for the year ended 31 December 2017 (2016: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 32 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, the share premium of the Company is available for distribution as dividends to its shareholders subject to the provisions of its Memorandum and Articles of Association and a statutory solvency test. In accordance with Article 137 of the Articles of Association of the Company, dividends may be declared and paid out of the profits of the Company or from any reserves set aside from profits which the Directors determine to be no longer needed. With the sanction of an ordinary resolution, dividends may also be declared or paid out of share premium account. Accordingly, the Company's reserves available for distribution was HK\$nil as at 31 December 2017.

董事欣然提呈其年度報告以及本公司及本集團截至二零一七年十二月三十一日止年度之經審核綜合財務報表。

企業資料

本公司於二零零一年五月二十四日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。

主要業務

本公司為投資控股公司，其附屬公司之主要業務及其他詳情載於綜合財務報表附註18。

業績及股息

本集團截至二零一七年十二月三十一日止年度之業績載於第72頁至73頁之綜合損益及其他全面收入報表內。

董事不建議就截至二零一七年十二月三十一日止年度派付股息或轉撥任何款項至儲備（二零一六年：無）。

物業、機器及設備

本集團及本公司於年內之物業、機器及設備變動詳情載於綜合財務報表附註15。

股本

本公司股本變動詳情載於綜合財務報表附註32。

可供分派儲備

根據開曼群島公司法，倘符合本公司之公司組織章程大綱及細則的規定和法定償債能力測試，本公司股份溢價可供派息予股東。根據本公司之公司組織章程細則第137條，股息可自本公司溢利或從溢利劃撥而董事認為再無需要的任何儲備中宣派及派付。倘透過普通決議案批准，本公司亦可自股份溢價賬宣派或派付股息。因此，於二零一七年十二月三十一日，本公司可供分派儲備為零港元。

DIRECTORS' REPORT

董事會報告

DIRECTORS

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

Executive Directors

Wang Jiawei (*Chairman and Chief Executive Officer*)

Lai Yuk Mui

Non-executive Directors

Liu Runtong

James Beeland Rogers Jr.

Independent Non-executive Directors

Zhang Benzhen

Li Jianxing

Chen Shu Wen

In accordance with Article 87(1) of the Company's Articles of Association, the Directors retiring by rotation at the forthcoming annual general meeting are Mr. James Beeland Rogers Jr. and Professor Zhang Benzhen. Both directors are being eligible for re-election and will offer themselves for re-election at the forthcoming annual general meeting. The remaining Directors shall continue to hold office.

DIRECTORS' SERVICE CONTRACTS

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

董事

年內及截至本報告日期之本公司在任董事如下：

執行董事

王嘉偉 (主席兼行政總裁)

黎玉梅

非執行董事

劉潤桐

James Beeland Rogers Jr.

獨立非執行董事

張本正

李建行

陳樹文

根據本公司之組織章程細則第87(1)條，James Beeland Rogers Jr.先生及張本正教授將於應屆股東週年大會上輪值告退。該兩名董事均符合資格並願意於應屆股東週年大會重選連任。其餘董事則繼續留任。

董事服務合約

擬於應屆股東週年大會上重選連任之董事概無與本公司或其任何附屬公司訂有聘用公司不可於一年內在毋須作出賠償(法定賠償除外)情況下終止之服務合約。

DIRECTORS' REPORT

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2017, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

董事及行政總裁於本公司股份、相關股份及債券之權益及淡倉

於二零一七年十二月三十一日，董事及本公司行政總裁在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉），或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益或淡倉，或根據GEM上市規則第5.46至5.67條須知會本公司及聯交所之權益或淡倉如下：

(a) Long positions in shares of the Company

(a) 於本公司股份之好倉

Name of Directors	董事姓名	Number of shares 股份數目			Total	Approximate percentage of shareholding 概約持股 百分比
		Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益		
Wang Jiawei	王嘉偉	202,043,628	-	-	202,043,628	3.11%
Lai Yuk Mui	黎玉梅	2,780,127	-	-	2,780,127	0.04%
Liu Runtong	劉潤桐	2,646,000	-	-	2,646,000	0.04%

DIRECTORS' REPORT

董事會報告

(b) Long positions in underlying shares of the Company Share option scheme of the Company

The share option scheme adopted by the Company on 17 December 2001 (the "Old Share Option Scheme") has expired on 16 December 2011. The Company adopted a new share option scheme on its annual general meeting held on 21 June 2012 (the "New Share Option Scheme") which complies with Chapter 23 of GEM Listing Rules.

The following table discloses the details of the share options held by the Directors and chief executive to subscribe for shares of the Company during the year ended 31 December 2017:

Name of Directors	Date of grant	Number of share options 購股權數目				Outstanding as at 31 December 2017 於二零一七年十二月三十一日 尚未行使	Option period 購股權期限	Exercise price (HK\$) 行使價 (港元)
		Outstanding as at 1 January 2017 於二零一七年一月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled/lapsed during the year 年內註銷/失效			
Lai Yuk Mui 黎玉梅	13/04/2010 二零一零年四月十三日	3,186,158	-	-	-	3,186,158	13/04/2010 - 12/04/2020 二零一零年四月十三日 - 二零二零年四月十二日	0.419
Liu Runtong 劉潤桐	13/04/2010 二零一零年四月十三日	31,861,575	-	-	-	31,861,575	13/04/2010 - 12/04/2020 二零一零年四月十三日 - 二零二零年四月十二日	0.419
Zhang Benzhen 張本正	13/04/2010 二零一零年四月十三日	2,124,105	-	-	-	2,124,105	13/04/2010 - 12/04/2020 二零一零年四月十三日 - 二零二零年四月十二日	0.419
James Beeland Rogers Jr.	9/11/2016 二零一六年十一月九日	20,000,000	-	-	-	20,000,000	9/11/2016 - 8/11/2026 二零一六年十一月九日 - 二零二六年十一月八日	0.150
James Beeland Rogers Jr.	16/10/2015	20,000,000	-	-	-	20,000,000	16/10/2015 - 15/10/2025	0.238
James Beeland Rogers Jr.	二零一五年十月十六日						二零一五年十月十六日 - 二零二五年十月十五日	
James Beeland Rogers Jr.	22/09/2014	20,000,000	-	-	-	20,000,000	22/09/2014 - 21/09/2024	0.518
James Beeland Rogers Jr.	二零一四年九月二十二日						二零一四年九月二十二日 - 二零二四年九月二十一日	

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executive to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and neither the Directors, nor the chief executive, nor any of their respective 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.

(b) 於本公司相關股份之好倉 本公司購股權計劃

本公司於二零零一年十二月十七日採納之購股權計劃(「舊購股權計劃」)已於二零一一年十二月十六日屆滿。本公司已於二零一二年六月二十一日舉行之股東週年大會上採納符合GEM上市規則第23章之新購股權計劃(「新購股權計劃」)。

下表披露董事及行政總裁於截至二零一七年十二月三十一日止年度所持有可認購本公司股份之購股權詳情：

除上文披露者外，本公司或其任何附屬公司於本年度任何時間概無訂立任何安排，致使董事或行政總裁可透過購入本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益，亦無董事、行政總裁或任何彼等各自之配偶或十八歲以下子女擁有任何可認購本公司證券之權利或於本年度行使任何該等權利。

DIRECTORS' REPORT

董事會報告

(c) Short positions in underlying shares of the Company

No short positions of directors and chief executives in the underlying shares of the equity derivatives of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules.

(c) 於本公司相關股份之淡倉

董事及行政總裁概無於本公司及其相聯法團之任何股本衍生產品之相關股份中擁有記錄於登記冊或根據GEM上市規則第5.46至5.67條須知會本公司及聯交所之淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to any Directors of the Company, as at 31 December 2017, the following persons (not being a Director or a chief executive of the Company) had interests or short positions in the shares or underlying shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

主要股東及其他人士於本公司股份及相關股份之權益及淡倉

據本公司任何董事所知，於二零一七年十二月三十一日，根據證券及期貨條例第336條存置之登記冊所記錄，下列人士（並非本公司董事或行政總裁）於股份或相關股份中，擁有已遵照證券及期貨條例第XV部第2及3分部條文知會本公司及聯交所之權益或淡倉：

(a) Long positions in shares of the Company

(a) 於本公司股份之好倉

Name of shareholders	Capacity	Number of shares	Approximate percentage of shareholding
股東姓名	身份	股份數目	概約持股百分比
Wang Wenming and Chen Dongjin (Note 1) 王文明及陳冬瑾（附註1）	Beneficial owners 實益擁有人	595,328,957	9.16%
Zhu Wei 朱維	Beneficial owners 實益擁有人	350,004,000	5.39%

Note:

- (1) Ms. Chen Dongjin held 145,116,650 shares of the Company. Ms. Chen Dongjin is the spouse of Mr. Wang Wenming who held 450,212,307 shares of the Company. As such, they were deemed to be collectively interested in 595,328,957 shares of the Company.

附註：

- (1) 陳冬瑾女士持有145,116,650股本公司股份。陳冬瑾女士為王文明先生之配偶，而王文明先生持有450,212,307股本公司股份。因此，彼等被視為共同持有595,328,957股本公司股份。

DIRECTORS' REPORT

董事會報告

(b) Long positions in underlying shares of the Company

(b) 於本公司相關股份之好倉

Name of shareholders 股東姓名	Capacity 身份	Number of shares 股份數目	Approximate percentage of shareholding 概約持股百分比
Wang Wenming and Chen Dongjin (Note 2) 王文明及陳冬瑾(附註2)	Beneficial owners 實益擁有人	11,682,577	0.18%

Note:

- (2) Pursuant to the Old Share Option Scheme, Mr. Wang Wenming was granted share options on 13 April 2010, the number of shares underlying which was adjusted on 15 June 2010, to subscribe for 11,682,577 shares of the Company. Ms. Chen Dongjin is the spouse of Mr. Wang Wenming so they were deemed to be collectively interested in the share options to subscribe for 11,682,577 shares of the Company.

Save as disclosed above, as at 31 December 2017, the Company had not been notified of any other person (other than the Directors whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above) who had an interest or short position in the shares or underlying shares of the Company and was required to be recorded in the register required to be kept under Section 336 of the SFO and/or was directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

附註:

- (2) 根據舊購股權計劃，於二零一零年四月十三日，王文明先生獲授可認購11,682,577股本公司股份之購股權(相關股份數目於二零一零年六月十五日作出調整)。陳冬瑾女士乃王文明先生之配偶，故彼等被視為共同擁有可認購11,682,577股本公司股份之購股權。

除上文披露者外，於二零一七年十二月三十一日，除權益已載於上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」一節之董事外，本公司並不知悉有任何其他人士於本公司股份或相關股份中，擁有任何須記入根據證券及期貨條例第336條存置之登記冊之權益或淡倉，及／或直接或間接於附有權利可於任何情況下在本集團任何其他成員公司股東大會投票之已發行股本中擁有5%或以上權益。

DETAILS OF THE OPTIONS GRANTED BY THE COMPANY

Share Option Schemes of the Company

The Company has adopted a share option scheme under which the Directors or employees of the Company or its subsidiaries or certain other persons may be granted share options to subscribe for shares of the Company subject to the terms and conditions stipulated in the Scheme.

The share option scheme adopted by the Company on 17 December 2001 has expired on 16 December 2011. The Company adopted a new share option scheme approved by shareholders on its annual general meeting held on 21 June 2012 which complies with Chapter 23 of GEM Listing Rules.

(1) Summary of the Scheme

(i) Purpose of the scheme

The purpose of the scheme is to provide the people and the parties working for the interest of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with an incentive to work better for the interest of the Group.

(ii) Participants of the scheme

Pursuant to the scheme, the Company may grant share options to (i) employees of the Company (whether fulltime or part-time) or any of its subsidiaries or associated companies; (ii) Directors (whether executive Directors, non-executive Directors or independent non-executive Directors) of the Company or any of its subsidiaries or associated companies; (iii) suppliers of goods and/or services to the Company or any of its subsidiaries or associated companies; and (iv) professionals engaged by the Company or any of its subsidiaries or associated companies.

本公司授出購股權詳情

本公司購股權計劃

本公司已採納一項購股權計劃，據此，本公司或其附屬公司之董事或僱員或若干其他人士可按該計劃訂定之條款及條件獲授購股權以認購本公司之股份。

本公司於二零零一年十二月十七日採納之購股權計劃已於二零一一年十二月十六日屆滿。本公司已於二零一二年六月二十一日舉行之股東週年大會上獲股東批准採納符合GEM上市規則第23章之新購股權計劃。

(1) 該計劃之概要

(i) 該計劃之目的

該計劃旨在向為本集團利益行事之人士及各方提供獲得本公司股權之機會，讓彼等之利益與本集團利益掛鈎，從而鼓勵彼等為本集團謀求更佳利益。

(ii) 該計劃之參與者

根據該計劃，本公司可向以下人士授出購股權：(i)本公司之僱員（不論為全職或兼職）或本公司任何附屬公司或聯營公司之僱員；(ii)本公司或其任何附屬公司或聯營公司之董事（不論為執行董事、非執行董事或獨立非執行董事）；(iii)本公司或其任何附屬公司或聯營公司之商品及／或服務供應商；及(iv)本公司或其任何附屬公司或聯營公司所委聘之專業人士。

DIRECTORS' REPORT

董事會報告

(iii) *Total number of shares available for issue under the schemes*

As at 31 December 2017, the total number of shares available for issue under the New Share Option Scheme was 649,895,812 shares, representing 10% of the total issued share capital.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time. No options may be granted under any schemes of the Company (or its subsidiary) if this will result in such limit being exceeded.

(iv) *Maximum entitlement of each participant*

The maximum number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted pursuant to the scheme and any other share option schemes of the Company (including the Pre-IPO Share Option Plan) to each participant in any 12-month period up to the date of grant of the options shall not exceed 1% of the total number of shares of the Company in issue, save for those share options already granted under the Pre-IPO Share Option Plan.

(v) *Option period*

An option may be exercised in accordance with the terms of the scheme at any time during a period of not more than ten years to be notified by the Board of Directors of the Company (the "Board") to each participant which period of time shall commence on the date on which an offer of the grant of an option is accepted or deemed to have been accepted in accordance with the scheme and expire on the last day of such period as determined by the Board. There is no minimum period for which an option must be held before it can be exercised.

(iii) 該計劃項下可發行之股份總數

於二零一七年十二月三十一日，根據新購股權計劃可供發行之股份總數為649,895,812股，佔全部已發行股本之10%。

於行使根據新購股權計劃及本集團之任何其他購股權計劃所授出及尚待行使之所有尚未行使購股權時可發行之股份最大總數不得超過本公司不時已發行股份之30%。倘有關授出會導致超過限額，則概無任何購股權可根據本公司（或其附屬公司）之任何計劃授出。

(iv) 各參與者可獲授權益上限

於截至購股權授出日期止任何十二個月期間，每名參與者因行使根據該計劃及本公司任何其他購股權計劃（包括首次公開發售前購股權計劃）所獲授及將獲授之購股權而獲發行及將獲發行之本公司股份數目，最多不得超過本公司已發行股份總數1%，惟已根據首次公開發售前購股權計劃授出之購股權除外。

(v) 購股權期限

購股權可於本公司董事會（「董事會」）通知各參與者為期不超過十年之期間（該期間由根據該計劃授出購股權之要約獲接納或被視為獲接納當日起開始，至董事會釐定之有關期間最後一日屆滿）內按該計劃之條款隨時行使。於購股權可予行使前，毋須就持有購股權之最短期限符合任何規定。

DIRECTORS' REPORT

董事會報告

(vi) *Payment on acceptance by option offer*

HK\$1.00 is payable by the participant to the Company on acceptance of the option offer as consideration for the grant and received by the Company within 14 days from the offer date or within such offer period of time as may be determined by the Board pursuant to the GEM Listing Rules.

(vii) *Basis of determining the exercise price*

The exercise price per share of the Company under the scheme is determined by the Board and notified to each participant and shall be no less than the highest of (i) the closing price of the shares of the Company as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer, which must be a day on which the Stock Exchange is open for the business of dealing in securities ("Trading Day"), (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five Trading Days immediately preceding the date of offer, and (iii) the nominal value of a share of the Company.

(viii) *Remaining life of the scheme*

The Old Share Option Scheme has expired on 16 December 2011. The New Share Option Scheme will remain valid for a period of 10 years commencing on 21 June 2012 (save that the Company, by ordinary resolution in general meeting or Board may at any time terminate the operation of the New Share Option Scheme) and in such event, no further options will be offered but the provisions of the Old Share Option Scheme and the New Share Option Scheme shall in all other respects remain in full force and effect.

(vi) *接納購股權要約時支付之款項*

參與者在接納購股權要約時須向本公司支付1.00港元，作為授出之代價，並須於要約日期起計十四天內或董事會根據GEM上市規則另行釐定之期間內付予本公司。

(vii) *行使價之釐定基準*

該計劃項下本公司每股股份之行使價由董事會釐定及知會各參與者，有關價格將不低於下列三者中之最高者：(i)本公司股份於作出要約日期（必須為聯交所開放進行證券買賣之日（「交易日」））在聯交所發出之每日報價表所報收市價；(ii)本公司股份於緊接作出要約日期前五個交易日在聯交所發出之每日報價表所報平均收市價；及(iii)本公司股份之面值。

(viii) *該計劃之尚餘有效期*

舊購股權計劃已於二零一一年十二月十六日屆滿。新購股權計劃可於二零一二年六月二十一日起計十年期間一直有效，惟隨時由本公司（於股東大會上以普通決議案方式）或董事會終止則另作別論，在該情況下，不得進一步授出購股權，惟舊購股權計劃及新購股權計劃之條文於所有其他方面仍具十足效力及效用。

DIRECTORS' REPORT

董事會報告

(2) Details of share options granted by the Company

On 5 September 2007, 13 April 2010, 22 September 2014, 16 October 2015 and 9 November 2016, options to subscribe for 32,400,000 shares, 84,000,000 shares, 30,000,000 shares, 20,000,000 shares and 20,000,000 shares of the Company respectively were granted to the Directors and certain employees of the Company. As at 31 December 2017, details of the outstanding options were as follows:

(2) 本公司所授出購股權之詳情

於二零零七年九月五日、二零一零年四月十三日、二零一四年九月二十二日、二零一五年十月十六日及二零一六年十一月九日分別向董事及本公司若干僱員授出可認購32,400,000股、84,000,000股、30,000,000股、20,000,000股及20,000,000股本公司股份之購股權。於二零一七年十二月三十一日，尚未行使購股權之詳情如下：

Date of grant	Number of share options				Outstanding as at 31 December 2017	Option period	Exercise price
	Outstanding as at 1 January 2017	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year			
授出日期	於二零一七年一月一日尚未行使 (Note 1) (附註1)	年內授出	年內行使	年內註銷/ 失效	於二零一七年十二月三十一日尚未行使 (Note 1) (附註1)	購股權期限	行使價 (HK\$) (港元)
05/09/2007 二零零七年九月五日	4,248,210	-	-	(4,248,210) (Note 2) (附註2)	-	05/09/2007 - 04/09/2017 二零零七年九月五日至二零一七年九月四日	0.215
13/04/2010 二零一零年四月十三日	82,840,095	-	-	-	82,840,095	13/04/2010 - 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	0.419
22/09/2014 二零一四年九月二十二日	20,000,000	-	-	-	20,000,000	22/09/2014 - 21/09/2024 二零一四年九月二十二日至二零二四年九月二十一日	0.518
16/10/2015 二零一五年十月十六日	20,000,000	-	-	-	20,000,000	16/10/2015 - 15/10/2025 二零一五年十月十六日至二零二五年十月十五日	0.238
09/11/2016 二零一六年十一月九日	20,000,000	-	-	-	20,000,000	09/11/2016 - 08/11/2026 二零一六年十一月九日至二零二六年十一月八日	0.150

Notes:

- (1) Pursuant to the Old Share Option Scheme, 84,000,000 shares of share options were granted by the Company on 13 April 2010 and were adjusted on 15 June 2010.
- (2) The share options have not been exercised during the option period, therefore they have been lapsed on 5 September 2017.

附註：

- (1) 根據舊購股權計劃，本公司已於二零一零年四月十三日授出84,000,000股之購股權，並於二零一零年六月十五日對上述購股權作出調整。
- (2) 該等購股權於購股權期限內未獲行使，因此該等購股權已於二零一七年九月五日失效。

DIRECTORS' REPORT

董事會報告

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme as described above and in Note 34 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and neither the Directors, nor the chief executive, nor any of their respective 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.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 December 2017.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

There was no transactions, arrangements or contract of significance, save as disclosed in the consolidated financial statements, in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

LITIGATION

Arbitration Application Filed by Shenzhen First China Concerning the Repayment of Refundable Earnest Money

According to the announcements of the Company dated 30 January 2015, 3 February 2015, 29 May 2015, 17 September 2015, 1 December 2015, 16 February 2016, 10 June 2016, 13 June 2017, 2015 and 2016 annual reports, Shenzhen First China filed an arbitration application to South China International Economic and Trade Arbitration Commission ("SCIA") against Mr. Yang Shunhong concerning the repayment of the refundable earnest money of RMB20,000,000 together with the interest of RMB997,260 and a penalty of RMB18,800,000 payable to Shenzhen First China.

董事購買股份或債券之權利

除上文及綜合財務報表附註34所述購股權計劃外，本公司或其任何附屬公司於年內概無訂立任何安排，致使董事可透過購入本公司或任何其他法人團體之股份或債務證券（包括債券）而獲益，亦無董事、行政總裁或任何彼等各自之配偶或十八歲以下子女擁有任何可認購本公司證券之權利或於年內行使任何該等權利。

管理合約

於截至二零一七年十二月三十一日止年度概無簽署或存在任何涉及本集團全部或任何重大部分業務之管理及行政之合約。

董事於重大交易、安排或合約之權益

除於綜合財務報表披露者外，本公司董事概無於本公司或其任何附屬公司所訂立與本集團業務相關而於本年度完結時或年內任何時間仍然生效之重大交易、安排或合約中，直接或間接擁有重大權益。

訴訟

深圳首華就償還可退還誠意金提交仲裁申請

根據本公司日期為二零一五年一月三十日、二零一五年二月三日、二零一五年五月二十九日、二零一五年九月十七日、二零一五年十二月一日、二零一六年二月十六日、二零一六年六月十日、二零一七年六月十三日之公佈、二零一五年年報及二零一六年年報，深圳首華已向華南國際經濟貿易仲裁委員會（「深圳國際仲裁院」）對陽順洪先生提交仲裁申請書，內容有關償還深圳首華可退還誠意金人民幣20,000,000元連同應計利息人民幣997,260元及罰金人民幣18,800,000元。

DIRECTORS' REPORT

董事會報告

The final judgement of the arbitration application has been handed down by SCIA on 3 June 2016 that (a) Yang Shunhong shall repay the refundable earnest money of RMB20,000,000 to Shenzhen First China with penalty at the rate of 24% per annum accrued since 31 August 2015 until the date of repayment of the refundable earnest money as damages to Shenzhen First China within 15 days upon the date of final judgment, (b) Yang Shunhong shall bear the responsibility over the legal costs of RMB500,000 incurred by Shenzhen First China in the Arbitration and the costs of Arbitration of RMB343,482 within 15 days upon the date of final judgment, (c) the final judgment is final and be legally binding.

As Shenzhen First China neither received the repayment of the refundable earnest money of RMB20,000,000, penalty nor legal costs from Yang Shunhong, our PRC legal adviser has applied to the Intermediate People's Court in Suining City, Sichuan Province, China (the "Court") on behalf of Shenzhen First China to include Yang Shunhong in the list of restricted high consumption, the list of dishonest persons and the list of restricted departures. On 6 June 2017, the PRC legal adviser of the Company received the execution judgement from the Court in relation to the compulsory execution application for the repayment of the refundable earnest money. According to the execution judgement, the Court terminated the compulsory execution of repayment of the refundable earnest money from Yang Shunhong and the Court concluded that Yang Shunhong owns no executable assets after he pledged his shares of 民勤量子新能源有限公司 (transliterated as Minqin Quantum New Energy Co. Ltd.) ("Minqin Quantum") to Shenzhen First China as collateral. As at the date of this report, all the issued share capital of Minqin Quantum are pledged to Shenzhen First China. In this respect, the Company has sought legal opinion from its PRC legal adviser on the execution judgment. The Company may apply to the Court for resuming the execution procedure anytime if any executable assets of Yang Shunhong are identified.

根據由深圳國際仲裁院於二零一六年六月三日下午達的終局裁決，(a)陽順洪應於終局裁決日期起十五天內向深圳首華退還可退還誠意金人民幣20,000,000元及按照年利率24%向買方賠償由二零一五年八月三十一日至退還可退還誠意金的日期之違約金；(b)陽順洪應於終局裁決日期起十五天內承擔由深圳首華於仲裁產生的律師費人民幣500,000元及仲裁支出人民幣343,482元；(c)終局裁決乃屬最終裁決及具有法律效力。

由於深圳首華並無收到陽順洪的可退還誠意金人民幣20,000,000元的還款、違約金或律師費，我們的中國法律顧問已經代表深圳首華向中國四川省遂寧市中級人民法院（「法院」）提出將陽順洪納入限制高消費名單、失信人員名單及限制離境名單。於二零一七年六月六日，本公司之中國法律顧問收到由法院發出就申請強制執行償還可退還誠意金的執行裁定書。根據執行裁定書，法院就陽順洪償還可退還誠意金終止了強制執行，及法院總結陽順洪於抵押其於民勤量子新能源有限公司（「民勤量子」）的股份予深圳首華作為抵押品後沒有可供執行的財產。於本報告日期，民勤量子的所有已發行股本已抵押予深圳首華。在這方面，本公司已就執行裁定書向其中國法律顧問尋求法律意見。如發現陽順洪有任何可供執行的財產，本公司可以隨時向法院申請恢復執行程序。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases	
-the largest supplier	71%
-five largest suppliers in aggregate	95%
Sales	
-the largest customer	53%
-five largest customers in aggregate	93%

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the company's share capital) had an interest in these major suppliers or customers.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company's Directors have complied with such code of conduct and the required standard of dealings.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance and a detailed corporate governance report is set out on pages 35 to 46 of this annual report.

The compliance officer of the Company is Ms. Lai Yuk Mui whose biographical details are set out on page 15 of this annual report. Ms. Woo Man Yi is the company secretary of the Company. She is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators, United Kingdom.

主要客戶及供應商

本集團主要供應商及客戶應佔之採購額及銷售額百分比如下：

採購額	
-最大供應商	71%
-五大供應商合計	95%
銷售額	
-最大客戶	53%
-五大客戶合計	93%

概無董事、彼等之聯繫人或任何股東（就董事所知擁有本公司超過5%之股本）於該等主要供應商或客戶擁有權益。

購買、贖回或出售上市證券

年內，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。

遵守GEM上市規則第5.48至5.67條

本公司已採納有關董事進行證券交易之操守準則，而有關準則之嚴謹程度不遜於GEM上市規則第5.48至5.67條所載規定交易標準。本公司董事已遵守有關操守準則以及規定交易標準。

優先購買權

本公司之組織章程細則或開曼群島法例並無任何有關優先購買權之條文，致使本公司須按比例向現有股東提呈發售新股份。

企業管治

本公司致力於維持高水準之企業管治，企業管治報告之詳情載於本年報第35至46頁。

本公司監察主任為黎玉梅女士，其履歷詳情載於本年報第15頁。胡敏伊女士為本公司之公司秘書。彼為香港特許秘書公會及英國特許秘書及行政人員公會會員。

DIRECTORS' REPORT

董事會報告

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

At no time during the year and up to date of this report, there was or is, any permitted indemnity provision being in force for the benefit of the Directors of the Company (whether made by the Company or otherwise) or any of its subsidiaries (if made by the Company).

AUDITORS

The consolidated financial statements of the Group for the year ended 31 December 2017 have been audited by CHENG & CHENG LIMITED. CHENG & CHENG LIMITED will retire at the conclusion of the forthcoming annual general meeting and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting. A resolution for reappointment of CHENG & CHENG LIMITED as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Wang Jiawei

Chairman

Hong Kong, 20 March 2018

公眾持股量

根據本公司獲得之公開資料及就董事所深知，於本年報刊發日期，本公司已發行股份之公眾持股量符合GEM上市規則指定水平。

獲准許彌償條文

於年內及截至本報告日期止任何時間，概無曾經存在或現存任何以本公司或其任何附屬公司（倘由本公司訂立）之董事為受益人之獲准許彌償條文生效（不論是否由本公司或其他公司訂立）。

核數師

本集團於截至二零一七年十二月三十一日止年度之綜合財務報表由鄭鄭會計師事務所有限公司審核。鄭鄭會計師事務所有限公司將於應屆股東週年大會結束時退任，並符合資格接受重新委任。有關重新委任鄭鄭會計師事務所有限公司為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

王嘉偉

主席

香港，二零一八年三月二十日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board assumes overall responsibility for the leadership and control of the Group, including providing and setting the Group's directions and strategies in the interests of the Group. It believes in good corporate governance and corporate governance practices that promote investor confidence, development of the Group, and transparency while having the long term interest of the Group and enhancement of shareholders' value as the ultimate objectives. It has adopted the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules (the "Corporate Governance Code"). The Company has complied with the applicable code provisions of the Corporate Governance Code, except for the following deviation:

CODE PROVISION A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Wang Jiawei is the chairman and chief executive officer of the Company. In view of Mr. Wang has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Company. Under the supervision by the Board which is comprised of three independent non-executive Directors and two non-executive Directors, which represent more than half of the Board, the interests of the shareholders of the Company will be adequately and fairly represented.

DIRECTORS' SECURITIES TRANSACTIONS

In respect of the standard of dealings required of directors, the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquires of all Directors, they confirmed that they have complied with the Company's code of conduct regarding directors' securities transactions during the year.

企業管治常規

董事會肩負領導及監控本集團之全部責任，包括提供及制定符合本集團利益之發展方向及策略。董事會深信良好企業管治水平及企業管治常規可以提高投資者信心、推動本集團業務發展及增加透明度，同時達致為本集團帶來長遠利益及提升股東價值之最終目標。董事會已採納GEM上市規則附錄十五企業管治守則（「企業管治守則」）所載之守則條文。本公司已遵守企業管治守則之適用守則條文，惟下列偏離者除外：

守則條文第A.2.1條

守則條文第A.2.1條規定主席與行政總裁之角色應有區分，並不應由一人同時兼任。主席與行政總裁之間的職責分工應清楚界定並以書面列載。

王嘉偉先生為本公司主席兼行政總裁。鑑於王先生於項目管理及證券投資方面有豐富經驗，負責本公司之整體企業策略、規劃及業務發展。董事會成員包括佔超過董事會一半議席的三位獨立非執行董事及兩名非執行董事，在其監督下，本公司股東利益應已獲得充份保障並受到公平重視。

董事進行證券交易

本公司已就董事之買賣準則規定，採納有關董事進行證券交易之操守準則，有關條款嚴謹程度不遜於GEM上市規則第5.48至5.67條所載規定標準。經向所有董事作出特定查詢後，董事均確認彼等於年內已遵守本公司有關董事進行證券交易之操守準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD OF DIRECTORS

Comprising of two executive and five non-executive directors (including three independent non-executive directors), the present board has an appropriate composition of directors. The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and is in the opinion that all independent non-executive directors are independent. The present board is composed of more than one-third of independent non-executive directors.

The present board of directors consists of:

Wang Jiawei (*Chairman and Chief Executive Officer*)
Lai Yuk Mui (*Executive Director*)
Liu Runtong (*Non-executive Director*)
James Beeland Rogers Jr. (*Non-executive Director*)
Zhang Benzhen (*Independent Non-executive Director*)
Li Jianxing (*Independent Non-executive Director*)
Chen Shu Wen (*Independent Non-executive Director*)

The biographical details of the Directors are set out on pages 15 to 20 of this annual report.

Save as disclosed in the section headed “Directors and Senior Management Profile” to this annual report, the Directors have no other financial, business, family or other material/relevant relationships with one another.

The Board is mandated to determine and review strategic objectives, appoint and supervise senior management, approve quarterly, interim and annual reports, and review the principal risks of the Group’s business to ensure that these risks are within manageable limits. It is also mandated to approve any substantial investment, acquisition or disposal by the Company. Major corporate matters that are delegated to the management include the execution of business strategies and initiatives approved by the Board and the preparation of quarterly, interim and annual reports for the Board’s approval.

董事會

現行董事會由兩名執行董事及五名非執行董事（包括三名獨立非執行董事）組成，其組成屬恰當。本公司收到每位獨立非執行董事依據GEM上市規則第5.09條發出之年度獨立確認書，並認為全體獨立非執行董事皆為獨立人士。現行董事會由超過三分之一的獨立非執行董事組成。

現行董事會由以下董事組成：

王嘉偉（*主席兼行政總裁*）
黎玉梅（*執行董事*）
劉潤桐（*非執行董事*）
James Beeland Rogers Jr.（*非執行董事*）
張本正（*獨立非執行董事*）
李建行（*獨立非執行董事*）
陳樹文（*獨立非執行董事*）

董事之履歷詳情載於本年報第15頁至第20頁。

除本年報「董事及高級管理人員履歷」一節所披露者外，董事彼此之間並無任何其他財務、業務、親屬或其他重大／相關關係。

董事會獲授權決定及檢討策略目標、委任及監督高級管理人員、批准季度、中期及年度報告以及檢討本集團業務之主要風險，以確保此等風險屬於可控範圍內。董事會亦獲授權批准本公司任何重大投資、收購或出售事宜。委派管理層負責之主要公司事務包括執行由董事會批准之業務策略及計劃以及編製季度、中期及年度報告，以供董事會批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

Responsibilities, accountabilities and contributions of the board and management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors should take decisions objectively in the interests of the Company.

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

There were four board meetings during the year. The attendance of Directors at the board meetings was as follows:

董事會及管理層之責任、問責性以及貢獻

董事會應負責領導及控制本公司，並共同負責透過指引及監督本公司業務而促進本公司的成功。全體董事應客觀以本公司利益作出決定。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是或會涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。有關實行董事會決策、指導及協調本公司日常營運及管理的職責委派予管理層。

年內共舉行四次董事會會議。董事之董事會會議出席率如下：

Members	成員	Attendance number of meetings attended/ Number of meetings during term of service 出席會議次數／任內舉行會議次數
Wang Jiawei	王嘉偉	4/4
Lai Yuk Mui	黎玉梅	4/4
Liu Runtong	劉潤桐	4/4
James Beeland Rogers Jr.	James Beeland Rogers Jr.	2/4
Zhang Benzhen	張本正	4/4
Li Jianxing	李建行	4/4
Chen Shu Wen	陳樹文	4/4

CORPORATE GOVERNANCE REPORT

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There were two general meetings during the year. The attendance of Directors at the general meetings was as follows:

年內共舉行兩次股東大會。董事於股東大會之出席率如下：

Members	成員	Attendance number of meeting attended/ Number of meeting during term of service 成員出席會議次數／任內舉行會議次數
Wang Jiawei	王嘉偉	2/2
Lai Yuk Mui	黎玉梅	2/2
Liu Runtong	劉潤桐	0/2
James Beeland Rogers Jr.	James Beeland Rogers Jr.	0/2
Zhang Benzhen	張本正	0/2
Li Jianxing	李建行	0/2
Chen Shu Wen	陳樹文	0/2

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to the Corporate Governance Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant.

During the year, Ms. Lai Yuk Mui has attended training courses conducted by professional parties. The attended director has provided the Company with her respective training records pursuant to the Corporate Governance Code. All directors were provided with reading materials on relevant rules and regulatory updates.

REMUNERATION OF DIRECTORS

The Company has established a Remuneration Committee with specific written terms of reference. The present Remuneration Committee consists of a majority of independent non-executive directors.

董事培訓及專業發展

根據企業管治守則，全體董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需之情況下向董事會作出貢獻。

年內，黎玉梅女士參加了專業團體開辦的培訓課程。所參與的董事已根據企業管治守則向本公司提供其培訓記錄。全體董事已獲得有關相關規則及監管最新方面的閱讀資料。

董事酬金

本公司已成立薪酬委員會，並以書面訂明職權範圍。現行薪酬委員會之大部分成員為獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

As at year end date, the present Remuneration Committee consisted of five directors, Professor Zhang Benzhen, Mr. Wang Jiawei, Ms. Lai Yuk Mui, Mr. Li Jianxing and Professor Chen Shu Wen. Three out of the five directors are independent non-executive directors. Professor Zhang Benzhen, being an independent non-executive director, is the chairman of the committee. The Remuneration Committee's role and function includes making recommendations to the Board on the Company's policy and structure for remuneration of directors and senior management and on the establishment of formal and transparent procedures for developing policy on such remuneration. It also has the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management.

The Company's remuneration policies are determined on the basis of the contributions of staff and directors. Long-term incentive schemes for staff and directors include share options and cash bonuses.

The amounts paid to each Director for the year ended 31 December 2017 are set out in Note 11 to the consolidated financial statements.

Pursuant to code provision B.1.5 of the Corporate Governance Code, the annual remuneration of the members of the senior management (other than the Directors) for the year ended 31 December 2017 by band is set out as follows:

於年結日，現行薪酬委員會由張本正教授、王嘉偉先生、黎玉梅女士、李建行先生及陳樹文教授五名董事組成。五名董事中，其中三名為獨立非執行董事。獨立非執行董事張本正教授為委員會主席。薪酬委員會之職責及職能包括就本公司有關董事及高級管理人員的薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議。薪酬委員會亦獲授權決定全體執行董事及高級管理人員之特定薪酬待遇。

本公司之薪酬政策乃按員工及董事所作貢獻為基準釐定。員工及董事之長期獎勵計劃包括購股權及現金花紅。

截至二零一七年十二月三十一日止年度向各董事支付之款項，載於綜合財務報表附註11。

根據企業管治守則第B.1.5條，本年度截至二零一七年十二月三十一日止年度高級管理人員（董事除外）的年度薪酬按範圍載列於下文：

Remuneration band (in HK\$)	薪金範圍 (港元)	Number of individuals 人數
Below 1,000,000	1,000,000以下	2

The Remuneration Committee held one meeting during the year and the attendance of its members was as follows:

薪酬委員會於年內曾舉行一次會議，其成員之出席率如下：

Members	成員	Attendance number of meetings attended/ Number of meetings during term of service 出席會議次數/ 任內舉行會議次數
Zhang Benzhen	張本正	1/1
Wang Jiawei	王嘉偉	1/1
Lai Yuk Mui	黎玉梅	1/1
Li Jianxing	李建行	1/1
Chen Shu Wen	陳樹文	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the Remuneration Committee's work includes conducting a review over the Company's policy and structure for remuneration.

NOMINATION OF DIRECTORS

The Company has established a Nomination Committee with specific written terms of reference. As at year end date, Nomination Committee consisted of four directors, Professor Zhang Benzhen, Mr. Wang Jiawei, Mr. Li Jianxing and Professor Chen Shu Wen. Three out of the four directors are independent non-executive directors. Professor Zhang Benzhen, being an independent non-executive director, is the chairman of the committee. Thus the present Committee consists a majority of independent non-executive directors. The Nomination Committee's role and function includes, but is not limited to, reviewing the structure, size, composition and diversity (including but not limited to skills, knowledge and experience, gender, age, cultural and educational background, or professional experience) of the board of directors on a regular basis and making recommendations regarding any proposed changes; identifying and recommending individuals suitably qualified to become board members; and assessing the independence of independent non-executive directors.

The Nomination Committee held one meeting during the year and the attendance of its members was as follows:

年內，薪酬委員會之工作包括檢討本公司之薪酬政策及架構。

董事提名

本公司已成立提名委員會，並書面訂明職權範圍。於年結日，提名委員會由張本正教授、王嘉偉先生、李建行先生及陳樹文教授四名董事組成。四名董事中，其中三名為獨立非執行董事。獨立非執行董事張本正教授為委員會主席。因此，現行提名委員會之大部分成員為獨立非執行董事。提名委員會之職責及職能包括（但不限於）定期檢討董事會之架構、人數、組成及多元化（包括但不限於技能、知識及經驗、性別、年齡、文化及教育背景或專業經驗方面），並就任何建議變動提出建議；物色及推薦具備合適資格可擔任董事的人士；以及評核獨立非執行董事之獨立性。

提名委員會於年內曾舉行一次會議，其成員之出席率如下：

Members	成員	Attendance number of meetings attended/ Number of meetings during term of service 出席會議次數/ 任內舉行會議次數
Zhang Benzhen	張本正	1/1
Wang Jiawei	王嘉偉	1/1
Li Jianxing	李建行	1/1
Chen Shu Wen	陳樹文	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

On the nomination process, the Nomination Committee reviews the suggested candidates for directorship having regard to the candidates' reputation and the specific skills or expertise that these candidates can contribute to the Company in the light of the structure, size, composition and diversity (including but not limited to skills, knowledge and experience, gender, age, cultural and educational background, or professional experience) of the board of directors. Only candidates who have integrity and can provide specific contributions to the Company thereby enhancing the value of the Company are considered for nomination to the board of directors by the Nomination Committee.

During the year, the Nomination Committee's work includes reviewing the structure, size, independence, composition and diversity (including but not limited to skills, knowledge and experience, gender, age, cultural and educational background, or professional experience) of the Board of Directors and made recommendations thereon.

AUDIT COMMITTEE

The Company has established an Audit Committee with specific written terms of reference. As at 31 December 2017, the Audit Committee consisted of three independent non-executive directors, Mr. Li Jianxing, Professor Zhang Benzhen and Mr. Chen Shu Wen. Mr. Li Jianxing, being an independent non-executive director, is the chairman of the Committee. The Audit Committee's role and function includes making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor; review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; develop and implement policy on the engagement of an external auditor to supply non-audit services; monitor the integrity of financial statements, annual reports and accounts, half-yearly and quarterly reports of the Company, and review significant financial reporting judgments contained in them; review the Company's financial controls, internal control and risk management systems; and review the Group's financial and accounting policies, procedures and practices.

於提名過程中，提名委員會基於董事會架構、人數、組成及多元化（包括但不限於技能、知識及經驗、性別、年齡、文化及教育背景或專業經驗方面），考慮候選人之聲譽以及可提供予本公司之特別技能或專業知識，審閱該候選人擔任董事職務之能力。正直廉潔且能為本公司作出特別貢獻從而提升本公司價值之候選人，方能獲提名委員會考慮提名加入董事會。

年內，提名委員會之工作包括檢討董事會之架構、人數、獨立性、組成及多元化（包括但不限於技能、知識及經驗、性別、年齡、文化及教育背景或專業經驗）並就此提出建議。

審核委員會

本公司已成立審核委員會，並書面訂明職權範圍。於二零一七年十二月三十一日，審核委員會由李建行先生、張本正教授及陳樹文先生三名獨立非執行董事組成。其中獨立非執行董事李建行先生為委員會主席。審核委員會之職責及職能包括就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款；按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；就委聘外聘核數師提供非核數服務制定政策，並予以執行；監察本公司的財務報表、年度報告及賬目、半年度及季度報告的完整性，並審閱報表及報告所載有關財務申報的重大判斷；檢討本公司的財務監控、內部監控及風險管理制度；以及檢討本集團的財務及會計政策、程序及實務。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2017 pursuant to the relevant provisions contained in the Corporate Governance Code And Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that such statements had complied with applicable accounting standards and that adequate disclosures had been made in respect thereof.

The Audit Committee held five meetings during the year and the attendance of its members was as follows:

審核委員會已根據GEM上市規則附錄十五所載企業管治守則及企業管治報告之有關條文，審閱本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，並認為該等報表符合適用會計準則，並已就此作出足夠披露。

審核委員會於年內共舉行五次會議，其成員之出席率如下：

Members	成員	Attendance number of meetings attended/ Number of meetings during term of service 出席會議次數／ 任內舉行會議次數
Li Jianxing	李建行	5/5
Zhang Benzeng	張本正	5/5
Chen Shu Wen	陳樹文	3/5

The directors' responsibilities for preparing the accounts and the reporting responsibilities of the auditors are set out on pages 64 to 71.

董事編製賬目之責任及核數師之申報責任載於第64頁至71頁。

The accounts for the year ended 31 December 2017 were audited by Cheng & Cheng Limited whose term of office will expire at the conclusion of the forthcoming annual general meeting of the Company. The Audit Committee has recommended to the Board that Cheng & Cheng Limited be reappointed as the auditors of the Company at the forthcoming annual general meeting of the Company.

截至二零一七年十二月三十一日止年度之賬目已經由鄭鄭會計師事務所有限公司審核，彼之任期將於本公司之應屆股東週年大會結束時屆滿。審核委員會已向董事會建議，於本公司應屆股東週年大會上續聘鄭鄭會計師事務所有限公司為本公司之核數師。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the Code Provision D.3.1. The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the GEM Listing Rules, and the Company's compliance with the Corporate Governance Code and disclosure in this Corporate Governance Report.

企業管治職能

董事會負責履行守則條文第D.3.1條所載職能。董事會已檢討本公司企業管治政策及常規、董事及高級管理人員的培訓及持續專業發展、本公司遵守法律及監管規定的政策及常規、遵守GEM上市規則的情況，以及本公司遵守企業管治守則及於本企業管治報告作出披露的情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITORS' REMUNERATION

For the year ended 31 December 2017, the remuneration paid to the auditors, CHENG & CHENG LIMITED in respect of audit services and non-audit services amounted to approximately HK\$470,000 and HK\$150,000 respectively.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group and for reviewing its effectiveness. The Board requires management to establish and maintain sound and effective system of internal controls to safeguard the shareholders' investment and the Group's assets. The Board should conduct a review of risk management and internal control system of the Group at least annually, covering the material financial, operational and compliance controls.

Risk management

The Group has adopted a three-tier risk management approach to identify, assess and manage different types of risks. At the first line of defense, business units are responsible for identifying, assessing and monitoring risk associated with each business or deal. The management, as the second line of defense, defines rule sets and models, provides technical support, develops new system and oversees portfolio management. It ensures risks are within acceptable range and that the first line of defense is effective. As the final line of defense, the internal control consultants assist the Audit Committee to review the first and second lines of defenses.

With the assistance of the internal control consultants, a risk register with risk rating and risk owners were compiled by taking into account for continuous risk assessment purpose. Risk owners are required to take mitigating actions to address the identified risks and such actions are integrated in the day-to-day activities and their effectiveness is closely monitored. During the year, the risk register has been tabled for discussion and assessed the ratings by key personnel and management, by considering the likelihood and impact of each identified risk. A written risk assessment report with the identified key risks, evaluation of related risk and relevant mitigating actions have been reported to the Audit Committee and reviewed by the Board. The written report facilitates the Board in considering the changes in the nature and extent of significant risks, the Group's ability in responding to changes in its business and the external environment, as well as management's ongoing monitoring of risks and of the internal control systems.

核數師酬金

截至二零一七年十二月三十一日止年度，已支付予核數師鄭鄭會計師事務所有限公司之核數服務及非核數服務酬金分別為約470,000港元及150,000港元。

風險管理及內部監控

董事會負責本集團之風險管理及內部監控系統以及檢討其有效性。董事會要求管理層設立及維持穩健高效的內部監控系統，以保護股東投資及本集團資產。董事會須至少每年對本集團的風險管理及內部監控系統（涵蓋重大財務、經營及合規控制）進行檢討。

風險管理

本集團採納三級風險管理方法以識別、評估及管理各類風險。在第一道防線，業務單位負責識別、評估及監察與每項業務或交易有關的風險。作為第二道防線，管理層界定規則組合及模型、提供技術支持、制定新制度及監督組合管理，並確保風險在可接受範圍內及第一道防線行之有效。作為最後一道防線，內部控制顧問協助審核委員會檢討第一道及第二道防線。

在內部控制顧問的協助下，考慮到持續風險評估，已編撰包括風險評級及風險責任人的風險登記簿。風險責任人必須採取緩和行動應對已識別風險，且有關行動須融入日常活動中，而其有效性將被密切監控。於年內，風險登記簿已送交主要人員及管理層討論及評估評級（經考慮各項已識別風險的可能性及影響）。包括已識別主要風險、相關風險評估及相關緩和行動的書面風險評估報告已上報審核委員會並經董事會審閱。書面報告有助董事會考慮重大風險性質及程度的變動，本集團應對其業務及外部環境變化的能力，以及管理層持續監督風險及內部監控系統。

CORPORATE GOVERNANCE REPORT

企業管治報告

Risk management and internal controls

The Group emphasises the importance of a sound internal control system which is also indispensable for mitigating the Group's key risk exposures. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and shareholders' interests. The Group is committed to the identification, evaluating and management of risks associated with its business activities through ongoing assessment of a risk register, by considering the likelihood and impact of each identified risk. The Group has implemented an effective control system which includes a defined management structure with limits of authority, a sound management system and periodic review of the Group's performance by the Audit Committee and the Board. The Board has conducted review of the effectiveness of the risk management and internal control systems, by considering written reports prepared by internal control consultants to the Audit Committee.

Review the effectiveness of the risk management and internal control systems

Through the Audit Committee, the Board has conducted annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2017, covering the material financial, operational and compliance controls, which are considered effective and adequate.

Audit Committee has annually reviewed the adequacy of resources, qualifications and experience, training and budget of the accounting, internal audit and financial reporting functions.

風險管理及內部監控

本集團着重設立穩健內部監控系統的重要性，該系統對降低本集團所承受主要風險而言亦為不可或缺的部分。本集團的內部監控系統旨在合理（但並非絕對）確保避免賬目出現重大虛報或虧損，管理及消除營運系統失效的風險以及達成業務目標。董事會持續檢討內部監控系統，確保該系統能切實可行及有效地為保障重要資產及股東權益提供合理保證。本集團透過持續評估風險登記簿，評價每項已識別風險的可能性及影響，致力於識別、監控及管理與其業務有關之風險。本集團已實施一套行之有效的監控系統，包括清晰界定權限的管理結構、穩健的管理系統，以及由審核委員會及董事會定期對本集團業績進行檢討。經考慮內部控制顧問為審核委員會編製的書面報告，董事會已對內部監控系統的有效性進行審閱。

審閱風險管理及內部監控系統的有效性

董事會透過審核委員會對截至二零一七年十二月三十一日止年度本集團的風險管理及內部監控系統進行年度有效性評估（涵蓋重大財務、經營及合規控制），並認為該體系行之有效及適當。

審核委員會每年審閱資源的適當性、資格及經驗、培訓及會計預算、內部審核及財務報告職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

INSIDE INFORMATION

The Company assesses the likely impact of any unexpected and significant event that may impact the price of the shares of the Company or their trading volume and decides whether the relevant information is considered inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 17.10 and 17.11 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. Executive Directors have responsibility for approving certain announcements and/or circulars to be issued by the Company under powers delegated by the Board from time to time.

The Company has put in place on handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Company with the latest available information. The Company has appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the GEM Listing Rules.

COMPANY SECRETARY

The Company Secretary of the Company is Ms. Woo Man Yi. The Company Secretary assists the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. She has taken no less than 15 hours of relevant professional trainings to update her skills and knowledge in 2017.

內幕資料

本公司評估任何不可預期及重大事件的可能影響，該等事件或會影響本公司的股價或其交易數量，並決定相關資料根據GEM上市規則第17.10及17.11條以及證券及期貨條例第XIVA部的內部資料條文是否可被視為內幕資料及需要在合理可行情況下盡快披露。執行董事有責任批准本公司根據董事會不時委派的權力將予發佈的若干公佈及／或通函。

本公司可及時處理及發佈內幕資料，並不會導致任何人士在本公司上市證券交易上處於佔優地位，亦讓市場在得悉最新可得資料的情況下，有充足時間定出本公司上市證券之價格。本公司設有適當的內部監控及匯報制度，識別及評估潛在的內幕資料。根據GEM上市規則規定，本公司發佈內幕資料，會透過聯交所及本公司網站刊登相關消息。

公司秘書

本公司的公司秘書為胡敏伊女士。公司秘書確保董事會成員之間資訊交流良好及遵循董事會政策及程序，從而支援董事會。彼於二零一七年已接受不少於15個小時相關專業培訓以更新其技能及知識。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to Article 58 of the Articles and Associations of the Company, any one or more 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 an extraordinary 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. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may put forward proposals at general meeting of the Company by sending the same to the Company at the principal office of the Company in Hong Kong ten days before general meeting.

Procedures for sending enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Board of Directors/Company Secretary at the Company's head office. For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the Company's head office and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

股東權利

召開股東特別大會

根據本公司組織章程細則第58條，任何一名或以上於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一股東於任何時候有權透過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，以處理有關要求中任何業務之交易；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而產生的所有合理開支應由本公司向要求人作出償付。

股東可於本公司股東大會上提呈動議，有關動議須於股東大會十日前送交本公司之香港主要辦事處。

向董事會提問的程序

就向董事會提問而言，股東可向董事會／公司秘書發出書面提問，並送交本公司總辦事處。為免生疑問，股東必須提交及寄發正式簽署的書面呈請、通知或聲明或提問（視情況而定）的正本至本公司總辦事處，並提供彼等的全名、聯絡資料及身份證明，致使有關呈請、通知或聲明或提問生效。股東資料或須根據法例規定予以披露。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

THE SCOPE, MATERIALITY AND REPORTING PERIOD OF THIS REPORT

This is the Environmental, Social and Governance report (the “ESG Report”) of Sinofortune Financial Holdings Limited (formerly known as First China Financial Network Holdings Limited, collectively with its subsidiaries, the “Group”). The ESG report is issued in accordance with Appendix 20 “Environmental, Social and Governance Reporting Guide” and its “comply or explain” provisions of the GEM Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Unless otherwise stated, the ESG Report covers the overall performance, risks, strategies, measures and commitment in four areas, namely, quality of workplace environment, environmental protection, operating practice and community involvement of the Group’s business operations in Hong Kong and the PRC for the year ended 31 December 2017 (the “Reporting Period”).

During the Reporting Period, the Group was principally engaged in the: (i) provision of the precious metals spot trading and brokerage services in the PRC, (ii) provision of securities and futures contracts trading services in Hong Kong, (iii) trading and principal investments in the PRC and Hong Kong, (iv) research, exploration and development of the student safety network project and the electronic student card in the PRC, (v) provision of stock information and research services through the internet network in the PRC, and (vi) sales of motor vehicles and provision of agency services in the PRC. Such businesses were mainly operated in Mainland China, and sales of motor vehicles business started in the second half of 2017. During the Reporting Period, the businesses did not have a material influence on the overall environmental and social performance of the Group, and the Group is reviewing relevant policies. Apart from certain aforementioned operations, the principal office in Hong Kong was also responsible for the compliance with relevant rules and regulations of the GEM of the Stock Exchange and Securities and Futures Commission (“SFC”).

Upon materiality assessment, the ESG Report shall include operations of the Group’s major subsidiaries in the PRC and Hong Kong office. All information and data disclosed herein are from internal documents and statistics.

For information about the Group’s corporate governance structure, please refer to page 35 to 46 of the annual report.

本報告的適用範圍、重要性及報告期

此報告為概述華億金控集團有限公司（前稱「首華財經網絡集團有限公司」）及其附屬公司（統稱「本集團」）在環境、社會及管治範疇上的表現所編撰之報告（「ESG報告」）。本ESG報告乃應香港聯合交易所有限公司（「聯交所」）GEM上市規則附錄20所載的「環境、社會及管治報告指引」（「ESG指引」）及其「不遵守就解釋」條文而發表。

除另有說明者外，本ESG報告涵蓋本集團在香港及中國的業務運作於截至二零一七年十二月三十一日止年度的報告期間（「報告期間」），在工作環境質量、環境保護、營運常規及社區參與等四個方面之整體表現、風險、策略、措施及承諾。

報告期間，本集團主要從事：(i)在中國提供貴金屬現貨交易及經紀服務；(ii)在香港提供證券及期貨合約買賣服務；(iii)在中國及香港買賣及自營投資；(iv)在中國研究、開拓及發展學生安全網絡項目及電子學生證；(v)透過互聯網在中國提供股票資訊及研究服務；以及(vi)在中國銷售汽車及提供代理服務。該等業務主要營運地區為中國內地，當中，銷售汽車業務於二零一七年下半年開展。報告期間，該業務尚未對本集團在環境及社會層面的整體表現有重大影響，而目前本集團正審視相關的政策。香港主要辦事處除經營部份上述業務外，亦負責本公司在聯交所GEM上市及證券及期貨事務監察委員會（「證監會」）的相關合規事宜。

因此，在進行重要性測試後，本集團決定在本ESG報告涵蓋本集團在中國內地的上述業務各級主要子公司、以及香港辦事處。所有資料來自本公司的正式文件或統計報告。

有關本集團企業管治架構及其他相關資料，請參閱本年報第35頁至第46頁。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDER OPINION

We welcome opinions on the Group's approaches on the environmental, social, and governance aspects upon reading the ESG Report. Please share with us via:

Address: 16/F, CMA Building, 64-66 Connaught Road Central,
Hong Kong
Phone: (852) 2297 9900
Fax: (852) 2865 3888
Email: info@sinofortune.hk

MISSION AND VISION

We are an integrated financial service and student safety network provider in Hong Kong and the PRC, offering a comprehensive platform of financing, brokerage, financial information and wealth planning services; whilst devoting to the research, development and exploration of the student safety network project and parallel imported motor vehicles market.

With the lack of investment information products and far-from-sophisticated market in the PRC, medium and small investors have voracious demand for such products. We are dedicated to minimizing information asymmetry and promoting investor education through provision of useful information service; improving market environment with introduction of market competition in terms of products and services, with a view to safeguarding medium and small investors' interests and becoming a quality integrated financial service provider.

We value communication with investors and shareholders, clients, employees, business partners and suppliers, community and other stakeholders while balancing their respective interests and fostering a sustainable development.

持份者的意見回饋

如參閱本ESG報告後，對本集團的環境、社會及管治方針與表現有任何意見，歡迎透過下列方式與本集團分享：

郵寄地址：香港中環干諾道中64-66號
廠商會大廈16樓
電話：(852) 2297 9900
傳真：(852) 2865 3888
電郵：info@sinofortune.hk

本集團的使命及願景

作為以香港和中國大陸為主要市場的綜合金融服務及學生安全網絡供應商，我們將在香港及中國大陸市場打造一個集融資服務、交易服務、金融資訊服務、理財規劃服務於一體的綜合金融服務平台。另外，我們致力研發及開拓學生安全網絡項目及平行進口汽車市場。

針對中國大陸市場投資資訊產品短缺及市場尚未完善，中小投資者對資訊產品需求迫切，我們在為中小投資者提供切實有效的資訊服務的同時，力求減低當前市場上資訊不對稱性，普及投資者教育；以市場行為通過產品競爭及服務競爭，改善市場環境，以保護中小投資者利益為基礎，力求成為一間優質的綜合性金融服務供應商。

本集團重視與投資者及股東、客戶及租戶、員工、合作夥伴及供應商、以及社會等不同持份者的溝通，積極平衡各方利益，促進企業可持續發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We are committed to:

Investors and shareholders:

- Complying with relevant regulations (e.g. GEM Listing Rules and Securities and Futures Ordinance etc.)
- Disclosing latest information in due course
- Reinforcing corporate governance and risk control
- Focusing on improving operating efficiency and financial growth, creating stable returns

Employees:

- Providing safe workplace
- Respecting all employees and ensuring fair treatment
- Supporting career growth and providing internal training

Clients:

- Assuming product and service responsibility
- Identifying client needs and improving product and service quality
- Respecting clients' privacy and protecting their interests

Business partners and suppliers:

- Maintaining good internal control and eradicating corruption
- Forging partnership to grow together
- Setting up stringent procurement system to contain risk

Community:

- Giving back to society and promoting self-reliance
- Raising awareness of environmental protection and helping the needy, nurturing virtue and values
- Devoting to developing new products for convenience of society

我們致力：

投資者及股東：

- 遵守相關法規（GEM上市規則及證監會守則等）
- 及時公佈企業最新資訊
- 加強企業管治及風險控制
- 專注提升經營效率及業績增長，創造穩健回報

員工：

- 提供安全工作環境
- 尊重所有員工，確保公平待遇
- 支持員工職業發展，提供內部培訓

客戶：

- 履行產品及服務責任
- 了解客戶需要，持續改善產品及服務質素
- 尊重客戶私隱，保障客戶利益

合作夥伴及供應商：

- 維持良好內部監控，杜絕貪污行為
- 建立合作關係，共同成長
- 制定嚴謹的採購制度，控制風險

社會：

- 回饋社會，助人自助
- 增強員工環保及助人意識，建立正確價值觀
- 致力研發產品為社會帶來便利

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL ASPECT

1. EMISSIONS

The Group was primarily engaged in financial services where no industrial production process was involved during the Reporting Period; therefore, no direct emission of exhaust and greenhouse gas, wastewater, land pollutants, hazardous waste and non-hazardous waste were recorded. We incorporate environmental consideration in our daily office operation, including more effective use of resources to reduce waste. We hope that our internal environmental protection measures can reduce the negative impact of our business operation on environment and indirect carbon emission.

During the Reporting Period, there was no incident of non-compliance with local relevant environmental laws and regulations relating to air and greenhouse gas, emissions, discharge into water and land, and generation of hazardous and non-hazardous waste that had a significant impact on the Group. The Group confirmed that during the Reporting Period, our business operation was not subjected to any punishment by respective governmental authorities due to violation of the above laws and regulations.

2. USE OF RESOURCES

The Company and its various subsidiaries strictly comply with relevant local laws and regulations on environmental protection, set internal guidelines and measures for this purpose, or work in line with the rules of the office buildings, in order to achieve energy saving and consumption reduction, minimizing negative environmental impact of our business operation.

環保

1. 排放物

本集團主要從事金融服務，業務過程中不涉及任何直接生產工序，故於報告期間未有錄得直接的廢氣及溫室氣體排放、水及土地的排污、有害及無害廢棄物的產生等。於日常辦公室運作過程，我們加入環保考慮，包括更有效使用資源、減少浪費等。我們希望藉著執行內部環保政策及措施，以減少我們業務運作過程中對環境的負面影響及間接碳排放。

報告期間，本集團並無就任何有關廢氣及溫室氣體排放、水及土地的排污、以及產生有害或無害廢棄物、且對本集團有重大影響的環保法律法規之違規事件。本集團亦確認於報告期間，我們業務過程中未有出現違反上述法律及法規而遭受相關政府機關處罰的情況。

2. 資源使用

本公司及轄下所有業務的各級子公司均嚴格遵守當地的相關環保法律及條例，內部制訂各項環保相關指引及措施，或配合辦公室所在大廈的規則，務求做到節能減耗，降低我們業務運作過程中對環境的負面影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

GREEN OFFICE CULTURE

We review the operation of our business regularly. For instance, we take necessary improvement measures for effective use of water, electricity, paper and other office resources, reduce or stop the use of materials that cause wastage of environment. During the Reporting Period, the following measures are implemented in the course of our businesses:

- Use electronic documents and recycle paper to cut paper consumption;
- Use telephone conferencing system to reduce business trips;
- Lower electricity consumption by making use of natural light and LED lighting system which has energy saving efficiency;
- Limit the use of air-conditioning to lower electricity consumption;

We often review the effectiveness of these measures and make adjustments according to our operation to improve the efficiency of the use of resources.

3. ENVIRONMENT AND NATURAL RESOURCES

Despite that the Group's major operations has no significant impact on the environment and natural resources, we, as a responsible corporate, are committed to minimizing such negative impact, and assess environmental risks induced by our operations, in order to formulate relevant measures.

WASTE DISPOSAL

The waste produced by our operation includes paper, plastic, office supplies and kitchen waste. Our employees will gather and dispose of the wastes properly. Meanwhile, we will donate computers and other electronic devices to charity organizations to minimize electronic solid waste. We hope to reduce waste to minimize bad influence on environment.

綠色辦公文化

我們定期檢討業務運營過程，如有需要採取改善措施以更有效地利用水、電、紙張等辦公室資源，減少甚至停止使用浪費資源或污染環境之用品。報告期間，本集團於業務過程中，我們一直實施以下措施：

- 多利用電子文件，以及循環使用紙張，減少紙張消耗；
- 利用電話會議系統，減少出差次數；
- 白天更多利用自然採光以及LED等能耗較低的照明系統，減少用電量；
- 實施空調限制開放，減少耗電量；

我們不時檢討此等措施的成效，並因應營運情況而有所調整，以達至提升資源使用效率的目的。

3. 環境及天然資源

縱使本集團的主要業務對環境及天然資源並沒明顯的影響，作為良好企業的責任，本集團致力將業務對環境的負面影響降到最低，就業務的環境風險進行評估，以制定相符的環境措施。

廢棄物處置

我們營運過程中主要產生的廢物包括紙張、塑料、一般辦公室電子用品及廚房廢物。就此等辦公室廢物，我們除了要求員工妥善棄置外，亦安排人員統一處理。同時，我們將電腦等舊電子用品捐贈予慈善團體，減少電子固廢。我們希望減少廢棄物之餘，亦盡量降低我們對環境造成的負面影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIETY

EMPLOYMENT AND LABOUR PRACTICES

1. Employment

Employment Policies

The Group prepared its internal employment policies and rules pursuant to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China and other existing laws and regulations. We inform our employees about the Group's employment policies and other information through our employee manuals, other internal documents and communication methods. We want to make sure that our employees understand their rights and responsibilities, safeguarding the rights of both parties.

The Group determines employees' salary, benefits and promotion based upon their job nature, experience, work performance, financial results and market condition. The Group guarantees fair treatment of employees and prevent discrimination based on gender, race, religion, age, marital and family status, disability or any other grounds.

In accordance with the above-mentioned legal requirements and industry standards, we offer employees basic salary, benefits and rights (e.g. MPF, social insurance, directors and officers liability insurance, medical benefits, legal and extra annual leave, sick leave, allowance and severance pay).

Employee Care

We attach importance to employees care and communication. Various communication channels between the management and employees have been established to take their communication to the next level and improve operational efficiency. We also organize activities (e.g. staff banquet) to improve the communication among employees.

During the Reporting Period, the Group had not been involved in any incident of non-compliance with laws and regulations relating to employment that had a significant impact on the Group.

社會

僱傭及勞工慣例

1. 僱傭

僱傭政策

本集團根據香港《僱傭條例》、《中華人民共和國勞動法》及《中華人民共和國勞動合同法》等現有法律、法規編製內部僱傭政策及守則，並透過員工手冊及其他內部文件及通訊等向僱員傳達有關本集團僱傭政策等訊息，確保僱員清晰了解其權利及責任，保障雙方權益。

本集團按照員工的工作範疇、資歷、工作表現、業績及市場情況，經過員工評核後釐訂薪酬、福利及晉升，不會因性別、種族背景、宗教、年齡、婚姻及家庭狀況、殘疾或任何其他原因而遭受歧視或遭剝奪任何待遇，確保員工得到公平機會。

我們根據上述法律要求及行業準則，為員工提供包括基本薪酬、以及員工福利及權益，如強制性公積金、社會保險、董事及要員責任保險及醫療福利、法定及額外年假、病假、各種津貼及遣散費等。

關懷員工

我們重視對員工的關懷及溝通，並已設立管理層和員工多元化的溝通管道，促進彼此之間的交流，以提升業務的營運效率。我們亦透過員工聚餐等公司團體活動，加強員工之間的交流。

報告期間，本集團並無牽涉任何有關僱傭、且對本集團有重大影響的違法違規事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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2. EMPLOYEE HEALTH AND SAFETY

Improve Safety Awareness

The Group is devoted to protecting our employees from safety risks by providing an appropriate workplace. References to industry practices and regulations were made to formulate work safety guidelines which have been strictly enforced.

Employees are constantly reminded of the importance of work health and safety. The Group provides relevant information on crime prevention and emergency response and coordinates with other organizations or property management company of the office building to join regular fire drills.

Physical and Mental Health

We care for our employees, especially for their mental health. We have been encouraging our employees to achieve work-life balance. We hold different activities to promote esprit de corps, relieve stress and create a harmonious working environment. Meanwhile, we provide our employees with information about health and safety, aiming to improve their health consciousness.

During the Reporting Period, there was no significant incident of safety and work-related injury. There was no non-compliance with health and safety laws and regulations that had an impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

3. DEVELOPMENT AND TRAINING

Human resources are key assets to corporate success. We believe that the support from employees is the foundation of the Group's core value and competitiveness. Therefore, we offer employees comprehensive on-the-job training and platforms for them to explore their potential and achieve success.

The Group provides professional trainings to improve quality, qualification and skills of the employees for their growth. We encourage our staff to discuss with management and supervisors on their promotion and career objectives, as well as join business-related training programs.

2. 僱員健康及安全

提升安全意識

本集團致力保障員工安全，提供合適的工作環境。我們按照行業慣例及監管規定，制訂詳細的工作安全指引，並嚴格執行有關措施。

本集團經常提醒員工職業健康及安全的重要性，本集團為僱員提供預防犯罪、安全應急等相關資訊，亦與機構及辦事處大廈的物業管理公司合作，定期參與舉辦的消防演習等，提升員工安全意識。

身心健康

我們關懷員工，重視員工的精神健康，不斷鼓勵僱員在工作與生活之間取得平衡，透過舉行社交活動增強團隊的凝聚力，緩解工作壓力，營造良好的工作氛圍。同時，我們向僱員提供生活健康與安全資訊，加強員工自身的健康意識。

報告期間，本集團沒有發生重大安全事故以及工傷；亦無任何有關安全工作環境及保障僱員避免職業性危害報告期間，本集團未有發現違反健康及安全法律及規例的情況。

3. 發展及培訓

我們視員工為企業發展賴以成功最重要的資產，深信只有得到員工的幫助，方能維持本集團的核心價值及競爭力。因此，我們給予員工全面的在職培訓項目，以及讓員工開發潛力和自我提升的平台。

我們利用各類培訓，為員工提供專業訓練，提高員工質素、資格及技能，協助員工成長。我們鼓勵員工就其工作晉升及事業發展目標與管理人員討論，以及參加與業務相關的培訓等。

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During the Reporting Period, professional, training and development programs arranged by the Group included but not limited to:

- knowledge of financial service
- knowledge of information technology
- trainings on customer service/product knowledge
- regulatory seminars or guidance
- training on anti-corruption

4. LABOUR STANDARDS

The Group's internal rules and labour system are made in strict adherence to the Employment Ordinance and the Regulation on Labour Security Supervision, the Labour law of the People's Republic of China, Labour Contract Law of the People's Republic of China and Labour Standards Law of the State Council of the People's Republic of China and international standards. All recruitment process and promotion activities are closely monitored under the Group's human resources management scheme to prevent child labour, forced labour, or any discrimination by race, religion, age or disability. The Group will conduct investigations, punishment or dismissal of relevant employees immediately when any non-compliance is being discovered. If necessary, the Group will further improve the labour mechanism against illegal behaviors.

During the Reporting Period, there was no child or forced labour in the Group's operations, nor any discriminating incidents involving race, religion, age or disability.

報告期間，本集團安排的專業培訓及發展計劃包括但不限於：

- 金融服務專業知識
- 資訊科技專業知識
- 客戶服務／產品知識培訓
- 相關法規講座／指引
- 反貪污專業培訓

4. 勞工準則

本集團嚴格遵守《僱傭條例》以及中華人民共和國國務院的《勞動保障監察條例》、《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《勞動基準法》，並參考國際勞工標準，制訂內部守則指引及勞工制度。所有招聘程序及晉升活動均根據本集團人力資源管理制度嚴格監督，以杜絕所有童工或強迫勞役、以及種族、宗教、年齡或殘疾等各種形式的歧視行為。當發現任何違規行為，本集團會即時作出調查、處分或解僱有關員工。如有需要，本集團會針對違規行為進一步完善勞工機制。

於報告期間，本集團並無童工或強制勞工，亦無任何涉及種族、宗教、年齡、殘疾等歧視案件。

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OPERATING PRACTICES

SUPPLY CHAIN MANAGEMENT

The Group is principally engaged in finance-related business. By business nature and needs, the Company did not hire major suppliers for provision of products, raw materials and services during the Reporting Period, nor did it take part in any negotiation between its corporate or institutional clients and their suppliers. Generally, we did not enter into any long-term or bulk purchase agreements for stationery, paper, computers and other office stationery and equipment.

One of our subsidiaries purchases motherboards, modules, display modules, batteries, cases and other products from its suppliers. The suppliers are mainly from Chongqing, Chengdu, Shenzhen, Dongguan and other places.

We promote fair and open competition, aiming to develop long-term relationship based on mutual trust. Therefore, the Company keep a close eye on procurement made by our staff and forbid any practices that are against business ethics. The Company will closely communicate with its subsidiaries and urge them to handle relationship with suppliers and business partners in avoidance of transfer of interests or exploitation of suppliers.

PRODUCT RESPONSIBILITY

Premium products and services can help build a strong corporate reputation. We are dedicated to maintaining high level service and product quality through internal control. Our products and services include:

1. Securities brokerage and margin lending;
2. Stock information and research analysis;
3. Corporate finance solutions;
4. Asset management;
5. Student safety network project and electronic student cards;
6. Sales of motor vehicles and provision of agency services.

營運慣例

供應鏈管理

就主營金融相關業務而言，基於業務性質及需要，因此本公司於報告期間沒有聘用主要供應商為我們提供產品、原材料或服務，亦沒有直接參與企業及機構客戶與其供應商的協商。一般而言，我們會採購文具、紙張、電腦等辦公室文儀用品，但未有與任何供應商簽訂長期或大量採購合約。

我們的其中一家子公司會從其供應商採購主板、模組、顯示模組、電池、外殼等產品。該等供應商主要來自重慶、成都、深圳及東莞等地。

我們提倡公平公開競爭，旨在基於互相信任的前提之下發展長期關係。因此，我們會監察員工負責之採購活動，並嚴禁員工做出任何違反商業道德的行為。同時，我們密切與子公司溝通，要求各子公司小心處理與供應商及合作夥伴的關係，避免利益輸送或剝削供應商的行為。

產品責任

優質產品和服務有助企業建立良好信譽，因此，我們積極透過內部監控確保我們維持高服務水平及產品質素。我們的產品及服務包括：

1. 證券經紀與孖展貸款；
2. 股票資料及分析研究；
3. 企業融資方案；
4. 資產管理；
5. 學生安全網絡項目及電子學生證；
6. 銷售汽車及提供代理服務。

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Privacy Policies

Given its business nature, the Group handles a huge amount of personal data or corporate information. The Group attaches high importance to safeguarding clients' interests and privacy, with relevant guidelines and handbook prepared to regulate employees' handling of personal data of clients. We sporadically arrange training to raise the awareness of privacy protection. The Group will maintain and review all client communication channels to obtain client feedback, handle complaints timely and conduct inspection so as to improve client service system.

Publicity and Labels

In terms of the promotion of our products and services, we will strictly comply with Advertisement Law of the People's Republic of China, Interim Measures for the Administration of Internet Advertising and other applicable laws and regulations on advertising and labels. Our publicity should be an accurate reflection of the quality and effectiveness of the Group's products and services. We want to help clients understand what to expect through our publicity and labels.

During the Reporting Period, the Group has complied with all relevant laws and regulations that have significant impacts on the Group relating to health and safety, advertising, labelling and privacy matters relating to our products and services provided.

ANTI-CORRUPTION

The Group strictly complies with applicable anti-corruption laws and moral standards.

The Group is determined to eliminate any corruption. The Board adopts a zero-tolerance policy regarding corruption and fraud. Such standard has been outlined in our operation and employment policies. The Group proactively maintains a good corporate governance and risk control to protect interests of stakeholders.

Employees are advised to comply with the anti-corruption and anti-fraud guidelines of the ICAC; whilst relevant training and information is regularly provided to raise their awareness. We urge employees to maintain high standard of professional conduct and strict follow the laws of Hong Kong and the PRC.

私隱政策

由於業務性質，本集團會接觸大量的客戶個人或企業資料。本集團非常重視保障客戶權益及私隱，並已制訂相關指引及手冊，規定員工謹慎處理客戶的個人資料。我們亦不定期安排相關培訓，以提高員工對保障客戶私隱的意識。本集團會維持及審視與客戶的各種溝通渠道，以獲得客戶意見，及時處理客戶投訴，從而對客戶投訴及服務作調查，並完善客戶服務制度。

宣傳及標籤

就進行產品及服務的營銷宣傳，我們會確保有關工作符合《中華人民共和國廣告法》、《互聯網廣告管理暫行辦法》及其他政府有關宣傳及標籤的適用法律法規。該等營銷宣傳須準確反映本集團產品質量及效能、以及服務內容，做到讓客戶「所見即所得」。

報告期間，本集團已遵守所有有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜、且對本集團有重大影響的法律法規。

反貪污

本集團嚴格遵守相關反貪污法律規範和道德準則。

本集團堅決杜絕任何貪腐行為。董事會對反貪污及詐騙行為採取的「零容忍」態度已於我們的相關業務及員工政策中反映。本集團積極維持良好的企業管治及風險管理，維護持份者的利益。

本集團會提醒員工遵守廉政公署的反貪污及反詐騙指引，定期向員工提供有關反貪污的培訓及資訊，增加員工的反貪意識，要求員工擁有良好的專業操守，遵守香港及中國大陸的法規。

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Whistleblowing Policy

The Group educates all employees on anti-corruption awareness and encourages them to report any corruption or fraud. We promptly conduct inspection and take necessary measures while protecting the identity of the whistleblower. During the Reporting Period, we had not identified any non-compliance in relation to corruption, bribery, extortion, fraud and money laundering, which had a significant impact on the Group.

COMMUNITY

COMMUNITY INVESTMENT

The Group is committed to becoming a responsible corporate citizen. We offer appropriate resources to people in need in the community. We hope that our employees will make a contribution to communities through various activities and spread their love.

Apart from the above-mentioned activities, the Group will help different institutions by donations. The Group will try to cooperate with more institutions and give back to society.

舉報政策

我們向所有員工灌輸重要的反貪污意識，鼓勵員工舉報任何貪污或詐騙事件，我們會即時進行調查及採取必要合適行動的同時，亦承諾會保護舉報人身份。報告期間，我們未有發現有關貪污、賄賂、勒索、欺詐及洗黑錢，且對本集團有重大影響的違法事件。

社區

社區投資

本集團致力成為負責任的企業公民，為社區內有需要的人士提供合適資源。我們希望透過社區活動，讓員工親身為社區貢獻，從而提升員工的關愛意識。

除上述活動外，本集團亦以捐贈形式幫助各類機構。本集團會繼續尋求與不同組織合作，回饋社會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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DATA SUMMARY

數據概覽

			Hong Kong 香港	Mainland China 中國大陸	
Environment 環境	Electricity consumption 用電量	kWh 千瓦時	45,990 ¹	82,542 ³	
	Electricity consumption (CO ₂ equivalent) 用電量－二氧化碳當量	kg 千克	36,332 ²	48,799 ⁴	
	Water consumption 耗水量	Tonne 噸	N/A 不適用	251 ³	
	Fuel consumption (Car) 耗油量(汽車)	Litre 公升	18,217 ⁵	1,599 ⁵	
	Flight mileage 飛行里數	km 公里	25,860	20,227	
	Employee 僱員	Total employees 員工總數	Number 人數	21	64
		By gender 按性別			
– male – 男性		Number 人數	10	36	
– female – 女性			11	28	
Training 培訓	Total training hours 總培訓小時				
	– male – 男性	Hour 小時	22	N/A 不適用	
	– female – 女性		59	N/A 不適用	

1. Electricity consumption: According to electricity bills.

2. The CO₂ equivalent of electricity consumption in Hong Kong: According to HK Electric, CO₂ (produced by fuel combustion) per unit of electricity (1 kWh) was 0.79 kg.

3. Electricity and water consumption of Mainland China: According to payment notice of property management of office building.

4. The CO₂ equivalent of electricity consumption in Mainland China: According to Calculation of Carbon Dioxide Emission and Data Checklist issued by the Climate Change Bureau of the National Development and Reform Commission on 15 May 2016, CO₂ emission factor of provincial-level power grid in Guangdong was 0.5912 kg per kWh, the CO₂ (produced by fuel combustion) per unit of electricity (1 kWh) was 0.5912 kg per kWh.

5. Fuel consumption: According to purchase volume of gasoline and diesel of company vehicles in Hong Kong.

1. 用電量：根據電費單紀錄。

2. 香港用電量的二氧化碳當量：根據港燈電力，平均每度電（即每一千瓦時）因燃燒燃料所產生的二氧化碳為0.79千克。

3. 中國大陸用電量及耗水量：根據大廈管理處收費通知單紀錄。

4. 中國大陸用電量的二氧化碳當量：根據國家發改委應對氣候變化司2016年5月15日發佈之《二氧化碳排放核算方法及數據核對表》，廣東省級電網平均二氧化碳排放因子為每千瓦時0.5912千克二氧化碳發佈，平均每度電（即每一千瓦時）因燃燒燃料所產生的二氧化碳為0.5912千克。

5. 耗油量：按公司汽車於香港之汽油及柴油入油量計算。

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CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

香港聯合交易所有限公司《環境、社會及管治報告指引》索引

Subject Areas 主要範疇	Content 內容	Section of the report 本報告章節
A. Environment 環境		
A1 Emissions 排放物		
General Disclosure 一般披露	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策及遵守對發行人有重大影響的相關法律及規例的資料。	Environmental Protection – 1. Emissions 環保 – 1. 排放物
A2 Use of Resources 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源（包括能源、水及其他原材料）的政策。	Environmental Protection – 2. Use of Resources 環保 – 2. 資源使用
A3 The Environment and Natural Resources 環境及天然資源		
General Disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental Protection – 3. The Environment and Natural Resources 環保 – 3. 環境及天然資源

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Subject Areas 主要範疇	Content 內容	Section of the report 本報告章節
B. Social 社會範疇		
<i>Employment and Labour Practices</i> 僱傭及勞工常規		
B1 Employment 僱傭		
General Disclosure 一般披露	<p>Information on the policies; and 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, anti-discrimination, and other benefits and welfare.</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政策；及遵守對發行人有重大影響的相關法律及規例的資料。</p>	Employment and Labour Practices – 1. Employment 僱傭及勞工常規 – 1. 僱傭
B1.1 KPI 關鍵績效指標	<p>Total workforce by gender, employment type, age group and geographical region</p> <p>按性別、僱傭類型、年齡組別及地區劃分僱員總數</p>	Data Summary 數據摘要
B1.2 KPI 關鍵績效指標	<p>Employee turnover rate by gender, age group and geographical region</p> <p>按性別、年齡組別及地區劃分的僱員流失比率</p>	Data Summary 數據摘要

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Subject Areas 主要範疇	Content 內容	Section of the report 本報告章節
B2 Health and Safety 健康與安全		
General Disclosure 一般披露	Information on the policies; and 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. 有關提供安全工作環境及保障僱員避免職業性危害的政策；及遵守對發行人有重大影響的相關法律及規例的資料。	Employment and Labour Practices – 2. Health and Safety 僱傭及勞工常規 – 2. 健康與安全
B2.2		
KPI 關鍵績效指標	Lost days due to work injury 因工傷損失工作總日數	Data Summary 數據摘要
B3 Development and Training 發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities. 有關提升僱員履行工作職責的知識及技能的政策及描述培訓活動。	Employment and Labour Practices – 3. Development and Training 僱傭及勞工常規 – 3. 發展及培訓
B4 Labour Standards 勞工準則		
General Disclosure 一般披露	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的政策；及遵守對發行人有重大影響的相關法律及規例的資料。	Employment and Labour Practices – 4. Labour Standards 僱傭及勞工常規 – 4. 勞工標準

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject Areas 主要範疇	Content 內容	Section of the report 本報告章節
<i>Operating Practices</i> 營運慣例		
B5 Supply Chain Management 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Operating Practices – Supply Chain Management 營運慣例 – 供應鏈管理
B6 Product Responsibility 產品責任		
General Disclosure 一般披露	Information on the policies; and 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. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的政策；及遵守對發行人有重大影響的相關法律及規例的資料。	Operating Practices – Product Responsibility 營運慣例 – 產品責任
B7 Anti-corruption 反貪污		
General Disclosure 一般披露	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的政策；及遵守對發行人有重大影響的相關法律及規例的資料。	Operating Practices – Anti-corruption 營運慣例 – 反貪污

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject Areas 主要範疇	Content 內容	Section of the report 本報告章節
<i>Community</i> 社區		
B8 Community Investment 社區投資		
General Disclosure 一般披露	<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>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>	Community – Community Investment 社區 – 社區投資

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



CHENG & CHENG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
鄭 鄭 會 計 師 事 務 所 有 限 公 司

10/F., Allied Kajima Building,
138 Gloucester Road, Wanchai, Hong Kong

TO THE MEMBERS OF SINOFORTUNE FINANCIAL HOLDINGS LIMITED

(FORMERLY KNOWN AS FIRST CHINA FINANCIAL NETWORK
HOLDINGS LIMITED)

(Incorporated in Cayman Islands with limited liability)

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Sinofortune Financial Holdings Limited and its subsidiaries ("the Group") set out on pages 72 to 203, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, 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 Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致華億金控集團有限公司全體股東

(前稱為首華財經網絡集團有限公司)

(於開曼群島註冊成立之有限公司)

就審核綜合財務報表作出報告

意見

本核數師已審核列載於第72頁至第203頁華億金控集團有限公司及其附屬公司(「貴集團」)之綜合財務報表,此等綜合財務報表包括於二零一七年十二月三十一日之綜合財務狀況報表與截至該日止年度之綜合損益及其他全面收入報表、綜合股權變動報表及綜合現金流量表,以及綜合財務報表的附註,包括主要會計政策概要。

吾等認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露要求妥為編製。

意見的基礎

吾等根據香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核。在該等準則下,吾等的責任在吾等的報告內「核數師就審核綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會的「專業會計師道德守則」(「守則」),吾等獨立於 貴集團,並已遵循守則履行其他道德責任。吾等相信,吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Impairment of refundable earnest money paid for proposed business acquisition in previous year

(see note 25 of the consolidated financial statements)

The Key Audit Matter

關鍵審核事項

As at 31 December 2016, the Group had recorded a refundable earnest money of RMB20,000,000 (equivalent to HK\$23,052,400) paid for the proposed acquisition for the entire interest in 民勤量子新能源有限公司 (transliterated as Minqin Quantum New Energy Co Ltd.) which was paid in January 2015 and was included in “prepayments, deposits and other receivables” in the consolidated statement of financial position (see note 25 to the consolidated financial statements). As described in details in note 25, management determined to make a full impairment of the said refundable earnest money during the year ended 31 December 2017.

於二零一六年十二月三十一日，貴集團錄得於二零一五年一月就建議收購民勤量子新能源有限公司的全部股權所支付的可退還誠意金人民幣20,000,000元（相等於23,052,400港元），該款項計入綜合財務狀況報表內的「預付款項、按金及其他應收款項」（見綜合財務報表附註25）。誠如附註25所詳述，管理層釐定於截至二零一七年十二月三十一日止年度就上述可退還誠意金作出悉數減值。

This was identified as a key audit matter given the amount involved was significant and significant management judgement was required in determining whether impairment should be made.

此事項被認定為關鍵審計事項是由於所牽涉的金額重大及決定是否需要作減值時需要管理層之重大判斷。

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核於本期間的綜合財務報表中最重要的事項。該等事項已在我們審核整體綜合財務報表及出具意見時進行處理，而不會就此等事項單獨發表意見。

就過往年度建議業務收購所支付可退還誠意金減值

（見綜合財務報表附註25）

How the matter was addressed in our audit

在審核中的處理方法

We discussed with management the reasons for full impairment recognised in the current year.

吾等與管理層討論於本年度確認悉數減值之理由。

We checked to the relevant supporting documents provided by management to understand the specific facts and circumstances and assessed the reasonableness of the full impairment recognised for the current year.

吾等查核管理層提供的相關證明文件，以了解具體事實及情況以及評估於本年度確認悉數減值之合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Impairment of associates

(see note 19 of the consolidated financial statements)

The Key Audit Matter

關鍵審核事項

The Group owns 38% in 深圳前海首華國際商品交易中心有限公司 (transliterated as Shenzhen Qianhai First China International Commodities Exchange Centre Limited) ("Qianhai First China"), an entity registered in the People's Republic of China. The investment in the associate has been accounted for under the equity method with carrying amount of HK\$31,754,373 before impairment (2016: HK\$39,523,791).

本集團擁有深圳前海首華國際商品交易中心有限公司(「前海首華」，一間於中華人民共和國登記的實體)之38%權益。該聯營公司投資按權益法列賬，其於減值前的賬面值為31,754,373港元。(二零一六年：39,523,791港元)。

As explained in note 19 to the consolidated financial statements, there was a suspension on the business operation of the above-mentioned associate.

如綜合財務報表附註19所述，以上提及之聯營公司的業務營運終止。

聯營公司減值

(見綜合財務報表附註19)

How the matter was addressed in our audit

在審核中的處理方法

We discussed with management the reasons for full impairment recognised in the current year.

吾等與管理層討論於本年度確認悉數減值之理由。

We checked to the relevant supporting documents provided by management to understand the specific facts and circumstances and assessed the reasonableness of the full impairment recognised for the current year.

吾等查核管理層提供的相關證明文件，以了解具體事實及情況以及評估本年度確認悉數減值之合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Impairment of associates

(see note 19 of the consolidated financial statements)
(continued)

The Key Audit Matter

關鍵審核事項

For the year ended 31 December 2017, management decided to make the full impairment on the carrying amount of the abovementioned taking into account continuous suspension on the business operation of the associate.

截至二零一七年十二月三十一日止年度，考慮到該聯營公司之業務持續停運，管理層決定就上述賬面值作出悉數減值。

This was identified as a key audit matter given the amount involved was significant and significant management judgment was required in determining whether impairment should be made.

此事項被認定為關鍵審計事項是由於所牽涉的金額重大及決定是否需要作減值時需要管理層之重大判斷。

聯營公司減值

(見綜合財務報表附註19)
(續)

How the matter was addressed in our audit

在審核中的處理方法

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report other than 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 the 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. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事需對其他資料負責。其他資料包括年報所載的所有資料，惟綜合財務報表及吾等的核數師報告除外。

吾等對綜合財務報表的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的鑒證結論。

在吾等審核綜合財務報表時，吾等的責任是閱讀其他資料，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的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告該事實。在這方面，吾等沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而公平的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

於擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，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，或別無其他實際的替代方案。

治理層負責監督貴集團的財務報告程序。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 judgment 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的責任

吾等的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅向閣下（作為整體）報告吾等的意見，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按《香港審核準則》進行的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滙總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審核準則》進行審核的過程中，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的風險，設計及執行審核程序以應對這些風險，以及取得充足和適當的審核憑證，作為吾等意見的基礎。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的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果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的相關披露資料的關注。假若有關的披露資料不足，則吾等須出具非無保留意見的核數師報告。吾等的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映交易和事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

We communicate with those charged with governance 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.

We also provide those charged with governance 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.

吾等與管治層溝通了計劃的審核範圍、時間安排、重大審核發現等事項，包括吾等在審核期間識別出內部控制的任何重大缺陷。

吾等亦向管治層作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施（如適用）。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

From the matters communicated with those charged with governance, 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.

從與管治層溝通的事項中，吾等釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中傳達該事項。

CHENG & CHENG LIMITED

Certified Public Accountants

Hong Kong, 20 March 2018

Cheng Hong Cheung

Practising Certificate number P01802

鄭鄭會計師事務所有限公司

執業會計師

香港，二零一八年三月二十日

鄭康祥

執業證書編號P01802

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Revenue	收益	5	29,186,397	8,896,415
Other income and loss, net	其他收入及虧損淨值	7	(35,919,256)	(91,656,382)
Changes in inventories of finished good	成品存貨之變動		(17,821,020)	(625,819)
Other direct costs	其他直接成本		(228,682)	(259,715)
Employee benefits expenses	僱員福利開支	10	(19,954,591)	(17,854,403)
Depreciation of property, plant and equipments	物業、機器及設備折舊	15	(5,380,884)	(6,709,566)
Amortization of intangible assets	無形資產攤銷	16	-	(17,362,183)
Impairment of refundable earnest money paid for proposed business acquisition in prior year	就過往年度建議業務收購所支付可退還誠意金減值		(23,052,000)	-
Impairment of intangible assets	無形資產減值	16	-	(122,686,950)
Impairment of property, plant and equipment	物業、機器及設備減值	15	(966,460)	-
Impairment loss of interests in associates	於聯營公司權益之減值虧損	19	(31,754,373)	(1,028,594)
Finance costs	融資成本	8	(229,303)	(289,184)
Other operating expenses	其他營運費用		(13,259,019)	(18,873,125)
Change in fair value of contingent consideration receivable	應收或然代價之公平值變動	20	(13,441,448)	140,880
Share of loss of associates	應佔聯營公司虧損	19	(6,028,114)	(9,474,111)
Loss before income tax	除所得稅前虧損	9	(138,848,753)	(277,782,737)
Income tax income	所得稅收入	13	2,545,494	32,879,188
Loss for the year	年內虧損		(136,303,259)	(244,903,549)
Other comprehensive income/(loss):	其他全面收入／(虧損)：			
<i>Items that may be reclassified to profit or loss</i>	<i>其後可能會重新分類至損益之項目</i>			
Currency translation differences:	貨幣匯兌差額：			
- Group	- 集團		6,300,738	(11,090,916)
- Associates	- 聯營公司		2,837,778	(2,842,509)
Other comprehensive income/(loss) for the year, net of tax	年內其他全面收入／(虧損)，已扣稅		9,138,516	(13,933,425)
Total comprehensive loss for the year	年內全面虧損總值		(127,164,743)	(258,836,974)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Loss attributable to:	應佔虧損：			
Owners of the Company	本公司擁有人	14	(136,497,133)	(244,075,407)
Non-controlling interests	非控股權益		193,874	(828,142)
			(136,303,259)	(244,903,549)
Total comprehensive loss for the year attribute to:	年內應佔全面虧損總值：			
Owners of the Company	本公司擁有人		(127,211,846)	(258,045,542)
Non-controlling interests	非控股權益		47,103	(791,432)
			(127,164,743)	(258,836,974)
Loss per share attributable to owners of the Company for the year	年內本公司擁有人應佔每股虧損			
Basic loss per share (HK cents)	每股基本虧損 (港仙)	14		
From loss for the year	年內虧損		(2.10)	(3.76)
Diluted loss per share (HK cents)	每股攤薄虧損 (港仙)	14		
From loss for the year	年內虧損		(2.10)	(3.76)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 December 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Non-current asset	非流動資產			
Property, plant and equipments	物業、機器及設備	15	34,114,533	35,787,878
Intangible assets	無形資產	16	104,500	2
Statutory deposits and other assets	法定按金及其他資產	17	505,001	1,059,936
Interests in associates	於聯營公司之權益	19	–	34,944,709
Contingent consideration receivable	應收或然代價	20	–	29,441,448
Rental and other deposit paid	已付租賃及其他按金	25	803,915	940,607
			35,527,949	102,174,580
Current assets	流動資產			
Inventories	存貨	21	124,155,521	2,590,324
Trade receivables	應收貿易款項	22	9,424,160	14,550,089
Loans and receivables	貸款及應收款項	23	597,960	33,530,283
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	24	34,275,830	63,967,620
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25	24,897,114	28,242,860
Amounts due from former Directors	應收前任董事款項	26	–	331,419
Bank balances and cash – trust accounts	銀行結餘及現金 – 信託賬戶	27	9,765,651	14,075,403
Bank balances and cash – general accounts	銀行結餘及現金 – 一般賬戶	27	170,932,310	240,921,035
			374,048,546	398,209,033
Total assets	總資產		409,576,495	500,383,613
Current liabilities	流動負債			
Trade payables	應付貿易款項	28	7,567,101	14,817,698
Other payables and accruals	其他應付款項及應計款項	29	7,401,511	2,168,841
Current income tax payable	即期應繳所得稅		59,704	–
Borrowings	借款	30	54,392,813	8,554,953
			69,421,129	25,541,492
Net current assets	流動資產淨值		304,627,417	372,667,541
Total assets less current liabilities	資產總值減流動負債		340,155,366	474,842,121

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 December 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅負債	31	3,290,066	5,804,700
			3,290,066	5,804,700
Net assets	資產淨值		336,865,300	469,037,421
Capital and reserves	股本及儲備			
Share capital	股本	32	64,989,582	64,989,582
Share premium	股份溢價	32	1,614,798,866	1,614,798,866
Other reserve	其他儲備	33	(16,000,000)	-
Special reserve	特別儲備	33	4,778,740	4,778,740
Statutory reserve	法定儲備	33	3,911,530	3,911,530
Translation reserve	匯兌儲備	33	(9,181,374)	(18,466,661)
Share-based compensation reserve	股份補償儲備	34	30,554,498	30,383,874
Accumulated losses	累計虧損		(1,371,889,661)	(1,237,573,985)
Equity attributable to owners of the Company	本公司擁有人應佔權益		321,962,181	462,821,946
Non-controlling interests	非控股權益		14,903,119	6,215,475
Total equity	權益總值		336,865,300	469,037,421

Wang Jiawei

王嘉偉

Director

董事

Lai Yuk Mui

黎玉梅

Director

董事

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

綜合股權變動報表

For the year ended 31 December 2017 截至二零一七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 interest		Total equity	
		Share capital 股本	Share premium 股份溢價	Other Reserve 其他儲備	Special reserve 特別儲備	Statutory Reserve 法定儲備	Translation reserve 匯兌儲備	Share-based Compensation Reserve 股份補償儲備	Accumulated losses 累計虧損	Total 總額	Non-controlling interest 非控股權益	Total equity 權益總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
		(Note 32)	(Note 32)	(Note 33)	(Note 33)	(Note 33)	(Note 33)	(Note 34)				
		(附註32)	(附註32)	(附註33)	(附註33)	(附註33)	(附註33)	(附註34)				
Balance as at 1 January 2016	於二零一六年一月一日之結餘	64,989,582	1,614,798,866	-	4,778,740	3,911,530	(4,496,526)	34,149,275	(994,422,010)	723,709,457	7,006,907	730,716,364
Loss for the year	年內虧損	-	-	-	-	-	-	-	(244,075,407)	(244,075,407)	(828,142)	(244,903,549)
Other comprehensive loss	其他全面虧損	-	-	-	-	-	(13,970,135)	-	-	(13,970,135)	36,710	(13,933,425)
Equity-settled share option arrangements	以股權結算之購股權安排	-	-	-	-	-	-	1,688,031	-	1,688,031	-	1,688,031
Reversal of share-based compensation reserve upon the forfeiture of share option	購股權被沒收時撥回股份補償儲備	-	-	-	-	-	-	(4,530,000)	-	(4,530,000)	-	(4,530,000)
Transfer of share-based compensation reserve upon the lapse of share options	購股權失效時轉撥股份補償儲備	-	-	-	-	-	-	(923,432)	923,432	-	-	-
Balance as at 31 December 2016	於二零一六年十二月三十一日之結餘	64,989,582	1,614,798,866	-	4,778,740	3,911,530	(18,466,661)	30,383,874	(1,237,573,985)	462,821,946	6,215,475	469,037,421
Balance as at 1 January 2017	於二零一七年一月一日之結餘	64,989,582	1,614,798,866	-	4,778,740	3,911,530	(18,466,661)	30,383,874	(1,237,573,985)	462,821,946	6,215,475	469,037,421
Loss for the year	年內虧損	-	-	-	-	-	-	-	(136,497,133)	(136,497,133)	193,874	(136,303,259)
Other comprehensive income	其他全面收入	-	-	-	-	-	9,285,287	-	-	9,285,287	(146,771)	9,138,516
Capital contribution from non-controlling interest	非控股權益注資	-	-	-	-	-	-	-	-	-	11,959,200	11,959,200
Equity-settled share option arrangements	以股權結算之購股權安排	-	-	-	-	-	-	877,444	-	877,444	-	877,444
Shares retrieval from escrow arrangement (Note 20)	收回託管安排之股份(附註20)	-	-	(16,000,000)	-	-	-	-	-	(16,000,000)	-	(16,000,000)
Reversal of share-based contribution reverse upon the lapse of share option	購股權失效時轉撥股份補償儲備	-	-	-	-	-	-	(706,820)	706,820	-	-	-
Deregistration of the subsidiary	註銷附屬公司	-	-	-	-	-	-	-	-	-	(383)	(383)
Transaction with non-controlling interest (Note 36)	非控股權益交易(附註36)	-	-	-	-	-	-	-	1,474,637	1,474,637	(3,318,276)	(1,843,639)
Balance as at 31 December 2017	於二零一七年十二月三十一日之結餘	64,989,582	1,614,798,866	(16,000,000)	4,778,740	3,911,530	(9,181,374)	30,554,498	(1,371,889,661)	321,962,181	14,903,119	336,865,300

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Cash flows from operating activities	經營活動所得現金流量		
Loss before income tax	除所得稅前虧損	(138,848,753)	(277,782,737)
Adjustments for:	就下列各項調整：		
- Impairment loss on trade debts	- 貿易債務減值虧損	275,127	-
- Depreciation of property, plant and equipment	- 物業、機器及設備折舊	5,380,884	6,709,566
- Loss on disposal of property, plant and equipment	- 出售物業、機器及設備所得虧損	279,964	240,536
- Amortization of intangible assets	- 無形資產攤銷	-	17,362,183
- Impairment of property, plant and equipment	- 物業、機器及設備減值	966,460	-
- Impairment of intangible assets	- 無形資產減值	-	122,686,950
- Impairment of interests in associates	- 於聯營公司權益之減值	31,754,373	1,028,594
- Impairment of refundable earnest money paid for proposed business acquisition in prior year	- 就過往年度建議業務收購所支付可退還誠意金減值	23,052,000	-
- Written off of property, plant and equipment	- 物業、機器及設備撇銷	-	497,136
- Change in fair value of contingent consideration receivable	- 應收或然代價之公平值變動	13,441,448	(140,880)
- Fair value losses on securities trading	- 證券買賣之公平值虧損	34,756,990	30,108,514
- Share of loss of associates	- 應佔聯營公司虧損	6,028,114	9,474,111
- Reversal of share option expenses due to the lapse of share options	- 因購股權失效而撥回購股權開支	-	(4,530,000)
- Equity-settled share based arrangements	- 以股權結算之購股權安排	877,444	1,688,031
- Interest income	- 利息收入	(1,489,699)	(4,404,374)
- Dividend income	- 股息收入	(867,288)	(6,146,271)
- Finance costs	- 融資成本	229,303	289,184
Operating cash flows before changes in working capital	營運資金變動前之經營現金流量	(24,163,633)	(102,919,457)
- Statutory deposits and other assets	- 法定按金及其他資產	554,935	1,244,459
- Inventories	- 存貨	(121,565,197)	1,139,633
- Restricted cash	- 受限制現金	-	1,815,795
- Trade receivables	- 應收貿易款項	4,850,802	(4,749,246)
- Prepayments, deposits and other receivables	- 預付款項、按金及其他應收款項	(19,829,160)	5,335,171
- Amounts due from former Directors	- 應收前任董事款項	331,419	500,000
- Financial assets at fair value through profit or loss	- 按公平值計入損益之金融資產	5,698,080	107,893,676
- Segregated trust bank balances	- 獨立信託賬戶結餘	4,309,752	10,336,034
- Trade payables	- 應付貿易款項	(7,250,597)	(1,863,832)
- Other payables and accruals	- 其他應付款項及應計款項	5,232,670	(2,219,241)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Cash (used in)/generated from operations	經營(動用)/產生之現金	(151,830,929)	16,512,992
Income tax paid	已付所得稅	-	(541,663)
Interest received	已收利息	1,489,699	4,404,374
Net cash (used in)/generated from operating activities	經營活動(動用)/產生之現金淨值	(150,341,230)	20,375,703
Cash flows from investing activities	投資活動所得現金流量		
Decrease/(increase) in deposit for purchase of plant and equipment	減少/(增加)購買廠房及設備之按金	259,215	(940,607)
Purchases of property, plant and equipment	購買物業、機器及設備	(4,629,453)	(2,990,220)
Purchase of intangible assets	購買無形資產	(104,498)	-
Proceeds from disposal of a property, plant & equipment	出售物業、機器及設備所得款項	13,122	96,073
Gross increase in loans and receivables	貸款及應收款項增加	(8,969,400)	(33,530,823)
Repayment of loans and receivables	貸款及應收款項收款	41,901,723	19,518,885
Dividend received from securities held for trading	已收持作買賣證券之股息	867,288	6,146,271
Investments in financial assets at fair value through profit or loss	投資於按公平值計入損益之金融資產	(10,763,280)	-
Net cash generated from/ (used in) investing activities	投資活動產生/(動用)之現金淨值	18,574,717	(11,700,421)
Cash flows used in financing activities	融資活動動用現金流量		
Acquisition of non-controlling interest (Note 36)	向非控股權益收購(附註36)	(1,843,639)	-
Capital contribution from non-controlling interest	非控股權益注資	11,959,200	-
Repayments of bank borrowings	銀行借款之還款	(1,998,940)	(1,939,060)
Interest paid	已付利息	(229,303)	(289,184)
Proceeds from other unsecured loan	其他無抵押貸款所得款項	47,836,800	-
Net cash generated from/ (used in) financing activities	融資活動產生/(動用)之現金淨值	55,724,118	(2,228,244)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨值	(76,042,395)	6,447,038
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目	240,921,035	241,490,110
Effect of foreign exchange rate changes	匯率變動之影響	6,053,670	(7,016,113)
Cash and cash equivalents at end of year	年終之現金及現金等值項目	170,932,310	240,921,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. GENERAL INFORMATION

Sinofortune Financial Holdings Limited (the “Company”) and its subsidiaries (together the “Group”).

Pursuant to a special resolution passed by the Company’s shareholders on 23 May 2017, the name of the Company was changed from “First China Financial Network Holdings Limited 首華財經網絡集團有限公司” to “Sinofortune Financial Holdings Limited 華億金控集團有限公司”.

INFORMATION OF THE GROUP

The Group is principally engaged in (i) provision of the precious metals spot trading and brokerage services in the PRC, (ii) provision of securities and futures contracts trading services in Hong Kong, (iii) trading and principal investments in the PRC and Hong Kong, (iv) research, exploration and development of the student safety network project and the electronic student card in the PRC, (v) provision of stock information and research services through the internet network in the PRC, and (vi) sales of motor vehicles and provision of agency services in the PRC.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The Company’s registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business is situated at 16th Floor, CMA Building, No.64-66 Connaught Road Central, Hong Kong.

The Company’s shares are listed on the GEM of the Stock Exchange.

The consolidated financial statements are presented in Hong Kong dollars, while the functional currencies of certain subsidiaries are Renminbi (“RMB”). The Company has selected Hong Kong dollar as its presentation currency as the functional currency of the Company is Hong Kong dollars and management considered it is more beneficial to the users of the consolidated financial statements. These consolidated financial statements have been approved and authorized for issue by the Board of Directors on 20 March 2018.

1. 一般資料

華億金控集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)。

根據本公司股東於二零一七年五月二十三日通過的特別決議案，本公司由「First China Financial Network Holdings Limited 首華財經網絡集團有限公司」更名為「Sinofortune Financial Holdings Limited 華億金控集團有限公司」。

本集團之資料

本集團主要從事(i)在中國提供貴金屬現貨交易及經紀服務；(ii)在香港提供證券及期貨合約買賣服務；(iii)在中國及香港買賣及自營投資；(iv)在中國研究、開拓及發展學生安全網絡項目及電子學生證；(v)透過互聯網在中國提供股票資訊及研究服務；及(vi)在中國銷售汽車及提供代理服務。

本公司在開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司之主要營業地點位於香港中環干諾道中64-66號廠商會大廈16樓。

本公司股份於聯交所GEM上市。

該等綜合財務報表均以港元呈列，而若干附屬公司的功能貨幣為人民幣(「人民幣」)。本公司選擇港元作為其呈列貨幣，乃由於本公司的功能貨幣為港元及管理層認為此對綜合財務報表的使用者而言較為有利。此等綜合財務報表已於二零一八年三月二十日獲董事會批准及授權刊發。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of Stock Exchange (“GEM Listing Rules”) and by the applicable disclosure requirements of the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared under the historical cost convention, except for the recognition of certain financial assets and financial liabilities at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2. 主要會計政策概要

編製此等綜合財務報表所採納之主要會計政策載列如下。除另有註明者外，此等政策已於所有呈報年度貫徹應用。

2.1 編製基準

綜合財務報表乃根據香港會計師公會（香港會計師公會）頒佈之香港財務報告準則（「香港財務報告準則」）所編製。此外，綜合財務報表包括聯交所GEM證券上市規則（「GEM上市規則」）及香港公司條例（「公司條例」）所規定之適用披露規定。

綜合財務報表乃按歷史成本常規編製，惟就確認若干按公平值計入損益之金融資產及金融負債除外。

遵照香港財務報告準則編製綜合財務報表須作出若干重要會計評估，亦要求管理層於應用本集團會計政策時作出判斷。有關涉及較高水平判斷之範疇或較為複雜之範圍或對綜合財務報表攸關重要之假設及評估之範圍載於附註4。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

In the current year, the Group has applied for the first time the following amendments to HKFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2017:

- Amendments to HKAS 7 Disclosure Initiative;
- Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised losses; and
- Annual Improvements to HKFRSs, 2014-2016 Cycle

The amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities. Reconciliations of various types of the Group's financing liabilities are disclosed in Note 27(b) to the consolidated financial statements. Other than such additional disclosures, the application of the amendments has not had any material effect on the consolidated financial statements.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動

(a) 本集團採納之新訂及經修訂準則

於本年度，本集團已首次應用以下於二零一七年一月一日或之後開始的會計期間強制生效的香港財務報告準則的修訂本：

- 香港會計準則第7號 (修訂本) 披露計劃；
- 香港會計準則第12號 (修訂本) 就未變現虧損確認遞延稅項資產；及
- 香港財務報告準則二零一四年至二零一六年週期之年度改進

香港會計準則第7號 (修訂本) 要求實體作出披露，旨在令財務報表之用戶可評估融資活動所產生負債之變動。本集團各類融資活動之對賬於綜合財務報表附註27(b)披露。除該額外披露外，應用該修訂本不會對綜合財務報表造成任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(a) *New and amended standards adopted by the Group (continued)*

The amendments to HKAS 12 clarify when unrealised losses on a debt instrument measured at fair value would give rise to a deductible temporary difference and how to evaluate whether sufficient future taxable profits are available to utilise a deductible temporary difference. The application of the amendments has not had any material effect on the consolidated financial statements.

Annual improvements to HKFRSs (2014-2016 cycle) include an amendment to HKFRS 12 that clarifies that, when an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with HKFRS 5 Non-current Assets held for Sale and Discontinued operations, it is not required to disclose summarized financial information for that subsidiary, joint venture or associate, as required by HKFRS 12 Disclosure of Interests in Other Entities. The application of the amendments has not had any material effect on the consolidated financial statement.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(a) *本集團採納之新訂及經修訂準則 (續)*

香港會計準則第12號(修訂本)澄清了按公平值計量的債務工具的未變現虧損產生可扣減暫時差額的時間以及評估是否有未來應課稅溢利可用以動用可扣減暫時差額的方法。應用該修訂本不會對綜合財務報表造成任何重大影響。

香港財務報告準則二零一四年至二零一六年週期之年度改進包括香港財務報告準則第12號(修訂本)，當中澄清實體於附屬公司、合營企業或聯營公司的權益(或於合營企業或聯營公司的部分權益)根據香港財務報告準則第5號持作出售的非流動資產及已終止經營業務分類為(或包括在劃分的出售組別內)可供出售權益的時間，根據香港財務報告準則第12號披露於其他實體的權益規定，其毋須披露該附屬公司的財務資料概要。應用該修訂本不會對綜合財務報表造成任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) New and amended Standards issued but not yet adopted

The Group has not applied any of the following new Hong Kong Financial Reporting Standards (“HKFRSs”), amendments to HKFRSs and new interpretations (“new and revised HKFRSs”) that have been issued but are not yet mandatorily effective:

HKFRS 9 Financial Instruments¹

HKFRS 15 and amendments to HKFRS 15 Revenue from Contracts with Customers¹

HKFRS 16 Leases²

HKFRS 17 Insurance Contracts⁵

Amendments to HKFRS 2 Classification and Measurement of Share-based Payment Transactions¹

Amendments to HKFRS 4 Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts¹

Amendments to HKFRS 9 Prepayment Features with Negative Compensation²

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) 已發行但尚未採納的新訂及經修訂準則

本集團並無應用以下任何已發行但尚未強制生效的新訂香港財務報告準則(「香港財務報告準則」)、香港財務報告準則修訂本及新訂詮釋(「新訂及經修訂香港財務報告準則」):

香港財務報告準則第9號 金融工具¹

香港財務報告準則第15號及香港財務報告準則第15號(修訂本) 客戶合約收益¹

香港財務報告準則第16號 租賃²

香港財務報告準則第17號 保險合約⁵

香港財務報告準則第2號(修訂本) 以股份為基礎的付款交易之分類及計量¹

香港財務報告準則第4號(修訂本) 與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具¹

香港財務報告準則第9號(修訂本) 提早還款特性及負補償²

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) New and amended Standards issued but not yet adopted (continued)

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³

Amendments to HKAS 40 Transfers of Investment Property¹

Amendments to HKFRSs Annual Improvements to HKFRS Standards 2014-2016 Cycle⁴

HK(IFRIC) Interpretation 22 Foreign Currency Transactions and Advance Consideration¹

HK(IFRIC) Interpretation 23 Uncertainty over Income Tax Treatments²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective date not yet determined

⁴ For those amendments that will become effective for annual periods beginning on or after 1 January 2018

⁵ Effective for annual periods beginning on or after 1 January 2021

HKFRS 9 Financial Instruments

HKFRS 9 has introduced new requirements for (a) classification and measurement of financial assets, (b) impairment of financial assets and (c) general hedge accounting.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) 已發行但尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第10號 (修訂本) 及香港會計準則第28號 (修訂本) 投資者與其聯營公司或合營企業間之資產出售或注資³

香港會計準則第40號 (修訂本) 轉讓投資物業¹

香港財務報告準則 (修訂本) 香港財務報告準則二零一四年至二零一六年週期之年度改進⁴

香港 (國際財務報告詮釋委員會) – 詮釋第22號 外幣交易及預付代價¹

香港 (國際財務報告詮釋委員會) – 詮釋第23號 所得稅處理的不確定性²

¹ 自二零一八年一月一日或之後開始的年度期間生效

² 自二零一九年一月一日或之後開始的年度期間生效

³ 生效日期待定

⁴ 將於自二零一八年一月一日或之後開始的年度期間生效的該等修訂本

⁵ 自二零二一年一月一日或之後開始的年度期間生效

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號引入有關(a)金融資產的分類及計量、(b)金融資產減值及(c)一般對沖會計處理的新規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

HKFRS 9 Financial Instruments (continued)

With regards to the classification and measurement of financial assets, financial assets that are within the scope of HKFRS 9 are subsequently measured at either amortised cost or fair value. Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. All other financial assets are measured at fair value at the end of each of the subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other debt instrument financial assets and equity investments are measured at their fair value at the end of subsequent accounting periods with changes in fair value recognized in profit or loss, except that the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is neither held for trading nor being contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and the cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第9號金融工具 (續)

就金融資產的分類及計量而言，屬香港財務報告準則第9號範圍的金融資產其後均須按攤銷成本或公平值計量。目的為收取合約現金流量的業務模式所持有及擁有純粹為償還本金及尚未償還本金利息之合約現金流的債務投資，一般於其後會計期間結算日按攤銷成本計量。所有其他金融資產於後會計期間結算日按公平值計量。目的為同時收取合約現金流及出售金融資產的業務模式中所有持有以及合約條款規定現金流量僅為支付本金及尚未償還本金所生利息的債務工具，一般按公平值計入其他全面收益（「按公平值計入其他全面收益」）內計量。所有其他債務工具金融資產及股權投資均於其後報告期末按公平值計量，公平值變動於損益確認，惟本集團可以不可撤回地選擇於其他全面收益內呈列股權投資（並非持作買賣者或香港財務報告準則第3號適用的收購方於業務合併中所確認的或然代價）其後的公平值變動，而在一般情況下，僅有股息收入會於損益中確認，而於終止確認投資時累計公平值變動不會重新分類至損益。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

HKFRS 9 Financial Instruments (continued)

With regards to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. This differs from the accounting treatment under HKAS 39, whereby the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is recognised in profit or loss.

With regards to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to the incurred credit loss model required under HKAS 39. In general, the adoption of the expected credit loss model will require the Group to assess at each reporting date whether there is a significant increase in credit risk of its financial assets since initial recognition and to recognize loss allowance equal to the life time or 12-month expected credit losses depending on whether or not there is a significant increase in credit risk.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第9號金融工具 (續)

就指定為按公平值計入損益的金融負債的計量而言，香港財務報告準則第9號規定，源自金融負債信用風險變動所引致該負債公平值變動的金額須於其他全面收益內呈列，除非在其他全面收益確認該負債的信用風險變動的影響會導致或擴大損益的會計錯配。源自金融負債的信用風險變動所引致的金融負債公平值變動其後不會重新分類至損益內。這與香港會計準則第39號的會計處理不同，指定為按公平值計入損益的金融負債的整筆公平值變動金額於損益內確認。

就金融資產減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。一般而言，採納預期信貸虧損模式需要本集團於各報告日期評估自初始確認以來金融資產的信貸風險是否已大幅增加，及根據信貸風險是否大幅增加確認等於永久或12個月期間預期信貸虧損的虧損撥備。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

HKFRS 9 Financial Instruments (continued)

With regards to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. HKFRS 9 will provide greater flexibility as to the types of transactions eligible for hedge accounting, specifically by broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the Group's risk management activities have also been introduced. HKFRS 9 will allow the Group when it applies the Standard for the first time to choose as its accounting policy to continue to apply the hedge accounting requirements of HKAS 39 Financial Instruments: Recognition and Measurement instead of the requirements in the Standard. If the Group chooses to do so, it should apply that policy to all of its hedging relationships.

HKFRS 9 contains specific transitional provisions for (a) classification and measurement of financial assets; (b) impairment of financial assets; and (c) hedge accounting, which will be adopted by the Group when it applies HKFRS 9 in the year ending 31 December 2018.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第9號金融工具 (續)

就一般對沖會計處理規定而言，香港財務報告準則第9號保留了香港會計準則第39號中目前可用的三類對沖會計機制。然而，香港財務報告準則第9號將符合對沖會計處理之交易類型引入更大靈活性，尤其是擴大合資格作對沖之工具類型及合資格進行對沖會計之非財務項目風險部分之類型。此外，有效性測試已經全面改革，並以「經濟關係」原則取代。對沖有效性不再需要追溯評估。同時，有關本集團風險管理活動亦已引入加強披露要求。香港財務報告準則第9號將允許本集團在首次應用該準則時選擇將繼續應用香港會計準則第39號金融工具：確認及計量代替該準則的規定作為其會計政策。倘本集團選擇如此行事，其應將該政策應用於其所有對沖關係。

香港財務報告準則第9號載有關於(a)金融資產的分類及計量；(b)金融資產減值；及(c)對沖會計處理的特定過渡規定，將由本集團於截至二零一八年十二月三十一日止年度應用香港財務報告準則第9號時採納。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

HKFRS 9 Financial Instruments (continued)

The amendments to HKFRS 9 Prepayment Features with Negative Compensation mainly clarify and provide additional guidance as to when a debt instrument financial asset with a prepayment option would satisfy the “solely payment of principal and interest” test.

The Group has reviewed its financial assets and liabilities as of 31 December 2017 and does not expect significant impact on the Group’s investments currently classified as financial assets at fair value through profit or loss.

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第9號金融工具 (續)

香港財務報告準則第9號(修訂本)提早還款特性及負補償主要澄清及提供有關附帶提早還款選擇權的債務工具金融資產符合「僅為本金及利息的支付」測試的時間的額外指引。

本集團已審閱其於二零一七年十二月三十一日之金融資產及負債，及不預期目前分類為按公平值計入損益(按公平值計入損益)的投資分類有重大影響。

由於新規定僅影響指定按公平值計入損益的金融負債的會計處理，而本集團並無任何相關負債，故對本集團金融負債的會計處理並無重大影響。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

HKFRS 9 Financial Instruments (continued)

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the assets and the facts and circumstances. The Group expects that the application of the expected credit loss model may result in earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第9號金融工具 (續)

香港財務報告準則第9號中的新減值模式以「預期信貸損失」模式取代香港會計準則第39號中的「已產生損失」模式。根據預期信貸損失模式，毋須再待發生損失事件後方確認減值損失。取而代之，實體須根據資產以及事實情況確認及計量預期信貸損失為十二個月預期信貸損失或永久預期信貸損失。本集團預期應用預期信貸損益模式可能導致提早確認應收款的信貸損失。

新訂準則亦引入經擴大披露規定以及呈列變動。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) New and amended Standards issued but not yet adopted (continued)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) 已發行但尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第15號

「客戶合約收益」

香港財務報告準則第15號制定一項單一廣泛模式供實體用作將與顧客之間的合同產生的收入入賬。於香港財務報告準則第15號生效後，其將取代現時之收入確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號之核心原則為，實體應確認收入以說明向顧客轉讓承諾貨品或服務，而有關收入金額能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，香港財務報告準則第15號引入確認收入之五個步驟：

- 第一步：識別與顧客訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於（或隨著）實體完成履約責任時確認收入

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

HKFRS 15 Revenue from Contracts with Customers (continued)

Under HKFRS 15, the Group will recognise revenue when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

HKFRS 15 contains a number of transitional provisions as well as practical expedients to help preparers so through the transition. Please refer to HKFRS 15 for details.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第15號「客戶合約收益」(續)

根據香港財務報告準則第15號，本集團將於實體完成履約責任，即與特定履約責任相關之貨品或服務之「控制權」轉移予顧客時確認收入。

香港財務報告準則第15號已加入更多特定指引以處理特別情況。此外，香港財務報告準則第15號要求更詳盡之披露。

香港財務報告準則第15號包含多項過渡條文以及幫助擬備者順利過渡的實際權宜條文。詳情請參閱香港財務報告準則第15號。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) New and amended Standards issued but not yet adopted (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

Based on the assessment completed to date, the Group has identified the following areas which are expected to be affected:

- (a) The Group's revenue recognition policies are disclosed in note 2.22. The management of the Company has performed a preliminary assessment of the effects of applying the new standard on the Group's consolidated financial statements and preliminary concluded that the application will not have a significant impact on the recognition of revenue based on the existing business model of the Group as at 31 December 2017.
- (b) The Group intends to adopt the new standard using the modified retrospective approach which means that the cumulative impact of the adoption, if any, will be recognised in retained profits as of 1 January 2018 and that comparatives will not be restated.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) 已發行但尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第15號

「客戶合約收益」 (續)

根據至今完成之評估，本集團已識別出下列預期將受影響之方面：

- (a) 本集團之收益確認政策於附註2.22披露。本公司管理層已進行了對應用新訂準則對本集團綜合財務報表之影響之初步評估，及初步推斷該應用不會對根據本集團於二零一七年十二月三十一日之現有業務模式之收益確認產生重大影響。
- (b) 本集團擬使用經修訂追溯方式採納新準則，這意味著採納準則之累積影響（如有）將於截至二零一八年一月一日之保留盈利內確認，且將不會重列比較資料。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

HKFRS 16 Leases

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

With regards to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets.

Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第16號

「租賃」

香港財務報告準則第16號將於其生效時取代當前的租賃指引，包括香港會計準則第17號租賃及相關詮釋。

就承租人會計處理而言，根據香港會計準則第17號，經營租賃及融資租賃的劃分已由某一模式取代，其規定承租人須就所有租賃確認使用權資產及相應負債，惟短期租賃及租賃低價值資產除外。

具體而言，使用權資產初步按成本計量，其後按成本（受若干例外情況所限）減累計折舊及減值虧損（就租賃負債重新計量作出調整）計量。租賃負債初步按於該日尚未支付的租賃付款現值計量。其後，租賃負債就利息及租賃付款作出調整。此外，現金流量的分類亦將受到影響，原因為香港會計準則第17號下的經營租賃付款呈列為經營現金流量，而根據香港財務報告準則第16號模式，租賃付款將拆分為本金及利息部分，分別呈列為融資現金流量及經營現金流量。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

- (b) *New and amended Standards issued but not yet adopted (continued)*
HKFRS 16 Leases (continued)

With regards to lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$8,679,980, the majority of which is payable either between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted.

However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

- (b) 已發行但尚未採納的新訂及經修訂準則 (續)
香港財務報告準則第16號「租賃」 (續)

就出租人會計處理而言，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求並繼續要求出租人將其租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求於財務報表內作出全面披露。

該準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團擁有不可撤銷經營租賃承擔8,679,980港元，其中大部分應於報告日期後一至五年內支付。因此，一旦香港財務報告準則第16號獲採納，該等款項中部分需確認為與相關使用權資產有關的租賃負債。

然而，本集團尚未評估須作出何種其他調整（如有），例如，由於租賃期的釋義變動以及可變租賃付款與續租及終止選擇權的不同處理。因此，尚未能估計於採納新訂準則時必須確認的使用權資產及租賃負債金額以及其將可能如何影響本集團的損益與未來現金流量分類。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) New and amended Standards issued but not yet adopted (continued)

Amendments to HKFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

- In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
- Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a "net settlement feature", such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
- A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows: the original liability is derecognised. The equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date. Any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) 已發行但尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第2號(修訂本)「以股份為基礎的付款交易之分類及計量」

該等修訂本澄清以下各項：

- 於估計以現金結算以股份為基礎付款的公平值時，影響股權結算以股份為基礎的付款的歸屬及非歸屬條件的會計處理應遵循同一方法。
- 倘稅法或法規規定實體須預扣相當於僱員稅務責任貨幣價值的特定數目股權工具，以履行僱員稅務責任，其後將匯款予稅務機構，如以股份為基礎的付款安排具備「淨額結算特徵」，該安排將整體分類為以股權結算，倘其並非載入淨額結算特徵，則以股份為基礎的付款將分類為股權結算。
- 由現金結算變為股權結算的交易的以股份為基礎的付款的修訂應按以下方式入賬：取消確認初始負債。倘於修訂日期提供該等服務，股權結算以股份為基礎的付款將按修訂日期已授出股權工具的公平值確認。修訂日期負債的賬面值與於股權中確認的金額之間的差額將立即於損益確認。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

Amendments to HKFRS 2 Classification and Measurement of Share-based Payment Transactions (continued)

The Group does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments and hence the Directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) 已發行但尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第2號(修訂本)「以股份為基礎的付款交易之分類及計量」(續)

本集團並無就以股份為基礎的付款與稅務機構訂有任何現金結算以股份為基礎的付款安排或任何預扣稅安排，因此，董事預測，於日後應用該等修訂本將不會對本集團的綜合財務報表造成重大影響。

香港財務報告準則第10號(修訂本)及香港會計準則第28號(修訂本)「投資者與其聯營公司或合營企業間之資產出售或注資」

香港財務報告準則第10號(修訂本)及香港會計準則第28號(修訂本)處理投資者與其聯營公司或合營企業之間出現資產出售或注資的情況。具體而言，該等修訂本說明因在與聯營公司或合營企業(以權益法入賬)的交易中失去對並無包含業務之附屬公司的控制權所得盈虧，應於母公司損益賬確認且僅以非相關投資者於該聯營公司或合營企業之權益為限。類似地，按於成為聯營公司或合營企業(以權益法列賬)之任何前附屬公司所保留之投資公平值重新計量所得盈虧，於前母公司損益賬確認且僅以非相關投資者於新聯營公司或合營企業之權益為限。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) *New and amended Standards issued but not yet adopted (continued)*

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (continued)

The Group did not enter into these transactions in the current year. The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

HK(IFRIC) Interpretation 22 Foreign Currency Transactions and Advance Consideration

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. The Interpretation concludes that the date of the transaction for the abovementioned purpose is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The Directors of the Company do not anticipate that the application of the Interpretation will have a material impact on the Group's consolidated financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露規定之變動 (續)

(b) *已發行但尚未採納的新訂及經修訂準則 (續)*

香港財務報告準則第10號(修訂本)及香港會計準則第28號(修訂本)「投資者與其聯營公司或合營企業間之資產出售或注資」(續)

本集團於本年度並未訂立任何該等交易。本公司董事預期，倘發生有關交易，應用該等修訂本可能會對本集團未來期間的綜合財務報表產生影響。

香港(國際財務報告詮釋委員會)－詮釋第22號「外幣交易及預付代價」

該詮釋說明了釐定交易日期的方法，旨在釐定於初步確認有關就支付或收取以外幣計值的預付代價產生的非貨幣資產或非貨幣負債取消確認相關資產、開支或收入(或其部分)所使用的匯率。該詮釋總結就上述目的的交易日期為實體初步確認支付或收取預付代價的非貨幣資產或非貨幣負債之日。

本公司董事預計應用該詮釋將不會對本集團的綜合財務報表造成重大影響。

概無尚未生效及預期將於當期或未來報告期間對實體及對可預見未來交易造成重大影響的其他準則。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2. 主要會計政策概要 (續)

2.2 附屬公司

2.2.1 綜合入賬

附屬公司指本集團可對其行使控制權的實體(包括結構實體)。當本集團承受或享有參與投資實體所得之可變回報,且有能力透過其對實體之權力影響該等回報時,則本集團控制該實體。附屬公司自控制權轉移予本集團當日起全面綜合入賬,並由控制權終止當日起停止綜合入賬。

集團內公司間之交易、集團公司間交易的結餘及未變現收益得予以對銷。未變現虧損亦予以對銷。附屬公司之申報金額已作必要調整,以符合本集團的會計政策。

於附屬公司業績及權益的非控股權益分別於綜合損益及其他全面收入報表、股權變動報表及財務狀況報表內單獨列示。

本集團將與非控股權益的交易(並不導致喪失控制權)視作與本集團權益擁有人的交易。所有權權益變動導致控股權益與非控股權益賬面值之間的調整以反映彼等於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司擁有人應佔權益中的獨立儲備內確認。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

2. 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.2 獨立財務報表

於附屬公司之投資乃以成本減去減值之方法計算。成本亦包括投資直接應佔成本。附屬公司之業績乃由本公司按股息及應收款項入賬。

倘投資附屬公司所產生之股息超過附屬公司於派息期間之全面總收入，或獨立財務報表內之投資賬面值超過綜合財務報表內被投資者之淨資產（包括商譽）賬面值，則在收取有關投資所得股息時即須對此等投資進行減值測試。

2.3 聯營公司

聯營公司指所有本集團對其有重大影響力但無控制權之實體，通常擁有其附帶20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益會計法，投資初步按成本確認，於收購日期後，賬面值將予增加或減少以確認投資者應佔被投資方之利潤或虧損。本集團於聯營公司之投資包括收購時已識別之商譽。於收購聯營公司之所有權權益時，聯營公司成本與集團應佔聯營公司可識別資產及負債之公平值淨值之間的任何差額乃入賬列作商譽。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Associates (continued)

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

The Group's share of post-acquisition profits or losses is recognized in the consolidated statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statements of changes in equity. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit of associates" accounted for equity method in the consolidated statement of profit or loss and other comprehensive income.

2. 主要會計政策概要 (續)

2.3 聯營公司 (續)

倘於聯營公司之所有權權益減少但重大影響力獲保留，則僅有應佔先前於其他全面收入內確認之金額之若干比例會重新劃分為利潤或虧損（如適用）。

本集團應佔收購後利潤或虧損於綜合損益及其他全面收入報表確認，而應佔之其他全面收入之收購後變動則確認於其他全面收入並相對應對投資賬面值作出調整。此外，當於聯營公司之股權直接確認變動時，本集團於綜合股權變動表確認其應佔之任何變動（倘適用）。倘本集團應佔一間聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款項，本集團不會確認進一步虧損，除非本集團已代表聯營公司承擔法定或推斷責任或作出付款。

本集團於各報告日期釐定是否有任何客觀證據顯示於聯營公司之投資出現減值。倘出現減值，本集團會將減值金額作為聯營公司之可收回金額與其賬面值之差額計算，並於綜合損益及其他全面收入報表內以權益法入賬「應佔聯營公司利潤」之金額。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognized in the consolidated statement of profit or loss and other comprehensive income.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior executive management that makes strategic decisions.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策概要 (續)

2.3 聯營公司 (續)

本集團與其聯營公司之間之上游及下游交易所產生之利潤及虧損，只會限於無關投資者佔聯營公司權益範圍在本集團之財務報表內確認。除非該項交易有證據顯示所轉讓資產已減值，否則未變現虧損予以對銷。聯營公司之會計政策在有需要時已作改動，以確保與本集團所採用者一致。

攤薄聯營公司股權的盈利或虧損於綜合損益及其他全面收入表確認。

2.4 分部報告

經營分部報告方式與向主要經營決策者之內部報告方式一致。主要經營決策者負責分配資源及評估經營分部表現，已確認為作出戰略決策之高級執行管理層。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分條件，則可以合計為一個報告分部。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss and other comprehensive income.

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

2. 主要會計政策概要 (續)

2.5 外幣換算

(a) 功能及呈報貨幣

本集團每個實體於財務報表所列項目，均以有關實體經營業務所在主要經濟環境所用貨幣（「功能貨幣」）計量。綜合財務報表以本公司之功能貨幣及本集團之呈報貨幣港元（港元）列值。

(b) 交易及結餘

外幣交易按交易日期或於項目經重新計量時之估值日期之現行匯率換算為功能貨幣。結算該等交易及按年結時匯率換算以外幣計值貨幣資產及負債所產生之匯兌盈虧，均於綜合損益及其他全面收入報表確認。

非貨幣金融資產及負債（例如按公平值計入損益之權益）之換算差額，乃列作公平值盈虧之一部分於損益確認。非貨幣金融資產（例如分類為可供出售之權益）之換算差額，則計入其他全面收入。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation (continued)

(c) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions);
- all resulting currency translation differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2. 主要會計政策概要 (續)

2.5 外幣換算 (續)

(c) 集團旗下公司

本集團旗下所有功能貨幣與呈報貨幣不同之實體(該等實體概無擁有嚴重通脹經濟體系之貨幣)之業績及財務狀況,按以下方式換算為呈報貨幣:

- 各財務狀況報表所呈列資產及負債,按財務狀況報表結算日之收市匯率換算;
- 各損益之收入及支出按平均匯率換算(除非該平均數並非交易當日適用匯率累計影響之合理約數,在此情況下,收入及開支按交易當日匯率換算);
- 所有產生之貨幣換算差額於其他全面收入確認。

收購外國實體所產生商譽及公平值調整當作外國實體之資產及負債處理,並按收市匯率換算。所產生之外幣換算差額於其他全面收入確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land and Buildings	25 years
Leasehold improvements	3 to 5 years, or Over the term of leases if shorter
Office equipment and furniture	3 to 5 years
Computer equipment	3 years
Motor vehicles	3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of profit or loss.

2. 主要會計政策概要 (續)

2.6 物業、機器及設備

物業、機器及設備按歷史成本減折舊列賬。歷史成本包括直接源自收購有關項目之開支。其後成本僅於與有關項目之日後經濟利益可能流入本集團且該項目之成本能可靠計量時，方計入資產賬面值或確認為獨立資產（視適用情況而定）。被更換部分之賬面值將終止確認。所有其他維修及保養於產生之財政期間在綜合損益及其他全面收入報表扣除。

物業、機器及設備之折舊乃以直線法計算，按其估計可使用年期，將其成本分配至其剩餘價值，可使用年期如下：

土地及樓宇	25年
租賃物業裝修	3至5年，或按租約或年期，以較低者為準
辦公室設備及傢私	3至5年
電腦設備	3年
汽車	3至10年

資產之剩餘價值及可使用年期於各報告期間結束時檢討，並在適當時作出調整。

倘資產之賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

出售盈虧按所得款項與賬面值之比較釐定，並於損益表內確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

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

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

(b) Trading rights

The Group’s intangible assets represent eligibility rights to trade on or through the Stock Exchange and on the Hong Kong Future Exchange Limited. The trading rights are carried at cost less accumulated amortization and accumulated impairment losses.

2. 主要會計政策概要 (續)

2.7 無形資產

(a) 商譽

商譽於收購附屬公司時產生，即所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的權益於收購日期的公平值高於已收購可識別資產淨值的公平值時的差額。

就減值測試而言，業務合併所得的商譽將分配至每個可受惠於合併協同效益的現金產生單位（「現金產生單位」）或現金產生單位群組。每個獲分配商譽的單位或群組為該實體內可就內部管理而監察商譽的最低層面。商譽於營運分類層面監控。

商譽會每年審閱是否需要減值，若有事件或情況轉變顯示可能出現減值，則會增加審閱次數。包含商譽的現金產生單位之賬面值與可收回金額（即使用價值或公平值減出售成本，取較高者）作比較。若出現減值即時確認為開支，其後不會撥回。

(b) 買賣權

本集團之無形資產指於或透過聯交所及香港期貨交易所有限公司買賣之合資格權利。買賣權利乃按成本減累計攤銷及累計減值虧損列賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets (continued)

(c) Software

The software has a finite useful life and is carried at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method to allocate the cost of software over its estimated useful life from 5 to 10 years.

(d) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date.

The expected useful life of the contractual customer relationships determined to be 8 years. The contractual customer relationships have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the said expected useful life of the customer relationships.

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2. 主要會計政策概要 (續)

2.7 無形資產 (續)

(c) 軟件

軟件有限定可使用年期，並按成本減累計攤銷及減值列賬。攤銷採用直線法計算，在軟件估計可使用年期為5年至10年內分配軟件成本。

(d) 合約客戶關係

於業務合併時取得之合約客戶關係按照於收購日期之公平值確認。

合約客戶關係的預期可使用年期釐定為8年。具有可使用確定年期的合約客戶關係按成本減累計攤銷列賬。上述客戶關係的預期可使用年期採用直線法計算攤銷。

2.8 非金融資產減值

具有無限使用年期之無形資產或毋須攤銷，但須每年作出減值測試，或倘發生事件或情況轉變而顯示可能減值，測試次數會更頻密。倘發生任何顯示未能收回資產賬面值之事項或情況變化，本集團將對其他資產進行減值測試。減值虧損按資產賬面值超越其可收回款額之數額確認。可收回金額為資產公平值減出售成本後之價值與其使用價值兩者之間之較高者。評估資產減值時，本集團按可個別可識別現金流量（很大程度上獨立於其他資產或資產組別產生的現金流入）之最低水平劃分資產類別（現金產生單位）。出現減值之非金融資產（商譽除外）於各報告期末審閱，確定是否可能撥回減值。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets

Classification

The Group's financial assets fall into the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial assets at fair value through profit and loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or it is a derivative which is not designated as a hedging instrument. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables" and "deposits and other receivables" and "loans and receivables" in the consolidated statement of financial position.

2. 主要會計政策概要 (續)

2.9 金融資產

分類

本集團之金融資產為按公平值計入損益之金融資產、及貸款以及應收款項。分類視乎購入金融資產之目的而定。管理層於初步確認時決定金融資產之分類。

(a) 按公平值計入損益之金融資產

按公平值計入損益之金融資產包括待售金融資產及於初始確認時制定為按公平值計入損益之金融資產。倘購入時主要目的為在短期內出售或其為未獲指定為對沖工具的衍生工具，則金融資產歸入此類別。倘預計於十二個月內買賣，則此類別的資產分類為流動資產，否則則分類為非流動資產。

(b) 貸款及應收款項

貸款及應收款項為有固定或待定付款且並無在活躍市場報價之非衍生金融資產。貸款及應收款項計入流動資產，惟於或預期於報告期間結束後超過十二個月清償者，則分類為非流動資產。本集團之貸款及應收款項包括綜合財務狀況報表中之「應收貿易款項」、「按金及其他應收款項」及「貸款及應收款項」。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

Recognition and measurement

Regular way purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the statement of profit or loss within “Other income and loss, net” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of other income when the Group’s right to receive payments is established.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amount and there is an intention to settled on a net basis or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

確認及計量

金融資產之常規買賣在交易日確認，交易日指本集團承諾購入或出售該資產之日。就並非按公平值計入損益之所有金融資產而言，投資初步按公平值加交易成本確認。按公平值計入損益之金融資產初步按公平值確認，而交易成本則於綜合損益及其他全面收入報表支銷。自投資獲取現金流量之權利已到期或轉讓，且本集團已將擁有權之絕大部分風險和回報轉讓時，則金融資產會終止確認。貸款及應收款項其後以實際利率法按攤銷成本列賬。

來自「按公平值計入損益的金融資產」類別的公平值變動所產生的盈虧，列入產生期間損益表內的「其他收入及虧損淨值」中。來自按公平值計入損益的金融資產的股息收入，當本集團確定收取有關款項的權利時，於損益表內確認為其他收入之一部分。

2.10 抵銷金融工具

金融資產及負債於有法定強制權以抵銷已確認金額及於擬按淨值基準結算或同時將資產變現及償付負債時予以抵銷，而有關淨額於財務狀況表內呈報。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時亦須具有約束力。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets

Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

2. 主要會計政策概要 (續)

2.11 金融資產減值

按攤銷成本列值之資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。倘因於初步確認資產後發生之一項或多項事件(「虧損事件」)而出現客觀減值證據，而該項虧損事件(或多項事件)對一項金融資產或一組金融資產之估計未來現金流量之影響能可靠地估計，則該項金融資產或該組金融資產方為出現減值，並產生減值虧損。

減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

就貸款及應收款項類別而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生之未來信貸虧損)之現值兩者之差額計量。資產賬面值予以削減，而虧損金額則在損益表確認。如貸款有浮動利率，計量任何減值虧損之貼現率為按合同釐定之當前實際利率。作為可行權宜之計，本集團可按某工具之公平值按可觀察市價計算之基礎計量其減值。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

Assets carried at amortized cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method for the commodities finished goods and the weighted average method for the student cards and school safety products and specific identification basis for the motor vehicles. The cost of finished goods is arrived at based on purchase cost. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade and other receivables

Trade receivables are amount due from customers for merchandise sold or services performed in ordinary the course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2. 主要會計政策概要 (續)

2.11 金融資產減值 (續)

按攤銷成本列值之資產 (續)

如在後期，減值虧損之款項減少，而此減少可客觀地聯繫至減值確認後才發生之事件（例如債務人之信用評級有所改善），則之前已確認之減值虧損可在損益表中撥回。減值虧損之撥回將不會導致資產賬面值超過倘過往年度並無確認減值虧損而釐定之賬面值。

2.12 存貨

存貨以成本與可變現淨值兩者中之較低者列賬。成本以商品成品之先進先出法（「先進先出法」）及學生證及校園安全產品之加權平均法以及汽車的特定識別基準釐定。成品成本按採購成本計算。其不包括借貸成本。可變現淨值則以日常業務過程中估計出售價個減適用的變動銷售開支計算。

2.13 應收貿易款項及其他應收款項

應收貿易款項乃於日常業務過程中向客戶銷售貨品或提供服務而應收之款項。倘應收貿易款項及其他應收款項預期將在一年或以內收回（若更長則在業務正常經營週期內），則歸類為流動資產，否則，呈列為非流動資產。

應收貿易款項及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本計量，並扣減減值撥備。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.15 Share capital

Ordinary shares are classified as equity.

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

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Borrowings

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

2. 主要會計政策概要 (續)

2.14 現金及現金等值項目

現金及現金等值項目包括手頭現金及原於三個月內到期之銀行活期存款、其他短期高流動性投資。

2.15 股本

普通股分類為權益。

發行新股份或購股權直接應佔成本之增加，扣除稅項後於權益列作所得款項扣減。

2.16 應付貿易款項

應付貿易款項為在日常經營活動中從供應商購買商品或服務而應支付之責任。如應付貿易款項之支付日期在一年或以內（如仍在正常經營週期中，則可較長時間），其被分類為流動負債，否則，呈列為非流動負債。

應付貿易款項初步以公平值確認，其後利用實際利率法按攤銷成本計量。

2.17 借款

借款初步按公平值扣除已產生交易成本確認，其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間之任何差額利用實際利率法於借款期間之綜合損益及其他全面收入報表確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Borrowings (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.18 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit and loss, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with HKAS 18 Revenue.

2. 主要會計政策概要 (續)

2.17 借款 (續)

除非本集團有權無條件將債務結算日期遞延至報告期結束後至少十二個月，否則借款將被劃分為流動負債。

與收購、建造或生產合資格資產（即須一段頗長時間方能達至其預定或出售用途之資產）直接相關之一般及特定借貸成本予以資本化，作為該等資產之成本，直至該等資產大致達至其預定或出售用途時為止。

所有其他借貸成本於其產生期間在損益中確認。

2.18 財務擔保合約

財務擔保合約乃在債務工具根據其條款到期時特定債務人無法還款之情況下要求發行人向持有人支付特定金額以補償其所受損失之合約。

由本集團發行之財務擔保合約，初步按其公平值確認及，倘其未透過損益於公平值確認，則其後以下列較高者計量：

- 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之合約項下責任款額；及
- 初步確認之款額減（如適用）根據香港會計準則第18號「收益」確認之累計攤銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax

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

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2. 主要會計政策概要 (續)

2.19 即期及遞延所得稅

期內稅項開支包括即期及遞延所得稅。稅項於綜合損益及其他全面收入報表確認，惟倘稅項與在其他全面收入確認或直接計入權益之項目有關則除外，在此情況下，稅項亦分別於其他全面收入或直接於權益確認。

即期所得稅

即期所得稅開支乃按報告期間結束時本公司附屬公司及聯營公司經營及產生應課稅收入之國家已頒佈或已實際頒佈之稅法計算。管理層定期評估適用稅項法規有待詮釋情況下稅務申報情況，並在適當情況下按預期將支付稅務機關之款項計提撥備。

遞延所得稅

遞延所得稅乃採用負債法，就資產及負債稅基與其於綜合財務報表之賬面值間產生之暫時差額作出確認。然而，倘遞延所得稅負債由初步確認商譽而產生，則不會確認遞延所得稅負債，倘於初步確認於進行交易時不會影響會計或應課稅利潤或虧損之交易（業務合併除外）之資產或負債時產生遞延所得稅，則不予列賬。遞延所得稅按於報告期間已頒佈或已實際頒佈之稅率（及法例）釐定，預期於變現相關遞延所得稅資產或清償遞延所得稅負債時適用。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

Deferred income tax (continued)

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

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. 主要會計政策概要 (續)

2.19 即期及遞延所得稅 (續)

遞延所得稅 (續)

遞延所得稅資產僅於日後很可能獲得足夠應課稅利潤用以抵銷暫時差額時確認。

遞延所得稅負債就於附屬公司及聯營公司之投資所產生暫時差額計提撥備，惟遞延所得稅負債除外，在此情況下，本集團可控制撥回暫時差額之時間及暫時差額將不大可能於可預見將來撥回則除外。一般而言，本集團無法控制聯營公司之暫時差額撥回。僅當簽訂協議賦予本集團能力控制於可預見將來撥回暫時差額時，方不會就該聯營公司之未分派利潤所產生應課稅暫時差額確認遞延稅項負債。

僅當暫時差額有可能於未來撥回且能夠利用暫時差額抵扣足夠的應課稅利潤時，方會就遞延所得稅資產確認有關於附屬公司及聯營公司之投資所產生之可扣減暫時差額。

當享有可依法執行的權利將即期所得稅資產與即期所得稅負債抵銷，以及當遞延所得稅資產及負債涉及同一稅務機關對應課稅實體或有意按淨額基準結清結餘的不同應課稅實體徵收所得稅，則可將遞延所得稅資產與負債互相抵銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

Deferred income tax (continued)

Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

(a) *Pension obligations*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully within 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. During the reporting period, the total amount of forfeited contributions, which arose upon employees leaving the MPF Scheme and available to reduce the contribution payable in future years was nil (2016: Nil).

2. 主要會計政策概要 (續)

2.19 即期及遞延所得稅 (續)

遞延所得稅 (續)

抵銷

當享有可依法執行的權利將即期所得稅資產與即期所得稅負債抵銷，以及當遞延所得稅資產及負債涉及同一稅務機關對應課稅實體或有意按淨額基準結清結餘的不同應課稅實體徵收所得稅，則可將遞延所得稅資產與負債互相抵銷。

2.20 僱員福利

(a) *退休金供款*

本集團根據強制性公積金計劃條例為合資格參與定額供款強制性公積金退休福利計劃(「強積金計劃」)之僱員，設立強積金計劃。供款乃按僱員基本薪金若干百分比作出，並於根據強積金計劃規則須作出供款時在綜合損益及其他全面收入報表扣除。強積金計劃資產與本集團資產分開處理，由獨立管理基金持有。本集團僱主供款於向強積金計劃供款時全數撥歸僱員所有，惟根據強積金計劃規則，僱員於供款全數撥歸僱員所有前離職，則本集團僱主之自願供款將撥還本集團。於報告期間，因僱員終止參與強積金計劃而被沒收之供款總額為零港元(二零一六年：無)，該款額可用作減低未來年度應付之供款。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(a) Pension obligations (continued)

Retirement benefits to employees in the PRC are provided through a defined contribution plan. The Group is required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

2. 主要會計政策概要 (續)

2.20 僱員福利 (續)

(a) 退休金供款 (續)

於中國之僱員之退休福利透過定額供款計劃提供。本集團須參與由地方市政府營運之中央退休金計劃。本集團須按僱員薪金之若干百分比向中央退休金計劃供款。供款將於根據中央退休金計劃之規則應付時自綜合損益及其他全面收入報表扣除。本集團並無法律或推定責任於支付定額供款後進一步供款。

(b) 股份補償

本集團設有多個以股本結算並以股份支付之補償計劃。根據該等計劃，有關實體獲得僱員所提供之服務以作為本集團權益工具（購股權）之代價。以授出購股權作為代價而獲得之僱員服務之公平值確認為開支。支銷總額乃參考所授出購股權之公平值釐定：

- 包括任何市場表現條件（例如一個實體之股價）；
- 不包括任何服務及非市場表現之歸屬條件（例如盈利能力、銷售增長指標及於一段特定時間內是否仍然為該實體之僱員）之影響；及
- 包括任何非歸屬條件之影響（例如僱員儲蓄之規定）。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(b) Share-based compensation (continued)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2. 主要會計政策概要 (續)

2.20 僱員福利 (續)

(b) 股份補償 (續)

於作出有關預期歸屬購股權數目之假設時，會計入非市場性質表現及服務條件。開支總額於歸屬期間確認，而歸屬期間為滿足所有特定歸屬條件之期間。

於各報告期間結束時，本集團會基於非市場表現及服務條件修訂其估計預期可歸屬之購股權數目。本公司於綜合損益表確認修訂原有估計之影響（如有），並就權益作出相應調整。

此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公平值就確認服務開始期間與授出日期之間期間內的開支作出估計。

於購股權獲行使時，本公司會發行新股份。已收所得款項扣除任何直接應佔交易成本後，撥入股本。

本公司向集團附屬公司僱員授出涉及權益工具之購股權，乃視為資本投入。獲得之僱員服務之公平值乃參考授出日之公平值計量，並於歸屬期內確認為對附屬公司投資之增加，並於母公司實體賬目之權益中計入相應數額。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.21 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2. 主要會計政策概要 (續)

2.20 僱員福利 (續)

(c) 離職福利

倘本集團於僱員正常退休日期前終止僱傭關係或僱員接受自願遣散以換取該等福利，本集團可給予離職福利。本集團會按以下日期較早者確認離職福利：(a)當本集團無可能撤回提供該等福利；及(b)當實體確認重組成本（香港會計準則第37號範圍內）並涉及支付離職福利。倘提出一項要約以鼓勵自願遣散，則離職福利將按預期接受要約之僱員數目計量。在報告期末後超過12個月支付的福利則貼現至其現值。

2.21 撥備

倘本集團因過往發生之事件須承擔現有法定或推定責任而極有可能須動用資源解除責任，則在能夠可靠估算責任金額之情況下確認撥備。未來經營虧損不會被確認為撥備。

倘本集團承擔若干類似責任，於釐定解除責任是否需要流出資源時，將考慮整類責任。即使同類責任當中任何一個項目導致資源流出之可能性甚低，亦會確認撥備。

撥備乃按預期解除責任所需開支，以反映當時市場對貨幣時間值及責任特定風險之評估之除稅前折現之現值計算。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below:

- (a) Commission income from securities and futures brokerage is recognized on a trade date basis.
- (b) Commission income from precious metal brokerage is recognized on a trade date basis.
- (c) Service income are recognized when the relevant services have been rendered.
- (d) Realized gains or losses on spot trading on precious metal contracts are recorded on a trade date basis whilst unrealized fair value gains or losses are recognized by translating the contract amounts at the prices ruling at the end of each reporting period.
- (e) Realized fair value gains or losses on securities trading are recorded on a trade date basis whilst unrealized fair value gains or losses are recorded on change in fair value on the reporting period.
- (f) Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

2. 主要會計政策概要 (續)

2.22 收益確認

收益按已收取或應收取代價之公平值計量確認，即所提供商品之應收款項，經扣除退貨折扣及增值稅後列賬。當收益數額能可靠計量、未來經濟利益有可能流入實體時，而本集團每項活動均符指定標準時，本集團會如下文所述確認收益：

- (a) 證券及期貨經紀佣金收入按交易日基準確認。
- (b) 貴金屬經紀佣金收入按交易日基準確認。
- (c) 服務收入於相關服務獲提供時確認。
- (d) 貴金屬現貨合約交易之變現損益按交易日期基準入賬，而未變現之公平值損益透過按各報告期末之價格換算合約金額予以確認。
- (e) 證券買賣之已變現公平值收益或虧損按交易日期基準記錄，而未變現公平值收益或虧損則按報告期間之公平值變動記錄。
- (f) 利息收入乃使用實際利率法確認。於貸款及應收款項減值時，本集團會將賬面值減至其可收回款額，即按有關工具原有實際利率折現之估計日後現金流量，並繼續將折現額撥作利息收入。減值貸款之利息收入及應收款項按原本實際利率確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue recognition (continued)

- (g) Dividend income is recognized when the right to receive payment is established.
- (h) Revenue from sales of motor vehicles and electronic student cards and school safety products is recognised upon transfer of significant risk and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.
- (i) Agency income from trading of motor vehicles sourcing is recognized on a net basis, when the agency services have been rendered.

2.23 Leases

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

2.24 Related parties

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

- (a) A person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- (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 of a parent, subsidiary or fellow subsidiary of the other entity);

2. 主要會計政策概要 (續)

2.22 收益確認 (續)

- (g) 股息收入在收取有關股息之權利被確立時予以確認。
- (h) 銷售汽車及電子學生證和校安產品之收益乃於商品擁有權之大部分風險及回報轉移時(通常與商品付運予客戶及所有權轉讓之時間一致)確認。
- (i) 汽車貿易代理費收入於提供代理服務時按淨額基準確認。

2.23 租約

凡擁有權之絕大部分風險及回報由出租人保留之租約，均列為經營租約。根據經營租約支付之租金(在扣除自出租人收取之任何優惠後)，按直線法於租賃期內在綜合損益及其他全面收入報表支銷。

2.24 有關連人士

以下人士被認為與本集團有關連，倘：

- (a) 該人士為符合以下條件的人士或該人士的近親
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理人員；
- (b) 倘下列任何條件均適用，實體與本集團相關：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 該實體為另一實體的聯營公司或合資企業(或該實體為另一實體的母公司、附屬公司或同系附屬公司)；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Related parties (continued)

(b) (continued)

- (iii) the entity and the Group are joint ventures of the same third party;
- (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); and
- (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 members of the family 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.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, fair value interest rate risk, and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

2. 主要會計政策概要 (續)

2.24 有關連人士 (續)

(b) (續)

- (iii) 該實體與本集團均為同一第三方的合資企業；
- (iv) 該實體為第三方實體的合資企業，而另一實體為該第三方實體的聯營公司；
- (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃；
- (vi) 該實體受(a)所識別人士控制或共同控制；及
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體（或該實體的母公司）主要管理人員。
- (viii) 該實體或本集團任何成員公司向本集團或本集團之母公司提供主要管理層人員服務。

某人士的近親家庭成員為在與該實體交易時預期會影響該名人士或受到該名人士影響的家庭成員。

3. 財務風險管理

3.1 財務風險因素

本集團之經營活動面對各種財務風險，計有：市場風險（包括外匯風險、價格風險、公平值利率風險及現金流量利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃專注於金融市場不可預測之特性，務求將對本集團財務表現帶來之潛在負面影響降至最低。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk

(i) Foreign exchange risk

Transactional currency exposures arise from the sales or purchase by operating units in currency other than the unit's functional currency. The Group's exposure to foreign currency risk is minimal as almost all of the Group's revenue and costs of the operating units are denominated in the HK\$ and RMB, the respective functional currency of the Group entities, with most of the Group's monetary assets, liabilities are principally denominated in the respective functional currencies of HK\$ and RMB. The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flows generated from business transactions locally. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(ii) Price risk

The Group is exposed to equity price risk arising from trading of listed equity securities which are listed on the Stock Exchange of Hong Kong and the market price change on the unlisted investment funds classified as financial assets at fair value through profit or loss. To manage its price risk arising from these investments, the Group diversifies its portfolio. The sensitivity analysis has been determined based on the exposure to related price risk of these investments.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險

(i) 外匯風險

交易貨幣風險來自營運單位使用單位功能貨幣以外貨幣進行之銷售或採購。由於本集團大部分收益及營運單位成本以本集團實體之各自功能貨幣港元及人民幣計值，且本集團之大部份貨幣資產及負債主要以各自功能貨幣港元及人民幣計值，因此本集團面對之外匯風險不大。本集團透過當地業務交易產生之現金流為其當地營運及投資提供資金，以管理於日常業務過程及於海外業務之投資中產生之匯兌風險。本集團目前並無外幣對沖政策。然而，管理層密切監察外幣風險及將於有需要時考慮對沖重大外匯風險。

(ii) 價格風險

本集團之股本價格風險乃來自於香港聯交所上市之上市證券買賣及分類為按公平值計入損益的金融資產的非上市投資基金的市價變動。為管理該等投資產生之價格風險，本集團持有不同風險範圍之投資組合。敏感度分析乃基於該等投資所承擔之相關價格風險釐定。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

At the end of the reporting period, if the quoted market prices of the trading securities had been 5% higher or lower while all other variables were held constant, the Group's net loss for the year would decrease or increase by approximately HK\$985,000 (2016: HK\$3,198,000) as a result of changes in fair value of securities held for trading.

(iii) Cash flow and fair value interest rate risk

During the years ended 31 December 2016 and 2017, the Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and borrowings which carry prevailing market interest rates. The directors considered that the Group's income and operating cash flows are substantially independent of changes in market interest rates.

As at 31 December 2017 and 2016, the Group's cash flow interest rate risk relates primarily to its variable bank deposits and borrowings. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險 (續)

於報告期末，倘買賣證券之市場報價上升或下降5%而其他所有變量維持不變，本集團之年內淨虧損將因買賣證券之公平值變動而減少或增加約985,000港元（二零一六年：3,198,000港元）。

(iii) 現金流量及公平值利率風險

截至二零一六年及二零一七年十二月三十一日止年度，由於按現行市場利率計息的銀行存款及借貸之現行市場利率波動，本集團面對現金流量利率風險。董事認為本集團之收入及經營現金流量大致獨立於市場利率變動。

於二零一七年及二零一六年十二月三十一日，本集團之現金流量利率風險主要與其銀行存款及借貸之浮動利率有關。本集團目前並無使用任何衍生合約對沖其面對之利率風險。然而，如有需要，管理層將考慮對沖重大利率風險。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

As at 31 December 2017 and 2016, if interest rates on the bank borrowings had been decreased/increased by 50 basis points with all other variables held constant, the Group's post-tax loss for the years ended 31 December 2017 and 2016 would decrease/increase by approximately HK\$27,000 and HK\$36,000 respectively.

As at 31 December 2017 and 2016, if interest rates on the bank deposits had been decreased/increased by 50 basis points with all other variables held constant, the Group's post-tax loss for the years ended 31 December 2017 and 2016 would increase and decrease by approximately HK\$792,912 and HK\$1,231,976 respectively.

As at 31 December 2017 and 2016, the Group is exposed to the fair value interest rate risk relating to the loans and receivables. However, the Directors consider the repayable term of the loans and receivables is within one year, therefore, the fair value interest rate risk is immaterial.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

於二零一七年及二零一六年十二月三十一日，在所有其他變數維持不變之情況下，倘銀行借貸利率下降/上升50個基點，本集團截至二零一七年及二零一六年十二月三十一日止年度之除稅後虧損會分別下降/上升約27,000港元及36,000港元。

於二零一七年及二零一六年十二月三十一日，在所有其他變數維持不變之情況下，倘銀行存款利率下降/上升50個基點，本集團截至二零一七年及二零一六年十二月三十一日止年度之除稅後虧損會分別上升和下降約792,912港元及1,231,976港元。

於二零一七年及二零一六年十二月三十一日，本集團承受貸款及應收款項相關的公平值利率風險。然而，董事認為貸款及應收款項之償付期於一年內到期，因此，公平值利率風險並不重大。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision is made for possible defaults. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's financial assets relate mainly to cash and cash equivalents, trade and other receivables, loans and receivables and amounts due from former Directors. It arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

本集團定期檢討其金融資產之可收回金額，以確保可及早對交易對方之潛在信貸風險作出管理，並對潛在欠款作充足撥備。此外，本集團持續監察應收結餘之情況，而本集團之壞賬風險並不重大。

本集團金融資產之信貸風險主要關於現金及現金等值項目、應收貿易款項及其他應收款、貸款及應收款項及應收前任董事款項之信貸風險。其乃因交易對方違約而產生，風險上限相等於該等工具之賬面值。管理層已制定信貸政策及該等信貸風險按持續經營基準監控。

就應收貿易款項及其他應收款而言，本集團會就所有要求超過某一金額的信用額度的客戶進行個別信用評估。該等評估集中於客戶過去到期付款的記錄及目前付款的能力，並考慮到有關特定客戶及客戶經營業務所在之經濟環境的資料。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

At the end of the reporting period, the Group has certain concentrations of credit risk as approximately 48% (2016: 32%) and 93% (2016: 88%) of the Group's trade receivables were due from the Group's largest trade debtor and the five largest trade debtors respectively within the Brokerage and securities margin financing services segment. However, the directors of the Company consider the credit risk is limited since the Group has held certain listed equity securities of clients as collateral over these receivables. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 22 to the consolidated financial statements.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

At 31 December 2017, the Group had borrowings with carrying amounts of approximately HK\$54,393,000 (2016: HK\$8,555,000) (Note 30).

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

於報告期末，本集團有若干集中信貸風險，因本集團最大貿易債務人及五大貿易債務人分別佔本集團約48% (二零一六年：32%)及93% (二零一六年：88%)之應收貿易款項，該等應收款項主要源自因經紀及證券保證金融資服務分部。然而，本公司董事認為信貸風險有限，因為本集團持有客戶的若干上市股本證券作為該等應收款的抵押品。有關本集團應收貿易款項產生信貸風險之進一步量化數據，於綜合財務報表附註22披露。

(c) 流動資金風險

董事會須為流動資金風險管理負上最終責任。本集團維持充足儲備及儲備借款融資，不斷監察預測及實際現金流量，以及配對金融資產及負債之到期日，藉以管理流動資金風險。

於二零一七年十二月三十一日，本集團借款之賬面值約為54,393,000港元 (二零一六年：8,555,000港元) (附註30)。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the reporting period, based on the contractual undiscounted payments, was as follows:

		On demand or within 1 year 按要求或 少於1年 HK\$ 港元	Between 1 and 2 years 1至2年 HK\$ 港元	Between 2 and 5 years 2至5年 HK\$ 港元	Over 5 years 5年以上 HK\$ 港元	Total undiscounted cash flow 未折現現金 流量總額 HK\$ 港元	Total carrying amount 總賬面值 HK\$ 港元
2017	二零一七年						
Trade payables	應付貿易款項	7,567,101	-	-	-	7,567,101	7,567,101
Other payables and accruals	其他應付款項及 應計款項	7,401,511	-	-	-	7,401,511	7,401,511
Bank borrowings (Note)	銀行借款 (附註)	6,872,170	-	-	-	6,872,170	6,556,013
Other borrowings	其他借款	51,663,744	-	-	-	51,663,744	47,836,800
2016	二零一六年						
Trade payables	應付貿易款項	14,817,698	-	-	-	14,817,698	14,817,698
Other payables and accruals	其他應付款項及 應計款項	2,168,841	-	-	-	2,168,841	2,168,841
Bank borrowings (Note)	銀行借款 (附註)	9,100,483	-	-	-	9,100,483	8,554,953

Note:

Bank loans HK\$6,556,013 (2016: HK\$8,554,953) with a repayment on demand clause are included in the "on demand or within 1 year" time band in the above maturity analysis. At 31 December 2017, the aggregate undiscounted amounts of principal of the bank loans and interest thereon amounted to HK\$6,872,170 (2016: HK\$9,100,423). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid over a period of 3 (2016: 4) years in accordance with the scheduled repayment dates set out in the loan agreements.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

本集團金融負債於報告期間時根據合約未折現付款之到期日如下：

附註：

包含按要求償還條款之銀行借貸6,556,013港元(二零一六年：8,554,953港元)在上述到期日分析計入「按要求或少於1年」之時間範圍內。於二零一七年十二月三十一日，銀行貸款本金未折現金額及其利息合共為6,872,170港元(二零一六年：9,100,423港元)。計及本集團之財務狀況後，董事相信銀行不大可能行使其要求即時還款之酌情權。董事相信，該等銀行借貸將根據貸款協議所載議定還款日期，於3年(二零一六年：4年)期間內償還。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

Certain of the Group's subsidiaries are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of the SFC. In addition, the Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors its capital structure on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (including current and non-current liabilities but excluding current or deferred income tax liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (including share capital and premium, reserves, accumulated losses and non-controlling interests as shown in the consolidated statement of financial position).

3. 財務風險管理 (續)

3.2 資本管理

本集團若干附屬公司受證監會規管，並須根據證監會規則遵守若干最低資本需求規定。此外，本集團管理資金之目標為保障本集團持續經營之能力，以為股東提供回報及為其他權益持有人帶來利益，並維持最佳資金結構以減少資金成本。

為維持或調整資本結構，本集團或會調整向股東派付股息之金額、向股東退還資金或發行新股份。

本集團按債務對經調整股本比率監察其股本。此比率按債務淨額除經調整股本計算。債務淨額按總債務（包括流動及非流動負債但不包括綜合財務狀況報表所示之即期或遞延所得稅負債）減現金及現金等值項目計算。經調整股本包括所有權益部分（包括綜合財務狀況報表所列之股本及溢價、儲備、累計虧損及非控股權益）。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management (continued)

During 2017, the Group's strategy was to maintain the debt-to-adjusted capital ratio within 50%, which was unchanged from 2016. The debt-to-adjusted capital ratios as at 31 December 2017 and 2016 were as follows:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Total debt	總債務	69,421,129	25,541,492
Less: Bank balances and cash, including bank trust accounts (Note 27)	減：銀行結餘及現金， 包括銀行信託賬戶 (附註27)	(180,697,961)	(254,996,438)
Net debt	債務淨值	(111,276,832)	(229,454,946)
Total equity	權益總值	336,865,300	469,037,421
Adjusted capital	經調整股本	336,865,300	469,037,421
Debt-to-adjusted capital ratio	債務對經調整股本比率	N/A 不適用	N/A 不適用

3.3 Fair value estimation

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

3. 財務風險管理 (續)

3.2 資本管理 (續)

本集團在二零一七年繼續奉行二零一六年的策略，目標為將債務對經調整股本比率維持在50%內。於二零一七年及二零一六年十二月三十一日之債務對經調整股本比率如下：

3.3 公平值之估計

下表按估值方法分析以公平值計量之金融工具。各等級之定義如下：

- 相同資產或負債於活躍市場之報價（未經調整）（第一級）。
- 資產或負債可直接（價格）或間接（來自價格）觀察之輸入數值（不包括第一級之報價）（第二級）。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. 財務風險管理 (續)

3.3 公平值之估計 (續)

- 資產或負債並非根據可觀察之市場數據之輸入數值(無法觀察之輸入數值)(第三級)。

		Total 總計	Level 1 第一級	Level 2 第二級	Level 3 第三級
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
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 (Note 24)	按公平值計入損益之金融資產(附註24)				
- securities held for trading	- 持作買賣證券	23,512,550	23,512,550	-	-
- designated at fair value through profit or loss	- 指定按公平值計入損益	10,763,280	-	10,763,280	-
At 31 December 2016	於二零一六年 十二月三十一日				
Financial assets at fair value through profit or loss (Note 24)	按公平值計入損益之金融資產(附註24)				
- securities held for trading	- 持作買賣證券	63,967,620	63,967,620	-	-
Contingent consideration receivable (Note 20)	應收或然代價(附註20)	29,441,448	-	-	29,441,448

As at 31 December 2017 and 2016, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Please refer to Note 20 for the changes in level 3 instruments for the year ended 31 December 2017 and 2016.

於二零一七年及二零一六年十二月三十一日，第一級及第二級之間並無任何公平值計量轉移，且第三級亦無任何轉入或轉出。

有關截至二零一七年及二零一六年十二月三十一日止年度第三級工具之變動請參見附註20。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.4 Financial instruments by category

3. 財務風險管理 (續)

3.4 金融工具分類

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Financial assets classified as loans and receivables as per consolidated statement of financial position	根據綜合財務狀況報表分類為貸款及應收款項之金融資產		
Statutory deposits and other assets	法定按金及其他資產	505,001	1,059,936
Trade receivables	應收貿易款項	9,424,160	14,550,089
Deposits and other receivables	按金及其他應收款項	21,012,266	26,926,353
Loans and receivables	貸款及應收款項	597,960	33,530,283
Amounts due from former Directors	應收前任董事款項	-	331,419
Bank balances and cash including restricted cash	銀行結餘及現金 (包括受限制現金)	180,697,961	254,996,438
		212,237,348	331,394,518
Contingent consideration receivable	應收或然代價	-	29,441,448
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	34,275,830	63,967,620
		246,513,178	424,803,586
Financial liabilities at amortized cost as per consolidated statements of financial position	綜合財務狀況報表按攤銷成本列賬之金融負債		
Trade payables	應付貿易款項	7,567,101	14,817,698
Other payables and accruals	其他應付款項及應計款項	7,401,511	2,168,841
Borrowings	借款	54,392,813	8,554,953
		69,361,425	25,541,492

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) *Estimated useful lives of intangible assets other than goodwill*

The Group has significant intangible assets. The Group is required to estimate the useful lives of intangible assets, in order to ascertain the amount of amortization charges for each reporting period.

(b) *Impairment of intangible assets other than goodwill*

The Group periodically reviews internal or external resources to identify indications that the intangible assets other than goodwill have suffered any impairment in accordance with accounting policy stated in Note 2.8. If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the intangible asset is reduced to its recoverable amount. The assessment of the recoverable amount requires the use of estimates and assumptions.

(c) *Impairment of trade and other receivables*

The Group's management determines the impairment of trade and other receivables on a regular basis. This estimate is based on the credit history of its customers and current market conditions. Management reassesses the impairment of trade and other receivables at the end of the reporting period.

4. 重大會計估計及判斷

本集團持續按過往經驗及其他因素作出估計及判斷，包括於若干情況下相信屬合理之日後事項估計。

4.1 重大會計估計及假設

本集團就未來作出估計及假設。有關會計估計實際上將甚少與相關實際業績相符。對下一個財政年度之資產及負債賬面值造成重大調整之重大風險估計及假設之討論如下。

(a) *除商譽外無形資產之估計可使用年期*

本集團擁有重大無形資產。本集團須估計無形資產之可使用年期，以確定各報告期間之攤銷費用金額。

(b) *除商譽外無形資產減值*

本集團根據附註2.8所述之會計政策定期審閱內部或外部資源，以確定除商譽外無形資產是否有任何減值跡象。倘無形資產之可收回價值估計低於其賬面值，無形資產之賬面值會減至其可收回價值。評估可收回價值須作出估計及假設。

(c) *應收貿易款項及其他應收款項減值*

本集團管理層定期釐定應收貿易款項及其他應收款項之減值，並根據客戶信貸記錄及現時市況作出估計。管理層會於報告期間結束時重新評估應收貿易款項及其他應收款項之減值。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

4.1 Critical accounting estimates and assumptions

(continued)

(d) Impairment of interests in associates

Determining whether interests in associates are impaired requires an estimation of the recoverable amounts of the interests in associates.

(e) Estimated useful lives and impairment of property, plant and equipment

The Group has significant property, plant and equipment. The Group is required to estimate the useful lives of property, plant and equipment in order to ascertain the amount of depreciation charges for each reporting period.

The useful lives are estimated at the time of purchase of these assets after considering business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry and economic trends. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

(f) Income taxes

The Group is subject to income taxes in certain overseas jurisdictions and Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination are made.

4. 重大會計估計及判斷 (續)

4.1 重大會計估計及假設 (續)

(d) 聯營公司權益減值

在決定於聯營公司之權益是否有所減值時，須對於聯營公司之權益之可收回金額作出估計。

(e) 物業、機器及設備之估計可使用年期及減值

本集團擁有重大之物業、機器及設備。本集團須估計物業、機器及設備之可使用年期，以確定各報告期間之折舊費用金額。

該等資產之可使用年期乃於購入時經考慮業務發展及本集團策略後作出估計。本集團會每年進行檢討以評估有關估計可使用年期是否適當。有關檢討應考慮在有關情況下或事件中的任何不可預見逆轉，包括預測經營業績下降、行業及經濟趨勢逆轉。本集團根據檢討結果延長或縮短可使用年期及／或計提減值撥備。

(f) 所得稅

本集團須繳納若干海外司法權區及香港之所得稅。釐定所得稅撥備時需要作出重大判斷。日常業務過程中有若干難以確定最終稅項之交易及計算方法。本集團按照會否出現額外應繳稅項之估計為基準而確認預期稅務事宜所產生之負債。倘該等事宜之最終稅務結果與起初記賬之金額不同，有關差額將會影響作出有關決定期內之所得稅及遞延所得稅撥備。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(g) Fair value of contingent consideration receivable

The Directors of the Company use their judgment in selecting appropriate valuation techniques for contingent consideration receivable. The estimation of fair values of the contingent consideration receivables are derived after taking into account the Company's shares price and the probability the vendors will acquire the Company's shares by cash payments at the end of reporting period.

(h) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group use a binomial model for new share options scheme to measure the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

4. 重大會計估計及判斷 (續)

4.1 重大會計估計及假設 (續)

(g) 應收或然代價之公平值

本公司董事就應收或然代價選擇合適估值技術時採用彼等之判斷。應收或然代價之公平值估計乃經考慮於年結日本公司的股價及賣方以現金購買本公司股份的可能性。

(h) 以股份為基礎的付款

估計以股份為基礎付款交易之公平值須釐定最為合適的估值模型，估值模型視乎授出條款及條件而定。該估計亦要求釐定加入估值模型的最合適輸入值，包括購股權預計年期或升值權、波幅及股息率，並就以上各項作出假設。本集團就新購股權計劃採用二項式模式，計量於授出日期與僱員進行的權益階段交易之公平值。估計以股份為基礎付款交易公平值所用假設及模型於附註34披露。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

4.2 Critical judgments in applying the company's accounting policies

Determining the basis on impairment made on the interests in associates

The Group has made substantial investments in associates. The Group conducts impairment reviews of these assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

During 2017, after reviewing the business environment and past performance of the investments, management considers to make the full impairment for two PRC associates of HK\$31,754,373 (2016: HK\$1,028,594) (Note 19) due to the continuing suspension of business of those associates during the year.

As the commodities trading policies review conducted by the government of Qianhai, there was a suspension on the business operation of Qianhai First China, an associate of the Group, in prior year. The review was still not completed as at the end of the current reporting period and therefore the business operation of Qianhai First China has not yet resumed up to present. Due to the uncertainty in the timing of the new industry policies introduced, the management of the Group considers that it is appropriate to make full impairment on the interests in the associates.

4. 重大會計估計及判斷 (續)

4.2 應用本公司會計政策時作出之重大判斷

釐定聯營公司權益減值基礎

本集團已於聯營公司作出重大投資。不論何種情況或變動顯示其賬面值可能無法收回，本集團均對該等資產進行減值審閱。

於二零一七年，經審閱有關投資的業務環境及過往表現，管理層考慮就兩間中國聯營公司作出全面減值31,754,373港元（二零一六年：1,028,594港元）（附註19），原因是該等聯營公司的業務於年內持續停止。

由於前海政府實行的商品交易審查政策，前海首華（本集團的一間聯營公司）的業務營運於過往年度終止。該審查於當前報告期末仍未完成，因此前海首華的業務營運至今尚未恢復。由於出台新行業政策的時間尚不確定，本集團管理層認為就於聯營公司的權益作出全面減值乃屬恰當。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

4.2 Critical judgments in applying the company's accounting policies (continued)

Determining the basis on impairment refundable earnest money paid for proposed business acquisition in previous year

The Group has paid the refundable earnest money of RMB20,000,000 (equivalent to HK\$23,052,000) for the proposed acquisition for the entire registered capital of Minqin Quantum in January 2015. The Group has received the collaterals which are the entire shares of Minqin Quantum from the vendor. The proposed acquisition terminated in May 2015 and the Group filed an arbitration application to SCIA for the repayment of the overdue receivables.

Although the final judgment ordered the vendors to repay the refundable earnest money to the Group, the vendor did not return the said deposits to the Group. On 6 June 2017, the PRC legal adviser of the Company received the execution judgment issued by the Court of Suining City, Sichuan Province dated 25 April 2017. According to the execution judgment, the Court terminated the compulsory execution of repayment of the said deposits from the vendor and the Court concluded that the vendor owns no executable assets after he pledged his shares of Minqin Quantum to the Group. In addition, the Group may need to take up Minqin Quantum's significant existing and potential liabilities if the Group get possession of the pledged shares of Minqin Quantum. Based on the facts and circumstances described above, the management determined to make a full impairment of the said earnest money during the year ended 31 December 2017.

4. 重大會計估計及判斷 (續)

4.2 應用本公司會計政策時作出之重大判斷 (續)

釐定過往年度就建議收購事項支付可退還誠意金減值基礎

本集團已就於二零一五年一月建議收購民勤量子的全部註冊資本支付可退還誠意金人民幣20,000,000元(相當於23,052,000港元)。本集團已收到賣方的抵押品,即民勤量子的全部股份。建議收購事項於二零一五年五月終止及本集團向深圳國際仲裁院遞交仲裁申請,要求償還逾期應收款項。

儘管終局裁決判令賣方向本集團償還可退還誠意金,賣方並未向本集團退還上述按金。於二零一七年六月六日,本公司中國法律顧問接獲四川省遂寧市法院日期為二零一七年四月二十五日的執行裁定書。根據執行裁定書,法院終止強制執行賣方償還上述按金,且法院總結賣方將其於民勤量子的股份質押予本集團後,不再擁有可執行資產。此外,倘本集團正式接管民勤量子的已抵押股份,則本集團或須接管民勤量子的重大現有及潛在負債。根據上述的事實及情況,管理層決定於截至二零一七年十二月三十一日止年度內就上述誠意金作出全面減值。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

4.2 Critical judgments in applying the company's accounting policies (continued)

Revenue recognition in respect of new motor vehicles trading business

The Group assesses its business relationships with suppliers and customers of the motor vehicles trading business and determines that the Group acts as a principal in some arrangements and acts as agent in other arrangements. For the latter, the Group determines that it just provides sourcing services for its customers.

In determining whether revenue from trading of motor vehicles shall be recorded on net basis or gross basis, the Group has made reference to indicators and requirements stated in HKAS 18 "Revenue". Determining whether the Group is acting as a principal or an agent requires judgment and consideration of all relevant facts and circumstances, and the Group considers itself as an agent regarding the PRC-purchased motor vehicles and as a principal regarding trading of imported motor vehicles by assessing the following features:

- Whether the Group has the primary responsibility to provide motor vehicles to the customers (e.g. only after the quality inspection).

4. 重大會計估計及判斷 (續)

4.2 應用本公司會計政策時作出之重大判斷 (續)

新汽車銷售業務之收益確認

本集團評估其與汽車銷售業務供應商及客戶之間的業務關係，並確定本集團於部分安排中擔任主事身份，而於其他安排中擔任代理身份。就後者而言，本集團確定其僅向客戶提供採購服務。

於釐定汽車銷售收益應按淨額基準或總額基準入賬時，本集團已參考香港會計準則第18號「收益」所述的指標及規定。釐定本集團是否以主事人或代理人身份行事時，需要對所有相關事實及情況作出判斷及考量，而透過評估以下特點，本集團認為其本身在銷售國內購買汽車中擔任代理身份及在銷售進口汽車中擔任主事身份：

- 本集團的主要責任是否在通過質量檢驗後向客戶提供汽車。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

4.2 Critical judgments in applying the company's accounting policies (continued)

Revenue recognition in respect of new motor vehicles trading business (continued)

- Whether the Group has significant inventory risk. The Group has minimal inventory risk regarding trading of the PRC-purchased motor vehicles as the Group only places purchase orders to suppliers only when receiving sales orders from customers and the risk and rewards or control of the motor vehicles are not transferred to the Company before the motor vehicles are transferred to the customers. The Group has significant inventory risk regarding trading of the imported motor vehicles as the Group did not receive any sale orders from customers before purchasing the imported motor vehicles.
- Whether the Group is exposed to significant credit risk. For trading of imported motor vehicles, the Group settles amounts due to suppliers before motor vehicles are sold to customers. On the contrary, the credit risk of the Group is minimal as customers are required to pay full amount to the Group before motor vehicles are delivered to them.

After assessing the above features, the management concluded that the Group acts as principal regarding the trading of imported motor vehicles and acts as an agent regarding the trading of PRC-purchased motor vehicles.

4. 重大會計估計及判斷 (續)

4.2 應用本公司會計政策時作出之重大判斷 (續)

新汽車銷售業務之收益確認 (續)

- 本集團是否存在重大存貨風險。本集團就銷售國內購買汽車的存貨風險較低，乃由於本集團只有在收到客戶的銷售訂單後才會向供應商下達採購訂單，在汽車轉讓予客戶前，汽車的風險及回報或控制權並無轉移至本公司。本集團就銷售進口汽車存在重大存貨風險，原因是本集團於購買進口汽車前並無自客戶收到任何銷售訂單。
- 本集團是否面臨重大信貸風險。就銷售進口汽車而言，本集團於汽車售予客戶前結算應付供應商款項。反之，由於客戶須向本集團全額支付後方可獲得汽車，故本集團之信貸風險較低。

經評估上述特徵後，管理層總結本集團在銷售進口汽車中擔任主事身份，而在銷售國內購買汽車中擔任代理身份。

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5. REVENUE

An analysis of the Group's revenue for the year is as follows:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Commission income from securities and futures brokerage	證券及期貨經紀佣金收入	724,089	659,425
Commission income from precious metals brokerage	貴金屬經紀佣金收入	-	1,028,710
Spot trading profits on precious metals contracts, net	貴金屬現貨合約交易利潤淨值	-	511,054
Trading of electronic student cards and school safety products	銷售電子學生證及校園安全產品	5,282,451	5,175,956
Interest income from clients	來自客戶之利息收入	734,163	745,406
Consultancy fee income	諮詢費用收入	839,364	775,864
Sales of motor vehicles which the Group acts as principal	集團擔任主事身份之汽車銷售	19,202,360	-
Agency fee income from trading of PRC-purchased motor vehicles	於國內採購之汽車貿易代理費收入	2,403,970	-
Revenue	收益	29,186,397	8,896,415
Proceeds from trading of securities	出售證券之所得款項	2,214,371	37,995,615
Turnover	營業額	31,400,768	46,892,030

5. 收益

本集團本年度的收益分析如下：

6. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors (the "Executive Directors") of the Company. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Operating segments were determined based on these reports.

In prior financial years, the Group was organized into five operating divisions and each of the operating divisions represented an operating and reportable segment: (1) provision of brokerage and securities margin financing services; (2) precious metals spot trading and brokerage; (3) trading of electronic student cards and school safety products; (4) trading and principal investments; (5) provision of stock information and research services. During the year ended 31 December 2017, the chief operation decision maker considered the new business of the sales of motor vehicles and provision of agency services as a new single operating and reportable segment. As a result, six operating and reportable segments were identified by the Executive Directors.

6. 分部資料

主要營運決策者已確認為本公司之執行董事（「執行董事」）。執行董事審閱本集團之內部報告，以評核表現及分配資源。根據該等報告釐定營運分部。

於過往財政年度，本集團分為五個營運部門，各營運部門代表一個營運及可呈報分部：(1)提供經紀及證券保證金融服務；(2)貴金屬現貨交易及經紀；(3)銷售電子學生證及校園安全產品；(4)買賣及自營投資；(5)提供股票資訊及研究服務。於截至二零一七年十二月三十一日止年度，主要營運決策者認為銷售汽車及提供代理服務的新業務為一個獨立新營運及可呈報分部。故而執行董事確立六個營運及可呈報分部。

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6. SEGMENT INFORMATION (continued)

The segment information of the reportable segments for the year ended 31 December 2017 is as follows:

6. 分部資料 (續)

截至二零一七年十二月三十一日止年度之可報告分部之分部資料如下：

		Brokerage and securities margin financing services 經紀及證券保證金融資服務 HK\$ 港元	Precious metals spot trading and brokerage 貴金屬現貨交易及經紀服務 HK\$ 港元	Trading of electronic student cards and school safety products 銷售電子學生證及校園安全產品 HK\$ 港元	Trading and principal investments 買賣及自營投資 HK\$ 港元	Provision of stock information and research services 提供股票資訊及研究服務 HK\$ 港元	Sales of motor vehicles and provision of agency services 銷售汽車及提供代理服務 HK\$ 港元	Total 總計 HK\$ 港元
Segment revenue from external customers 外界客戶分部收入		1,458,252	-	5,282,451	-	839,364	21,606,330	29,186,397
Other income and loss, net by segment 按分部計的其他收入及虧損淨值		93,289	(74,134)	32,228	(37,254,892)	612,905	76,549	(36,514,055) ¹
Segment results 分部業績		(3,310,926)	(494,309)	(16,231,861)	(44,726,648)	(28,005,672)	2,853,774	(89,915,642)
Net unallocated expenses 未分配開支淨值								(11,516,120)
Other income and loss, net 其他收入及虧損淨值								205,991 ¹
Finance costs 融資成本								(229,303)
Interest income 利息收入								388,808 ¹
Share of loss of associates 應佔聯營公司虧損								(6,028,114)
Impairment loss of interests in associates 於聯營公司權益之減值虧損								(31,754,373)
Loss before income tax 除所得稅前虧損								(138,848,753)
Income tax income 所得稅收入								2,545,494
Loss for the year 年內虧損								(136,303,259)

¹ Equivalent to the total balances stated in Note 7

¹ 與附註7之總額相符

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6. SEGMENT INFORMATION (continued)

The segment information of the reportable segments for the year ended 31 December 2016 is as follows:

6. 分部資料 (續)

截至二零一六年十二月三十一日止年度之可報告分部之分部資料如下：

		Brokerage and securities margin financing services 經紀及證券保證金融資服務 HK\$ 港元	Precious metals spot trading and brokerage 貴金屬現貨交易及經紀服務 HK\$ 港元	Trading of electronic student cards and school safety products 銷售電子學生證及校園安全產品 HK\$ 港元	Trading and principal investments 買賣及自營投資 HK\$ 港元	Provision of stock and research services 提供股票資訊及研究服務 HK\$ 港元	Total 總計 HK\$ 港元
Segment revenue from external customers	外界客戶分部收入	1,404,831	1,539,764	5,175,956	-	775,864	8,896,415
Other income and loss, net by segment	按分部計的其他收入及虧損淨值	100,957	92,974	354,944	(95,311,974)	2,448,383	(92,314,716) ¹
Segment results	分部業績	(4,093,016)	(2,009,354)	(113,390,780)	(102,586,026)	(6,888,117)	(228,967,293)
Net unallocated expenses	未分配開支淨值						(8,180,739)
Other income and loss, net	其他收入及虧損淨值						226,390 ¹
Finance costs	融資成本						(289,184)
Interest income	利息收入						431,944 ¹
Share of loss of associates	應佔聯營公司虧損						(8,928,647)
Impairment loss on interests in associates	於聯營公司權益減值虧損						(1,028,594)
Loss before income tax	除所得稅前虧損						(246,736,123)
Income tax expense	所得稅開支						1,832,574
Loss for the year	年內虧損						(244,903,549)

¹ Equivalent to the total balances stated in Note 7

The measure used for reporting segment profits or losses is adjusted losses before interest and taxes. To arrive at adjusted losses, the Group's losses are further adjusted for items not specifically attributed to individual segments, such as share of profits or losses of associates, impairment loss on interests in associates and head office or corporate administration costs.

In addition to receiving segment information concerning adjusted losses before interest and taxes, management is provided with segment information concerning revenue, interest income and finance costs from borrowings, share of profits or loss of the associates and impairment loss on interests in associates.

¹ 與附註7的總額相符

用於報告分部盈利或虧損之方法為扣除利息及稅項前經調整虧損。為達到經調整虧損，本集團之虧損乃對並未指定屬於個別分類之項目作出進一步調整，如分佔聯營公司利潤或虧損、聯營公司權益減值虧損以及總辦事處或公司行政開支。

除收到有關扣除利息及稅項前經調整虧損之分類資料除外，管理層獲提供有關收益、利息收入及借貸的融資成本、應佔聯營公司利潤或虧損及聯營公司權益減值虧損的分部資料。

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6. SEGMENT INFORMATION (continued)

Other segment information for the year ended 31 December 2017 is as follows:

		Brokerage and securities margin financing services 經紀及證券保證金融資服務 HK\$ 港元	Precious metals spot trading and brokerage 貴金屬 現貨交易及經紀服務 HK\$ 港元	Trading of electronic student cards and school safety products 電子學生證及校園安全產品 銷售 HK\$ 港元	Trading and principal investments 買賣及自營投資 HK\$ 港元	Provision of stock information and research services 提供股票資訊及研究服務 HK\$ 港元	Sales of motor vehicles and provision of agency services 銷售汽車及提供代理服務 HK\$ 港元	Unallocated 未分配 HK\$ 港元	Total 總計 HK\$ 港元
Addition to property, plant and equipment	物業、機器及設備添置	-	-	116,056	-	3,439,454	932,389	141,554	4,629,453
Depreciation and amortization	折舊及攤銷	-	121,985	2,999,917	49,992	530,049	3,157	1,675,784	5,380,884
Impairment of property, plant and equipment	物業、機器及設備減值	-	-	966,460	-	-	-	-	966,460
Change in fair value of contingent consideration receivable	應收或然代價之公平值變動	-	-	13,441,448	-	-	-	-	13,441,448
Fair value losses on securities trading	證券買賣之公平值虧損	-	-	-	34,756,990	-	-	-	34,756,990
Impairment of refundable earnest money paid for proposed business acquisition in prior year	就過往年度建議業務收購所支付可退還誠意金減值 收購	-	-	-	-	23,052,000	-	-	23,052,000
Impairment loss of interests in associates	於聯營公司權益之減值虧損	-	-	-	-	-	-	31,754,373	31,754,373

6. 分部資料 (續)

截至二零一七年十二月三十一日止年度之其他分部資料如下：

Other segment information for the year ended 31 December 2016 is as follows:

截至二零一六年十二月三十一日止年度之其他分部資料如下：

		Brokerage and securities margin financing services 經紀及證券保證金融資服務 HK\$ 港元	Precious metals spot trading and brokerage 貴金屬 現貨交易及經紀服務 HK\$ 港元	Trading of electronic student cards and school safety products 電子學生證及校園安全產品 銷售 HK\$ 港元	Trading and principal investments 買賣及自營投資 HK\$ 港元	Provision of stock information and research services 提供股票資訊及研究服務 HK\$ 港元	Unallocated 未分配 HK\$ 港元	Total 總計 HK\$ 港元
Addition to property, plant and equipment	物業、機器及設備添置	-	235,824	2,640,371	-	54,003	60,022	2,990,220
Depreciation and amortization	折舊及攤銷	-	718,418	21,299,187	279,800	271,693	1,502,651	24,071,749
Impairment of intangible assets	無形資產減值	-	-	122,686,950	-	-	-	122,686,950
Change in fair value of contingent consideration receivable	應收或然代價之公平值變動	-	-	140,880	-	-	-	140,880
Fair value losses on securities trading	證券買賣之公平值虧損	-	-	-	30,108,514	-	-	30,108,514
Impairment loss of interests in associates	於聯營公司權益之減值虧損	-	-	-	-	-	1,028,594	1,028,594

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6. SEGMENT INFORMATION (continued)

The segment assets and liabilities as at 31 December 2017 and 2016 are as follows:

6. 分部資料 (續)

於二零一七年及二零一六年十二月三十一日的分部資產及負債如下：

Segment assets 分部資產		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Brokerage and securities margin financing services	經紀及證券保證金融資服務	34,832,881	44,961,059
Precious metals spot trading and brokerage	貴金屬現貨交易及經紀服務	19,591,506	18,646,616
Trading of electronic student cards and school safety products	銷售電子學生證及校園安全產品	9,632,932	41,886,646
Trading and principal investments	買賣及自營投資	53,328,020	125,881,078
Provision of stock information and research services	提供股票資訊及研究服務	42,404,137	72,197,138
Sales of motor vehicles and provision of agency services	銷售汽車及提供代理服務	175,851,667	-
		335,641,143	303,572,537
Interest in associates	於聯營公司之權益	-	34,944,709
Unallocated	未分配	73,935,352	161,866,367
Consolidated assets	綜合資產	409,576,495	500,383,613
Segment liabilities 分部負債		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Brokerage and securities margin financing services	經紀及證券保證金融資服務	7,750,081	15,010,828
Precious metals spot trading and brokerage	貴金屬現貨交易及經紀服務	337,086	301,625
Trading of electronic student cards and school safety products	銷售電子學生證及校園安全產品	195,515	368,761
Trading and principal investments	買賣及自營投資	36,760	69,154
Provision of stock information and research services	提供股票資訊及研究服務	232,582	323,271
Sales of motor vehicles and provision of agency services	銷售汽車及提供代理服務	53,370,110	-
		61,922,134	16,073,639
Unallocated	未分配	10,789,061	15,272,553
Consolidated liabilities	綜合負債	72,711,195	31,346,192

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6. SEGMENT INFORMATION (continued)

Segment assets consist primarily of property, plant and equipment, intangible assets, statutory deposits and other assets, contingent consideration receivable, inventories, trade and other receivables, deposits, loan receivables, financial assets at fair value through profit or loss and bank balances and cash.

Segment liabilities consists primarily of trade payables, other payables and accruals, current income tax payables and deferred income tax liabilities.

The Group mainly operates in Hong Kong and the PRC.

6. 分部資料 (續)

分部資產主要包括物業、機器及設備、無形資產、法定按金及其他資產、應收或然代價、存貨、應收貿易款項及其他應收款項、按金、應收貸款、按公平值計入損益之金融資產以及銀行結餘及現金。

分部負債主要包括應付貿易款項、其他應付款項及應計費用、應付即期所得稅及遞延所得稅負債。

本集團主要於香港及中國經營。

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Revenue	收益		
Hong Kong	香港	1,458,252	1,404,831
The PRC	中國	27,728,145	7,491,584
		29,186,397	8,896,415
Other income and loss, net	其他收入及虧損淨值		
Hong Kong	香港	(36,674,217)	(94,933,943)
The PRC	中國	754,961	3,277,561
		(35,919,256)	(91,656,382)

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6. SEGMENT INFORMATION (continued)

Revenue from external customers are allocated based on the geographic areas in which the customer is located.

6. 分部資料 (續)

來自外界客戶之收入按客戶所在地區劃分。

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Specified non-current assets	特定非流動資產		
Hong Kong	香港	29,341,908	31,430,967
The PRC	中國	4,877,125	41,302,165
		34,219,033	72,733,132

Interest in associates are allocated based on the location of operations, property, plant and equipments, intangible assets, statutory deposits, deposits paid and other assets are allocated based on where the assets are located.

於聯營公司之權益乃按營運地劃分；物業、機器及設備、無形資產、法定按金、已付按金，其他資產乃按資產所在地劃分。

Information about major customers

During the year, two of the customers located in the PRC accounted for 15.4% and 59.8% of the Group's revenue in amount of HK\$4,517,263 and HK\$17,459,632 respectively, which were from segments of trading of electronic student cards and school safety products and sales of motor vehicles and provision of agency service respectively.

主要客戶之資料

年內，兩名來自中國的客戶分別佔本集團收益15.4%及59.8%，金額分別為4,517,263港元及17,459,632港元，乃來自銷售電子學生證及校園安全產品之分部及銷售汽車及提供代理服務之分部。

During 2016, one of the customers located in the PRC accounted for 50.3% of total revenue of the Group in the amount of HK\$4,475,784, which was from the segment of provision of stock information and research services.

於二零一六年，一名來自中國的客戶佔本集團總收益50.3%，金額為4,475,784港元，乃來自提供證券資訊及研究服務之分部。

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7. OTHER INCOME AND LOSS, NET

7. 其他收入及虧損淨值

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Other income	其他收入		
Central Clearing and Settlement System (“CCASS”) fee income	中央結算及交收系統(「中央結算系統」)費用收入	17,703	16,703
Handling fee income	手續費收入	52,906	42,679
Interest income on bank deposits	銀行存款利息收入	558,149	558,706
Other interest income ¹	其他利息收入 ¹	197,387	3,100,262
Dividend income from securities held for trading	持作買賣證券的股息收入	867,288	6,146,271
Sundry income	雜項收入	684,380	828,632
		2,377,813	10,693,253
Other gain or loss, net	其他收益或虧損淨值		
Financial assets at fair value through profit or loss (Note 24)	按公平值計入損益之金融資產(附註24)		
– Unrealised fair value losses on securities trading	– 未變現證券買賣之公平值虧損	(34,756,990)	(30,108,514)
– Realized losses on trading of securities	– 出售證券之已變現虧損	(3,478,154)	(71,729,841)
– Exchange gain	– 匯兌收益	218,039	226,392
– Loss on disposal of property, plant and equipment	– 出售物業、機器及設備所得虧損	(279,964)	(240,536)
– Written off of property, plant and equipment	– 物業、機器及設備撇銷	–	(497,136)
		(38,297,069)	(102,349,635)
		(35,919,256)	(91,656,382)

¹ The other interest income of the Group are arising from the loan receivables from third parties.

¹ 本集團的其他利息收入來自借予第三方之應收貸款。

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8. FINANCE COSTS

8. 融資成本

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Interest expenses on bank borrowings	銀行借款之利息開支	229,303	289,184

9. LOSS BEFORE INCOME TAX

9. 除所得稅前虧損

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Loss before income tax has been arrived at after charging:	除所得稅前虧損，已扣除下列各項：		
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	470,000	450,000
– other services	– 其他服務	150,000	70,000
Foreign exchange difference, net	匯兌差額淨值	(218,039)	(226,392)
Operating lease rentals in respect of rented premises	租賃物業之經營租約租金	1,770,705	4,790,470
Legal and professional fee	法律及專業費用	976,291	4,038,529

10. EMPLOYEE BENEFITS EXPENSES

10. 僱員福利開支

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Wages and salaries	工資及薪金	18,826,906	20,466,921
Share options granted to Directors and employees	授予董事及僱員之購股權	877,444	1,688,031
Pension costs – defined contribution schemes	退休金成本 – 一定額供款計劃	250,241	229,451
		19,954,591	22,384,403
Less: Reversal of share option expenses upon the forfeiture of share options	減：於購股權被沒收時撥回購股權開支	–	(4,530,000)
Employee benefits expenses including Director's remuneration	僱員福利開支，包括董事酬金	19,954,591	17,854,403

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Year ended 31 December 2017

11. 董事及主要行政人員酬金

截至二零一七年十二月三十一日止年度

Name of Director	Notes	Fees	Salaries, allowances, and benefits in kind (Note (i)) 薪金、津貼及實物利益 (附註(i))	Employer's contributions to pension scheme 退休金計劃之僱主供款	Total
董事姓名	附註	袍金	HK\$ 港元	HK\$ 港元	HK\$ 港元
Executive Directors 執行董事					
Mr. Wang Jiawei (Chairman and Chief Executive)	王嘉偉先生 (主席及行政總裁)	-	1,800,000	18,000	1,818,000
Ms. Lai Yuk Mui	黎玉梅女士	-	600,000	18,000	618,000
Non-executive Director 非執行董事					
Mr. Liu Runtong	劉潤桐先生	-	-	-	-
Mr. James Beeland Rogers Jr.	James Beeland Rogers Jr.先生 (i)	-	877,444	-	877,444
Independent non-executive Directors 獨立非執行董事					
Professor Zhang Benzhen	張本正教授	130,000	-	-	130,000
Mr. Li Jianxing	李建行先生	125,000	-	-	125,000
Professor Chen Shu Wen	陳樹文教授	120,000	-	-	120,000
		375,000	3,277,444	36,000	3,688,444

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

11. 董事及主要行政人員酬金 (續)

Year ended 31 December 2016

截至二零一六年十二月三十一日止年度

Name of Director	Notes	Fees	Salaries, allowances, and benefits in kind (Note (i)) 薪金、津貼及實物利益 (附註(i))	Employer's contributions to pension scheme 退休金計劃之僱主供款	Total
董事姓名	附註	袍金	HK\$ 港元	HK\$ 港元	HK\$ 港元
Executive Directors 執行董事					
Mr. Wang Jiawei (Chairman and Chief Executive)	王嘉偉先生 (主席及行政總裁)	-	1,800,000	18,000	1,818,000
Ms. Lai Yuk Mui	黎玉梅女士	-	600,000	18,000	618,000
Mr. Chen Li	陳力先生 (ii)	600,000	-	-	600,000
Mr. Chen Li	陳力先生 (ii)	-	(4,530,000)	-	(4,530,000)
Non-executive Director 非執行董事					
Mr. Liu Runtong	劉潤桐先生	-	-	-	-
Mr. James Beeland Rogers Jr.	James Beeland Rogers Jr.先生 (i)	-	1,688,031	-	1,688,031
Independent non-executive Directors 獨立非執行董事					
Professor Zhang Benzheng	張本正教授	130,000	-	-	130,000
Mr. Li Jianxing	李建行先生	125,000	-	-	125,000
Professor Chen Shu Wen	陳樹文教授	120,000	-	-	120,000
		975,000	(441,969)	36,000	569,031

Note:

附註:

(i) Benefits in kind include share options. During the year ended 31 December 2017 and 2016, 20,000,000 and 20,000,000 share options with an aggregate fair value of HK\$877,444 and HK\$1,688,031 were granted respectively by the Group to the Director of the Company under the Company's share option scheme.

(i) 實物利益包括購股權。截至二零一七年及二零一六年十二月三十一日止年度，公平值合共877,444港元及1,688,031港元之20,000,000份及20,000,000份購股權由本集團根據本公司之購股權計劃而授予本公司董事。

(ii) Resigned on 1 July 2016.

(ii) 於二零一六年七月一日辭任。

Mr. Chen Li resigned position of director and the vesting condition on share option has not been satisfied, his entitlement of the share option has been forfeited and reversed through profit and loss for the year ended 31 December 2016.

陳力先生辭任董事職務及購股權之歸屬條件未獲滿足，彼於上述購股權的權利於截至二零一六年十二月三十一日止年度內已被沒收及透過損益撥回。

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

"Salaries, allowance and benefits in kind" paid to or for the executive directors are generally emoluments paid in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2016: Nil). None of the directors waived or agreed to waive any remuneration during the year (2016: Nil).

12. FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year include three (2016: three) directors of whose remuneration are set out in Note 11.

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2016: Nil).

The aggregate of the emoluments in respect of the other two (2016: two) individuals are as follows:

11. 董事及主要行政人員酬金 (續)

已付執行董事或執行人員之「薪金、津貼及實物利益」一般為就與該等人士管理本公司及其附屬公司相關的其他服務所支付的酬金。

年內，本集團並無向董事支付任何酬金作為吸引加盟或於加盟本集團時之獎勵或作為離職補償（二零一六年：無）。年內，並無董事放棄或同意放棄任何酬金（二零一六年：無）。

12. 五名最高薪人士

年內本集團五名最高薪人士包括三名（二零一六年：三名）董事，彼等之酬金載於附註11。

年內，本集團並無向五名最高薪人士支付任何酬金作為吸引加盟或於加盟本集團時之獎勵或作為離職補償（二零一六年：無）。

其他兩位（二零一六年：兩位）人士的酬金總額如下：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Salaries and other emoluments	薪金及其他酬金	5,160,000	5,160,000
Retirement scheme contributions	退休計劃供款	36,000	36,000
		5,196,000	5,196,000

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12. FIVE HIGHEST PAID INDIVIDUALS (continued)

The emoluments of the two (2016: two) individuals with the highest emoluments are within the following bands:

HK\$	港元	2017 二零一七年 Number of individual 人數	2016 二零一六年 Number of individual 人數
Nil to 1,000,000	零至1,000,000	-	-
1,000,001 to 1,500,000	1,000,001至1,500,000	-	-
1,500,001 to 2,000,000	1,500,001至2,000,000	-	-
2,000,001 to 2,500,000	2,000,001至2,500,000	1	1
2,500,001 to 3,000,000	2,500,001至3,000,000	1	1

12. 五名最高薪人士 (續)

兩位(二零一六年:兩位)最高薪人士之酬金位於下列範圍:

13. INCOME TAX INCOME

Hong Kong Profits Tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. No provision for Hong Kong Profits Tax has been made in the financial statements as the Group incurred a tax loss for the year (2016: Nil). PRC Enterprise Income tax has been provided at the rate from 15% to 25% (2016: 25%) on the assessable profits of the PRC subsidiaries arising in or derived from PRC for the year.

In accordance with the "Catalogue of Encouraged Industries in Western Region" approved by the State Council, as one of the subsidiaries engaged in an encouraged business in Chongqing, it enjoys the reduced PRC Enterprise Income tax rate of 15%.

13. 所得稅收入

香港利得稅就本年度於香港產生或源自香港之估計應課稅利潤按稅率16.5% (二零一六年: 16.5%) 計算。因本集團年內錄得稅務虧損, 故並無於財務報表就香港利得稅作出撥備(二零一六年: 無)。中國企業所得稅乃就中國附屬公司年內產生自或源自中國的應課稅溢利按15%至25% (二零一六年: 25%) 的稅率計提。

根據由國務院批准之《西部地區鼓勵產業目錄》, 其中一家附屬公司於重慶市從事了該市之鼓勵類業務, 故享有企業所得稅優惠稅率15%。

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Current income tax:	即期所得稅:		
Current tax on profits for the year	年內溢利即期稅項		
- PRC Enterprise Income tax	- 中國企業所得稅	58,965	-
Total current tax	即期稅項總額	58,965	-
Deferred tax income (Note 31):	遞延所得稅(附註31):		
Current year	本年度	(2,604,459)	(32,879,188)
Income tax income	所得稅收入	(2,545,494)	(32,879,188)

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13. INCOME TAX INCOME (continued)

Under the current general provision of the PRC enterprise income tax law and published tax circulars, deferred taxation has been provided for in the consolidated financial statements in respect of the withholding tax that would be payable on unremitted earnings of a PRC associate of the Group at the rate of 10%. As at 31 December 2016, the deferred taxation provided for the above-mentioned deferred tax of approximately HK\$2,333,085. As the management determined to make full impairment on the interests in PRC associate in the current year, the deferred tax liabilities attributable to withholding tax on unremitted earnings of the PRC associate made previously had been fully reversed during the year.

As at 31 December 2017, the unrecognized temporary differences in respect of the unremitted earnings of a PRC associate attributable to the Group is RMB15,791,236.

No deferred tax liabilities have been recognized in respect of the unremitted earnings of PRC subsidiaries because the Group is in a position to control the dividend policies of these subsidiaries and it is probable that such differences will not be reversed in the foreseeable future. As at 31 December 2017 and 2016, the unrecognized temporary differences in respect of the unremitted earnings of the PRC subsidiaries attributable to the Group are RMB57,679,623 and RMB60,315,667 respectively.

13. 所得稅收入 (續)

根據中國企業所得稅法之現行一般條文及已刊發之稅務通函，已於綜合財務報表中就本集團之中國聯營公司之未匯出盈利須按10%之利率繳納之預扣稅作出遞延稅項撥備。於二零一六年十二月三十一日，所撥備上述提及的遞延稅項約2,333,085港元。由於管理層決定於本年度就於中國聯營公司的權益作出全面減值，之前就中國聯營公司的未匯出盈利所計提預扣稅應佔的遞延稅項負債已於年內撥回。

於二零一七年十二月三十一日，未確認有關中國聯營公司之未匯出予本集團盈利之暫時差異為人民幣15,791,236元。

由於本集團有權控制該等附屬公司之股息政策，且有關差額或將不會於可見將來撥回，故並無就中國附屬公司之未匯出盈利確認遞延稅項負債。於二零一七年及二零一六年十二月三十一日，未確認有關本集團之大陸附屬公司之未匯出盈利之暫時差異分別為人民幣57,679,623元及人民幣60,315,667元。

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13. INCOME TAX INCOME (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate applicable to losses of the consolidated entities as follows:

13. 所得稅收入 (續)

倘採用適用於綜合實體之虧損之稅率計算，本集團之除所得稅前虧損稅項將與理論金額不同：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Loss before income tax	除所得稅前虧損	(138,848,753)	(277,782,737)
Tax calculated at company's domestic tax rate of 16.5% (2016: 16.5%)	按本公司本地稅率16.5% (二零一六年：16.5%) 計算之稅項	(22,910,044)	(45,834,151)
Tax effects of:	以下項目之稅務影響：		
- Different tax rates of subsidiaries operating in other jurisdictions	- 於其他司法權區經營之附屬公司之不同稅率	(3,075,400)	(12,935,058)
- Income not subject to tax	- 毋須課稅收入	(8,214)	(1,107,133)
- Expenses not deductible for tax purposes	- 就稅項目的不可扣減之開支	14,394,607	7,503,549
- Others	- 其他	1,427,236	22,417
- Unused tax losses not recognized	- 未確認之未動用稅務虧損	9,014,491	19,778,241
- Tax loss not allowable	- 不獲許可之稅項虧損	1,674,328	1,343,972
- Prior year's tax losses utilized in this year	- 年內動用之過往年度稅務虧損	(523,051)	-
- Temporary differences not provided	- 未撥備之暫時差異	(116,537)	-
- Reversal of withholding tax	- 回撥預扣稅	(2,422,910)	(1,651,025)
Income tax income	所得稅收入	(2,545,494)	(32,879,188)

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14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Loss	虧損		
Loss for the purposes of basic and diluted loss per share	用於計算每股基本及攤薄虧損之虧損	(136,497,133)	(244,075,407)
		2017 二零一七年	2016 二零一六年
Number of shares	股份數目		
Issued ordinary shares at 1 January and 31 December	於一月一日及十二月三十一日之已發行普通股	6,498,958,120	6,498,958,120
Weighted average number of ordinary shares in issue for calculating basic and diluted loss per share (Note)	就計算每股基本及攤薄虧損之已發行普通股加權平均數(附註)	6,498,958,120	6,498,958,120
		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Loss per share	每股虧損	(0.0210)	(0.0376)
Diluted loss per share	每股攤薄虧損	(0.0210)	(0.0376)

Note:

The computation of diluted loss per share for the years ended 31 December 2017 and 2016 did not assume the exercise of the Company's share options outstanding during the year ended 31 December 2017 and 2016 since their exercise would result in a decrease in loss per share.

14. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Loss	虧損		
Loss for the purposes of basic and diluted loss per share	用於計算每股基本及攤薄虧損之虧損	(136,497,133)	(244,075,407)
		2017 二零一七年	2016 二零一六年
Number of shares	股份數目		
Issued ordinary shares at 1 January and 31 December	於一月一日及十二月三十一日之已發行普通股	6,498,958,120	6,498,958,120
Weighted average number of ordinary shares in issue for calculating basic and diluted loss per share (Note)	就計算每股基本及攤薄虧損之已發行普通股加權平均數(附註)	6,498,958,120	6,498,958,120
		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Loss per share	每股虧損	(0.0210)	(0.0376)
Diluted loss per share	每股攤薄虧損	(0.0210)	(0.0376)

附註：

截至二零一七年及二零一六年十二月三十一日止年度的每股攤薄虧損之計算並無假設本公司截至二零一七年及二零一六年十二月三十一日止年度之未行使購股權獲行使，因行使會減少每股虧損。

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15. PROPERTY, PLANT AND EQUIPMENTS

15. 物業、機器及設備

		Plant and machinery 機器及設備	Land and buildings (Note 1) 土地及樓宇 (附註1)	Leasehold improvements 租賃物業裝修	Office equipment and furniture 辦公室設備 及傢俬	Computer equipment 電腦設備	Motor vehicles 汽車	Total 總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
As at 1 January 2016	於二零一六年一月一日							
Cost	成本	917,846	40,327,455	3,548,134	18,781,976	479,300	6,396,429	70,451,140
Accumulated depreciation	累計折舊	(280,805)	(7,931,065)	(2,878,713)	(13,434,410)	(460,079)	(4,755,007)	(29,740,079)
Net book amount	賬面淨值	637,041	32,396,390	669,421	5,347,566	19,221	1,641,422	40,711,061
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	637,041	32,396,390	669,421	5,347,566	19,221	1,641,422	40,711,061
Additions	添置	-	-	235,824	2,694,374	60,022	-	2,990,220
Currency translation difference	貨幣匯兌差額	(31,513)	-	(15,795)	(266,383)	-	(56,401)	(370,092)
Disposals and written off	出售及撇銷	-	-	(117,912)	(587,186)	-	(128,647)	(833,745)
Depreciation charge	折舊開支	(176,726)	(1,613,099)	(694,291)	(3,524,959)	(16,984)	(683,507)	(6,709,566)
Closing net book amount	期終賬面淨值	428,802	30,783,291	77,247	3,663,412	62,259	772,867	35,787,878
As at 31 December 2016	於二零一六年十二月三十一日							
Cost	成本	861,157	40,327,455	952,626	14,926,695	539,322	5,642,314	63,249,569
Accumulated depreciation	累計折舊	(432,355)	(9,544,164)	(875,379)	(11,263,283)	(477,063)	(4,869,447)	(27,461,691)
Net book amount	賬面淨值	428,802	30,783,291	77,247	3,663,412	62,259	772,867	35,787,878
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	428,802	30,783,291	77,247	3,663,412	62,259	772,867	35,787,878
Additions	添置	-	-	2,061,341	1,266,507	90,720	1,210,885	4,629,453
Currency translation difference	貨幣匯兌差額	16,509	-	71,410	182,004	-	67,710	337,633
Disposals and written off	出售及撇銷	-	-	-	(293,087)	-	-	(293,087)
Impairment loss (Note 2)	減值虧損(附註2)	(287,574)	-	(2,471)	(676,415)	-	-	(966,460)
Depreciation charge	折舊開支	(157,737)	(1,613,099)	(318,240)	(2,915,796)	(48,440)	(327,572)	(5,380,884)
Closing net book amount	期終賬面淨值	-	29,170,192	1,889,287	1,226,625	104,539	1,723,890	34,114,533
As at 31 December 2017	於二零一七年十二月三十一日							
Cost	成本	927,924	40,327,455	3,122,176	13,806,510	630,042	7,104,235	65,918,342
Accumulated depreciation and impairment	累計折舊及減值虧損	(927,924)	(11,157,263)	(1,232,889)	(12,579,885)	(525,503)	(5,380,345)	(31,803,809)
Net book amount	賬面淨值	-	29,170,192	1,889,287	1,226,625	104,539	1,723,890	34,114,533

Note:

- As at 31 December 2017 and 2016, land and buildings in Hong Kong under long lease with a carrying value of HK\$29,170,192 (2016: HK\$30,783,291) was pledged to secure the bank borrowings of the Group (Note 30).
- The impairment loss was related to assets that have become obsolete.

附註:

- 於二零一七年及二零一六年十二月三十一日，根據長期租約於香港持有賬面值為29,170,192港元(二零一六年:30,783,291港元)之土地及樓宇已用作為取得本集團之銀行借款作抵押(附註30)。
- 減值虧損與資產變得退化有關。

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16. INTANGIBLE ASSETS

16. 無形資產

		Software 軟件 HK\$ 港元	Trading rights 交易權 HK\$ 港元	Contractual customer relationship 合約客戶關係 HK\$ 港元	Total 總計 HK\$ 港元
As at 1 January 2016	於二零一六年一月一日				
Cost	成本	28,819,759	3,224,000	218,582,540	250,626,299
Accumulated amortization and impairment	累計攤銷及減值	(11,558,839)	(3,223,998)	(93,191,960)	(107,974,797)
Net book amount	賬面淨值	17,260,920	2	125,390,580	142,651,502
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	17,260,920	2	125,390,580	142,651,502
Currency translation difference	貨幣換算差額	(314,888)	-	(2,287,479)	(2,602,367)
Amortization charge (Notes (i, ii))	攤銷開支(附註(i, ii))	(1,974,295)	-	(15,387,888)	(17,362,183)
Impairment loss (Note (iii))	減值(附註(iii))	(14,971,737)	-	(107,715,213)	(122,686,950)
Closing net book amount	期終賬面淨值	-	2	-	2
As at 31 December 2016	於二零一六年十二月三十一日				
Cost	成本	26,528,746	3,224,000	201,996,340	231,749,086
Accumulated amortization and impairment	累計攤銷及減值	(26,528,746)	(3,223,998)	(201,996,340)	(231,749,084)
Net book amount	賬面淨值	-	2	-	2
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	-	2	-	2
Addition	添置	100,713	-	-	100,713
Currency transaction difference	貨幣換算差額	3,785	-	-	3,785
Closing net book amount	期終賬面淨值	104,498	2	-	104,500
As at 31 December 2017	於二零一七年十二月三十一日				
Cost	成本	26,633,244	3,224,000	201,996,340	231,853,584
Accumulated amortization and impairment	累計攤銷及減值	(26,528,746)	(3,223,998)	(201,996,340)	(231,749,084)
Net book amount	賬面淨值	104,498	2	-	104,500

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16. INTANGIBLE ASSETS (continued)

The amortization charge for the year is presented in the consolidated statement of profit or loss and other comprehensive income separately.

Notes:

- (i) As at 31 December 2017 and 2016, the software mainly represents 天星通定位服務平台軟件V2.0 (Registration No.: 2013SR144807), 天星通家校互動服務平台軟件V2.0 (Registration No.: 2013SR144929), 天星通定位服務網站軟件V2.0 (Registration No: 2013SR145090) and 2.4G 有源RFID激勵標籤嵌入式軟件 (Registration No: 2014SR037656) with the estimated useful life of 10 years.
- (ii) The contractual relationships with customers were acquired through the acquisition of 深圳市天星通科技有限公司 (transliterated as Shenzhen Star Technology Co., Ltd) in year 2014. The management of the Group reviewed the expected useful life of the contractual customer relationships and determined that the useful life assessment is 8 years. The contractual customer relationships are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the said expected useful life of the customer relationships.
- (iii) In prior year, for the purpose of impairment testing of the contractual relationships with customers and the software, those intangible assets have been allocated to a CGU representing the operating activities of 深圳市天星通科技有限公司 (transliterated as Shenzhen Star Technology Co., Ltd). An impairment test of these intangible assets was carried out by management based on value-in-use calculation and with reference to business valuation conducted by an independent professional valuer.

Based on the impairment test performed, an impairment of RMB92,750,000, which is equivalent to HK\$107,715,213 on contractual relationships with customers was made during year 2016 due to unsatisfactory performance of the business.

16. 無形資產 (續)

本年度攤銷開支於綜合損益及其他全面收入報表內單獨呈列。

附註：

- (i) 於二零一七年及二零一六年十二月三十一日，軟件指天星通定位服務平台軟件V2.0 (註冊編號：2013SR144807)、天星通家校互動服務平台軟件V2.0 (註冊編號：2013SR144929)、天星通定位服務網站軟件V2.0 (註冊編號：2013SR145090)及2.4G有源RFID激勵標籤嵌入式軟件 (註冊編號：2014SR037656)，估計可使用年期為十年。
- (ii) 與客戶之間的合約關係透過於二零一四年度收購深圳市天星通科技有限公司獲得。本集團管理層審閱合約客戶關係的預期使用年期，並決定使用年期評估為八年。合約客戶關係相應按成本減累計攤銷列賬。攤銷乃使用直線法按客戶關係的上述預期使用年期計算。
- (iii) 於過往年度，就合約客戶關係及軟件之減值測試而言，該等無形資產已分配至代表深圳市天星通科技有限公司經營活動之現金產生單位。管理層已根據使用價值計算並參考由獨立專業估值師進行之業務估值對此無形資產進行減值測試。

通過進行減值測試，於二零一六年本公司由於業務表現不理想就客戶合約關係作出減值之金額為人民幣92,750,000元 (相當於107,715,213港元)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

16. INTANGIBLE ASSETS (continued)

Notes: (continued)

(iii) (continued)

As at 31 December 2016, the recoverable amount of the contractual relationships with customers and software are determined based on value-in-use calculations by preparing cash flow projections of the relevant CGU derived from the financial forecast approved by the management. The projected cash flows reflected the expected effects of the change of the navigating chips used in the products mentioned in above paragraph. The discount rate is the key assumptions used by the Group to determine the recoverable amount of the assets and CGU. The pre-tax discount rate applied to cash flow projections in year 2016 is 29.14%, which is arrived after the adjustment of the Weighted Average Cost of equity to pre-tax rate and cash flows beyond three years period are extrapolated without considering any growth rate. The discount rate used is based on market risk free interest rates adjusted for inflation differentials and also include the debt premium, market risk premium, specific risk on intangible assets, gearing corporate tax rate and asset beta.

As at 31 December 2017, the three-year-period profit guarantee specified in the acquisition agreement of 深圳市天星通科技有限公司 (transliterated as Shenzhen Star Technology Co., Ltd.) signed by the Group and the vendors could not be achieved (see note 20).

- (iv) The trading rights as at 31 December 2017 represent two (2016: two) trading rights on the Stock Exchange and one (2016: one) trading right on the Hong Kong Futures Exchange Limited ("HKFE").

16. 無形資產 (續)

附註：(續)

(iii) (續)

於二零一六年十二月三十一日，與客戶之間合約關係及軟件的可收回金額乃根據管理層所批准財務預測編製相關現金產生單位的現金流量預測進行使用價值計算。估計現金流量反映更換上段提到的產品所用導航芯片之影響。本集團使用的主要假設包括貼現率，以釐定資產及現金產生單位之可收回金額。由於二零一六年現金流量預測之稅前折現率為29.14%，乃是基於調整加權平均權益成本至稅前利率及考慮到三年之後按零增長率而推測到的現金流量。所用之貼現率乃根據市場無風險利率計算，按通脹差異及包括債務溢價、市場風險溢價、無形資產特別風險、槓桿企業稅率及資產貝塔而調整。

於二零一七年十二月三十一日，由本集團及賣方簽定收購深圳市天星通科技有限公司的協議中所列的三年期溢利保證無法達到目標（看附註20）。

- (iv) 於二零一七年十二月三十一日之交易權指兩項（二零一六年：兩項）聯交所交易權及一項（二零一六年：一項）在香港期貨交易所有限公司（「期交所」）之交易權。

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17. STATUTORY DEPOSITS AND OTHER ASSETS

17. 法定按金及其他資產

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Hong Kong Securities Clearing Company Limited ("HKSCC")	香港中央結算有限公司 (「香港結算」)		
– Contribution fund deposit	– 保證基金按金	100,000	100,000
– Admission fee deposit	– 收納費按金	100,000	100,000
The Stock Exchange of Hong Kong Limited	香港聯合交易所有限公司		
– Compensation fund deposit	– 賠償基金按金	100,000	100,000
– Fidelity fund deposit	– 互保基金按金	100,000	100,000
– Stamp duty deposit	– 印花稅按金	5,000	5,000
The Securities and Futures Commission of Hong Kong	香港證券及期貨事務 監察委員會		
– Deposits for responsible officers	– 負責人員按金	100,000	100,000
Shenzhen Qianhai First China International Commodities Exchange Centre Limited	深圳前海首華國際商品 交易中心有限公司		
– Reserve fund deposit	– 儲備基金按金	–	554,935
Guangdong Previous Metals Exchange Limited ("PMEC")	廣東省貴金屬交易中心有限公司 (「貴金屬交易中心」)		
– Reserve fund deposit	– 儲備基金按金	1	1
		505,001	1,059,936

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18. INVESTMENTS IN SUBSIDIARIES

The following is a list of the Company's principal subsidiaries as at 31 December 2017 and 2016:

18. 於附屬公司之投資

以下為於二零一七年及二零一六年十二月三十一日之本公司主要附屬公司名單：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點及 法定實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊股本詳情	Interest held 持有權益
Sinofortune Financial Holdings (BVI) Limited (formerly known as First China Financial Holdings (BVI) Limited)	British Virgin Islands, Limited liability company	Investment holding	611,700 ordinary shares of US\$1 each	100%
Sinofortune Financial Holdings (BVI) Limited (前稱為First China Financial Holdings (BVI) Limited)	英屬處女群島, 有限公司	投資控股	611,700股每股面值1美元之普通股	100%
Stockmartnet Limited 金融社有限公司	Hong Kong, Limited liability company 香港, 有限公司	Securities trading in Hong Kong 於香港從事證券買賣	HK\$3 3港元	100%
Sinofortune Securities Limited (Formerly known as First China Securities Limited)	Hong Kong, Limited liability company	Securities and futures brokerage and securities margin financing services in Hong Kong	HK\$67,000,000	100%
華億證券有限公司 (前稱為首華證券有限公司)	香港, 有限公司	於香港從事證券及期貨經紀以及證券保證金融服務	67,000,000港元	100%
Sinofortune Processing Services Limited (Formerly known as First China Processing Services Limited)	Hong Kong, Limited liability company	Provision of a trading platform in Hong Kong	HK\$2	100%
Sinofortune Processing Services Limited (前稱為First China Processing Services Limited)	香港, 有限公司	於香港提供交易平台	2港元	100%
IFN-GT Financial Holdings Limited	British Virgin Islands, Limited liability company	Investment holding	1 ordinary share of US\$1 each	100%
IFN-GT Financial Holdings Limited	英屬處女群島, 有限公司	投資控股	1股每股面值1美元之普通股	100%
Sinofortune Global Wealth Management Limited (Formerly known as First China Global Wealth Management Limited)	Hong Kong, Limited liability company	Provision of wealth management services in Hong Kong	HK\$6,000,000	100%
華億環球理財有限公司 (前稱為首華環球理財有限公司)	香港, 有限公司	於香港提供財富管理服務	6,000,000港元	100%
Sinofortune Property Limited (Formerly known as First China Estates Company Limited)	Hong Kong, Limited liability company	Property holding	HK\$1	100%
華億地產有限公司 (前稱為首華置業有限公司)	香港, 有限公司	持有物業	1港元	100%

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18. INVESTMENTS IN SUBSIDIARIES (continued)

18. 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點及 法定實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊股本詳情	Interest held 持有權益
Aceview International Limited 銳景國際有限公司	British Virgin Islands, Limited liability company 英屬處女群島·有限公司	Investment holding 投資控股	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%
GoHi Holdings Limited GoHi Holdings Limited	British Virgin Islands, Limited liability company 英屬處女群島·有限公司	Investment holding 投資控股	35,000 ordinary shares of US\$1 each 35,000股每股面值 1美元之普通股	100%
首華證券諮詢(深圳)有限公司 (transliterated as First China Securities Consultancy (Shenzhen) Co., Ltd) 首華證券諮詢(深圳)有限公司	PRC, Foreign wholly-owned enterprise 中國·外商獨資企業	Provision of stock information and research services in the PRC 於中國提供股票資訊及 研究服務	Registered capital of RMB40,000,000 註冊資本 為人民幣40,000,000元	100%
深圳畫天影視文化傳播有限公司 (transliterated as Shenzhen Sky Picture Culture Communications Company Limited) (Note 1) 深圳畫天影視文化傳播有限公司 (附註1)	PRC, Limited liability company 中國·有限公司	Investment holding and provision of development and design of TV programs and artwork in the PRC 於中國投資控股、 開發及設計電視節目 及美術	Registered capital of RMB3,000,000 註冊資本為 人民幣3,000,000元	100%
深圳首華校安網絡科技有限公司 (transliterated as Shenzhen First China School Safety Network Technology Company Limited) 深圳首華校安網絡科技有限公司	PRC, Limited liability company 中國·有限公司	Development and sales of school safety products 開發及銷售校園安全產 品	Registered capital of RMB7,000,000 註冊資本為 人民幣7,000,000元	100%
深圳富盟網絡技術有限公司 (transliterated as Shenzhen Wealth Alliance Networking Company Limited) ("Wealth Alliance") (Note 1) 深圳富盟網絡技術有限公司 (「富盟」)(附註1)	PRC, Limited liability company 中國·有限公司	Development and sales of software for information network equipment, terminal products and calculators in the PRC 於中國開發及銷售資訊 網絡設備軟件、終端 產品及計算器	Registered capital of RMB10,000,000 註冊資本為 人民幣10,000,000元	100%

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18. INVESTMENTS IN SUBSIDIARIES (continued)

18. 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點及 法定實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊股本詳情	Interest held 持有權益
深圳市天星通科技有限公司 (transliterated as Shenzhen Star Technology Co., Ltd)	PRC, Limited liability company	Trading of electronic student cards	Registered capital of RMB20,100,000	100%
深圳市天星通科技有限公司	中國·有限公司	銷售電子學生證	註冊資本為人民幣 20,100,000元	100%
深圳國銀盛世貴金屬經營有限公司 (transliterated as Shenzhen Guoyin Brilliant Precious Metals Limited) ("Guoyin") (Note 2)	PRC, Limited liability company	Precious metals brokerage and spot trading	Registered capital of RMB20,000,000 (of which RMB10,000,000 has been paid up as at 31 December 2017)	80% (2016: 55%)
深圳國銀盛世貴金屬經營有限公司 (「國銀」) (附註2)	中國·有限公司	貴金屬經紀及現貨交易	註冊資本為 人民幣20,000,000元 (當中人民幣10,000,000元 於二零一七年 十二月三十一日已繳足)	80% (2016: 55%)
重慶盛渝泓嘉國際貿易有限公司 (transliterated as Chongqing Sheng Yu Hong Jia International Trading Company Limited)	PRC, Limited liability company	Sales of motor vehicles and provision of agency services	Registered capital of RMB150,000,000 (of which RMB100,000,000 has been paid up as at 31 December 2017)	90%
重慶盛渝泓嘉國際貿易有限公司 (「盛渝泓嘉」) (附註3)	中國·有限公司	銷售汽車及提供 代理服務	註冊資本為 人民幣150,000,000元 (當中人民幣100,000,000元 於二零一七年 十二月三十一日已繳足)	90%

Note 1: The equity interests in these subsidiaries are directly or indirectly held by nominees on behalf of the Group and the Group holds 100% effective interest in the subsidiary.

附註1: 由代名人代表本集團直接或間接持有該等附屬公司之股本權益, 及本集團持有該附屬公司100%實際權益。

Note 2: The proportion of ownership interests held by the Group interests in Guoyin has been changed from 55% to 80% during the year (see note 36).

附註2: 年內本集團持有國銀的權益比例由55%變為80%(見附註36)。

Note 3: This subsidiary was formed on 2 August 2017.

附註3: 此附屬公司於二零一七年八月二日成立。

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

上表載列董事認為對本集團業績或資產構成主要影響之附屬公司。董事認為, 詳列其他附屬公司之資料將導致篇幅過於冗長。

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18. INVESTMENTS IN SUBSIDIARIES (continued)

Commitments and contingent liabilities in respect of subsidiaries

The Group has the following commitments relating to its subsidiaries:

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Commitment to provide capital funding for subsidiaries 給予附屬公司資金之投資承諾	68,167,440	3,329,610

As at 31 December 2017 and 2016, there are no contingent liabilities relating to the Group's interest in the subsidiaries.

Material non-controlling interest

The total non-controlling interest as at 31 December 2017 is HK\$14,903,119 (2016: HK\$6,215,475), of which HK\$2,654,964 (2016: HK\$6,215,092) is relating to Guoyin and HK\$12,248,155 (2016: Nil) is relating to Sheng Yu Hong Jia. The non-controlling interests in respect of other subsidiary is not material.

Summarized financial information on the subsidiary with material non-controlling interests

The following table lists out the information relating to Guoyin and Sheng Yu Hong Jia, the two subsidiaries of the Group which have a material non-controlling interests (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

18. 於附屬公司之投資 (續)

有關附屬公司之承擔及或然負債

本集團擁有有關其附屬公司之以下承擔：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Commitment to provide capital funding for subsidiaries 給予附屬公司資金之投資承諾	68,167,440	3,329,610

於二零一七年及二零一六年十二月三十一日，並無有關本集團於附屬公司之權益之或然負債。

重大非控股權益

於二零一七年十二月三十一日非控股權益總值為14,903,119港元（二零一六年：6,215,475港元），其中中國銀應佔2,654,964港元（二零一六年：6,215,092港元）及盛渝泓嘉應佔12,248,155港元（二零一六年：無）。有關其他附屬公司的非控股權益並不重大。

有重大非控股權益之附屬公司之財務資料概要

下表載列本集團兩間擁有重大非控股權益（非控股權益）之附屬公司國銀及盛渝泓嘉之資料。下文呈列之財務資料概要指任何公司間對銷前之款項。

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18. INVESTMENTS IN SUBSIDIARIES (continued)

Material non-controlling interest (continued)

Summarized financial information on the subsidiary with material non-controlling interests (continued)

Summarized statement of financial position

18. 於附屬公司之投資 (續)

重大非控股權益 (續)

有重大非控股權益之附屬公司之財務資料概要 (續)

財務狀況報表摘要

		Sheng Yu Hong Jia 盛渝泓嘉	Guoyin 國銀	Guoyin 國銀
		2017 二零一七年 HK\$ 港元	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Current	流動			
Assets	資產	174,002,368	19,524,210	18,341,861
Liabilities	負債	(53,370,110)	(337,086)	(301,625)
Total current net assets	流動資產總淨值	120,632,258	19,187,124	18,040,236
Non-current	非流動			
Assets	資產	1,849,297	67,296	304,755
Liabilities	負債	-	-	-
Total non-current net assets	非流動資產總淨值	1,849,297	67,296	304,755
Net assets	資產淨值	122,481,555	19,254,420	18,344,991
Non-controlling interests	非控股權益	12,248,155	2,654,964	6,215,475

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18. INVESTMENTS IN SUBSIDIARIES (continued)

Material non-controlling interest (continued)

Summarized financial information on the subsidiary with material non-controlling interests (continued)

Summarized statement of profit or loss and other comprehensive income

18. 於附屬公司之投資 (續)

重大非控股權益 (續)

有重大非控股權益之附屬公司之財務資料概要 (續)

損益及其他全面收入報表摘要

		Sheng Yu Hong Jia 盛渝泓嘉	Guoyin 國銀	Guoyin 國銀
		2017 二零一七年 HK\$ 港元	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Revenue	收益	21,606,330	-	1,539,763
Profit/(loss) before income tax	除所得稅前利潤/(虧損)	2,912,736	(494,309)	(1,840,315)
Income tax expense	所得稅開支	(58,965)	-	-
Profit/(loss) for the year	年內利潤/(虧損)	2,853,771	(494,309)	(1,840,315)
Other comprehensive (loss)/income	其他全面(虧損)/收入	35,783	(753,128)	81,577
Total comprehensive income/(loss)	全面收入/(虧損)總值	2,889,554	(1,247,437)	(1,758,738)
Total comprehensive income/(loss) allocated to non-controlling interest	已分配至非控股權益之全面收入/(虧損)總值	288,955	(241,852)	(791,432)
Dividend paid to non-controlling interests	向非控股權益派發股息	-	-	-

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18. INVESTMENTS IN SUBSIDIARIES (continued)

Material non-controlling interest (continued)

Summarized financial information on the subsidiary with material non-controlling interests (continued)

Summarized statement of cash flows

18. 於附屬公司之投資 (續)

重大非控股權益 (續)

有重大非控股權益之附屬公司之財務資料概要 (續)

現金流量表摘要

		Sheng Yu Hong Jia 盛渝泓嘉	Guoyin 國銀	Guoyin 國銀
		2017 二零一七年 HK\$ 港元	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Net cash (used in)/generated from operating activities	經營活動(動用)/產生之現金淨值	(100,095,933)	9,873,398	(6,227,643)
Net cash (used in)/generated from investing activities	投資活動(動用)/產生之現金淨值	(1,035,593)	4,858	(235,824)
Net cash from financing activities	融資活動產生之現金淨值	119,592,000	-	-
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨值	18,460,474	9,878,256	(6,463,467)
Cash equivalents at beginning of the year	年初之現金等值項目	-	8,285,985	15,415,001
Effect of foreign exchange rate changes	匯率變動之影響	23,576	633,305	(665,549)
Cash equivalents at end of the year	年末之現金等值項目	18,484,050	18,797,546	8,285,985

The information above is the amount before inter-company eliminations.

以上資料為扣除集團公司間沖銷之金額。

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19. INTERESTS IN ASSOCIATES

19. 於聯營公司之權益

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Share of net assets	應佔淨資產	-	34,944,709

Started from November 2015, there was a suspension on the business operation of the material associate, Qianhai First China due to the commodities trading policies review conducted by the government of Qianhai. Up to present, the review was still not completed as at the end of the current reporting period and therefore the business operation of Qianhai First China had not yet resumed. During the year, the management determined it is appropriate to make the full impairment on the interests in these associates because they do not expect the associate can resume its business activities in the foreseeable future.

Apart from the above, the accumulated impairment of interests in associates includes the full impairment on the investments in respect of 首華(遼寧)農產品交易中心有限公司 (transliterated as First China (Liaoning) Agricultural Products Trading Centre Company Limited) due to the continuing dormancy of the associate during the year. The management of the Company do not expect any active business of these associates in the foreseeable future.

During the year, the associate named 深圳中財贏通信息技術有限公司 (transliterated as Shenzhen Zhongcai Yingtong Information Technology Company Limited) had been suspended by the PRC authority. The interests in this associate had been fully impaired in previous year.

自二零一五年十一月起，由於前海政府進行商品交易審查政策審視，重要聯營公司前海首華的經營業務暫停。該審查於當前報告期末至今仍未完成，因此前海首華之業務經營尚未恢復。於本年度，管理層決定適宜對該等聯營公司權益作出悉數減值，因為彼等預期該聯營公司於可見的將來不會恢復業務活動。

除上述者外，於聯營公司之權益之累計減值包括有關首華(遼寧)農產品交易中心有限公司之投資之悉數減值，乃由於本年度首華(遼寧)農產品交易中心有限公司持續停業，本公司管理層預期該聯營公司於可見的將來不會有任何活躍業務。

年內，聯營公司深圳中財贏通信息技術有限公司已被中國有關機構吊銷營業執照。該聯營公司權益已於以往年度作全數減值。

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19. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates as at 31 December 2017 are as follows:

19. 於聯營公司之權益 (續)

於二零一七年十二月三十一日，本集團聯營公司之詳情如下：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地 點及法定實體類別	Principal activities 主要業務	Particulars of issued shares capital/ registered capital 所持已發行股本/ 註冊股本詳情	Interest held 所持權益
深圳前海首華國際商品 交易中心有限公司 (transliterated as Shenzhen Qianhai First China International Commodities Exchange Centre Limited)	PRC, Limited liability company	Provision of trading platform for precious metal and provision of related consultancy services	Registered capital of RMB38,000,000 (of which RMB19,000,013 has been paid up as at 31 December 2017)	38%
深圳前海首華國際商品 交易中心有限公司	中國，有限公司	提供貴金屬交易平台並提供相 關諮詢服務	註冊資本為 人民幣38,000,000元 (當中 人民幣19,000,013元已 於二零一七年 十二月三十一日繳足)	38%
首華(遼寧)農產品交易中心 有限公司 (transliterated as First China (Liaoning) Agricultural Products Trading Centre Company Limited)	PRC, Limited liability company	Sale of agricultural products, provision of transportation services and e-commerce services	Registered capital of RMB225,000,000 (of which RMB2,000,000 has been paid up as at 31 December 2017)	45%
首華(遼寧)農產品交易中心 有限公司	中國，有限公司	出售農產品，提供運輸服務和 電子商務服務	註冊資本為 人民幣225,000,000元 (當中人民幣2,000,000元 已於二零一七年 十二月三十一日繳足)	45%

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19. INTERESTS IN ASSOCIATES (continued)

All of the above associates are accounted for using the equity method in the consolidated financial statements.

The above associates are private companies and there is no quoted market value available.

Commitments in respect of associates

The Group has the following commitments relating to its associates:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Commitment to provide capital funding for associates	給予聯營公司資金之投資承諾	289,412,624	268,588,526

Litigation in respect of associates

At 31 December 2017, there is no unresolved legal cases relating to the contracts disputed with some investors. All previous legal cases had been settled during the year. The associate has paid the compensation to some investors and the related litigation fee in accordance to the related court judgements.

Individually immaterial associates

Due to the suspension of the two associate's business, the management of the Group consider both associates to be immaterial associates. The Group has interests in two individually immaterial associates that are accounted for using the equity method.

19. 於聯營公司之權益 (續)

上述所有聯營公司均採用權益法於綜合財務報表內入賬。

以上聯營公司均為私人公司且並沒有市場價值可供參考。

有關聯營公司之承擔

本集團擁有有關其聯營公司之以下承擔：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
與聯營公司有關之訴訟		

與聯營公司有關之訴訟

於二零一七年十二月三十一日，概無仍未解決之投資者合約糾紛的法律案件。所有先前法律案件已於本年度解決。聯營公司已根據相關法院判決向部分投資者支付賠償及相關訴訟費。

個別不重要聯營公司

由於二間聯營公司之業務暫停，本集團的管理層認為此等聯營公司為不重要聯營公司。本集團於採用權益法入賬的二間個別不重要聯營公司擁有權益。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. INTERESTS IN ASSOCIATES (continued)

Individually immaterial associates (continued)

Aggregate information of associates that are not individually material

19. 於聯營公司之權益 (續)

個別不重要聯營公司 (續)

個別不重要聯營公司之匯總資料

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Aggregate carrying amount after impairment of individually immaterial associates in the consolidated financial statements	個別不重要聯營公司於綜合財務報表減值後之總賬面值	-	34,944,709
Aggregate amounts of the operating loss of those associates	該等聯營公司經營業務虧損之總金額	(16,027,413)	(24,637,447)
Aggregate amounts of translation reserve arising from translating of the associate's financial statements	因折算聯營公司之財務報表而產生之匯兌儲備總金額	7,805,876	(7,609,592)
Total comprehensive loss	全面虧損總額	(8,221,537)	(32,247,039)

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20. CONTINGENT CONSIDERATION RECEIVABLE

20. 應收或然代價

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
At 1 January	於一月一日	29,441,448	31,511,100
Currency translation difference	貨幣兌換差額	-	(2,210,532)
Change in fair value	公平值變動	(13,441,448)	140,880
Shares retrieval from escrow arrangement	收回託管安排之股份	(16,000,000)	-
At 31 December	於十二月三十一日	-	29,441,448

The contingent consideration receivable is related to the acquisition of Shenzhen Star Technology Co., Limited in year 2014.

The Group made an initial payment for acquisition totaling RMB16,000,000 (equivalent to HK\$19,656,000 at the time of acquisition) in cash and issued 350,000,000 new shares in the capital of the Company (the "Consideration shares") of which 200,000,000 new shares were subject to the escrow arrangement according to the profit guarantee requirement as indicated in the acquisition agreement. Such escrow shares are kept by the Company's lawyer.

Pursuant to the acquisition agreement, the vendors guaranteed to the Group that the net profit after tax of Shenzhen Star Technology Co., Ltd. (based on its audited accounts) for each of the three financial years ending 31 December 2015, 31 December 2016 and 31 December 2017 shall be as follows: (i) for the year ending 31 December 2015, not less than RMB20,000,000; (ii) for the year ending 31 December 2016, not less than RMB30,000,000; (iii) for the year ending 31 December 2017, not less than RMB40,000,000.

應收或然代價乃與於二零一四年收購深圳市天星通科技有限公司有關。

本集團已以現金就該收購事項支付首期合共人民幣16,000,000元（於收購時相當於19,656,000港元），並於本公司股本中發行350,000,000股新股份（「代價股份」），其中200,000,000股新股份將根據收購協議中標明的利潤保證規定而受託管安排規限。該等代價股份由本公司的律師託管。

根據收購協議，賣方向本集團保證，深圳市天星通科技有限公司於截至二零一五年十二月三十一日、二零一六年十二月三十一日及二零一七年十二月三十一日止三個財政年度各年之除稅後淨利潤（根據其經審核賬目）如下：(i)截至二零一五年十二月三十一日止年度：不少於人民幣20,000,000元；(ii)截至二零一六年十二月三十一日止年度：不少於人民幣30,000,000元；(iii)截至二零一七年十二月三十一日止年度：不少於人民幣40,000,000元。

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20. CONTINGENT CONSIDERATION RECEIVABLE (continued)

Shenzhen Star Technology Co., Ltd failed to achieve any of abovementioned profit guarantees. As of 31 December 2017, none of the ordinary shares of the Company (i.e. 200,000,000 shares of the Company) mentioned above have been released to the vendors.

Pursuant to the acquisition agreement, since the abovementioned profit guarantee could not be met from year 2015 to 2017 based on the applicable audited or management accounts of Shenzhen Star Technology Co., Ltd, the vendors have an option to choose to pay cash settlement or to give up the ordinary shares kept in an escrow account. As of 31 December 2017, the vendors have confirmed to the Group that they would give up the 200,000,000 shares, the escrow shares will then be released to the Group and to be cancelled after 31 March 2018.

The decrease in the fair value of contingent consideration receivables, during the years ended 31 December 2017, was due to the decrease in Company's share price in the corresponding period. The fair value of the contingent consideration receivable at 31 December 2016 was based on the valuations under probability model, which was performed by an independent professional valuer. The variable and assumption used in computing the fair value of the contingent consideration receivable are based on the management's best estimate. The value of the contingent consideration receivable varies with different variables of certain subjective assumptions. As at 31 December 2017, all contingent consideration receivable has been derecognised as the vendors have confirmed to the Group that they would give up the 200,000,000 shares, i.e. the escrow shares with the corresponding adjustment recognized in "other reserves".

20. 應收或然代價 (續)

深圳市天星通科技有限公司未能達致上述任何溢利保證。截至二零一七年十二月三十一日，概無向賣方發放上述本公司普通股（即200,000,000股本公司股份）。

根據收購協議，由於二零一五年至二零一七年未能達致上述溢利保證，根據深圳市天星通科技有限公司之適用經審核或管理賬目，賣方可選擇支付現金結算或放棄託管安排中託管之普通股。於二零一七年十二月三十一日，賣方已向本集團確認彼等會放棄該200,000,000股股份，託管股份將於二零一八年三月三十一日後發放予本集團並註銷。

於截至二零一七年十二月三十一日止年度，應收或然代價之公平值減少乃由於有關期間本公司股價下跌所致。於二零一六年十二月三十一日之應收或然代價之公平值乃基於概率模型得出之估值（由獨立專業估值師作出）計算。計算應收或然代價公平值所用之變量及假設乃基於管理層之最佳估計。應收或然代價之公平值隨若干主觀假設變量的變化而變化。於二零一七年十二月三十一日，由於賣方已向本集團確認彼等會放棄該200,000,000股股份（即託管股份），所有應收或然代價應被結清，而相關調整已於「其他儲備」中認列。

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20. CONTINGENT CONSIDERATION RECEIVABLE

(continued)

Inputs into probability model:

20. 應收或然代價 (續)

概率模型之輸入數據：

Scenario	情況	Probability 概率
Optimistic*	樂觀值*	20%
Expected*	估計值*	75%
Pessimistic*	保守值*	5%
Company's share price as at 31 December 2016*	於二零一六年十二月三十一日 本公司的股價*	0.148
Company's share price as at 31 December 2017	於二零一七年十二月三十一日 本公司的股價	0.080

* Those inputs are for the valuation as of 31 December 2016

* 此等輸入數據
是用於二零一六年十二月
三十一日之估值

21. INVENTORIES

21. 存貨

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Finished goods	成品	124,155,521	2,590,324

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22. TRADE RECEIVABLES

22. 應收貿易款項

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Amounts receivable arising from securities broking:	證券經紀業務所產生應收款項：		
Margin clients	保證金客戶	2,614,525	5,888,186
Cash clients	現金客戶	4,490,031	5,820,001
Brokers and dealers	經紀及交易商	6	7
Hong Kong Securities Clearing Company Limited (net)	香港中央結算有限公司(淨值)	487,628	428,834
Other trade receivables	其他應收貿易款項	1,831,970	2,449,061
		9,424,160	14,586,089
Less: Provision for impairment loss	減：減值虧損撥備	-	(36,000)
Trade receivables, net	應收貿易款項淨值	9,424,160	14,550,089

Amounts receivable from margin clients are repayable on demand, bearing interest at prevailing market rates and are secured by clients' pledged securities which are listed on the Stock Exchange with a total market value of approximately HK\$22,584,000 as at 31 December 2017 (2016: HK\$25,580,000). No aged analysis is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of the business of securities margin financing.

應收保證金客戶款項須按要求償還，按現行市場利率計息，並以客戶於二零一七年十二月三十一日總市值約22,584,000港元(二零一六年：25,580,000港元)之聯交所上市抵押證券作抵押。基於證券保證金融資業務之性質，董事認為賬齡分析並無任何額外價值，故未有披露賬齡分析。

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22. TRADE RECEIVABLES (continued)

The settlement terms of amounts receivable arising from securities broking are one or two trade days after the trade execution date. Except for the amounts receivable from margin clients as mentioned above, these balances are aged within 30 days.

The trade receivables arising from the trading of electronic student card and from the trading of motor vehicles are due immediately from date of billing.

The following is an aged analysis of other trade receivables based on invoice date at the reporting period:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
0-30 days	0至30日	1,831,970	2,268,463
31-90 days	31至90日	-	-
91-180 days	91至180日	-	144,598
181-365 days	181至365日	-	-
Over 365 days	365日以上	-	36,000
		1,831,970	2,449,061

The maximum exposure to credit risk at the end of the reporting period is the carrying amounts of trade receivables. Other than the amounts receivable from margin clients, the Group does not hold any collateral as security in respect of its trade receivables. There is no recent history of default on the trade receivables.

As at 31 December 2017 and 31 December 2016, all other trade receivables, except for the impaired amounts indicated below, were not past due.

22. 應收貿易款項 (續)

證券經紀業務所產生應收款項於進行交易日期後一或兩個交易日內支付。除上述應收保證金客戶款項外，餘款之賬齡為三十日內。

銷售電子學生證及汽車產生之應收貿易款項，於發出賬單當日即時到期。

其他應收貿易款項於報告期間按賬單日期之賬齡分析如下：

於報告期間結束時，最大信貸風險為應收貿易款項之賬面值。除保證金客戶之應收款項外，本集團並無就其應收貿易款項持有任何抵押品作抵押。此等應收貿易款項並無近期欠款記錄。

於二零一七年十二月三十一日及二零一六年十二月三十一日，除下文提及已減值之款項外，所有其他應收貿易款項沒有逾期。

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22. TRADE RECEIVABLES (continued)

Movements on the provision of impairment of trade receivables are as follow:

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
At 1 January and at 31 December 於一月一日及十二月三十一日	-	36,000

As at 31 December 2016, the Group's trade receivables of HK\$36,000 were individually determined to be impaired.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Hong Kong dollars 港元	7,592,190	12,137,028
RMB 人民幣	1,831,970	2,413,061
	9,424,160	14,550,089

22. 應收貿易款項 (續)

應收貿易款項減值撥備之變動情況如下:

於二零一六年十二月三十一日，本集團之應收貿易款項36,000港元為個別客戶貿易款減值。

本集團應收貿易款項之賬面值按以下貨幣列值:

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23. LOANS AND RECEIVABLES

During the year ended 31 December 2017, RMB500,000 (equivalent to HK\$597,960) of the Group's loans receivable were arising from one PRC subsidiary of the Company and are denominated in RMB. This loan receivable bore interest at annual effective rate of 1.95%. The Group did not hold any collateral on these loan receivable. The loan receivable is expected to be recovered within one year.

During the year ended 31 December 2016, two of the PRC subsidiaries of the Company lent the amounts of RMB30,211,000 (equivalent to HK\$33,530,283 to some independent third parties of the loan receivables amounts, of which RMB14,000,000 (equivalent to HK\$15,538,180) was secured by the pledged securities which are listed on Shanghai Stock Exchange and Shenzhen Stock Exchange and such securities were transferred to the nominee of the Group and in his custody. The fair value of such securities was approximately RMB18,912,300 as at 31 December 2016. As at 31 December 2016, in the opinion of the Company's directors, the Group held collateral with value not less than the carrying amount of the loan receivables. The loan receivables bore interest at annual effective rate ranged from 2.3% to 18% in previous year. All these loan receivables had been repaid by the borrowers during the year ended 31 December 2017.

23. 貸款及應收款項

截至二零一七年十二月三十一日止年度，本集團之應收貸款人民幣500,000元（相當於597,960港元）乃來自本公司的一間中國附屬公司並以人民幣計值。該應收貸款按實際年利率1.95%計息。本集團並無就該等應收貸款持有任何抵押品。預期應收貸款將於一年內收回。

截至二零一六年十二月三十一日止年度，本公司的兩間中國附屬公司向若干獨立第三方借出金額為人民幣30,211,000元（相當於33,530,283港元）的應收貸款，其中人民幣14,000,000元（相當於15,538,180港元）以於上海證券交易所及深圳證券交易所上市之抵押證券作抵押，而該等證券已轉讓予本集團之代名人並由其保管。於二零一六年十二月三十一日，該等證券之公平值約為人民幣18,912,300元。於二零一六年十二月三十一日，本公司董事認為，本集團持有價值不低於應收貸款賬面值的抵押品。應收貸款於過往年度按介乎2.3%至18%的實際年利率計息。借款人已於二零一七年十二月三十一日止年度內償還所有該等應收貸款。

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23. LOANS AND RECEIVABLES (continued)

At initial recognition, the Group determined the fair value of the loans receivable equivalent to their principal amounts. The analysis of the carrying amount of loans receivable as at 31 December 2017 and 2016 are as follows:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Current	即期	597,960	33,530,283

As at 31 December 2017 and 2016, no loan receivables were past due.

Management of the Group determined no impairment loss on these loans receivable are required to be recognized, after taking into account the collaterals held by the Group and/or no past due on loans and receivables.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Listed equity – held for trading	上市股權—持作買賣		
Equity securities – Hong Kong	股本證券—香港	23,512,550	63,967,620
Financial asset designated as at fair value through profit and loss	指定按公平值計入損益之金融資產	10,763,280	–
		34,275,830	63,967,620

23. 貸款及應收款項 (續)

於首次確認時，本集團釐定應收貸款之公平值相當於其本金額。於二零一七年及二零一六年十二月三十一日應收貸款之賬面值分析如下：

於二零一七年及二零一六年十二月三十一日，所有應收貸款沒有逾期。

本集團管理層判定，經考慮本集團所持有之抵押品及／或所有貸款及應收款項並無逾期後，毋須確認該等應收貸款之減值虧損。

24. 按公平值計入損益之金融資產

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

24. 按公平值計入損益之金融資產 (續)

Stock code	Company name	No. of share held as at 31 December 2017 於二零一七年十二月三十一日 持股數量	Approximately percentage of shareholding 大約持股百分比	Fair value as at 31 December 2017 於二零一七年十二月三十一日之 公平值 HK\$ 港元	Fair value loss on securities held for trading for 2017 二零一七年度 持作買賣證券之 公平值虧損 HK\$ 港元
股票代號	公司名稱				
01335	Sheen Tai 順泰控股	75,238,000	3.06%	20,690,450	(33,480,910)
06898	China Aluminum 中國鋁罐	2,454,000	0.26%	2,822,100	(1,276,080)
Listed shares-held for trading	上市股權-持作買賣			23,512,550	(34,756,990)

The financial asset designated at fair value through profit and loss represents an amount of RMB9,000,000 invested in a fund known as 財富寶 (transliterated as Cai Fu Bao) which is managed by 南方基金管理股份有限公司 (transliterated as China Southern Asset Management Co., Limited) during the year. This investment fund provides the unguaranteed expected floating returns of approximately 4% per annum and can be refunded one day after instruction is given to the securities company.

Financial assets at fair value through profit or loss are presented within "operating activities" as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in "other income and loss, net" in the consolidated statement of profit or loss and other comprehensive income.

The fair value of all equity securities held in trading is based on their current bid prices in an active market.

The fair value of the financial asset designated as at fair value through profit or loss of the end of reporting period was determined based on purchase cost of fund which is very close to the end of reporting period.

年內，指定按公平值計入損益之金融資產指於南方基金管理股份有限公司管理的投資基金財富寶的投資金額人民幣9,000,000元。該投資基金提供不保證的預期浮動年收益約4%，並可於向證券公司發出指示後一日內退回。

按公平值計入損益之金融資產於現金流量表內「經營活動」內呈列，為營運資金變動之一部份。

按公平值計入損益之金融資產之公平值變動計入綜合損益及其他全面收入報表之「其他收入及虧損淨值」內。

所有持作買賣股本證券之公平值乃根據彼等於活躍市場上之現時買入價計算。

於報告期末，指定按公平值計入損益之金融資產的公平值根據非常接近報告期末時所購買基金之成本釐定。

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25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

25. 預付款項、按金及其他應收款項

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Other receivables	其他應收款項	20,434,990	25,398,536
Other deposits and prepayments	其他按金及預付款項	5,266,039	3,784,931
		25,701,029	29,183,467
Represented by:			
Non-current assets	由下列各項表示： 非流動資產	803,915	940,607
Current assets	流動資產	24,897,114	28,242,860
		25,701,029	29,183,467

As at 31 December 2017, the other receivables mainly represents the net amounts of the Input and Output Value-Added Tax on the purchase and sales of the imported motor vehicles in amount of RMB15,674,573 (equivalent to HK\$18,745,536) (2016: Nil). Such receivables in relation to the value-added tax would be utilized while selling motor vehicles in subsequent period.

The amount of other receivables included the amount of RMB20,000,000 (equivalent to HK22,197,400) as at 31 December 2016 which represents the refundable earnest money paid for the proposed acquisition for the entire registered capital of Minqin Quantum in January 2015. The vendors had pledged their owned shares in Minqin Quantum as a collateral on the refundable earnest money paid by the Group. The proposed acquisition has been terminated in May 2015 and the Group had filed an arbitration application to South China International Economic and Trade Arbitration Commission for the repayment of the overdue receivables in same year.

於二零一七年十二月三十一日，其他應收款項主要指買賣進口汽車的進項及銷項增值稅淨額人民幣15,674,573元（相當於18,745,536港元）（二零一六年：無）。該等有關增值稅的應收款項將於其後期間銷售汽車時動用。

於二零一六年十二月三十一日，其他應收款項包括人民幣20,000,000元（於當日相當於22,197,400港元），指就建議收購民勤量子之全部註冊資本於二零一五年一月支付的可退還誠意金。賣方已將其於民勤量子之股份抵押，作為本集團支付的可退還誠意金之抵押品。建議收購已於二零一五年五月終止，及本集團已於同年就償還逾期應收款項向華南國際經濟貿易仲裁委員會提交仲裁申請。

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25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Although the final judgement of the arbitration had been issued on 3 June 2016, the receivables have not yet been repaid up to present. Although the management continue to negotiate with the vendors on the settlement of the said refundable earnest money paid, the management considers it is appropriate to make a full impairment of the said deposits during the year ended 31 December 2017. It is because the management has considered its PRC legal adviser's opinions on the execution judgment issued by Intermediate People's Court of Suining City, Sichuan Province dated 25 April 2017 and the existing completed and outstanding lawsuits involving Minqin Quantum during the year. The management consider the Group may need to take up Minqin Quantum's significant existing and potential liabilities if the Group get the possession of the pledged shares of Minqin Quantum. In addition, as mentioned in the execution judgment, the vendor owns no executable assets to repay the amounts.

26. AMOUNTS DUE FROM FORMER DIRECTORS

The SFC has served a petition under the Securities and Futures Ordinance against the Company, three former Directors (Mr. Yin Yingneng Richard, Mr. Wang Wenming and Mr. Lee Yiu Sun) of the Company in November 2012. At that time, SFC was seeking disqualification orders against such Directors and an order that the Company should itself or otherwise procure Aceview International Limited, a wholly owned subsidiary of the Company, to bring court proceedings against Fame Treasure Limited and/or other parties at fault to recover the dividend of RMB18,692,000 (equivalent to HK\$23,268,362) with the interest accruing at 1% above the prime rate published by the HSBC from 31 December 2008 to the date hereof and thereafter at the judgment rate until the date of payment to the Company. The amounts have been settled during 2017.

25. 預付款項、按金及其他應收款項 (續)

儘管仲裁的終局裁決已於二零一六年六月三日發出，但應收款項至今尚未償還。雖然管理層繼續與賣方就上述可退還誠意金之結付進行磋商，但管理層認為適宜於二零一七年十二月三十一日止年度內就上述按金作出悉數減值。此乃由於管理層已考慮中國法律顧問就四川省遂寧市中級人民法院發出的日期為二零一七年四月二十五日的執行裁定書及年內涉及民勤量子的現有已完結及尚未完結法律訴訟的意見。管理層認為，倘本集團取得民勤量子的已抵押股份，則本集團或須接管民勤量子的重大現有及潛在負債。此外，如執行裁定書所述，賣方並無可供執行的財產以償還款項。

26. 應收前任董事款項

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Amounts due from former Directors 應收前任董事款項	-	331,419

證監會於二零一二年十一月根據證券及期貨條例向本公司、本公司之三名前任董事（尹應能先生、王文明先生及李耀新先生）提出呈請。當時，證監會正尋求對該等董事之取消資格令及命令本公司本身或另行促使本公司之全資附屬公司銳景國際有限公司向譽寶有限公司及／或存在過失之其他人士提出法院訴訟，以收回支付予該公司之股息人民幣18,692,000元（相當於23,268,362港元），並按滙豐銀行自二零零八年十二月三十一日至判決日期所公佈之最優惠利率另加1厘計息，之後按判決利率計息直至向本公司付款日期。有關款項已於二零一七年度結清。

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27. BANK BALANCES AND CASH

(a) Cash and cash equivalent

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Cash at bank and on hand	銀行及手頭現金	168,739,802	252,923,389
Short-term pledged bank deposits used for securing banking facilities	用於獲取銀行融資的短期有抵押銀行存款	9,875,538	-
Short-term bank deposits	短期銀行存款	2,082,621	2,073,049
Cash and cash equivalents	現金及現金等值項目	180,697,961	254,996,438

As at 31 December 2017, the Group had bank balances and cash of approximately HK\$88,552,762 (2016: HK\$34,486,314) which are denominated in RMB. The remittance of these funds out of the PRC is subject to the exchange control restrictions imposed by the PRC Government.

The bank balances are deposited with creditworthy banks with no recent history of default.

Bank balances and cash include the following for the purposes of the consolidated statement of cash flows:

27. 銀行結餘及現金

(a) 現金及現金等值項目

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Cash at bank and on hand	銀行及手頭現金	168,739,802	252,923,389
Short-term pledged bank deposits used for securing banking facilities	用於獲取銀行融資的短期有抵押銀行存款	9,875,538	-
Short-term bank deposits	短期銀行存款	2,082,621	2,073,049
Cash and cash equivalents	現金及現金等值項目	180,697,961	254,996,438

於二零一七年十二月三十一日，本集團有以人民幣列值之銀行結餘及現金約88,552,762港元（二零一六年：34,486,314港元）。將該筆款項匯出中國境外受中國政府實施之外匯管制所限。

有關銀行結餘存於信譽良好且無近期拖欠記錄之銀行。

就綜合現金流量表而言，銀行結餘及現金包括以下各項：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
General accounts and cash	一般賬戶及現金	170,932,310	240,921,035
Segregated trust bank balances	獨立信託賬戶結餘	9,765,651	14,075,403
Cash and cash equivalents	現金及現金等值項目	180,697,961	254,996,438

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27. BANK BALANCES AND CASH (continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flow were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

27. 銀行結餘及現金 (續)

(b) 融資活動所產生負債之對賬

下表詳細說明本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指於本集團綜合現金流量表內分類為融資活動所產生之現金流量或未來現金流量之負債。

		Secured bank borrowing 有抵押 銀行借貸 HK\$ 港元	Unsecured borrowing – related party (see note 37(iii)) 無抵押借貸- 有關連人士 (見附註37(iii)) HK\$ 港元	Total liabilities from financing activities 融資活動 所產生 負債總額 HK\$ 港元
As at 1 January 2017	於二零一七年一月一日	8,554,953	–	8,554,953
Changes from financing cash flow:	融資現金流量變動：			
Proceeds from new unsecured borrowing – related party	新增無抵押借貸所得款項 – 有關連人士	–	47,836,800	47,836,800
Repayments of bank borrowings	銀行借款之還款	(1,998,940)	–	(1,998,940)
Interest paid	已付利息	(229,303)	–	(229,303)
Total changes from financing cash flows	融資現金流量變動總額	(2,228,243)	47,836,800	45,608,557
Other changes:	其他變動：			
Interest expenses	利息開支	229,303	–	229,303
Total other changes	其他變動總額	229,303	–	229,303
As at 31 December 2017	於二零一七年十二月三十一日	6,556,013	47,836,800	54,392,813

Comparative figures are not required as this is the first year of the application of the amendments to HKAS 7 and there are specific transitional provisions in the amendments that allow the Group not to disclose the comparative information.

由於本年首次應用香港會計準則第7號修訂本且修訂本具有允許本集團毋須披露比較資料之具體過渡條文，故無需呈列比較數字。

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28. TRADE PAYABLES

28. 應付貿易款項

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Amounts payable arising from securities broking:	證券經紀業務所產生應付款項：		
Margin clients	保證金客戶	716,274	90,320
Cash clients	現金客戶	6,844,930	14,721,481
Other trade payables	其他應付貿易款項	5,897	5,897
		7,567,101	14,817,698

Amounts payable to margin clients are repayable on demand. No aged analysis is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of the business of securities margin financing.

應付保證金客戶款項須按要求償還。基於證券保證金融資業務之性質，董事認為賬齡分析並無任何額外價值，故未有披露賬齡分析。

The settlement terms of amounts payable arising from securities broking are one or two trade days after the trade execution date. Except for the amounts payable to margin clients as mentioned above, these balances are aged within 30 days.

證券經紀業務所產生應付款項須於進行交易日期後一或兩個交易日內支付。除上述應付保證金客戶款項外，餘款須於三十日內清償。

The following is an aged analysis of other trade payables based on invoice date at the end of each reporting period:

其他應付貿易款項於各報告期間結束時按賬單日期之賬齡分析如下：

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
0-30 days	0至30日	-	-
31-90 days	31至90日	-	-
91-180 days	91至180日	-	-
181-365 days	181至365日	-	-
Over 365 days	365日以上	5,897	5,897
		5,897	5,897

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29. OTHER PAYABLES AND ACCRUALS

Included in other payables of the Group as at 31 December 2017 and 2016 were the following amounts:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Other payables and accruals	其他應付款項及應計款項	2,951,611	2,168,841
Received in advance from customers in respect of trading of motor vehicles	有關汽車貿易之客戶預收款	4,449,900	-
		7,401,511	2,168,841

29. 其他應付款項及應計款項

本集團於二零一七年及二零一六年十二月三十一日之其他應付款項包括以下款項：

30. BORROWINGS

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Secured borrowing included in current liabilities – bank borrowings	計入流動負債的有抵押借款 — 銀行借款	6,556,013	8,554,953
Unsecured borrowing included in current liabilities – related party (see note 37 (iii))	計入流動負債的無抵押借款 — 有關連人士 (見附註37(iii))	47,836,800	-
		54,392,813	8,554,953

30. 借款

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30. BORROWINGS (continued)

Notes:

- (a) The maturity of borrowings is as follows (Note (b), (c)):

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
On demand or within one year	按要求或一年內	49,896,532	1,998,932
In the second year	第二年	2,122,380	2,059,731
In the third to fifth year	第三至第五年	2,373,901	4,496,290
		54,392,813	8,554,953

At 31 December 2017 and 2016, the bank borrowings of the Group were secured by the charges over the Group's land and buildings (Note 15) and corporate guarantees executed by the Company (Note 37). At 31 December 2017 and 2016, the Group's bank borrowings are denominated in HK\$, bearing floating interest rate of 3% (2016: 3%) per annum.

At 31 December 2017, the unsecured borrowing from related party are denominated in RMB40,000,000 (equivalent to HK\$47,836,800) bearing interest rate of 8% (2016: Nil) per annum and repayable within one year.

The related party is controlled by the father-in-law of Mr. Wang Jiawei, the Company's director and is therefore a deemed connected person of the Company as defined in the GEM Listing Rules.

- (b) The amounts due are based on the scheduled repayment dates set out in the loan agreements.
- (c) The bank borrowings are shown under current liabilities as the loan agreement contains a repayment on demand clause.

30. 借款 (續)

附註：

- (a) 借款到期日詳情如下(附註(b)、(c))：

於二零一七年及二零一六年十二月三十一日，本集團銀行借款由本集團之土地及樓宇(附註15)作為抵押，並由本公司提供公司擔保(附註37)。於二零一七年及二零一六年十二月三十一日，本集團之銀行借款均以港元列值，並每年以浮息3厘(二零一六年：3厘)計息。

於二零一七年十二月三十一日，來自有關連人士之無抵押借款為人民幣40,000,000元(相當於47,836,800港元)，並每年以8厘(二零一六年：無)計息並於一年內還款。

關連人士由本公司董事王嘉偉先生之岳父控制，因此根據GEM上市規則被視為本公司之關連人士。

- (b) 應付金額乃按貸款協議所載預定還款日期計算。
- (c) 由於貸款協議載有須按要求償還條款，故銀行借款於流動負債項下呈列。

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31. DEFERRED INCOME TAX LIABILITIES

The movement on the deferred tax liabilities is as follows:

31. 遞延所得稅負債

遞延所得稅負債之變動如下：

		Accelerated tax depreciation	Undistributed profits of foreign associate	Fair value adjustment on non-monetary assets through business combination	Total
		加快稅項折舊	海外 聯營公司之 未分配溢利	業務合併之 非貨幣資產 公平值調整	合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Balance as at 1 January 2016	於二零一六年一月一日的結餘	3,653,164	4,168,371	31,623,516	39,445,051
Credited to profit or loss	計入損益	(181,549)	(1,651,025)	(31,046,614)	(32,879,188)
Currency translation difference	貨幣兌換差額	-	(184,261)	(576,902)	(761,163)
Balance as at 31 December 2016	於二零一六年十二月三十一日的結餘	3,471,615	2,333,085	-	5,804,700
Balance as at 1 January 2017	於二零一七年一月一日的結餘	3,471,615	2,333,085	-	5,804,700
Credited to profit or loss	計入損益	(181,549)	(2,422,910)	-	(2,604,459)
Currency translation difference	貨幣兌換差額	-	89,825	-	89,825
Balance as at 31 December 2017	於二零一七年十二月三十一日的結餘	3,290,066	-	-	3,290,066

The deferred tax liabilities are attributable to accelerated tax depreciation, and withholding tax on unremitted earnings of a PRC associate as at 31 December 2017. As the management considers to make full impairment on the interests in associate in current year, the deferred tax liabilities attributable to withholding tax on unremitted earnings of the PRC associate made previously had been reversed during the year.

A deferred tax asset has not been recognized in the consolidated financial statements in respect of estimated unused tax losses available for offset against future profits due to the uncertainty of future profit streams.

As at 31 December 2017, the unrecognized tax losses of the Group amounted to HK\$289,329,550 (2016: HK\$246,128,426). These tax losses have no expiry date except that HK\$54,721,208 will expire from 2018 to 2022 (2016: HK\$60,418,771 expire from 2017 to 2021).

於二零一七年十二月三十一日，遞延稅項負債來自加快稅務折舊及中國聯營公司未匯出盈利之預扣稅。由於管理層考慮於本年度就於聯營公司之權益作出悉數撥備，過往就中國聯營公司未匯出盈利之預扣稅所作的遞延稅項負債撥備已於年內撥回。

鑑於未能確定日後利潤來源，故並無於綜合財務報表就可用以抵銷日後利潤之估計未動用稅務虧損確認遞延稅項資產。

於二零一七年十二月三十一日，本集團之未確認稅項虧損為289,329,550港元（二零一六年：246,128,426港元）。除54,721,208港元將於二零一八年至二零二二年期間屆滿（二零一六年：60,418,771港元於二零一七年至二零二一年期間屆滿）外，該等稅項虧損並無屆滿日期。

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32. SHARE CAPITAL AND PREMIUM

32. 股本及溢價

	Number of issued shares 已發行股份數目 (in thousands) (千股)	Ordinary shares 普通股 HK\$ 港元	Share premium 股份溢價 HK\$ 港元	Total 總計 HK\$ 港元	
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日、 二零一七年一月一日及 二零一七年十二月三十一日	6,498,958	64,989,582	1,614,798,866	1,679,788,448

The total authorized number of ordinary shares is 10,000,000,000 shares (2016: 10,000,000,000 shares) with a par value of HK\$0.01 per share (2016: HK\$0.01 per share). All issued shares are fully paid.

法定普通股總數為10,000,000,000股(二零一六年: 10,000,000,000股), 每股面值為0.01港元(二零一六年: 每股0.01港元)。所有已發行股份股款均已繳足。

33. RESERVE

(i) Special reserve

The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate of the nominal amount of the issued share capital and share premium of Sinofortune Financial Holdings (BVI) Limited acquired pursuant to the corporate reorganization undertaken in preparation for the listing of the Company's shares on GEM on 11 January 2002.

(ii) Statutory reserve

PRC companies are required to appropriate 10% of statutory net profits to statutory reserve, upon distribution of their post-tax profits in accordance with the PRC laws and regulations. A company may discontinue the contribution when aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used make up losses of the companies, to expand the companies' operation, or to increase the capital of the companies.

(iii) Translation reserve

Exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2.5.

(iv) Other reserve

Other reserve comprises of the effect of the escrow shares retrieval and to be cancelled, in accordance with the arrangement set out in Note 20.

33. 儲備

(i) 特別儲備

本集團之特別儲備乃指本公司根據就籌備本公司股份於二零零二年一月十一日在GEM上市所進行企業重組所發行股份之面值與所收購Sinofortune Financial Holdings (BVI) Limited已發行股本面值及股份溢價總額間之差額。

(ii) 法定儲備

根據中國法律及法規, 中國公司於分派其除稅後溢利時, 須向法定儲備劃撥法定淨利潤的10%。當公司法定盈餘儲備的總和超過其註冊資本的50%時, 公司可停止劃撥。法定盈餘儲備只可用作彌補公司的虧損、擴大公司的營運或增加公司的資本。

(iii) 匯兌儲備

匯兌儲備包括因海外業務財務報表換算產生的所有匯兌差額。該儲備乃根據附註2.5所列會計政策處理。

(iv) 其他儲備

其他儲備包括根據附註20所載安排收回及將予註銷之託管股份之影響。

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34. SHARE OPTION SCHEMES

(a) The Old Share Option Scheme

The Company operates a share option scheme under which persons working for the interest of the Group are entitled to an opportunity to obtain equity interest in the Company. The number of shares in respect of which options may be granted under the share option scheme and any other share option schemes is not permitted to exceed 30% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders. The maximum number of shares issued and to be issued upon exercise of options granted and to be granted pursuant to the Old Share Option Scheme and any other share options schemes of the Company to any person (including both exercised and outstanding options) in any 12-month period up to the date of grant of options shall not exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders.

The Old Share Option Scheme was adopted pursuant to a resolution passed on 17 December 2001. The purpose of the Old Share Option Scheme is to provide the people and the parties working for the interest of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with an incentive to work better for the interest of the Group. Under the Old Share Option Scheme, the Board of Directors of the Company may grant options to eligible employees, including Directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Group.

34. 購股權計劃

(a) 舊購股權計劃

本公司設有購股權計劃，向為本集團利益工作之人士提供獲得本公司股權之機會。除非獲得本公司股東事先批准，否則根據購股權計劃及任何其他購股權計劃可予授出之購股權所涉及股份數目，不得超過本公司不時已發行股份30%。除非獲得本公司股東事先批准，否則於授出購股權日期前任何十二個月期間，根據舊購股權計劃及本公司任何其他購股權計劃已經及將會授予任何人士之購股權（包括已行使及尚未行使購股權）獲行使時已經及將會發行之最高股數，不得超過本公司已發行股份1%。

本公司根據於二零零一年十二月十七日通過之決議案，採納舊購股權計劃。舊購股權計劃旨在向為本集團利益工作之人士及各方提供獲得本公司股權之機會，從而將彼等之利益與本集團之利益連結，以鼓勵彼等為本集團之利益付出更大努力。根據舊購股權計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司董事）授出購股權，以認購本公司股份。此外，本公司可不時向外界第三方授出購股權，以支付該等人士向本集團提供商品或服務之費用。

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34. SHARE OPTION SCHEMES (continued)

(a) The Old Share Option Scheme (continued)

HK\$1 is payable on the acceptance of the option per grant. Options may generally be exercised at any time during a period to be notified by the Board to each grantee provided that the period within which the option must be exercised shall not be more than 10 years from the date of grant of the share option.

The exercise price is determined by the Board, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five Trading Days immediately preceding the date of grant; and (iii) the nominal value of a share.

On 5 September 2007, share options to subscribe for an aggregate of 32,400,000 shares of the Company were granted to certain Directors and employees of the Company. All those share options had not been exercised and became expired and lapsed during the year.

On 13 April 2010, share options to subscribe for an aggregate of 84,000,000 shares of the Company were granted to certain directors and employees of the Company. The fair value of 84,000,000 share options granted under the share option scheme on 13 April 2010 was determined by the Directors to be HK\$23,382,573 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK\$0.4, exercise price of HK\$0.419 per share, expected volatility of 103.41%, expected option life of 10 years, no expected dividend and estimated risk-free interest rate of 2.833%.

The Old Share Option Scheme adopted by the Company on 17 December 2001 had expired on 16 December 2011. The Company has adopted the New Share Option Scheme on 21 June 2012.

34. 購股權計劃 (續)

(a) 舊購股權計劃 (續)

接納購股權時須就每次授出之購股權支付1港元。購股權一般可於董事會通知各承授人之期間內任何時間行使，惟購股權之行使期限由授出購股權日期起計不得超過十年。

行使價由董事會釐定，將不低於下列三者之最高價格：(i)本公司股份於授出日期之收市價；(ii)股份於緊接授出日期前五個交易日之平均收市價；及(iii)股份面值。

於二零零七年九月五日，向本公司若干董事及僱員授出可認購合共32,400,000股本公司股份之購股權。年內所有該等購股權尚未獲行使及成為屆滿及失效。

於二零一零年四月十三日，向本公司若干董事及僱員授出可認購合共84,000,000股本公司股份之購股權。董事參考由獨立專業估值師按二項期權定價模式進行之估值後釐定，於二零一零年四月十三日根據購股權計劃授出之84,000,000份購股權之公平值為23,382,573港元。定價模式之輸入數據包括授出日期之股價為0.4港元、行使價為每股0.419港元、預期波幅為103.41%、預期購股權期限為10年、預期股息為零及估計無風險利率為2.833%。

本公司於二零零一年十二月十七日採納之舊購股權計劃於二零一一年十二月十六日已到期。本公司於二零一二年六月二十一日採納新購股權計劃。

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34. SHARE OPTION SCHEMES (continued)

(a) The Old Share Option Scheme (continued)

The following table discloses the movements of the share options granted under the Old Share Option Scheme during the year ended 31 December 2017:

Name of grantee	Date of grant	Exercise price	Exercisable period	Number of share options 購股權數目				Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
				Outstanding as at 1 January 2017 於二零一七年一月一日尚未行使	Reclassification during the year 於年內重新分類	Exercised during the year 年內行使	Lapsed during the year 年內失效	
Lai Yuk Mui (executive director) 黎玉梅女士(執行董事)	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	3,186,158	-	-	-	3,186,158
Mr. Liu Runtong (non-executive director) 劉潤桐先生(非執行董事)	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	31,861,575	-	-	-	31,861,575
Professor Zhang Benzhen (independent non-executive director) 張本正教授(獨立非執行董事)	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	2,124,105	-	-	-	2,124,105
Sub-total for directors 董事小計				37,171,838	-	-	-	37,171,838
3 employees* 三名僱員*	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	45,668,257	-	-	-	45,668,257
1 employee* 一名僱員*	5 September 2007 二零零七年九月五日	HK\$0.215 0.215港元	05/09/2007 – 04/09/2017 二零零七年九月五日至二零一七年九月四日	4,248,210	-	-	(4,248,210)	-
Sub-total for employees 僱員小計				49,916,467	-	-	(4,248,210)	45,668,257
Total 總計				87,088,305	-	-	(4,248,210)	82,840,095
Weight average exercise price 加權平均行使價				0.409	-	-	-	0.419

34. 購股權計劃(續)

(a) 舊購股權計劃(續)

下表披露截至二零一七年十二月三十一日止年度根據舊購股權計劃所授出購股權之變動:

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34. SHARE OPTION SCHEMES (continued)

(a) The Old Share Option Scheme (continued)

The following table discloses the movements of the share options granted under the Old Share Option Scheme during the year ended 31 December 2016:

Name of grantee	Date of grant	Exercise price	Exercisable period	Number of share options 購股權數目				Outstanding as at 31 December 2016 於二零一六年十二月三十一日尚未行使
				Outstanding as at 1 January 2016 於二零一六年一月一日尚未行使	Reclassification during the year 於年內重新分類	Exercised during the year 年內行使	Lapsed during the year 年內失效	
Lai Yuk Mui (executive director) 黎玉梅女士(執行董事)	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	-	3,186,158	-	-	3,186,158
Mr. Liu Runtong (non-executive director) 劉潤桐先生(非執行董事)	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	31,861,575	-	-	-	31,861,575
Professor Zhang Benzhen (independent non-executive director) 張本正教授(獨立非執行董事)	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	2,124,105	-	-	-	2,124,105
Sub-total for directors 董事小計				33,985,680	3,186,158	-	-	37,171,838
3 employees* 三名僱員*	13 April 2010 二零一零年四月十三日	HK\$0.419 0.419港元	13/04/2010 – 12/04/2020 二零一零年四月十三日至二零二零年四月十二日	52,040,573	(3,186,158)	-	(3,186,158)	45,668,257
1 employee* 一名僱員*	5 September 2007 二零零七年九月五日	HK\$0.215 0.215港元	05/09/2007 – 04/09/2017 二零零七年九月五日至二零一七年九月四日	4,779,236	-	-	(531,026)	4,248,210
Sub-total for employees 僱員小計				56,819,809	(3,186,158)	-	(3,717,184)	49,916,467
Total 總計				90,805,489	-	-	(3,717,184)	87,088,305
Weight average exercise price 加權平均行使價				0.408	-	-	-	0.409

* As one of the employees has resigned from his position on 30 May 2016, the options granted to him which are not exercised have been lapsed accordingly.

34. 購股權計劃(續)

(a) 舊購股權計劃(續)

下表披露截至二零一六年十二月三十一日止年度根據舊購股權計劃所授出購股權之變動:

* 由於其中一名僱員已於二零一六年五月三十日離職，故向彼授予且未獲行使的購股權已告失效。

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34. SHARE OPTION SCHEMES (continued)

(a) The Old Share Option Scheme (continued)

As at 31 December 2017, the Company had 82,840,095 (2016: 87,088,305) share options outstanding for the share options granted under the Old Share Option Scheme. The exercise in full of the remaining share options would, under result in the issue of 82,840,095 (2016: 87,088,305) additional ordinary shares of the Company and additional share capital of HK\$828,401 and share premium of HK\$33,881,599 (2016: share capital of HK\$870,883 and share premium of HK\$34,752,482).

(b) The New Share Option Scheme

The Company operates a New Share Option scheme under which person working for the interest of the Group are entitled to an opportunity to obtain equity interest in the Company. The number of shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes is not permitted to exceed 30% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders. The maximum number of shares issued and to be issued upon exercise of options granted and to be granted pursuant to the New Share Option Scheme and any other share options schemes of the Company to any person (including both exercised and outstanding options) in any 12-month period up to the date of grant of options shall not exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders.

34. 購股權計劃 (續)

(a) 舊購股權計劃 (續)

於二零一七年十二月三十一日，本公司有82,840,095份（二零一六年：87,088,305份）根據舊購股權計劃授出之購股權尚未行使。倘餘下之購股權獲全面行使，將導致額外發行82,840,095股（二零一六年：87,088,305股）本公司普通股，以及產生額外股本828,401港元及股份溢價33,881,599港元（二零一六年：股本870,883港元及股份溢價34,752,482港元）。

(b) 新購股權計劃

本公司設有新購股權計劃，向為本集團利益工作之人士提供獲得本公司股權之機會。除非獲得本公司股東事先批准，否則根據新購股權計劃及任何其他購股權計劃可予授出之購股權所涉及股份數目，不得超過本公司不時已發行股份30%。除非獲得本公司股東事先批准，否則於授出購股權日期前任何十二個月期間，根據新購股權計劃及本公司任何其他購股權計劃已經及將會授予任何人士之購股權（包括已行使及尚未行使購股權）獲行使時已經及將會發行之最高股數，不得超過本公司已發行股份1%。

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34. SHARE OPTION SCHEMES (continued)

(b) The New Share Option Scheme (continued)

The New Share Option Scheme was adopted pursuant to a resolution passed on 21 June 2012. The purpose of the New Share Option Scheme is to provide the people and the parties working for the interest of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and there by providing them with an incentive to work better for the interest of the Group. Under the New Share Option Scheme, the Board of Directors of the Company may grant options to eligible employees, including Directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Group.

HK\$1 is payable on the acceptance of the option per grant. Options may generally be exercised at any time during a period to be notified by the Board to each grantee provided that the period within which the option must be exercised shall not be more than 10 years from the date of grant of the share option.

The exercise price is determined by the Board, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five Trading Days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company.

34. 購股權計劃 (續)

(b) 新購股權計劃 (續)

本公司根據於二零一二年六月二十一日通過之決議案，採納新購股權計劃。新購股權計劃旨在向為本集團利益工作之人士提供獲得本公司股權之機會，從而將彼等之利益與本集團之利益連結，以鼓勵彼等為本集團之利益付出更大努力。根據新購股權計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司董事）授出購股權，以認購本公司股份。此外，本公司可不時向外界第三方授出購股權，以支付該等人士向本集團提供商品或服務之費用。

接納購股權時須就每次授出之購股權支付1港元。購股權一般可於董事會通知各承授人之期間內任何時間行使，惟購股權之行使期限由授出購股權日期起計不得超過十年。

行使價由董事會釐定，將不低於下列三者之最高價格：(i)本公司股份於授出日期之收市價；(ii)股份於緊接授出日期前五個交易日之平均收市價；及(iii)本公司股份面值。

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34. SHARE OPTION SCHEMES (continued)

(b) The New Share Option Scheme (continued)

The following table discloses the movements of the share options granted under the New Share Option Scheme during the year ended 31 December 2017:

34. 購股權計劃 (續)

(b) 新購股權計劃 (續)

下表披露截至二零一七年十二月三十一日止年度根據新購股權計劃所授出購股權之變動：

Name of grantee	Date of grant	Exercise price	Exercisable period	Number of share options			Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
				Outstanding as at 1 January 2017 於二零一七年一月一日尚未行使	Granted during the year	Lapsed during the year	
承授人姓名	授出日期	行使價	行使期間	購股權數目			
Mr. James Beeland Rogers Jr. (non-executive Director)	22 September 2014	HK\$0.518	22/9/2014 – 21/9/2024	20,000,000	-	-	20,000,000
James Beeland Rogers Jr.先生 (非執行董事)	二零一四年 九月二十二日	0.518港元	二零一四年九月二十二日至 二零二四年九月二十一日				
Mr. James Beeland Rogers Jr. (non-executive Director)	16 October 2015	HK\$0.238	16/10/2015 – 15/10/2025	20,000,000	-	-	20,000,000
James Beeland Rogers Jr.先生 (非執行董事)	二零一五年 十月十六日	0.238港元	二零一五年十月十六日至 二零二五年十月十五日				
Mr. James Beeland Rogers Jr. (non-executive Director)	9 November 2016	HK\$0.15	9/11/2016 – 8/11/2026	20,000,000	-	-	20,000,000
James Beeland Rogers Jr.先生 (非執行董事)	二零一六年 十一月九日	0.15港元	二零一六年十一月九日至 二零二六年十一月八日				
Total 總計				60,000,000	-	-	60,000,000
Weight average exercise price 加權平均行使價				0.302	-	-	0.302

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34. SHARE OPTION SCHEMES (continued)

(b) The New Share Option Scheme (continued)

The following table discloses the movements of the share options granted under the New Share Option Scheme during the year ended 31 December 2016:

Name of grantee	Date of grant	Exercise price	Exercisable period	Number of share options			Outstanding as at 31 December 2016 於二零一六年十二月三十一日尚未行使
				Outstanding as at 1 January 2016 於二零一六年一月一日尚未行使	Granted during the year 年內授出	Lapsed during the year 年內失效	
Mr. James Beeland Rogers Jr. (non-executive Director) James Beeland Rogers Jr. 先生 (非執行董事)	22 September 2014 二零一四年九月二十二日	HK\$0.518 0.518港元	22/9/2014 – 21/9/2024 二零一四年九月二十二日至二零二四年九月二十一日	20,000,000	-	-	20,000,000
Mr. Chen Li* (executive Director) 陳力先生* (執行董事)	13 November 2014 二零一四年十一月十三日	HK\$0.590 0.590港元	13/11/2014 – 12/11/2024 二零一四年十一月十三日至二零二四年十一月十二日	15,000,000	-	(15,000,000)	-
Mr. James Beeland Rogers Jr. (non-executive Director) James Beeland Rogers Jr. 先生 (非執行董事)	16 October 2015 二零一五年十月十六日	HK\$0.238 0.238港元	16/10/2015 – 15/10/2025 二零一五年十月十六日至二零二五年十月十五日	20,000,000	-	-	20,000,000
Mr. James Beeland Rogers Jr. (non-executive Director) James Beeland Rogers Jr. 先生 (非執行董事)	9 November 2016 二零一六年十一月九日	HK\$0.15 0.15港元	9/11/2016 – 8/11/2026 二零一六年十一月九日至二零二六年十一月八日	-	20,000,000	-	20,000,000
Total 總計				55,000,000	20,000,000	(15,000,000)	60,000,000
Weight average exercise price 加權平均行使價				0.436	-	-	0.302

As at 31 December 2017, the Company had 60,000,000 (2016: 60,000,000) share options outstanding for the share options granted under the New Share Option Scheme. The exercise in full of the remaining share options would result in the issue of 60,000,000 (2016: 60,000,000) additional ordinary shares of the Company and additional share capital of HK\$600,000 (2016: HK\$600,000) and share premium of HK\$17,520,000 (2016: HK\$17,520,000).

34. 購股權計劃 (續)

(b) 新購股權計劃 (續)

下表披露截至二零一六年十二月三十一日止年度根據新購股權計劃所授出購股權之變動：

Name of grantee	Date of grant	Exercise price	Exercisable period	Number of share options			Outstanding as at 31 December 2016 於二零一六年十二月三十一日尚未行使
				Outstanding as at 1 January 2016 於二零一六年一月一日尚未行使	Granted during the year 年內授出	Lapsed during the year 年內失效	
Mr. James Beeland Rogers Jr. (non-executive Director) James Beeland Rogers Jr. 先生 (非執行董事)	22 September 2014 二零一四年九月二十二日	HK\$0.518 0.518港元	22/9/2014 – 21/9/2024 二零一四年九月二十二日至二零二四年九月二十一日	20,000,000	-	-	20,000,000
Mr. Chen Li* (executive Director) 陳力先生* (執行董事)	13 November 2014 二零一四年十一月十三日	HK\$0.590 0.590港元	13/11/2014 – 12/11/2024 二零一四年十一月十三日至二零二四年十一月十二日	15,000,000	-	(15,000,000)	-
Mr. James Beeland Rogers Jr. (non-executive Director) James Beeland Rogers Jr. 先生 (非執行董事)	16 October 2015 二零一五年十月十六日	HK\$0.238 0.238港元	16/10/2015 – 15/10/2025 二零一五年十月十六日至二零二五年十月十五日	20,000,000	-	-	20,000,000
Mr. James Beeland Rogers Jr. (non-executive Director) James Beeland Rogers Jr. 先生 (非執行董事)	9 November 2016 二零一六年十一月九日	HK\$0.15 0.15港元	9/11/2016 – 8/11/2026 二零一六年十一月九日至二零二六年十一月八日	-	20,000,000	-	20,000,000
Total 總計				55,000,000	20,000,000	(15,000,000)	60,000,000
Weight average exercise price 加權平均行使價				0.436	-	-	0.302

於二零一七年十二月三十一日，本公司有60,000,000份（二零一六年：60,000,000份）根據新購股權計劃授出之購股權尚未行使。倘餘下之購股權獲全面行使，將導致額外發行60,000,000股（二零一六年：60,000,000份）本公司普通股，以及產生額外股本600,000港元（二零一六年：600,000港元）及股份溢價17,520,000港元（二零一六年：17,520,000港元）。

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34. SHARE OPTION SCHEMES (continued)

(b) The New Share Option Scheme (continued)

The share options granted to Mr. James Beeland Rogers Jr. may be exercisable at any time during the exercisable period. In the event that the service agreement is terminated before the term ends, they shall be entitled to the said share options on a pro rata basis, and any excess share options granted to but not exercised by them shall lapse.

* The vesting condition of the share option granted to Mr. Chen Li is to exercise the share option only after satisfaction of the condition that the net profit after tax of Shenzhen Star Technology Co., Ltd (based on its audited accounts) for the profit targets specified in the employment contract. As Mr. Chen Li resigned from his position on 1 July 2016, the options granted to him would be lapsed accordingly.

(c) Fair value of share options and assumptions

The fair value of share options granted under the scheme at the date of grant was determined using the Binomial option pricing model with the following inputs:

Date of grant	授出日期	9 November 2016 二零一六年十一月九日
Fair value at the date of grant	於授出日期之公平值	HK\$0.075港元
Exercise price per share	每股行使價	HK\$0.15港元
Expected volatility	預期波幅	83%
Expected dividend yield	預期股息收益率	-
Expected option period (years)	預期購股權期限(年)	10
Risk-free rate	無風險利率	1.01%

The expected volatility is based on the historical volatility of the shares of the Company over the expected option period. Changes in the subjective input assumptions could materially affect the fair value of the share options granted. During the year, the fair value of equity-settled share-based payment of HK\$877,444 (2016: HK\$1,688,031) has been recognized in profit or loss.

34. 購股權計劃 (續)

(b) 新購股權計劃 (續)

授予James Beeland Rogers Jr.先生之購股權可於行使期內任何時間予以行使。倘服務協議於期限結束前被終止，彼等將有權按比例享有上述購股權，而彼等已獲授但沒有行使之任何超額購股權將告失效。

* 授予陳力先生之購股權的歸屬條件僅於條件達成後方予以行使，該條件為深圳市天星通科技有限公司除稅後純利（基於其經審核賬目）達到僱傭合約所規定之盈利目標。由於陳力先生已於二零一六年七月一日辭任，其獲授予之購股權將因此失效。

(c) 購股權之公平值及假設

於授出日期根據購股權計劃授出之購股權之公平值乃採用二項式期權定價模式按下列輸入數據釐定：

預期購股權期內的預期波幅乃根據本公司股份過往之股價波幅計算。該等主觀輸入假設之變動或會嚴重影響已授出購股權之公平值。年內，以股本結算並以股份支付之877,444港元（二零一六年：1,688,031港元）之公平值已於損益中確認。

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35. OPERATING LEASE COMMITMENTS

The Group as lessee

As at 31 December 2017, the Group had future aggregated minimum lease payments under non-cancelable operating leases in respect of rented premises as follows:

		2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
No later than one year	一年內	2,598,200	1,594,446
Later than one year and no later than five years	一年後及五年內	6,081,780	5,989,228
		8,679,980	7,583,674

Leases in respect of rented office premises are negotiated for an average period of one to five years (2016: one to five years).

35. 經營租約承擔

本集團作為承租人

於二零一七年十二月三十一日，本集團根據不可撤銷經營租約就租用物業應付之未來最低租賃款項總值如下：

	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
No later than one year	2,598,200	1,594,446
Later than one year and no later than five years	6,081,780	5,989,228
	8,679,980	7,583,674

租用辦公室物業之租期平均商定為一至五年（二零一六年：一至五年）。

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36. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 10 February 2017, the Group acquired an additional 25% of the registered capital of Shenzhen Guoyin Brilliant Precious Metals Limited for RMB1,640,001 (equivalent to HK\$1,843,639) from non-controlling interests. Immediately prior to the purchase, the carrying amount of the 25% non-controlling interest in Shenzhen Guoyin Brilliant Precious Metals Limited was RMB2,951,756 (equivalent to HK\$3,318,276). The Group recognized a decrease in non-controlling interest of HK\$3,318,276 and an increase in equity attributable to owners of the parent of HK\$1,474,637. The effect on the equity attributable to the owner of Shenzhen Guoyin Brilliant Precious Metals Limited during the year is summarized as follows:

36. 非控股權益交易

於二零一七年二月十日，本集團向非控股權益以人民幣1,640,001元（相等於1,843,639港元）收購深圳國銀盛世貴金屬經營有限公司之額外25%註冊資本。緊接收購前，於深圳國銀盛世貴金屬經營有限公司之25%非控股權益之賬面值為人民幣2,951,756元（相當於3,318,276港元）。本集團確認非控股權益減少3,318,276港元及母公司擁有人應佔權益增加1,474,637港元。年內對深圳國銀盛世貴金屬經營有限公司應佔權益之影響概述如下：

		2017 二零一七年 HK\$ 港元
Carrying amount of non-controlling interests acquired	已收購非控股權益之賬面值	3,318,276
Consideration paid to non-controlling interests	已付非控股權益代價	(1,843,639)
Excess of consideration paid recognized in the transactions with non-controlling interests reserve within equity	於權益中之非控股權益交易儲備確認超過已付代價之金額	1,474,637

There were no transactions with non-controlling interests in 2016.

於二零一六年概無任何與非控股權益的交易。

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37. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following significant related party transactions during the year:

37. 重大有關連人士交易

除此綜合財務報表其他章節披露之交易及結餘外，本集團於年內訂立以下重大有關連人士交易：

		Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Office rentals paid to a director of the Company	支付予本公司董事之辦公室租金	(i)	–	3,000,059
Service income received from Guangdong Brightzone Financial Company Limited (“Guangdong Brightzone”)	自廣東博眾證券投資諮詢有限公司（「廣東博眾」）收取之服務收入	(ii)	839,363	775,864
Unsecured borrowings from related party	來自有關連人士之無抵押借款	(iii)	47,836,800	–
			2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Key management compensation	主要管理人員之薪酬			
– Salaries and other short-term employee benefits	– 薪金及其他短期僱員福利		2,775,000	3,757,000
– Share options	– 購股權		877,444	1,688,031
– Post-employment benefits	– 離職福利		36,000	46,500
			3,688,444	5,491,531

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37. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

Notes:

- (i) The office rentals paid to the Company's director by a few subsidiaries of the Group were based on the market rental.

Mr. Wang Jiawei is an executive Director of the Company and therefore a connected person of the Company as defined in the GEM Listing Rules. Accordingly, the transactions between those subsidiaries and Mr. Wang constitute connected transactions for the Company under the GEM Listing Rules.

- (ii) Wealth Alliance (a wholly-owned subsidiary of the Company) entered into an agreement with Guangdong Brightzone pursuant to which Guangdong Brightzone has appointed Wealth Alliance for the website operation and sales promotion services. The service income were based on terms agreed between the parties involved. Guangdong Brightzone is owned as to 51.43% by Shenzhen Guangxin and the remaining interests by independent third parties.

Shenzhen Guangxin Investment Company Limited is controlled by Ms. Chen Dongjin. Ms. Chen Dongjin is the spouse of Mr. Wang Wenming (who is a former Director of the Company) and is therefore an associate of a connected person of the Company as defined in the GEM Listing Rules. Accordingly, the transactions between Wealth Alliance and Guangdong Brightzone under the Sales Agency Agreement constitute continuing connected transactions on the part of the Company under the GEM Listing Rules.

- (iii) During the year, one of the Group's subsidiaries entered into a loan agreement with 四川德勝集團鈮鈦有限公司 (transliterated as Sichuan Desheng Group Vanadium & Titanium Co., Ltd.) ("Sichuan Desheng") for borrowing an unsecured loans in amount of RMB40,000,000, bearing interest of 8% per annum and repayable within one year.

Sichuan Desheng is controlled by the father-in-law of Mr. Wong Jiawei, the Company's Director and is therefore a deemed connected person of the Company as defined in the GEM Listing Rules. Accordingly, the borrowing transaction constitutes connected transaction on the party of the Company under the GEM Listing Rules.

The Company has given a corporate guarantee to the extent of HK\$30,230,000 (2016: HK\$30,230,000) to a bank in respect of general banking facility granted to two (2016: two) of its subsidiaries. As at 31 December 2017, an amount of HK\$6,556,013 (2016: HK\$8,554,953) of such facility was being utilized by the subsidiaries. In the opinion of the Directors, no material liabilities will arise from the above corporate guarantee which arose in the ordinary course of business and fair value of the corporate guarantee granted by the Company is immaterial.

37. 重大有關連人士交易 (續)

附註:

- (i) 本集團之若干附屬公司付予本公司董事之辦公室租金乃根據市場租金而釐定。

王嘉偉先生是本公司執行董事，因此屬GEM上市規則所定義之本公司關連人士。故根據GEM上市規則，該等附屬公司及王先生之間的交易構成本公司之關連交易。

- (ii) 富盟(本公司之全資附屬公司)與廣東博眾訂立協議，據此，廣東博眾委託富盟提供網站運營及產品的網絡銷售策劃服務，服務收入乃根據雙方商定的條款釐定。廣東博眾分別由深圳廣信及獨立第三方擁有51.43%及剩餘權益。

深圳市廣信投資有限公司由陳冬瑾女士控制。陳冬瑾女士為本公司前任董事王文明先生之配偶，因此，為本公司有關連人士之聯繫人(定義見GEM上市規則)。因此，根據GEM上市規則，富盟與廣東博眾根據銷售代理協議進行之交易構成本公司之持續關連交易。

- (iii) 於本年度，本集團的一間附屬公司與四川德勝集團鈮鈦有限公司(「四川德勝」)訂立貸款協議，無抵押借款人民幣40,000,000元。該借款按每年8厘計息，於一年內還款。

四川德勝由本公司董事王嘉偉先生之岳父控制，因此根據GEM上市規則被視為本公司之關連人士。因此，根據GEM上市規則，借款交易構成本公司之持續關連交易。

本公司已就授予其中兩家(二零一六年：兩家)附屬公司之一般銀行信貸向銀行作出30,230,000港元(二零一六年：30,230,000港元)之公司擔保。於二零一七年十二月三十一日，該等附屬公司動用之融資金額為6,556,013港元(二零一六年：8,554,953港元)。董事認為，於日常業務中訂立之上述公司擔保不會產生重大負債，且本公司所授出公司擔保之公平值並不重大。

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司財務狀況報表

		Note 附註	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備		155,025	75,994
Investments in subsidiaries	於附屬公司之投資	18	107,955,000	–
Interests in associates	於聯營公司之權益		–	14,886,819
Amounts due from subsidiaries	應收附屬公司款項		54,742,373	497,250,928
			162,852,398	512,213,741
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		213,838	262,137
Amounts due from former Director	應收前任董事款項		–	331,419
Bank balances and cash	銀行結餘及現金		40,248,949	135,996,261
			40,462,787	136,589,817
Total assets	資產總值		203,315,185	648,803,558
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計款項		903,500	873,512
Amounts due to subsidiaries	應付附屬公司款項		13,606,591	13,606,591
			14,510,091	14,480,103
Net current assets	流動資產淨值		25,952,696	122,109,714
Net assets	資產淨值		188,805,094	634,323,455
Capital and reserves	股本及儲備			
Share capital	股本		64,989,582	64,989,582
Share premium	股份溢價		1,614,798,866	1,614,798,866
Other reserve	其他儲備		(16,000,000)	–
Share-based compensation reserve	股份補償儲備		30,554,498	30,383,874
Accumulated losses	累計虧損		(1,505,537,852)	(1,075,848,867)
Total equity	權益總值		188,805,094	634,323,455

Wang Jiawei
王嘉偉
Director
董事

Lai Yuk Mui
黎玉梅
Director
董事

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39. RESERVE OF THE COMPANY

39. 本公司儲備

		Share capital	Share premium	Other reserve	Share-based compensation reserve	Accumulated losses	Total equity
		股本	股份溢價	其他儲備	股份補償儲備	累計虧損	權益總值
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
Balance as at 1 January 2016	於二零一六年一月一日之結餘	64,989,582	1,614,798,866	-	34,149,275	(1,038,011,713)	675,926,010
Loss for the year	年內虧損	-	-	-	-	(38,760,586)	(38,760,586)
Reversal of share-based compensation reserve upon the forfeiture of share option	購股權被沒收時撥回股份補償儲備	-	-	-	(4,530,000)	-	(4,530,000)
Equity-settled share option arrangements	以股權結算之購股權安排	-	-	-	1,688,031	-	1,688,031
Transfer of share-based compensation reserve upon the forfeiture or expiry of share options	購股權被沒收或屆滿時轉撥股份補償儲備	-	-	-	(923,432)	923,432	-
Balance as at 31 December 2016	於二零一六年十二月三十一日之結餘	64,989,582	1,614,798,866	-	30,383,874	(1,075,848,867)	634,323,455
Balance as at 1 January 2017	於二零一七年一月一日之結餘	64,989,582	1,614,798,866	-	30,383,874	(1,075,848,867)	634,323,455
Loss for the year	年內虧損	-	-	-	-	(430,395,805)	(430,395,805)
Equity-settled share option arrangements	以股權結算之購股權安排	-	-	-	877,444	-	877,444
Shares retrieval from escrow arrangement (Note 20)	收回託管安排之股份(附註20)	-	-	(16,000,000)	-	-	(16,000,000)
Transfer of share-based compensation reserve upon the lapse of share options	購股權失效時轉撥股份補償儲備	-	-	-	(706,820)	706,820	-
Balance as at 31 December 2017	於二零一七年十二月三十一日之結餘	64,989,582	1,614,798,866	(16,000,000)	30,554,498	(1,505,537,852)	188,805,094

FINANCIAL SUMMARY

財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years as extracted from the published audited consolidated financial statements is set out below:

摘錄自己刊發經審核綜合財務報表之本集團過去五個財政年度業績以及資產與負債概要載列如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
RESULTS	業績					
Revenue	收益	29,186,397	8,896,415	45,714,003	40,616,592	14,809,860
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	(138,848,753)	(277,782,737)	(79,676,433)	120,366,125	(42,467,528)
Income tax income/(expense)	所得稅收入/(開支)	2,545,494	32,879,188	18,628,673	(3,147,706)	(844,111)
Profit from discontinued operation	已終止經營業務利潤	-	-	-	-	9,333,152
(Loss)/profit for the year	年內(虧損)/利潤	(136,303,259)	(244,903,549)	(61,047,760)	117,218,419	(33,978,487)
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(136,497,133)	(244,075,407)	(62,850,046)	114,540,442	(34,033,645)
Non-controlling interests	非控股權益	193,874	(828,142)	1,802,286	2,677,977	55,158
		(136,303,259)	(244,903,549)	(61,047,760)	117,218,419	(33,978,487)

		Year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
Total assets	資產總值	409,576,495	500,383,613	802,266,703	900,049,433	154,122,355
Total liabilities	負債總值	(72,711,195)	(31,346,192)	(71,550,339)	(98,789,783)	(35,364,540)
Non-controlling interests	非控股權益	(14,903,119)	(6,215,475)	(7,006,907)	(5,267,851)	(2,607,017)
		321,962,181	462,821,946	723,709,457	795,991,799	116,150,798



華億金控集團有限公司

SINOFORTUNE FINANCIAL HOLDINGS LIMITED