



# 盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 851

INTERIM REPORT 2018 中期報告

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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Qiu Bin  
Ms. Cheng Kit Sum, Clara

#### Non-Executive Director

Mr. Chen Zhong Min

#### Independent Non-Executive Directors

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### 董事會

#### 執行董事

邱斌先生  
鄭潔心女士

#### 非執行董事

陳重民先生

#### 獨立非執行董事

馮子華先生  
宦國蒼博士  
羅嘉偉先生

### 審核委員會

羅嘉偉先生 (*主席*)  
馮子華先生  
宦國蒼博士

### 薪酬委員會

馮子華先生 (*主席*)  
宦國蒼博士  
羅嘉偉先生

### 提名委員會

宦國蒼博士 (*主席*)  
馮子華先生  
羅嘉偉先生

## CORPORATE INFORMATION (Continued)

### 公司資料（續）

#### COMPANY SECRETARY

Mr. Or Wing Keung

#### 公司秘書

柯永強先生

#### STOCK CODE

851

#### 股份代號

851

#### WEBSITE

www.shengyuan.hk

#### 網址

www.shengyuan.hk

#### SHARE REGISTRAR

Tricor Tengis Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

#### 股份過戶登記處

卓佳登捷時有限公司  
香港  
皇后大道東183號  
合和中心22樓

#### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

#### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

#### PRINCIPAL OFFICE IN HONG KONG

Suites 4301-5, 43/F  
Tower 1, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

#### 香港主要辦事處

香港  
銅鑼灣  
勿地臣街1號  
時代廣場1座  
43樓4301-5室

## CORPORATE INFORMATION (Continued)

### 公司資料（續）

#### AUDITOR

BDO Limited

*Certified Public Accountants*

25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

#### 核數師

香港立信德豪會計師  
事務所有限公司

執業會計師  
香港  
干諾道中 111 號  
永安中心 25 樓

#### SOLICITORS

Shirley Lau & Co. LLP  
In association with CMS Hasche  
Sigle, Hong Kong LLP  
17th floor, Sun House  
90 Connaught Road, Central  
Hong Kong

#### 律師

劉莎莉律師事務所有限  
法律責任合夥  
（與CMS德和信律師事務所聯盟）  
香港  
干諾道中 90 號  
大新行 17 樓

#### PRINCIPAL BANKERS

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

#### 主要往來銀行

香港上海滙豐銀行有限公司  
中國銀行（香港）有限公司



Tel : +852 2218 8288  
Fax : +852 2815 2239  
www.bdo.com.hk

25<sup>th</sup> Floor Wing On Centre  
111 Connaught Road Central  
Hong Kong

電話 : +852 2218 8288  
傳真 : +852 2815 2239  
www.bdo.com.hk

香港干諾道中111號  
永安中心25樓

# REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF  
SHENG YUAN HOLDINGS LIMITED  
(incorporated in Bermuda with limited liability)

## INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 11 to 75, which comprises the condensed consolidated statement of financial position of Sheng Yuan Holdings Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) as of 30 June 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the **"interim condensed consolidated financial statements"**). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" (**"HKAS 34"**) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BDO Limited  
香港立信德豪會計師事務所有限公司

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## 中期簡明綜合財務報表 之審閱報告

致盛源控股有限公司董事會  
(於百慕達註冊成立之有限公司)

## 緒言

吾等已審閱載於第11至75頁之中期簡明綜合財務報表，此中期簡明綜合財務報表包括盛源控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）於二零一八年六月三十日之簡明綜合財務狀況表，與截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及主要會計政策概要及其他解釋附註（「中期簡明綜合財務報表」）。香港聯合交易所有限公司證券上市規則規定須按照其相關規定及由香港會計師公會頒佈之香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）之規定編製中期財務資料報告。董事須負責根據香港會計準則第34號編製及列報中期簡明綜合財務報表。吾等之責任是根據吾等之審閱對中期簡明綜合財務報表作出結論。根據雙方協定之委聘條款，本報告僅向全體董事會報告，而不作其他用途。吾等不會就本報告之內容向任何其他人士負責或承擔任何責任。

## SCOPE OF REVIEW

Except as explained in the “Basis for Qualified Conclusion” paragraphs below, we conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## 審閱範圍

除下文「保留結論之基礎」各段所述者外，吾等已根據香港會計師公會頒佈之香港委聘審閱準則第2410號「實體之獨立核數師對中期財務資料之審閱」進行審閱。審閱中期財務資料包括主要向負責財務及會計事宜之人員進行徵詢，並實施分析性覆核及其他審閱程序。該審閱工作範圍遠小於根據香港審計準則進行審計工作之範圍，吾等因而無法保證能在審閱工作中發現若進行審計工作所能發現之所有重大事項。因此，吾等不發表審計意見。

## BASIS FOR QUALIFIED CONCLUSION

The Group had disposed of a subsidiary, Joinbo Holdings Limited, which indirectly owned the equity interest in an associate and had recognised a loss on disposal of HK\$2,919,000 for the six months ended 30 June 2018. The Group also recognised its share of associate's loss of HK\$1,723,000 for the six months ended 30 June 2018 using the equity method of accounting prior to the disposal. The associate had an investment in a PRC company ("**Investee Company**") which was included in the Group's interests in an associate under the equity method of accounting during the six months ended 30 June 2018. The Investee Company was acquired by the associate in prior years at RMB18,000,000, in which the Group had an effective interest of HK\$5,114,000 and a full impairment loss of HK\$5,114,000 was recognised by the Group as part of the Group's share of loss of the associate of HK\$29,148,000 during the six months ended 30 June 2017. Our conclusion of the review of the Company's interim condensed consolidated financial statements is qualified due to the following limitations:

## 保留結論之基礎

貴集團出售一間附屬公司駿寶集團有限公司（其間接擁有一間聯營公司之股權），並於截至二零一八年六月三十日止六個月確認出售虧損2,919,000港元。於出售前，貴集團亦使用權益會計法確認其分佔該聯營公司截至二零一八年六月三十日止六個月之虧損1,723,000港元。該聯營公司於一間中國公司（「**被投資公司**」）擁有投資，並於截至二零一八年六月三十日止六個月根據權益會計法計入貴集團於一間聯營公司之權益。被投資公司由該聯營公司於過往年度以人民幣18,000,000元收購，當中貴集團擁有實際利息5,114,000港元，且貴集團於截至二零一七年六月三十日止六個月內確認全部減值虧損5,114,000港元為部份貴集團分佔該聯營公司虧損29,148,000港元。由於下列限制，吾等對貴公司中期簡明綜合財務報表之審閱結論為保留結論：

## BASIS FOR QUALIFIED CONCLUSION (CONTINUED)

(i) Our review conclusion on the Company's interim condensed consolidated financial statements for the six months ended 30 June 2017 was qualified due to certain limitations on our scope of work as set out in our report dated 28 August 2017. The limitations in our scope of audit of the Group's consolidated financial statements as at 31 December 2016, including our audit procedures on the Group's interests in the associate, remained unresolved in our review of the Group's interim condensed consolidated financial statements for the six months ended 30 June 2017. The limitations may have consequential impact on the amount of the Group's impairment loss on interests in the associate of HK\$41,911,000 and the Group's share of associate's loss of HK\$29,148,000 for the six months ended 30 June 2017. Our review conclusion on the interim condensed consolidated financial statements for the current period is also modified because of the possible effect of this matter on the comparability of the Group's impairment loss on interests in associate of HK\$Nil and the Group's share of associate's loss of HK\$1,723,000 for the six months ended 30 June 2018 with those for the six months ended 30 June 2017.

## 保留結論之基礎（續）

(i) 吾等有關 貴公司於截至二零一七年六月三十日止六個月之中期簡明綜合財務報表之審閱結論為保留結論，乃由於吾等日期為二零一七年八月二十八日之報告所載審閱範圍的若干限制。吾等於 貴集團於二零一六年十二月三十一日之綜合財務報表之審計範圍限制（包括吾等有關 貴集團於聯營公司之權益之審計程序）於吾等審閱 貴集團截至二零一七年六月三十日止六個月之中期簡明綜合財務報表過程中仍未解決。該等限制可能對截至二零一七年六月三十日止六個月 貴集團有關於該聯營公司之權益之減值虧損金額41,911,000港元及 貴集團分佔該聯營公司虧損之金額29,148,000港元產生重要影響。吾等有關本期間之中期簡明綜合財務報表之審閱結論亦經修訂，原因是該事項可能對截至二零一八年六月三十日止六個月與截至二零一七年六月三十日止六個月 貴集團有關於該聯營公司之權益之減值虧損零港元及 貴集團分佔該聯營公司虧損1,723,000港元之比較造成影響。

## BASIS FOR QUALIFIED CONCLUSION (CONTINUED)

- (ii) Our review conclusion on the Group's interim condensed consolidated financial statements for the six months ended 30 June 2017 and our audit opinion on the Group's financial statements as of 31 December 2017 were qualified due to certain limitations on our scope of work as set out in our reports dated 28 August 2017 and 21 March 2018, respectively. The limitations arose from the fact that we were unable to obtain relevant financial and other information of the associate's Investee Company which we considered necessary to assess the carrying amount of the associate's investment in the Investee Company in the associate's financial statements and therefore the Group's interests in the associate. The matter leading to our qualified review conclusion and qualified audit opinion remained unresolved during our review of the Group's interim condensed consolidated financial statements for the six months 30 June 2018. Because of these limitations, we are unable to determine whether adjustments to the opening accumulated losses of the Group of HK\$454,076,000 as at 1 January 2018 might be necessary. These matters mentioned above may also have impact on the amount of the Group's share of loss of an associate and loss on disposal of subsidiaries for the six months ended 30 June 2018.

## 保留結論之基礎（續）

- (ii) 吾等有關 貴集團於截至二零一七年六月三十日止六個月之中期簡明綜合財務報表之審閱結論及吾等有關 貴集團於二零一七年十二月三十一日之財務報表之審計意見為保留結論及意見，乃由於吾等日期分別為二零一七年八月二十八日及二零一八年三月二十一日之報告所載工作範圍之若干限制。該等限制乃源自下列事實：吾等無法獲取該聯營公司之被投資公司之相關財務及其他資料，而吾等認為有關資料對評估該聯營公司之財務報表所載該等聯營公司於被投資公司之投資之賬面值及 貴集團於該聯營公司之權益而言屬必要。導致吾等得出保留審閱結論及保留審計意見之事項於吾等審閱 貴集團截至二零一八年六月三十日止六個月之中期簡明綜合財務報表時仍未解決。亦由於該等限制，吾等無法確定是否有必要對 貴集團於二零一八年一月一日之期初累計虧損454,076,000港元作出調整。上述該等事項亦可能對截至二零一八年六月三十日止六個月 貴集團分佔該聯營公司虧損之金額及出售附屬公司虧損之金額產生影響。

## QUALIFIED CONCLUSION

Except for the adjustments to the interim condensed consolidated financial statements that we might have become aware of had it not been for the situation described in the “Basis for Qualified Conclusion” paragraphs above, based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

## EMPHASIS OF MATTER – MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Without further qualifying our conclusion, we draw attention to note 3 in the interim condensed consolidated financial statements, which indicates that the Group had loss after tax for the six months ended 30 June 2018 of HK\$40,036,000 and a capital deficiency as of 30 June 2018 amounted to HK\$20,188,000. These conditions, along with other matters as set forth in note 3, indicate the exercise of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern.

### **BDO Limited**

*Certified Public Accountants*

**Chiu Wing Cheung Ringo**

Practising Certificate No.: P04434

Hong Kong, 31 August 2018

## 保留結論

除倘非因上段「保留結論之基礎」所述情況吾等應會知悉對中期簡明綜合財務報表作出之調整外，根據吾等之審閱，吾等並不知悉任何事項，足以令吾等認為中期簡明綜合財務報表於所有重大方面均未按照香港會計準則第34號編製。

## 強調事項 – 與持續經營有關之重大不確定性

在並無進一步保留結論的情況下，吾等謹請閣下垂注中期簡明綜合財務報表附註3，其顯示貴集團截至二零一八年六月三十日止六個月之除稅後虧損為40,036,000港元，及於二零一八年六月三十日之資本虧絀為20,188,000港元。該等狀況連同附註3所載其他事項，顯示存在重大不明朗因素，可能導致貴集團繼續持續經營之能力重大存疑。

### **香港立信德豪會計師事務所有限公司**

*執業會計師*

**招永祥**

執業證書號碼：P04434

香港，二零一八年八月三十一日

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

|                                                                                           |                      |    | Six months ended 30 June<br>截至六月三十日止六個月                   |                                                           |
|-------------------------------------------------------------------------------------------|----------------------|----|-----------------------------------------------------------|-----------------------------------------------------------|
|                                                                                           |                      |    | 2018<br>二零一八年<br>(Unaudited)<br>(未經審核)<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>(Unaudited)<br>(未經審核)<br>HK\$'000<br>千港元 |
|                                                                                           | Notes<br>附註          |    |                                                           |                                                           |
| Fee and commission income                                                                 | 費用及佣金收入              | 6  | 15,503                                                    | 32,372                                                    |
| Interest income                                                                           | 利息收入                 | 6  | 1,317                                                     | 221                                                       |
|                                                                                           |                      |    | 16,820                                                    | 32,593                                                    |
| Other gains and losses                                                                    | 其他收益及虧損              | 7  | (19,863)                                                  | (21,722)                                                  |
| Other income                                                                              | 其他收入                 | 8  | 21                                                        | 56                                                        |
| Staff costs                                                                               | 員工成本                 | 9  | (14,296)                                                  | (31,597)                                                  |
| Depreciation                                                                              | 折舊                   |    | (153)                                                     | (236)                                                     |
| Finance costs                                                                             | 融資成本                 | 9  | (11,950)                                                  | (14,919)                                                  |
| Reversal of provision                                                                     | 撥備撥回                 | 19 | 4,394                                                     | -                                                         |
| Other expenses                                                                            | 其他費用                 |    | (11,829)                                                  | (13,579)                                                  |
| Share of results of an associate                                                          | 分佔一間聯營公司業績           |    | (1,723)                                                   | (29,148)                                                  |
| Impairment loss on interests in an associate                                              | 於一間聯營公司之權益之減值虧損      |    | -                                                         | (41,911)                                                  |
| <b>Loss before income tax</b>                                                             | <b>除所得稅前虧損</b>       | 9  | <b>(38,579)</b>                                           | <b>(120,463)</b>                                          |
| Income tax expense                                                                        | 所得稅開支                | 10 | (1,457)                                                   | (2,566)                                                   |
| <b>Loss for the period</b>                                                                | <b>期內虧損</b>          |    | <b>(40,036)</b>                                           | <b>(123,029)</b>                                          |
| <b>Other comprehensive income</b>                                                         | <b>其他全面收益</b>        |    |                                                           |                                                           |
| <i>Item that may be reclassified subsequently to profit or loss</i>                       | <i>其後可重新分類至損益之項目</i> |    |                                                           |                                                           |
| - Exchange differences on translating foreign operations                                  | - 換算海外業務產生之匯兌差額      |    |                                                           |                                                           |
| Exchange differences arising during the period                                            | 期內所產生之匯兌差額           |    | (103)                                                     | 2,367                                                     |
| Reclassification adjustments relating to foreign operations disposed of during the period | 期內有關出售海外業務之重新分類調整    |    |                                                           |                                                           |
|                                                                                           |                      |    | 6,528                                                     | -                                                         |

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

## 簡明綜合損益及其他全面收益表（續）

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

Six months ended 30 June

截至六月三十日止六個月

|                                                                   |                         | Notes<br>附註 | 2018<br>二零一八年<br>(Unaudited)<br>(未經審核)<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>(Unaudited)<br>(未經審核)<br>HK\$'000<br>千港元 |
|-------------------------------------------------------------------|-------------------------|-------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>Other comprehensive income for the period</b>                  | 期內其他全面收益                |             | <b>6,425</b>                                              | 2,367                                                     |
| <b>Total comprehensive income for the period</b>                  | 期內全面收益總額                |             | <b>(33,611)</b>                                           | (120,662)                                                 |
| <b>Loss for the period attributable to:</b>                       | 以下各項應佔<br>期內虧損：         |             |                                                           |                                                           |
| – Owners of the Company                                           | – 本公司擁有人                |             | <b>(40,028)</b>                                           | (123,015)                                                 |
| – Non-controlling interests                                       | – 非控股權益                 |             | <b>(8)</b>                                                | (14)                                                      |
|                                                                   |                         |             | <b>(40,036)</b>                                           | (123,029)                                                 |
| <b>Total comprehensive income for the period attributable to:</b> | 以下各項應佔<br>期內全面收益<br>總額： |             |                                                           |                                                           |
| – Owners of the Company                                           | – 本公司擁有人                |             | <b>(33,603)</b>                                           | (120,648)                                                 |
| – Non-controlling interests                                       | – 非控股權益                 |             | <b>(8)</b>                                                | (14)                                                      |
|                                                                   |                         |             | <b>(33,611)</b>                                           | (120,662)                                                 |
| <b>Loss per share</b>                                             | 每股虧損                    | 12          | <b>HK cents<br/>港仙</b>                                    | HK cents<br>港仙                                            |
| – Basic                                                           | – 基本                    |             | <b>(1.12)</b>                                             | (3.47)                                                    |
| – Diluted                                                         | – 攤薄                    |             | <b>(1.12)</b>                                             | (3.47)                                                    |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 簡明綜合財務狀況表

As at 30 June 2018

於二零一八年六月三十日

|                                               | Notes<br>附註     | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|-----------------------------------------------|-----------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>ASSETS AND LIABILITIES</b>                 | <b>資產及負債</b>    |                                                                               |                                                                                  |
| <b>Non-current assets</b>                     | <b>非流動資產</b>    |                                                                               |                                                                                  |
| Property, plant and equipment                 | 物業、廠房及設備        | 13 <b>392</b>                                                                 | 527                                                                              |
| Trading rights                                | 買賣權             | 14 <b>–</b>                                                                   | 3,322                                                                            |
| Goodwill                                      | 商譽              | <b>7,000</b>                                                                  | 7,000                                                                            |
| Interests in an associate                     | 於一間聯營公司之權益      | 15 <b>–</b>                                                                   | 1,863                                                                            |
| Other assets                                  | 其他資產            | <b>1,705</b>                                                                  | 1,730                                                                            |
| Deferred tax asset                            | 遞延稅項資產          | <b>144</b>                                                                    | 144                                                                              |
|                                               |                 | <b>9,241</b>                                                                  | 14,586                                                                           |
| <b>Current assets</b>                         | <b>流動資產</b>     |                                                                               |                                                                                  |
| Trade and other receivables and prepayments   | 貿易及其他應收賬款以及預付款項 | 16 <b>63,327</b>                                                              | 69,481                                                                           |
| Held for trading investments                  | 持作買賣用途投資        | 17 <b>25,854</b>                                                              | 39,616                                                                           |
| Trust bank balances held on behalf of clients | 代表客戶持有之信託銀行結餘   | <b>205,859</b>                                                                | 221,581                                                                          |
| Cash and cash equivalents                     | 現金及現金等同項目       | <b>75,374</b>                                                                 | 87,556                                                                           |
|                                               |                 | <b>370,414</b>                                                                | 418,234                                                                          |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

## 簡明綜合財務狀況表（續）

As at 30 June 2018

於二零一八年六月三十日

|                                              |                    | Notes<br>附註 | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|----------------------------------------------|--------------------|-------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Current liabilities</b>                   | <b>流動負債</b>        |             |                                                                               |                                                                                  |
| Trade and other payables and accruals        | 貿易及其他應付賬款以及應計費用    | 18          | 217,363                                                                       | 242,453                                                                          |
| Convertible bonds                            | 可換股債券              | 19          | 105,110                                                                       | 143,517                                                                          |
| Provision                                    | 撥備                 | 19          | –                                                                             | 33,708                                                                           |
| Current tax liabilities                      | 即期稅項負債             |             | 2,063                                                                         | 606                                                                              |
|                                              |                    |             | <b>324,536</b>                                                                | 420,284                                                                          |
| <b>Net current assets/(liabilities)</b>      | <b>流動資產／（負債）淨值</b> |             | <b>45,878</b>                                                                 | (2,050)                                                                          |
| <b>Total assets less current liabilities</b> | <b>資產總額減流動負債</b>   |             | <b>55,119</b>                                                                 | 12,536                                                                           |
| <b>Non-current liabilities</b>               | <b>非流動負債</b>       |             |                                                                               |                                                                                  |
| Convertible bonds                            | 可換股債券              | 19          | 75,307                                                                        | –                                                                                |
|                                              |                    |             | <b>75,307</b>                                                                 | –                                                                                |
| <b>Net (liabilities)/assets</b>              | <b>（負債）／資產淨值</b>   |             | <b>(20,188)</b>                                                               | 12,536                                                                           |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

## 簡明綜合財務狀況表（續）

As at 30 June 2018

於二零一八年六月三十日

|                                                                         |                          | Notes<br>附註 | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|-------------------------------------------------------------------------|--------------------------|-------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>EQUITY</b>                                                           | <b>權益</b>                |             |                                                                               |                                                                                  |
| Share capital                                                           | 股本                       | 20          | <b>178,128</b>                                                                | 178,128                                                                          |
| Reserves                                                                | 儲備                       |             | <b>(198,316)</b>                                                              | (183,381)                                                                        |
| <b>Capital deficiency<br/>attributable to owners<br/>of the Company</b> | <b>本公司擁有人<br/>應佔資本虧絀</b> |             | <b>(20,188)</b>                                                               | (5,253)                                                                          |
| <b>Non-controlling interests</b>                                        | <b>非控股權益</b>             |             | —                                                                             | 17,789                                                                           |
| <b>(Capital deficiency)/<br/>Total equity</b>                           | <b>(資本虧絀) /<br/>權益總額</b> |             | <b>(20,188)</b>                                                               | 12,536                                                                           |

On behalf of the Board

代表董事會

**Qiu Bin**

邱斌

Director

董事

**Cheng Kit Sum, Clara**

鄭潔心

Director

董事

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合權益變動表

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

|                                                                                                                                                                                        | Attributable to owners of the Company<br>本公司擁有人應佔 |                                   |                                   |                                   |                                            | Non-controlling interests<br>非控股權益 |                                             |                                                     |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------------------|------------------------------------|---------------------------------------------|-----------------------------------------------------|---------------------------------|
|                                                                                                                                                                                        | Share capital                                     | Share premium                     | Shareholder's contribution        | Capital redemption reserve        | Convertible bond equity reserve            | Share option reserve               | Share of net assets of subsidiaries         | Convertible bond equity reserve of a subsidiary     | Total equity                    |
|                                                                                                                                                                                        | 股本<br>HK\$'000<br>千港元<br>(未經審核)                   | 股份溢價<br>HK\$'000<br>千港元<br>(未經審核) | 股東注資<br>HK\$'000<br>千港元<br>(未經審核) | 贖回溢價<br>HK\$'000<br>千港元<br>(未經審核) | 可換股債券<br>權益儲備<br>HK\$'000<br>千港元<br>(未經審核) | 購股權儲備<br>HK\$'000<br>千港元<br>(未經審核) | 分佔附屬公司<br>資產淨值<br>HK\$'000<br>千港元<br>(未經審核) | 附屬公司<br>之可換股債券<br>權益儲備<br>HK\$'000<br>千港元<br>(未經審核) | 總計<br>HK\$'000<br>千港元<br>(未經審核) |
| At 1 January 2018<br>Equity-settled share-based payments                                                                                                                               | 178,128                                           | 246,385                           | 7,834                             | 477                               | 13,713                                     | 9,723                              | (5,233)                                     | (6)                                                 | 17,789                          |
| Transactions with owners<br>與擁有人之交易                                                                                                                                                    | -                                                 | -                                 | -                                 | -                                 | -                                          | -                                  | 876                                         | -                                                   | -                               |
| Loss for the period<br>Other comprehensive income<br>- Exchange differences on translation of financial statements<br>- Reclassification adjustments on disposal of foreign operations | -                                                 | -                                 | -                                 | -                                 | -                                          | -                                  | 876                                         | -                                                   | -                               |
|                                                                                                                                                                                        | -                                                 | -                                 | -                                 | -                                 | -                                          | -                                  | (40,028)                                    | (6)                                                 | (6)                             |
|                                                                                                                                                                                        | -                                                 | -                                 | -                                 | -                                 | -                                          | (103)                              | -                                           | -                                                   | (103)                           |
|                                                                                                                                                                                        | -                                                 | -                                 | -                                 | -                                 | -                                          | 6,528                              | -                                           | -                                                   | 6,528                           |
| Total comprehensive income for the period                                                                                                                                              | -                                                 | -                                 | -                                 | -                                 | -                                          | 6,425                              | (33,603)                                    | (6)                                                 | (33,611)                        |
| Disposal of subsidiaries<br>Settlement of 2014 SYFS Bonds by way of issuing 2018 SYHL Bonds under the deed of settlement                                                               | -                                                 | -                                 | -                                 | -                                 | -                                          | -                                  | -                                           | -                                                   | -                               |
| Forfeiture of share options                                                                                                                                                            | -                                                 | -                                 | -                                 | -                                 | 9,267                                      | -                                  | 17,792                                      | (17,792)                                            | -                               |
| At 30 June 2018                                                                                                                                                                        | 178,128                                           | 246,385                           | 7,834                             | 477                               | 22,980                                     | 9,333                              | (20,188)                                    | -                                                   | (20,188)                        |

簡明綜合權益變動表(續)

截至二零一八年六月三十日止六個月

At 1 January 2017

Loss for the period  
Other comprehensive income  
- Exchange differences  
on translation of  
periodic losses  
Other comprehensive income  
- Exchange differences  
on translation of  
periodic losses

Forfeiture of share options

At 30 June 2017

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 簡明綜合現金流量表

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

Six months ended 30 June

截至六月三十日止六個月

|                                                                   | Notes<br>附註       | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|-------------------------------------------------------------------|-------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>Cash flows from operating activities</b>                       | <b>經營活動所得現金流量</b> |                                                           |                                                           |
| Loss for the period                                               | 期內虧損              | <b>(40,036)</b>                                           | (123,029)                                                 |
| Adjustments for:                                                  | 調整：               |                                                           |                                                           |
| Income tax expense                                                | 所得稅開支             | <b>1,457</b>                                              | 2,566                                                     |
| Changes in third party interests in collective investment schemes | 集體投資計劃之第三方權益變動    | -                                                         | (5,325)                                                   |
| Depreciation of property, plant and equipment                     | 物業、廠房及設備之折舊       | <b>153</b>                                                | 236                                                       |
| Equity-settled share-based payment expense                        | 股本結算股份付款開支        | <b>876</b>                                                | -                                                         |
| Finance costs                                                     | 融資成本              | <b>11,950</b>                                             | 14,919                                                    |
| Impairment loss on interests in an associate                      | 於一間聯營公司之權益之減值虧損   | -                                                         | 41,911                                                    |
| Impairment loss on trading rights                                 | 買賣權之減值虧損          | <b>3,322</b>                                              | -                                                         |
| Interest income from banks and others                             | 銀行及其他利息收入         | <b>(21)</b>                                               | (20)                                                      |
| Loss on disposal of subsidiaries                                  | 出售附屬公司之虧損         | <b>2,919</b>                                              | -                                                         |
| Net losses on disposals of property, plant and equipment          | 出售物業、廠房及設備之虧損淨額   | -                                                         | 2                                                         |
| Share of results of an associate                                  | 分佔一間聯營公司業績        | <b>1,723</b>                                              | 29,148                                                    |

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

## 簡明綜合現金流量表（續）

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

|                                                                      |                        | Six months ended 30 June<br>截至六月三十日止六個月                   |                                                           |
|----------------------------------------------------------------------|------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
|                                                                      |                        | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
| Notes<br>附註                                                          |                        |                                                           |                                                           |
| Operating loss before working capital changes                        | 營運資金變動前之經營虧損           | (17,657)                                                  | (39,592)                                                  |
| Decrease in other assets                                             | 其他資產減少                 | 25                                                        | 25                                                        |
| Decrease/(Increase) in trade and other receivables and prepayments   | 貿易及其他應收賬款以及預付款項減少／（增加） | 5,866                                                     | (37,725)                                                  |
| Decrease in held for trading investments                             | 持作買賣用途投資減少             | 13,762                                                    | 163,331                                                   |
| Decrease/(Increase) in trust bank balances held on behalf of clients | 代表客戶持有之信託銀行結餘減少／（增加）   | 15,722                                                    | (38,892)                                                  |
| Decrease in trade and other payables and accruals                    | 貿易及其他應付賬款以及應計費用減少      | (25,089)                                                  | (4,692)                                                   |
| Decrease in provision for settlement of convertible bonds            | 結算可換股債券之撥備減少           | (4,394)                                                   | —                                                         |
| Cash (used in)/generated from operations                             | 經營（所用）／所得現金            | (11,765)                                                  | 42,455                                                    |
| Interest paid                                                        | 已付利息                   | (4,364)                                                   | (665)                                                     |
| Interest received from banks and others                              | 已收銀行及其他利息              | 21                                                        | 20                                                        |
| Net cash (used in)/generated from operating activities               | 經營活動（所用）／所得現金淨額        | (16,108)                                                  | 41,810                                                    |

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

## 簡明綜合現金流量表（續）

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

Six months ended 30 June

截至六月三十日止六個月

|                                                                               | Notes<br>附註         | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|-------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>Cash flows from investing activities</b>                                   | 投資活動所得現金流量          |                                                           |                                                           |
| Disposal of subsidiaries                                                      | 出售附屬公司              | 3,982                                                     | -                                                         |
| Purchases of property, plant and equipment                                    | 購買物業、廠房及設備          | (19)                                                      | (18)                                                      |
| Proceeds from disposals of property, plant and equipment                      | 出售物業、廠房及設備之所得款項     | -                                                         | 13                                                        |
| <i>Net cash generated from/(used in) investing activities</i>                 | 投資活動所得／(所用) 現金淨額    | 3,963                                                     | (5)                                                       |
| <b>Cash flows from financing activities</b>                                   | 融資活動所得現金流量          |                                                           |                                                           |
| Proceeds from other holders of collective investment schemes                  | 集體投資計劃其他持有人之所得款項    | -                                                         | 2,000                                                     |
| Payments to other holders of collective investment schemes                    | 向集體投資計劃其他持有人付款      | -                                                         | (56,719)                                                  |
| Proceeds from issue of shares upon exercise of share options                  | 因購股權獲行使而發行股份之所得款項   | -                                                         | 4,900                                                     |
| Proceeds from loans advanced from a substantial shareholder                   | 一名主要股東墊付貸款之所得款項     | -                                                         | 5,000                                                     |
| Repayments of loans advanced from a substantial shareholder and a third party | 償還一名主要股東及一名第三方墊付之貸款 | -                                                         | (31,040)                                                  |
| <i>Net cash used in financing activities</i>                                  | 融資活動所用現金淨額          | -                                                         | (75,859)                                                  |

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

## 簡明綜合現金流量表（續）

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

|                                                       |               | Six months ended 30 June<br>截至六月三十日止六個月                   |                                                           |
|-------------------------------------------------------|---------------|-----------------------------------------------------------|-----------------------------------------------------------|
|                                                       |               | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
| Notes<br>附註                                           |               |                                                           |                                                           |
| <b>Net decrease in cash and cash equivalents</b>      | 現金及現金等同項目減少淨額 | <b>(12,145)</b>                                           | (34,054)                                                  |
| Cash and cash equivalents at beginning of the period  | 於期初之現金及現金等同項目 | <b>87,556</b>                                             | 126,461                                                   |
| Effect of foreign exchange rate changes, on cash held | 匯率變動對所持現金之影響  | <b>(37)</b>                                               | 224                                                       |
| <b>Cash and cash equivalents at end of the period</b> | 於期終之現金及現金等同項目 | <b>75,374</b>                                             | 92,631                                                    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

### 1. GENERAL INFORMATION

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

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

The condensed consolidated financial statements for the six months ended 30 June 2018 were approved for issue by the board of directors on 31 August 2018.

These condensed consolidated financial statements contains selected explanatory notes primarily an explanation of the events and changes that are significant to an understanding of the changes in financial position and performance of the Group since the end of the last annual reporting period and do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

### 1. 一般資料

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

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

截至二零一八年六月三十日止六個月之簡明綜合財務報表於二零一八年八月三十一日獲董事會批准刊發。

該等簡明綜合財務報表載有經選定之解釋附註，主要解釋自上一年度報告期間結算日以來，對了解本集團財務狀況及表現之變動構成重要影響之事件及變動，惟不包括年度財務報表規定之所有資料及披露，且須與本集團截至二零一七年十二月三十一日止年度之年度財務報表一併閱讀。

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

In the current period, the Group has applied the new standards, amendments and interpretations (the “**new HKFRSs**”) which are effective for the Group’s financial statements for the annual period beginning on 1 January 2018. HKFRSs include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Except as explained below, the adoption of new HKFRSs has no material impact on the Group’s financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### HKFRS 9, Financial Instruments

The Group has applied HKFRS 9 “Financial Instruments” in accordance with the transition provisions. HKFRS 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities and (ii) impairment for financial assets that is relevant to the Group. Details of these new requirements as well as their impact on the Group’s condensed consolidated financial statements are described below.

In addition, as a result of the adoption of HKFRS 9, the Group adopted consequential amendments to HKAS 1 “Presentation of Financial Statements” which requires interest revenue calculated using the effective interest method to be presented separately from revenue and impairment of financial assets to be presented in separate line item in the statement of profit or loss and other comprehensive income. Previously, the Group presented revenue from contracts with customers and interest revenue in a single line item and included impairment of financial assets, if any, in “Other gains and losses”.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）

於本期間內，本集團已採納於二零一八年一月一日開始之年度期間之本集團財務報表生效之新準則、修訂及詮釋（「**新訂香港財務報告準則**」）。香港財務報告準則包括香港會計師公會（「**香港會計師公會**」）頒佈之所有適用個別香港財務報告準則、香港會計準則（「**香港會計準則**」）及詮釋。除下文所述者外，採納新訂香港財務報告準則不會對本集團之財務報表產生重大影響。本集團不會應用任何於本會計期間尚未生效之新準則或詮釋。

### 香港財務報告準則第9號「金融工具」

根據過渡性條文，本集團已採納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(i)金融資產及金融負債之分類及計量及(ii)有關本集團之金融資產減值之新規定。該等新規定之詳情及其對本集團簡明綜合財務報表之影響載述如下。

此外，由於採納香港財務報告準則第9號，故本集團已採納香港會計準則第1號「財務報表列報」之相應修訂，其規定採用實際利率法計算之利息收益將自收益分開呈列，且金融資產減值將於損益及其他全面收益表中獨立列賬。先前，本集團以單一項目呈報客戶合同收益及利息收益並將金融資產減值（如有）計入「其他收益及虧損」。

## 2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

### HKFRS 9, Financial Instruments (Continued)

#### *Classification and measurement of financial assets*

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

Under HKFRS 9, all recognised financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically, debt investments 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 amount outstanding, are subsequently measured at amortised cost; debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income ("FVTOCI"); all other debt investments and equity investments are subsequently measured at fair value through profit or loss ("FVTPL").

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」(續)

#### *金融資產之分類及計量*

首次應用日期（即本集團根據香港財務報告準則第9號之規定評估其現有金融資產及金融負債當日）為二零一八年一月一日。因此，本集團已應用於二零一八年一月一日尚未取消確認香港財務報告準則第9號工具之規定，且根據過渡性規定並無將有關規定應用於二零一八年一月一日已取消確認之工具。與於二零一八年一月一日尚未取消確認之工具有關之比較金額尚未予以重列。

根據香港財務報告準則第9號，所有已確認之金融資產其後須按攤銷成本或根據實體業務模式之公平值計量，以管理金融資產及金融資產之合約現金流量特徵。具體而言，於目的為收回合約現金流量之業務模式中持有之債務投資，以及合約現金流量純為支付本金及未償還本金之利息之債務投資，其後按攤銷成本計量；於目的為同時收回合約現金流量及出售債務工具之業務模式中持有之債務投資，以及合約現金流量純為支付本金及未償還本金之利息之債務投資，其後按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量；所有其他債務投資及股權投資其後按公平值計入損益（「按公平值計入損益」）計量。

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

### HKFRS 9, Financial Instruments (Continued)

#### *Classification and measurement of financial assets (Continued)*

Despite the foregoing, the Group may at initial recognition of a financial asset irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by the Group in a business combination to which HKFRS 3 applies in other comprehensive income; and designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment as set out below.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產之分類及計量（續）*

儘管有上述規定，本集團可於初步確認金融資產時不可撤回地選擇於其他全面收益內呈列並非持作買賣或香港財務報告準則第3號適用之本集團於業務合併中所確認之或然代價之股權投資其後之公平值變動；及本集團指定符合攤銷成本或按公平值計入其他全面收益標準之債務投資為按按公平值計入損益計量（倘若此舉可消除或顯著減少會計錯配）。

倘以按公平值計入其他全面收益計量之債務投資獲取消確認，則先前於其他全面收益中確認之累計收益或虧損自權益重新分類至損益作為重新分類調整。相反，對於指定為以按公平值計入其他全面收益計量之股權投資，先前於其他全面收益中確認之累計收益或虧損其後不再重新分類至損益。其後按攤銷成本或以按公平值計入其他全面收益計量之債務工具如下文所載受減值所規限。

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

### HKFRS 9, Financial Instruments (Continued)

#### *Classification and measurement of financial assets (Continued)*

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

- financial assets classified as loans and receivables under HKAS 39 that were measured at amortised cost continue to be measured at amortised cost under HKFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding; and
- financial assets that were measured at FVTPL under HKAS 39 continue to be measured as such under HKFRS 9.

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

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產之分類及計量（續）*

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

- 根據香港會計準則第39號分類為貸款及應收賬款之金融資產乃按攤銷成本計量，由於彼等於為收回合約現金流量之業務模式中持有且該等現金流量純為支付本金及未償還本金之利息，故該等金融資產將繼續根據香港財務報告準則第9號按攤銷成本計量；及
- 根據香港會計準則第39號按公平值計入損益計量之金融資產將繼續根據香港財務報告準則第9號如此計量。

上述金融資產之重新分類對本期間本集團之財務狀況、損益、其他全面收益及全面收益總額並無任何影響。

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

### HKFRS 9, Financial Instruments (Continued)

#### *Impairment of financial assets*

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

Expected credit losses is a probability-weighted estimate of credit losses, which is estimated as the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate. Specifically, loss allowance for trade receivables that result from transactions that are within the scope of HKFRS 15 are recognised at an amount equal to lifetime expected credit loss which represents the expected credit losses (“ECL”) that will result from all possible default events over the expected life of a financial instrument. The ECL on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產減值*

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

預期信貸損失是對信貸損失之概率加權估計，乃估計為根據合約應付本集團之現金流量與按原實際利率折現之本集團預期收取之現金流量之間的差額。具體而言，香港財務報告準則第15號範圍內交易產生之貿易應收賬款損失撥備乃按終身預期信貸損失之相同金額確認，有關金額指於金融工具之預期年內可能發生之所有違約事件將產生的預期信貸損失（「預期信貸損失」）。該等金融資產之預期信貸損失乃使用根據本集團過往信貸損失經驗計算的撥備矩陣進行估計，並就債務人之特定因素、整體經濟狀況及對於報告日期之現時狀況及預測動向的評估（於適用情況下包括貨幣之時間價值）作出調整，其中包括（如適用）。

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

### HKFRS 9, Financial Instruments (Continued)

#### *Impairment of financial assets (Continued)*

For other financial assets subject to impairment assessment, HKFRS 9 requires the Group to measure the loss allowance at an amount equal to the lifetime ECL when the financial instrument is a purchased or originated credit-impaired financial asset, or when the credit risk on that financial instrument has increased significantly since initial recognition. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產減值（續）*

就其他須進行減值評估之金融資產而言，香港財務報告準則第9號規定，當金融工具為購入或承辦信貸已減值之金融資產時，或當該金融工具之信貸風險自初步確認以來顯著上升時，本集團須按終身預期信貸損失之相同金額計量損失撥備。當發生一項或多項對金融資產估計未來現金流量有不利影響之事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

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

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

### HKFRS 9, Financial Instruments (Continued)

#### *Impairment of financial assets (Continued)*

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產減值（續）*

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

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

- 金融工具外部（如有）或內部信貸評級之實際或預期重大惡化；

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

### HKFRS 9, Financial Instruments (Continued)

#### *Impairment of financial assets (Continued)*

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

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

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

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產減值（續）*

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

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

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

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

### HKFRS 9, Financial Instruments (Continued)

#### *Impairment of financial assets (Continued)*

On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL which represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position. The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產減值（續）*

另一方面，若金融工具之信貸風險自初步確認以來並未顯著上升（購入或承辦信貸已減值之金融資產除外），本集團須按12個月預期信貸損失之相同金額計量該金融工具之損失撥備，12個月預期信貸損失指金融工具於報告日期後12個月內可能發生之違約事件預計產生之該部分終身預期信貸損失。若本集團於前一報告期間按終身預期信貸損失之相同金額計量金融工具之損失撥備，但於本報告日期判定不再滿足終身預期信貸損失之條件，則本集團於本報告日期按12個月預期信貸損失之相同金額計量損失撥備。

本集團於損益中確認所有金融工具之減值收益或虧損，並透過損失撥備賬相應調整其賬面值，惟按公平值計入其他全面收益計量之債務工具投資除外，其損失撥備於其他全面收益中確認並於投資重估儲備中累計而不會減少財務狀況表中金融資產之賬面值。本集團在有資料顯示對手方陷入嚴重財務困難，且無實際收回可能之時（例如對手方遭受清盤或已進入破產程序）撤銷金融資產。在考慮法律意見（如適當）後，已撤銷金融資產仍可根據本集團之收回程序實施強制執行。任何收回款項於損益中確認。

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

### HKFRS 9, Financial Instruments (Continued)

#### *Impairment of financial assets (Continued)*

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

#### (a) Trade receivables

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. Receivables from clearing houses and cash clients are usually settled a few days after the execution of relevant transactions. Receivables from asset management services rarely default, given the Group manages assets worth multiples of any outstanding fees on behalf of those clients. Receivables from margin financing and money lending services are collateralised and have sufficiently low “Loan to value” ratio. After considering the potential for default at any point and using its historical experience, external indicators and forward-looking information, the directors considered that the expected shortfalls in contractual cash flows would be insignificant.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產減值（續）*

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

#### (a) 貿易應收賬款

本集團採用簡化方法對貿易應收賬款進行會計處理，並將虧損撥備計作終身預期信貸損失。來自結算所及客戶現金之應收賬款通常於訂立相關交易後數日內結算。鑒於本集團代表該等客戶管理價值數倍於任何未支付費用之資產，來自資產管理服務之應收賬款極少違約。來自孖展融資及貸款服務之應收賬款已作抵押且「貸款對估值」比率非常低。考慮到任何時間點均可能發生違約事件及採用其過往經驗、外部指標及前瞻性資料，董事認為，預期合約現金流量之不足情況不屬重大。

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

### HKFRS 9, Financial Instruments (Continued)

#### *Impairment of financial assets (Continued)*

- (b) Cash and cash equivalents and trust bank balances held on behalf of clients and other assets

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. Other assets are assessed to have low credit risk as these items mainly represented deposits with the clearing houses. After considering the potential for default at any point and using its historical experience, external indicators and forward-looking information, the directors considered that the expected shortfalls in contractual cash flows would also be insignificant.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融資產減值（續）*

- (b) 現金及現金等同項目、代表客戶持有之銀行信託結餘及其他資產

於各報告日期，由於所有銀行結餘均由聲譽卓著的銀行機構持有，故該等銀行結餘被評估為具有較低信貸風險。由於其他資產主要指於結算所之存款，故該等項目被評估為具有較低信貸風險。考慮到任何時間點均可能發生違約事件及採用其過往經驗、外部指標及前瞻性資料，董事認為，預期合約現金流量之不足情況亦不屬重大。

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

### HKFRS 9, Financial Instruments (Continued)

#### *Classification and measurement of financial liabilities*

One major change introduced by HKFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, HKFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk 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, but are instead transferred to retained earnings when the financial liability is derecognised.

As the Group did not designate any financial liabilities at FVTPL at 1 January 2018, the application of HKFRS 9 has had no impact on the classification and measurement of the Group's financial liabilities.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第9號「金融工具」（續）

#### *金融負債分類及計量*

香港財務報告準則第9號引入金融負債分類及計量之一項重大變動，涉及發行人信貸風險變動引致指定為按公平值計入損益之金融負債公平值變動之會計處理方法。

具體而言，香港財務報告準則第9號規定金融負債之信貸風險變動引致之該負債公平值之變動於其他全面收益內呈列，除非於其他全面收益中確認負債信貸風險之變動影響會導致或擴大損益上之會計錯配。金融負債之信貸風險引致之公平值變動其後不會重新分類至損益，惟會於終止確認金融負債後轉入保留溢利。

由於本集團於二零一八年一月一日並無指定任何按公平值計入損益之金融負債，故應用香港財務報告準則第9號對本集團金融負債之分類及計量並無影響。

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

### HKFRS 15, Revenue from Contracts with Customers

In the current period, the Group has applied HKFRS 15 “Revenue from Contracts with Customers” (as amended in June 2016). HKFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Under HKFRS 15, revenue will be recognised when (or as) the entity satisfies a performance obligation by transferring a service to a customer. Furthermore, revenue will be recognised for contracts to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

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

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

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第15號「客戶合同收益」

於本期間，本集團已應用香港財務報告準則第15號「客戶合同收益」（於二零一六年六月修訂）。香港財務報告準則第15號引入了五步法來確認收益。香港財務報告準則第15號已就特殊情況之處理方法加入更明確之指引。根據香港財務報告準則第15號，實體當（或於）完成履約責任，即向客戶轉移服務時確認收益。此外，合同收益將於累計收益金額不大可能出現重大撥回之情況下確認。

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

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

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

### HKFRS 15, Revenue from Contracts with Customers (Continued)

The Group's revenue in scope of HKFRS 15 are primarily consist of management and performance fee income from the provision of fund and portfolio management and investment advisory services and commission income from the securities dealing and the provision of underwriting and placement services. The Group has considered the requirements under HKFRS 15, and assessed the timing of recognition as follows:

- (a) Fund and portfolio management and investment advisory services

The Group earns management fees from managed funds and portfolio, at a fixed percentage of assets under management, net asset value or invested capital. Management fees are recognised over the period in which the investment management and advisory services are performed because customers simultaneously consume and receive benefits that are satisfied over time. Management fees are a form of variable consideration because the fees the Group entitled to is subject to a broad range of possible outcomes due to market volatility and other factors outside of the Group's control and are recognised under output method. The amount of revenue is generally determined at the end of each reporting period because the management fees are payable on a regular basis (typically monthly, quarterly and semi-annually) and are not subject to clawback once they are payable.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第15號「客戶合同收益」(續)

本集團於香港財務報告準則第15號範圍內之收益主要包括提供基金及投資組合管理以及投資顧問服務之管理及表現費收入，以及證券買賣及提供承銷及配售服務之佣金收入。本集團已考慮香港財務報告準則第15號之規定，並評估確認時間如下：

- (a) 基金及投資組合管理以及投資顧問服務

本集團按管理資產、資產淨值或投資資本之固定百分比賺取管理基金及投資組合之管理費。由於客戶同時消費及收取隨時間流逝而達成之利益，管理費於提供投資管理及顧問服務之期間確認。管理費為一種可變代價形式，因為本集團有權收取之費用由於市場波動及本集團無法控制之其他因素而受到大量可能結果之影響，並根據產出法確認。收益金額一般於各報告期末釐定，原因是管理費定期（通常為每月、每季度及每半年）支付，一旦支付，則不可回撥。

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

### HKFRS 15, Revenue from Contracts with Customers (Continued)

#### (a) Fund and portfolio management and investment advisory services (Continued)

The Group also earns performance fees based on fund performance during the period, subject to the achievement of high-water marks or hurdle rates, in accordance with the respective terms set out in the investment management agreement. Performance fees is recognised as revenue when it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur or the uncertainty associated with the variable consideration is subsequently resolved. Performance fees are recognised as revenue when realised at the end of the measurement period and are not subject to clawback or reversal.

#### (b) Securities dealing services

The Group earns commission from execution of client transactions in the trading equity and debt securities. The execution of client transactions also included settling and clearing services, which are provided together and represent a single performance obligation as the services are not separately identifiable in the context of the contract. Commissions are recognised at a point in time on trade date because the customer has obtained the rights to the underlying securities provided by the securities dealing services.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第15號「客戶合同收益」(續)

#### (a) 基金及投資組合管理以及投資顧問服務（續）

本集團亦根據投資管理協議所載之有關條款，賺取基於期內基金表現之表現費，惟須達致高水位或最初增幅目標。表現費於所確認之累計收益金額可能不會發生重大撥回時或其後解決與可變代價相關之不确定性時確認為收益。表現費於計量期末變現時確認為收益，不可回撥或撥回。

#### (b) 證券交易服務

本集團自執行客戶之買賣股權及債務證券之交易中賺取佣金。執行客戶交易亦包括結算及清算服務，該等服務乃一併提供並代表單一履約責任，原因是服務於合約內並無單獨識別。佣金於交易日之某個時間點確認，因為客戶已獲得證券交易服務提供之相關證券之權利。

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

### HKFRS 15, Revenue from Contracts with Customers (Continued)

#### (c) Underwriting and placement services

The Group earns underwriting and placing commission by providing capital raising services for corporate clients. Underwriting and placing fees are considered variable consideration and recognised when it is probable that the variable consideration will not be reversed in a future period. The variable consideration is considered to be constrained until satisfaction of the performance obligation. The Group's performance obligation is generally satisfied at a point in time upon closing of a transaction, completion of a financing or underwriting arrangement, at which point of time the Group has transferred control and the customer obtains control of the promised service.

As a result of the above assessment, the Group has not identified any material changes to current revenue recognition principles and apart from providing more extensive disclosures on the Group's revenue transactions, the application of HKFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group for the current period.

## 2. 採納新訂或經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第15號「客戶合同收益」（續）

#### (c) 承銷及配售服務

本集團透過為企業客戶提供融資服務而賺取承銷及配售佣金。承銷及配售費用被視為可變代價，並於可變代價於未來期間可能不會撥回時確認。於達致表現責任之前，可變代價被認為受到限制。本集團之表現責任一般於交易完成、融資或承銷安排完成後之某個時間點，即本集團已轉移而客戶取得承諾服務之控制權時達成。

由於上述評估，本集團並未發現當前收益確認原則出現任何重大變動，而除本集團之收益交易須提供更廣泛之披露外，應用香港財務報告準則第15號對本集團於本期間之財務狀況及／或財務表現並無重大影響。

### 3. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in compliance with HKAS 34, Interim Financial Reporting issued by the HKICPA and with the applicable requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The accounting policies and methods of computation that have been used in the preparation of these condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of new HKFRSs.

The Group had incurred losses after tax of approximately HK\$40 million for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$123 million) and had net liabilities of approximately HK\$20 million as at 30 June 2018 (31 December 2017: net assets of HK\$13 million). As at 30 June 2018, the Group's liabilities included convertible bonds with principal amount of approximately HK\$110 million (31 December 2017: HK\$155 million) which is repayable on demand or within one year and approximately HK\$90 million (31 December 2017: Nil) which is repayable in two years from the date of issue of 4 June 2018. These conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

### 3. 編製基準

簡明綜合財務報表已根據香港會計師公會頒佈之香港會計準則第34號中期財務報告及聯交所證券上市規則附錄十六之適用規定編製。除採納新訂香港財務報告準則外，編製該等簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至二零一七年十二月三十一日止年度之年度財務報表所採用者一致。

本集團於截至二零一八年六月三十日止六個月產生稅後虧損約40,000,000港元（截至二零一七年六月三十日止六個月：123,000,000港元），於二零一八年六月三十日之負債淨額約20,000,000港元（二零一七年十二月三十一日：資產淨值13,000,000港元）。於二零一八年六月三十日，本集團之負債包括本金額約110,000,000港元（二零一七年十二月三十一日：155,000,000港元）之可換股債券，須按要求或於一年內償還，而約90,000,000港元（二零一七年十二月三十一日：無）須於發行日期二零一八年六月四日起計兩年內償還。此等情況表明存在重大不明朗因素，或會對本集團能否按持續基準繼續經營業務，及其後對其於一般業務過程中變現其資產及償還負債之能力產生疑問。

### 3. BASIS OF PREPARATION (Continued)

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

- the Group has obtained continuous financial support from a substantial shareholder of the Company as necessary to enable the Group to meet its operating and financing obligations, as and when they are fall due;
- the Group is negotiating for loan financing and other alternative financing arrangements such as placing of new shares to new potential investors;
- the Group would continuously review and monitor its receivables in order to ensure the receivables are recovered on time; and
- the Group would expand its money lending business from the proceeds received from the additional financing and shall continue to apply various measures to tighten its operating expenditures in order to improve its profitability; and to generate positive cash inflow from its operations.

### 3. 編製基準 (續)

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

- 本集團已自本公司一名主要股東取得能令本集團履行其到期之營運及融資責任所需之持續財務支持；
- 本集團正就貸款融資及其他替代融資安排（如向新潛在投資者配售新股份）進行磋商；
- 本集團持續審閱及監察其應收賬款以確保應收賬款可按時收回；及
- 本集團將透過收取額外融資之所得款項擴展其貸款業務，並將繼續採取多種措施縮緊營運開支以改善其盈利能力及自營運產生正向現金流入。

### 3. BASIS OF PREPARATION (Continued)

Having regard to the cash flow projection of the Group, which are prepared assuming that these measures are successful, the directors of the Company are of the opinion that, the Group will have sufficient working capital to satisfy its future working capital and other financing requirements for at least the next twelve months from 30 June 2018. Accordingly, these financial statements were prepared on a going concern basis.

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

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's annual financial statements for the year ended 31 December 2017. The only exceptions are discussed below, which is arising from the newly applied HKFRS 9:

### 3. 編製基準 (續)

經考慮按假設該等措施取得成功而編製之本集團現金流量預測，本公司董事認為，本集團將具備足夠營運資金以滿足其自二零一八年六月三十日起至至少未來十二個月之日後營運資金及其他資金需要。因此，該等財務報表乃按持續經營基準編製。

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

### 4. 關鍵會計估計及判斷

本集團作出有關未來之估計及假設。顧名思義，所作會計估計甚少與有關之實際結果相同。中期財務報表運用之判斷、估計及假設（包括估計不確定性之主要來源）與本集團截至二零一七年十二月三十一日止年度之年度財務報表所運用者相同。因全新應用香港財務報告準則第9號產生之唯一例外情況論述如下：

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

##### Measurement of expected credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgments, including determining the criteria for significant increase in credit risk, are also required in applying the accounting requirements for measuring ECL. Details about the judgements and assumptions used in measuring ECL is set out in note 2 to these financial statements. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECL to be recognised.

#### 5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major service lines as follows:

#### 4. 關鍵會計估計及判斷 (續)

##### 預期信貸損失之計量

計量按攤銷成本計量之金融資產之預期信貸損失撥備，要求使用對未來經濟狀況及信貸行為（如客戶違約及引致虧損之可能性）之重大假設。在應用計量預期信貸損失之會計規定時亦須作出多項重大判斷（包括確定信貸風險顯著上升之標準）。有關計量預期信貸損失所使用之判斷及假設載於該等財務報表附註2。此等估計及假設之變動可能會導致預期信貸損失將予確認之時間及數額出現重大變動。

#### 5. 分部資料

本集團根據向執行董事申報以供彼等決定分配資源至本集團業務分部及檢討該等分部表現之定期內部財務資料識別經營分部及編製分部資料。向執行董事申報之內部財務資料所載之業務分部根據本集團之主要服務行業釐定如下：

## 5. SEGMENT INFORMATION (Continued)

- (a) securities brokerage and financial services – provision of discretionary and non-discretionary dealing services for securities, securities placing and underwriting services, margin financing and money lending services, corporate finance advisory and general advisory services;
- (b) asset management services – provision of fund management and discretionary portfolio management and investment advisory services;
- (c) proprietary trading – investment holding and securities trading; and
- (d) trading business – trading of chemical products and energy and minerals products.

During the six months ended 30 June 2018, there were no changes from prior periods in the measurement methods used to determine operating segments, reported segment profit or loss and reported segment assets and liabilities. No operating segments identified have been aggregated in arriving at the reportable segments of the Group. Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches.

## 5. 分部資料 (續)

- (a) 證券經紀及金融服務 – 提供證券之全權委託及非全權委託交易服務、證券配售及承銷服務、孖展融資及貸款服務、企業融資顧問及一般顧問服務；
- (b) 資產管理服務 – 提供基金管理、全權委託組合管理及投資顧問服務；
- (c) 自營買賣 – 投資控股及證券買賣；及
- (d) 貿易業務 – 買賣化工產品、能源及礦產品。

截至二零一八年六月三十日止六個月，釐定經營分部、已呈報分部損益及已呈報分部資產與負債所用之計量方法與過往期間相較並無變動。於得出本集團之可申報分部時，概無將已識別之任何經營分部作合併處理。由於各服務行業之資源需求及市場推廣方式不同，該等各經營分部乃分開管理。

## 5. SEGMENT INFORMATION (Continued)

## 5. 分部資料 (續)

|                                                                  |                                              | Securities<br>brokerage<br>and financial<br>services<br>證券經紀及<br>金融服務<br>HK\$'000<br>千港元 | Asset<br>management<br>services<br>資產管理服務<br>HK\$'000<br>千港元 | Proprietary<br>trading<br>自營買賣<br>HK\$'000<br>千港元 | Trading<br>business<br>貿易業務<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|--------------------------------|
| <b>Six months ended<br/>30 June 2018<br/>(Unaudited)</b>         | <b>截至二零一八年<br/>六月三十日止<br/>六個月<br/>(未經審核)</b> |                                                                                          |                                                              |                                                   |                                                |                                |
| <b>Reportable segment<br/>revenue</b>                            | <b>可申報分部收益</b>                               |                                                                                          |                                                              |                                                   |                                                |                                |
| External customers                                               | 外界客戶                                         |                                                                                          |                                                              |                                                   |                                                |                                |
| - Fee and commission<br>income                                   | - 費用及佣金<br>收入                                | 1,061                                                                                    | 14,442                                                       | -                                                 | -                                              | 15,503                         |
| - Interest income                                                | - 利息收入                                       | 1,317                                                                                    | -                                                            | -                                                 | -                                              | 1,317                          |
| Inter-segment                                                    | 分部間                                          | -                                                                                        | -                                                            | -                                                 | -                                              | -                              |
|                                                                  |                                              | 2,378                                                                                    | 14,442                                                       | -                                                 | -                                              | 16,820                         |
| <b>Fee and commission<br/>income from external<br/>customers</b> | <b>來自外界客戶<br/>之費用及佣金<br/>收入</b>              |                                                                                          |                                                              |                                                   |                                                |                                |
| - Timing of revenue<br>recognition                               | - 收益確認<br>之時間                                |                                                                                          |                                                              |                                                   |                                                |                                |
| Point in time                                                    | 特定時間                                         | 1,061                                                                                    | -                                                            | -                                                 | -                                              | 1,061                          |
| Over time                                                        | 一段時間                                         | -                                                                                        | 14,442                                                       | -                                                 | -                                              | 14,442                         |
|                                                                  |                                              | 1,061                                                                                    | 14,442                                                       | -                                                 | -                                              | 15,503                         |
| <b>- Geographical region</b>                                     | <b>- 地理位置</b>                                |                                                                                          |                                                              |                                                   |                                                |                                |
| Hong Kong                                                        | 香港                                           | 1,061                                                                                    | 14,181                                                       | -                                                 | -                                              | 15,242                         |
| Mainland China                                                   | 中國內地                                         | -                                                                                        | 261                                                          | -                                                 | -                                              | 261                            |
|                                                                  |                                              | 1,061                                                                                    | 14,442                                                       | -                                                 | -                                              | 15,503                         |
| <b>Reportable segment<br/>result</b>                             | <b>可申報分部業績</b>                               | (8,423)                                                                                  | 6,325                                                        | (9,758)                                           | (4,200)                                        | (16,056)                       |
| <b>30 June 2018<br/>(Unaudited)</b>                              | <b>二零一八年<br/>六月三十日<br/>(未經審核)</b>            |                                                                                          |                                                              |                                                   |                                                |                                |
| <b>Reportable segment<br/>assets</b>                             | <b>可申報分部資產</b>                               | 247,578                                                                                  | 28,026                                                       | 25,930                                            | 55                                             | 301,589                        |
| <b>Reportable segment<br/>liabilities</b>                        | <b>可申報分部<br/>負債</b>                          | 215,978                                                                                  | 705                                                          | 62                                                | 48                                             | 216,793                        |

## 5. SEGMENT INFORMATION (Continued)

## 5. 分部資料 (續)

|                                                                  |                                              | Securities<br>brokerage<br>and financial<br>services<br>證券經紀及<br>金融服務<br>HK\$'000<br>千港元 | Asset<br>management<br>services<br>資產管理服務<br>HK\$'000<br>千港元 | Proprietary<br>trading<br>自營買賣<br>HK\$'000<br>千港元 | Trading<br>business<br>貿易業務<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|--------------------------------|
| <b>Six months ended<br/>30 June 2017<br/>(Unaudited)</b>         | <b>截至二零一七年<br/>六月三十日<br/>止六個月<br/>(未經審核)</b> |                                                                                          |                                                              |                                                   |                                                |                                |
| <b>Reportable segment<br/>revenue</b>                            | <b>可申報分部收益</b>                               |                                                                                          |                                                              |                                                   |                                                |                                |
| External customers                                               | 外界客戶                                         |                                                                                          |                                                              |                                                   |                                                |                                |
| - Fee and commission<br>income                                   | - 費用及佣金收入                                    | 8,221                                                                                    | 24,151                                                       | -                                                 | -                                              | 32,372                         |
| - Interest income                                                | - 利息收入                                       | 221                                                                                      | -                                                            | -                                                 | -                                              | 221                            |
| Inter-segment                                                    | 分部間                                          | -                                                                                        | 248                                                          | -                                                 | -                                              | 248                            |
|                                                                  |                                              | 8,442                                                                                    | 24,399                                                       | -                                                 | -                                              | 32,841                         |
| <b>Fee and commission<br/>income from external<br/>customers</b> | <b>來自外界客戶<br/>之費用及佣金收入</b>                   |                                                                                          |                                                              |                                                   |                                                |                                |
| <b>- Timing of revenue<br/>recognition</b>                       | <b>- 收益確認之時間</b>                             |                                                                                          |                                                              |                                                   |                                                |                                |
| Point in time                                                    | 特定時間                                         | 8,219                                                                                    | -                                                            | -                                                 | -                                              | 8,219                          |
| Over time                                                        | 一段時間                                         | 2                                                                                        | 24,151                                                       | -                                                 | -                                              | 24,153                         |
|                                                                  |                                              | 8,221                                                                                    | 24,151                                                       | -                                                 | -                                              | 32,372                         |
| <b>- Geographical region</b>                                     | <b>- 地理位置</b>                                |                                                                                          |                                                              |                                                   |                                                |                                |
| Hong Kong                                                        | 香港                                           | 8,207                                                                                    | 23,597                                                       | -                                                 | -                                              | 31,804                         |
| Mainland China                                                   | 中國內地                                         | 14                                                                                       | 554                                                          | -                                                 | -                                              | 568                            |
|                                                                  |                                              | 8,221                                                                                    | 24,151                                                       | -                                                 | -                                              | 32,372                         |
| <b>Reportable segment<br/>result</b>                             | <b>可申報分部業績</b>                               | 1,422                                                                                    | 11,807                                                       | (38,010)                                          | (1,763)                                        | (26,544)                       |
| <b>31 December 2017<br/>(Audited)</b>                            | <b>二零一七年<br/>十二月三十一日<br/>(經審核)</b>           |                                                                                          |                                                              |                                                   |                                                |                                |
| <b>Reportable segment<br/>assets</b>                             | <b>可申報分部資產</b>                               | 264,652                                                                                  | 35,732                                                       | 39,967                                            | 59                                             | 340,410                        |
| <b>Reportable segment<br/>liabilities</b>                        | <b>可申報分部負債</b>                               | 239,002                                                                                  | 1,838                                                        | 313                                               | 53                                             | 241,206                        |

## 5. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments are reconciled to the Group's loss before income tax as follows:

## 5. 分部資料 (續)

本集團經營分部所呈報之總額與本集團除所得稅前虧損之對賬如下：

|                                                           |                 | Six months ended 30 June<br>截至六月三十日止六個月                   |                                                           |
|-----------------------------------------------------------|-----------------|-----------------------------------------------------------|-----------------------------------------------------------|
|                                                           |                 | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
| Reportable segment result                                 | 可申報分部業績         | (16,056)                                                  | (26,544)                                                  |
| Other income                                              | 其他收入            | 21                                                        | 56                                                        |
| Equity-settled share-based payment expense                | 股本結算股份付款開支      | (876)                                                     | —                                                         |
| Finance costs                                             | 融資成本            | (11,950)                                                  | (14,919)                                                  |
| Loss on disposal of subsidiaries                          | 出售附屬公司之虧損       | (2,919)                                                   | —                                                         |
| Reversal of provision for settlement of convertible bonds | 結算可換股債券之撥備撥回    | 4,393                                                     | —                                                         |
| Share of results of an associate                          | 分佔一間聯營公司業績      | (1,723)                                                   | (29,148)                                                  |
| Impairment loss on interests in an associate              | 於一間聯營公司之權益之減值虧損 | —                                                         | (41,911)                                                  |
| Corporate expenses**                                      | 公司開支**          | (9,469)                                                   | (7,997)                                                   |
| Group's loss before income tax                            | 本集團除所得稅前虧損      | (38,579)                                                  | (120,463)                                                 |

\*\* mainly staff costs, including directors' emoluments, minimum lease payments under operating leases in respect of land and buildings and other professional fees

\*\* 主要為員工成本，包括董事酬金、土地及樓宇經營租賃的最低租賃款項以及其他專業費用

## 6. FEE AND COMMISSION INCOME, INTEREST INCOME

## 6. 費用及佣金收入以及利息收入

Six months ended 30 June  
截至六月三十日止六個月

|                                                                           | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|---------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>Fee and commission income</b> 費用及佣金收入                                  |                                                           |                                                           |
| Securities brokerage and financial services segment: 證券經紀及金融服務分部：         |                                                           |                                                           |
| – Securities dealing – 證券交易                                               | 1,019                                                     | 2,546                                                     |
| – Financial advisory and consultancy – 財務顧問及諮詢                            | –                                                         | 2                                                         |
| – Underwriting and placing – 承銷及配售                                        | –                                                         | 5,627                                                     |
| – Others – 其他                                                             | 42                                                        | 46                                                        |
|                                                                           | 1,061                                                     | 8,221                                                     |
| Asset management services segment: 資產管理服務分部：                              |                                                           |                                                           |
| – Fund and portfolio management and investment advisory – 基金及投資組合管理以及投資顧問 | 14,442                                                    | 24,151                                                    |
|                                                                           | 15,503                                                    | 32,372                                                    |
| <b>Interest income</b> 利息收入                                               |                                                           |                                                           |
| – Margin financing and money lending – 孖展融資及貸款                            | 1,317                                                     | 221                                                       |
|                                                                           | 1,317                                                     | 221                                                       |
|                                                                           | 16,820                                                    | 32,593                                                    |

## 7. OTHER GAINS AND LOSSES

## 7. 其他收益及虧損

Six months ended 30 June

截至六月三十日止六個月

|                                                                   |                 | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|-------------------------------------------------------------------|-----------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Changes in fair value of held for trading investments             | 持作買賣投資之公平值之變動   | (13,763)                                                  | (27,185)                                                  |
| Changes in third party interests in collective investment schemes | 集體投資計劃之第三方權益變動  | -                                                         | 5,325                                                     |
| Impairment loss on trading rights                                 | 買賣權減值虧損         | (3,322)                                                   | -                                                         |
| Net foreign exchange gains                                        | 外匯收益淨額          | 120                                                       | 81                                                        |
| Net losses on disposals of property, plant and equipment          | 出售物業、廠房及設備之虧損淨額 | -                                                         | (2)                                                       |
| Loss on disposal of subsidiaries                                  | 出售附屬公司之虧損       | (2,919)                                                   | -                                                         |
| Others                                                            | 其他              | 21                                                        | 59                                                        |
|                                                                   |                 | (19,863)                                                  | (21,722)                                                  |

## 8. OTHER INCOME

## 8. 其他收入

Six months ended 30 June

截至六月三十日止六個月

|                                       |           | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|---------------------------------------|-----------|-----------------------------------------------------------|-----------------------------------------------------------|
| Interest income from banks and others | 銀行及其他利息收入 | 21                                                        | 20                                                        |
| Sundry income                         | 雜項收入      | -                                                         | 36                                                        |
|                                       |           | 21                                                        | 56                                                        |

## 9. LOSS BEFORE INCOME TAX

## 9. 除所得稅前虧損

Six months ended 30 June

截至六月三十日止六個月

|                                                                  |                  | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|------------------------------------------------------------------|------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Loss before income tax is arrived at after charging:             | 除所得稅前虧損已扣除下列各項：  |                                                           |                                                           |
| Finance costs                                                    | 融資成本             |                                                           |                                                           |
| – Effective interest on liability component of convertible bonds | – 可換股債券負債部分之實際利息 | 11,948                                                    | 14,641                                                    |
| – Interest on bank and other borrowings                          | – 銀行及其他借貸之利息     | 2                                                         | 2                                                         |
| – Interest on loans from a substantial shareholder               | – 來自一名主要股東之貸款之利息 | –                                                         | 276                                                       |
|                                                                  |                  | 11,950                                                    | 14,919                                                    |
| Staff costs, including directors' emoluments                     | 員工成本，（包括董事酬金）    |                                                           |                                                           |
| – Fees, salaries, allowances and bonuses                         | – 袍金、薪金、津貼及花紅    | 13,148                                                    | 30,846                                                    |
| – Equity-settled share-based payments                            | – 股本結算股份付款       | 876                                                       | –                                                         |
| – Retirement benefit scheme contributions*                       | – 退休福利計劃供款*      | 272                                                       | 751                                                       |
|                                                                  |                  | 14,296                                                    | 31,597                                                    |

\* The amount included forfeited contributions of HK\$279,000 (six months ended 30 June 2017: Nil) in respect of employees who left employment prior to such contributions vesting fully in accordance with the rules of the MPF Scheme.

\* 該金額包括僱員於有關供款根據強積金計劃之規則悉數獲歸屬前離職被沒收之供款279,000港元（截至二零一七年六月三十日止六個月：無）。

## 10. INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation are taxed 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of corporation not qualifying the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 June 2018, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. For the six months ended 30 June 2017, Hong Kong profits tax was provided at a flat rate of 16.5% on the estimated assessable profits.

## 10. 所得稅開支

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務（修訂）（第7號）條例草案》（「**該條例草案**」），引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署生效，並於翌日在憲報刊登。根據利得稅兩級制，合資格法團按8.25%之稅率就溢利首2,000,000港元繳納稅項，並按16.5%之稅率繳納2,000,000港元以上溢利之稅項。不符合利得稅兩級制資格之法團將繼續按16.5%之稅率繳納稅項。

截至二零一八年六月三十日止六個月，香港利得稅乃根據利得稅兩級制計算。截至二零一七年六月三十日止六個月，香港利得稅按估計應課稅溢利之16.5%計提撥備。

### Six months ended 30 June

截至六月三十日止六個月

|                                            |                     | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|--------------------------------------------|---------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>Current tax – Hong Kong profits tax</b> | <b>即期稅項 – 香港利得稅</b> |                                                           |                                                           |
| – Provision for current period             | – 本期間撥備             | 1,457                                                     | 2,709                                                     |
| – Over provision in respect of prior years | – 過往年度超額撥備          | –                                                         | (143)                                                     |
| Total income tax expense                   | 所得稅開支總額             | 1,457                                                     | 2,566                                                     |

## 11. DIVIDENDS

No dividend was proposed or paid during the six months ended 30 June 2018 and 2017, nor has any dividend been proposed since the end of the reporting periods.

## 12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$40,028,000 (six months ended 30 June 2017: loss of approximately HK\$123,015,000) and the weighted average number of 3,562,562,556 (six months ended 30 June 2017: 3,543,943,771) ordinary shares in issue during the period. The diluted loss per share is the same as the basic loss per share because the calculation of the diluted loss per share does not assume the exercise of the outstanding share options and conversion rights attached to the convertible bonds since their exercise would result in a decrease in loss per share.

## 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired property, plant and equipment with a cost of approximately HK\$19,000 (six months ended 30 June 2017: HK\$18,000). Property, plant and equipment with net carrying amount of approximately HK\$1,000 (six months ended 30 June 2017: HK\$15,000) were disposed of during the six months ended 30 June 2018.

## 11. 股息

截至二零一八年及二零一七年六月三十日止六個月，概無建議派發或派發任何股息。自報告期間結算日以來亦無建議派發任何股息。

## 12. 每股虧損

每股基本虧損乃根據本公司擁有人應佔虧損約40,028,000港元（截至二零一七年六月三十日止六個月：虧損約123,015,000港元）及期內已發行普通股之加權平均數3,562,562,556股（截至二零一七年六月三十日止六個月：3,543,943,771股）計算。每股攤薄虧損與每股基本虧損相同，因為計算每股攤薄虧損並無假設行使尚未行使之購股權及可換股債券所附帶之換股權，原因為該等權利之行使將導致每股虧損減少。

## 13. 物業、廠房及設備

於截至二零一八年六月三十日止六個月，本集團以約19,000港元（截至二零一七年六月三十日止六個月：18,000港元）之成本收購物業、廠房及設備。賬面淨值約1,000港元（截至二零一七年六月三十日止六個月：15,000港元）之物業、廠房及設備已於截至二零一八年六月三十日止六個月內出售。

## 14. TRADING RIGHTS

|                                    |          | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|------------------------------------|----------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Gross carrying amount</b>       | 賬面總值     |                                                                               |                                                                                  |
| At beginning and end of the period | 於期初及期末   | 3,322                                                                         | 3,322                                                                            |
| <b>Accumulated impairment</b>      | 累計減值     |                                                                               |                                                                                  |
| At beginning of the period         | 於期初      | -                                                                             | -                                                                                |
| Impairment loss recognised         | 已確認之減值虧損 | 3,322                                                                         | -                                                                                |
| At end of the period               | 於期末      | 3,322                                                                         | -                                                                                |
| <b>Net carrying amount</b>         | 賬面淨值     |                                                                               |                                                                                  |
| At beginning of the period         | 於期初      | 3,322                                                                         | 3,322                                                                            |
| At end of the period               | 於期末      | -                                                                             | 3,322                                                                            |

Trading rights represent the eligibility rights to trade on or through Hong Kong Futures Exchange Limited and the Stock Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights are considered by the management as having an indefinite useful life. Trading rights will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the purpose of impairment testing, the carrying amount of trading rights is allocated to the CGU which engaged in the securities brokerage and financial services.

## 14. 買賣權

買賣權指於或透過香港期貨交易所有限公司及聯交所進行買賣之合法權利。買賣權對本集團使用產生現金流量淨額之期間並無可預見之限制。因此，管理層將買賣權視為具無限使用年期。買賣權將不會攤銷，直至其使用年期釐定為有限。相反，其將每年及於出現任何跡象顯示其可能減值時進行減值測試。

就減值測試而言，買賣權之賬面值分配至從事證券經紀及金融服務之現金產生單位。

## 14. TRADING RIGHTS (Continued)

Recoverable amount for the CGU was determined based on value-in-use calculation. The calculation use cash flow projections based on financial budgets approved by management covering a one-year period, and discount rate of 22% (2017: 22%). Cash flows beyond the one-year period are extrapolated for four years using a 10% growth rate. The growth rate is determined based on management's expectations for the market development and is not expected to exceed the average long-term growth rate for the relevant industry. The discount rate used is pre-tax and reflect specific risks relating to the relevant business. Taking into account of the deteriorating financial performance of the securities brokerage business, the unfavourable change in the capital market and the expectations for the market development, an impairment loss of HK\$3,322,000 (six months ended 30 June 2017: Nil) was recognised in respect of the trading rights.

## 15. INTERESTS IN AN ASSOCIATE

|                          |        | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|--------------------------|--------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Share of net assets      | 分佔資產淨值 | -                                                                             | 2,800                                                                            |
| Goodwill                 | 商譽     | -                                                                             | 39,854                                                                           |
| Provision for impairment | 減值撥備   | -                                                                             | 42,654<br>(40,791)                                                               |
|                          |        | -                                                                             | 1,863                                                                            |

## 14. 買賣權 (續)

現金產生單位之可回收金額乃根據使用價值計算而釐定。該計算使用以管理層批核之一年期財務預算及22% (二零一七年：22%) 折現率為基礎之現金流量預測。超過一年期之現金流量按10%增長率推斷四年。增長率為根據管理層對市場發展之預期釐定，預期不超過有關行業之長期平均增長率。所使用之折現率為除稅前，並反映與有關業務相關之特定風險。考慮到證券經紀業務之財務表現惡化、資本市場中之不利變動及市場發展之預期，本公司已就買賣權確認減值虧損3,322,000港元 (截至二零一七年六月三十日止六個月：無)。

## 15. 於一間聯營公司之權益

## 15. INTERESTS IN AN ASSOCIATE (Continued)

On 28 June 2018, the Company had entered into an agreement to sell the entire issued share capital of a subsidiary, Joinbo Holdings Limited, which indirectly owns 25%\* of the equity interest in Xinhua (Daqing) Merchandise Exchange Company Limited ("XHME"). XHME is an entity incorporated in the PRC which is principally operating an electronic merchandise exchange platform for commodity goods trading in the PRC. Following the completion of the disposal, the Company no longer hold any of the interest in XHME and XHME ceased to be recognised as an associate of the Company.

\* rounded to the nearest one percent

## 16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

|                                   |             | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|-----------------------------------|-------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Trade receivables                 | 貿易應收賬款      | 58,847                                                                        | 64,260                                                                           |
| Other receivables and prepayments | 其他應收賬款及預付款項 | 4,480                                                                         | 5,221                                                                            |
|                                   |             | 63,327                                                                        | 69,481                                                                           |

## 15. 於一間聯營公司之權益 (續)

於二零一八年六月二十八日，本公司訂立一項協議以出售附屬公司駿寶集團有限公司之全部已發行股本，該附屬公司間接擁有新華（大慶）商品交易所有限公司（「新商所」）之25%\*股權。新商所為一家於中國註冊成立之實體，主要於中國經營商品貨物貿易之電子商品交易平台。於出售完成後，本公司不再於新商所持有任何權益及新商所不再被確認為本公司之聯營公司。

\* 調整至最接近之百分之一

## 16. 貿易及其他應收賬款以及預付款項

## 16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The analysis of trade receivables is as follows:

|                                                           |                       | <b>30 June</b><br><b>2018</b><br>二零一八年<br>六月三十日<br><b>HK\$'000</b><br>千港元<br><b>(Unaudited)</b><br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|-----------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Arising from the business of dealing in securities        | 來自證券買賣業務              |                                                                                                           |                                                                                  |
| – Hong Kong Securities Clearing Company Limited (“HKSCC”) | – 香港中央結算有限公司 (「香港結算」) | <b>9,351</b>                                                                                              | 15,967                                                                           |
| – Margin clients                                          | – 孖展客戶                | <b>35</b>                                                                                                 | 1,309                                                                            |
| Arising from asset management services                    | 來自資產管理服務              | <b>19,006</b>                                                                                             | 26,539                                                                           |
| Arising from money lending services                       | 來自貸款服務                | <b>30,455</b>                                                                                             | 20,444                                                                           |
| Arising from proprietary trading                          | 來自自營買賣                | <b>–</b>                                                                                                  | 1                                                                                |
|                                                           |                       | <b>58,847</b>                                                                                             | 64,260                                                                           |

The normal settlement terms of trade receivables arising from the business of dealing in securities are two business days after the respective trade dates. The amounts due from margin clients are repayable on demand subsequent to the settlement date and bear interest at Hong Kong Dollar Prime Rate plus a spread of 3% to 8% (31 December 2017: 3% to 8%) per annum.

## 16. 貿易及其他應收賬款以及預付款項 (續)

貿易應收賬款之分析如下：

來自證券買賣業務之貿易應收賬款結算期通常為各交易日期後兩個營業日。應收孖展客戶款項須於結算日期後按要求償還，並按港元最優惠年利率加息差3厘至8厘（二零一七年十二月三十一日：3厘至8厘）計息。

## 16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The Group generally does not provide any credit term to clients for its asset management services. Amounts arising from money lending services represents term loans which are repayable within one year from the end of reporting period and bears interest at a fixed rate of 10% per annum (31 December 2017: 10%) and are secured by marketable securities with fair value of HK\$60,000,000 at 30 June 2018 (31 December 2017: HK\$39,000,000). Amounts arising from proprietary trading represented deposits placed with a securities broker which was repayable on demand.

The amounts due from margin clients are neither past due nor impaired. The ageing analysis of trade receivables in respect of other balances, based on due date, is as follows:

## 16. 貿易及其他應收賬款以及預付款項(續)

本集團一般並無向其資產管理服務客戶提供任何信貸期。於二零一八年六月三十日，來自貸款服務之款項指須自報告期間結算日起計一年內償還、按固定年利率10厘（二零一七年十二月三十一日：10厘）計息及以公平值為60,000,000港元（二零一七年十二月三十一日：39,000,000港元）之有價證券作抵押之定期貸款。來自自營買賣之款項指存放於證券經紀之存款，須按要求償還。

應收孖展客戶款項均無逾期或減值。就其他結餘作出之貿易應收賬款賬齡分析（基於到期日）如下：

|                  |             | <b>30 June</b><br><b>2018</b><br>二零一八年<br>六月三十日<br><b>HK\$'000</b><br>千港元<br><b>(Unaudited)</b><br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|------------------|-------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Not yet past due | 尚未逾期        | <b>31,221</b>                                                                                             | 20,444                                                                           |
| 0 – 30 days      | 0 至 30 日    | <b>16,869</b>                                                                                             | 19,464                                                                           |
| 31 – 60 days     | 31 至 60 日   | <b>23</b>                                                                                                 | 2,803                                                                            |
| 61 – 90 days     | 61 至 90 日   | <b>159</b>                                                                                                | 2,917                                                                            |
| 91 – 180 days    | 91 至 180 日  | <b>5,358</b>                                                                                              | 8,256                                                                            |
| 181 – 365 days   | 181 至 365 日 | <b>5,182</b>                                                                                              | 6,638                                                                            |
| Over 365 days    | 超過 365 日    | <b>-</b>                                                                                                  | 2,429                                                                            |
|                  |             | <b>58,812</b>                                                                                             | 62,951                                                                           |

## 17. HELD FOR TRADING INVESTMENTS

|                                      |             | <b>30 June</b><br><b>2018</b><br>二零一八年<br>六月三十日<br><b>HK\$'000</b><br>千港元<br><b>(Unaudited)</b><br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|--------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Listed equity securities             | 上市股本證券      | <b>24,224</b>                                                                                             | 37,841                                                                           |
| Unlisted investments funds<br>(note) | 非上市投資基金(附註) | <b>1,630</b>                                                                                              | 1,775                                                                            |
|                                      |             | <b>25,854</b>                                                                                             | 39,616                                                                           |

Note:

Pursuant to the subscription agreements, the Group's interests in the above investment funds are in the form of redeemable shares, which are puttable at the holder's option at any time, for an amount equal to the pro rata share of the fund's net assets and entitle the Group to a proportionate stake in the respective funds' net assets. These investment funds are managed by the respective unrelated investment managers who are empowered to manage their daily operations and apply various investment strategies to accomplish their respective investment objectives.

附註：

根據認購協議，本集團於上述投資基金之權益為可贖回股份形式，可隨時由持有人選擇贖回相等於基金資產淨值佔比之金額，且本集團有權按比例分攤各基金之資產淨值。該等投資基金由相關獲授權管理其日常營運及採用多項投資策略以達致其各自之投資目標之無關連之投資經理管理。

## 18. TRADE AND OTHER PAYABLES AND ACCRUALS

## 18. 貿易及其他應付賬款以及應計費用

|                                                                   |                 | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|-------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Trade payables arising from the business of dealing in securities | 來自證券買賣業務之貿易應付賬款 |                                                                               |                                                                                  |
| - HKSCC                                                           | - 香港結算          | 2                                                                             | -                                                                                |
| - Cash clients                                                    | - 現金客戶          | 215,120                                                                       | 237,628                                                                          |
| - Margin clients                                                  | - 孖展客戶          | 504                                                                           | 460                                                                              |
|                                                                   |                 | 215,626                                                                       | 238,088                                                                          |
| Other payables and accruals                                       | 其他應付賬款及應計費用     | 1,737                                                                         | 4,365                                                                            |
|                                                                   |                 | 217,363                                                                       | 242,453                                                                          |

The normal settlement terms of trade payables arising from the business of dealing in securities are two business days after the respective trade dates. The amounts payable to cash and margin clients are repayable on demand. No ageing analysis in respect of trade payables is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature.

來自證券買賣業務之貿易應付賬款之一般結算期為各自交易日後之兩個營業日。應付現金及孖展客戶之款項須按要求償還。董事認為，基於業務性質使然，賬齡分析不會帶來額外用途，故並無披露貿易應付賬款之賬齡分析。

## 19. CONVERTIBLE BONDS AND PROVISION

## 19. 可換股債券及撥備

|                              |                 | <b>30 June</b><br><b>2018</b><br>二零一八年<br>六月三十日<br><b>HK\$'000</b><br>千港元<br><b>(Unaudited)</b><br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Convertible bonds</b>     | <b>可換股債券</b>    |                                                                                                           |                                                                                  |
| <b>– Liability component</b> | <b>– 負債部分</b>   |                                                                                                           |                                                                                  |
| 2014 SYFS Bonds              | 二零一四年 SYFS 債券   | –                                                                                                         | 45,000                                                                           |
| 2017 SYHL Bonds              | 二零一七年<br>盛源控股債券 | <b>105,110</b>                                                                                            | 98,517                                                                           |
| 2018 SYHL Bonds              | 二零一八年<br>盛源控股債券 | <b>75,307</b>                                                                                             | –                                                                                |
|                              |                 | <b>180,417</b>                                                                                            | 143,517                                                                          |
| Current                      | 流動              | <b>105,110</b>                                                                                            | 143,517                                                                          |
| Non-current                  | 非流動             | <b>75,307</b>                                                                                             | –                                                                                |
|                              |                 | <b>180,417</b>                                                                                            | 143,517                                                                          |
| <b>Provision</b>             | <b>撥備</b>       |                                                                                                           |                                                                                  |
| Settlement of                | 結算二零一四年         |                                                                                                           |                                                                                  |
| 2014 SYFS Bonds              | SYFS 債券         | –                                                                                                         | 33,708                                                                           |

## 19. CONVERTIBLE BONDS AND PROVISION (Continued)

### 2014 SYFS Bonds, provision for settlement of 2014 SYFS Bonds and 2018 SYHL Bonds

Pursuant to a subscription agreement entered into by a wholly-owned subsidiary of the Company, Sheng Yuan Financial Services Group Limited ("SYFS") on 9 April 2014, SYFS issued zero coupon convertible bonds with principal amount of HK\$45,000,000 on 16 June 2014 ("**2014 SYFS Bonds**"). The 2014 SYFS Bonds entitled the holders to convert them into ordinary shares of SYFS ("**SYFS Conversion Shares**") at a conversion price of HK\$10,000 with certain profit conditions of SYFS and its subsidiaries ("**SYFS Group**") as set out in the Company's circular dated 16 May 2014. Any unconverted 2014 SYFS Bonds had to be redeemed by SYFS at 100% of its face value within 30 business days from the third anniversary day.

Based on the terms of the subscription agreement, the 2014 SYFS Bonds contained two components, (i) the liability and (ii) the equity conversion components. On 15 June 2017, the Group received conversion notices from the sole bondholder in respect of the exercise of the conversion rights attached to the 2014 SYFS Bonds in the aggregate amount of HK\$45,000,000. As the issuance of the SYFS Conversion Shares was subject to the approval by a regulator, the 2014 SYFS Bonds had not been converted into ordinary shares of SYFS. On 29 December 2017, the Company, SYFS and the sole bondholder has entered into a deed of settlement. Subject to the permission from the Stock Exchange, the Company will issue convertible bonds with a principal amount of HK\$90,000,000 for a term of 2 years as settlement and release of the SYFS's obligations under the 2014 SYFS Bonds.

## 19. 可換股債券及撥備 (續)

### 二零一四年SYFS債券、結算二零一四年SYFS債券及二零一八年盛源控股債券之撥備

根據本公司之全資附屬公司 Sheng Yuan Financial Services Group Limited ("**SYFS**") 於二零一四年四月九日訂立之認購協議，SYFS於二零一四年六月十六日發行本金額為45,000,000港元之零息可換股債券 ("**二零一四年SYFS債券**")。二零一四年SYFS債券賦予持有人權利，可將之按換股價10,000港元兌換為SYFS普通股 ("**SYFS換股股份**")，並附有若干有關SYFS及其附屬公司 ("**SYFS集團**") 之溢利之條件 (詳見本公司於二零一四年五月十六日刊發之通函)。任何未獲兌換之二零一四年SYFS債券須由SYFS於第三週年日後30個營業日內按其面值之100%贖回。

根據認購協議之條款，二零一四年SYFS債券包括兩部分：(i) 負債及(ii) 權益兌換部分。於二零一七年六月十五日，本集團收到唯一債券持有人以總金額為45,000,000港元就行使二零一四年SYFS債券所附帶之換股權發出之換股通知。由於發行SYFS換股股份須經監管者批准，二零一四年SYFS債券並未兌換為SYFS普通股。於二零一七年十二月二十九日，本公司、SYFS及唯一債券持有人訂立結算契據。待取得聯交所許可後，本公司將發行兩年期本金額為90,000,000港元之可換股債券，以結算及解除SYFS於二零一四年SYFS債券下之債務。

## 19. CONVERTIBLE BONDS AND PROVISION (Continued)

### 2014 SYFS Bonds, provision for settlement of 2014 SYFS Bonds and 2018 SYHL Bonds (Continued)

The Group had made an application to the Stock Exchange on 29 December 2017 for the issuance of the convertible bonds under the deed of settlement and the permission from the Stock Exchange has not been granted as at 31 December 2017. Given the permission from the Stock Exchange was considered as substantive, the directors of the Company considered that the Group's obligations arising from the 2014 SYFS Bonds remained outstanding as at 31 December 2017 and a provision was recognised based on the best estimated settlement amount with reference to the fair value of the convertible bonds to be issued under the deed of settlement.

On 4 June 2018, convertible bonds in the principal amount of HK\$90,000,000 ("**2018 SYHL Bonds**") were issued to the sole bondholder after the approval from the Stock Exchange has been granted. The 2018 SYHL Bonds entitled the holder to convert them in ordinary shares of the Company at the conversion price of HK\$0.35 per share at any time before 24 months from the initial issue date ("**2018 SYHL Bonds Maturity Date**") and bear interest at 8% per annum. The Company shall have the right to, at any time during the period from the initial issue date up to the 2018 SYHL Bonds Maturity Date, to redeem the 2018 SYHL Bonds at 100% of the outstanding principal amount, together with accrued interest, if any.

## 19. 可換股債券及撥備 (續)

### 二零一四年SYFS債券、結算二零一四年SYFS債券及二零一八年盛源控股債券之撥備 (續)

本集團已就根據結算契據發行可換股債券於二零一七年十二月二十九日向聯交所提出申請，聯交所於二零一七年十二月三十一日仍未授出有關許可。鑒於聯交所許可被認為是實質性的，本公司董事認為本集團因二零一四年SYFS債券產生之責任於二零一七年十二月三十一日仍未償還及因此已經參考結算契據項下將予發行的可換股債券之公平值而確認最佳估計結算金額之撥備。

於二零一八年六月四日，聯交所授出批准後，唯一債券持有人獲發行本金額為90,000,000港元之可換股債券（「**二零一八年盛源控股債券**」）。二零一八年盛源控股債券賦予持有人權利，可於首個發行日期二十四個月（「**二零一八年盛源控股債券到期日**」）前任何時間將之按兌換價每股股份0.35港元兌換為本公司普通股且以年利率8厘計息。本公司有權從首個發行日期至二零一八年盛源控股債券到期日期內任何時間，按全部尚未償還本金額連同應計利息（如有）贖回二零一八年盛源控股債券。

## 19. CONVERTIBLE BONDS AND PROVISION (Continued)

### 2014 SYFS Bonds, provision for settlement of 2014 SYFS Bonds and 2018 SYHL Bonds (Continued)

Based on the terms of the deed of settlement, the 2018 SYHL Bonds contain two components, (i) the liability and (ii) the equity conversion components. At the issue date, the fair value of the 2018 SYHL Bonds was determined using the Binomial Option Pricing Model. The fair value of the liability component of 2018 SYHL Bonds upon the issuance was calculated at the present value of the estimated coupon interest payments and principal amount. The discount rate used in the calculation is 20%, representing the cost of debt applicable to the Company for a similar bond without conversion option at the issue date. The equity conversion component is determined by deducting the amount of the liability component from the fair value of the 2018 SYHL Bonds. The key inputs used in the Binomial Option Pricing Model were as follows:

#### Inputs

#### 輸入值

04/06/2018

二零一八年六月四日

(Unaudited)

(未經審核)

|                         |       |                       |
|-------------------------|-------|-----------------------|
| Stock price             | 股價    | HK\$0.255<br>0.255 港元 |
| Exercise price          | 行使價   | HK\$0.350<br>0.350 港元 |
| Expected life           | 預期年期  | 2 years<br>2 年        |
| Expected volatility     | 預期波幅  | 47.01%                |
| Expected dividend yield | 預期股息率 | 0.00%                 |
| Risk-free interest rate | 無風險利率 | 2.38%                 |

## 19. 可換股債券及撥備 (續)

### 二零一四年SYFS債券、結算二零一八年SYFS債券及二零一八年盛源控股債券之撥備 (續)

根據結算契據之條款，二零一八年盛源控股債券包括兩部分：(i) 負債及(ii) 權益兌換部分。於發行日期，二零一八年盛源控股債券之公平值乃採用二項式期權定價模型釐定。於發行時二零一八年盛源控股債券負債部分之公平值按估計票面利息付款及本金金額之現值計算。計算所用之折現率為20%，指本公司就於發行日期不附帶兌換權之類似債券之債務成本。權益兌換部分透過自二零一八年盛源控股債券之公平值扣除負債部分之金額釐定。二項式期權定價模型使用之主要輸入值如下：

## 19. CONVERTIBLE BONDS AND PROVISION (Continued)

### 2014 SYFS Bonds, provision for settlement of 2014 SYFS Bonds and 2018 SYHL Bonds (Continued)

Since the initial issue date, none of the 2018 SYHL Bonds has been converted into ordinary shares of the Company. The movements of the components of 2014 SYFS Bonds, the provision for settlement of 2014 SYFS Bonds and the components of 2018 SYHL Bonds during the current period and the previous year are set out below:

|                               |                   | 2014 SYFS Bonds<br>二零一四年SYFS債券                |                                                 |                                             |                                                                                  | 2018 SYHL Bonds<br>二零一八年盛源控股債券                |                                                 |                                             |  |
|-------------------------------|-------------------|-----------------------------------------------|-------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|---------------------------------------------|--|
|                               |                   | Liability<br>component                        | Equity<br>conversion<br>component               | Total                                       | Provision for<br>settlement of<br>2014 SYFS<br>Bonds<br>結算二零一四年<br>SYFS債券<br>之撥備 | Liability<br>component                        | Equity<br>conversion<br>component               | Total                                       |  |
|                               |                   | 負債部分<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) | 權益兌換部分<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) | 總計<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |                                                                                  | 負債部分<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) | 權益兌換部分<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) | 總計<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |  |
| At 1 January 2017             | 於二零一七年一月一日        | 41,695                                        | 17,792                                          | 59,487                                      | -                                                                                | -                                             | -                                               | -                                           |  |
| Effective interest recognised | 已確認實際利率           | 3,305                                         | -                                               | 3,305                                       | -                                                                                | -                                             | -                                               | -                                           |  |
| Increase in provision         | 撥備增加              | -                                             | -                                               | -                                           | 33,708                                                                           | -                                             | -                                               | -                                           |  |
| At 31 December 2017           | 於二零一七年<br>十二月三十一日 | 45,000                                        | 17,792                                          | 62,792                                      | 33,708                                                                           | -                                             | -                                               | -                                           |  |

## 19. 可換股債券及撥備 (續)

### 二零一四年SYFS債券、結算二零 一四年SYFS債券及二零一八年盛 源控股債券之撥備 (續)

自首個發行日期起，概無二零一八年盛源控股債券被兌換為本公司普通股。於本期間及上年度二零一四年SYFS債券組成部分、結算二零一四年SYFS債券之撥備及二零一八年盛源控股債券組成部分之變動載列如下：

## 19. CONVERTIBLE BONDS AND PROVISION (Continued)

2014 SYFS Bonds, provision for settlement  
of 2014 SYFS Bonds and 2018 SYHL Bonds  
(Continued)

## 19. 可換股債券及撥備 (續)

二零一四年SYFS債券、結算二零  
一四年SYFS債券及二零一八年盛  
源控股債券之撥備 (續)

|                                                                                                       |                                                           | 2014 SYFS Bonds<br>二零一四年SYFS債券 |                                   |             |                                                                                  | 2018 SYHL Bonds<br>二零一八年盛源控股債券 |                                   |             |  |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------|-----------------------------------|-------------|----------------------------------------------------------------------------------|--------------------------------|-----------------------------------|-------------|--|
|                                                                                                       |                                                           | Liability<br>component         | Equity<br>conversion<br>component | Total       | Provision for<br>settlement of<br>2014 SYFS<br>Bonds<br>結算二零一四年<br>SYFS債券<br>之撥備 | Liability<br>component         | Equity<br>conversion<br>component | Total       |  |
|                                                                                                       |                                                           | 負債部分                           | 權益兌換部分                            | 總計          |                                                                                  | 負債部分                           | 權益兌換部分                            | 總計          |  |
|                                                                                                       |                                                           | HK\$'000                       | HK\$'000                          | HK\$'000    | HK\$'000                                                                         | HK\$'000                       | HK\$'000                          | HK\$'000    |  |
|                                                                                                       |                                                           | 千港元                            | 千港元                               | 千港元         | 千港元                                                                              | 千港元                            | 千港元                               | 千港元         |  |
|                                                                                                       |                                                           | (Unaudited)                    | (Unaudited)                       | (Unaudited) | (Unaudited)                                                                      | (Unaudited)                    | (Unaudited)                       | (Unaudited) |  |
|                                                                                                       |                                                           | (未經審核)                         | (未經審核)                            | (未經審核)      | (未經審核)                                                                           | (未經審核)                         | (未經審核)                            | (未經審核)      |  |
| At 1 January 2018                                                                                     | 於二零一八年<br>一月一日                                            | 45,000                         | 17,792                            | 62,792      | 33,708                                                                           | -                              | -                                 | -           |  |
| Decrease in provision                                                                                 | 撥備減少                                                      | -                              | -                                 | -           | (4,394)                                                                          | -                              | -                                 | -           |  |
| Settlement of 2014 SYFS<br>Bonds by way of issuing<br>2018 SYHL Bonds under<br>the deed of settlement | 根據結算契據透過<br>發行二零一八年<br>盛源控股債券之<br>方式結算<br>二零一四年SYFS<br>債券 | (45,000)                       | (17,792)                          | (62,792)    | (29,314)                                                                         | 74,314                         | 9,267                             | 83,581      |  |
| Effective interest recognised                                                                         | 已確認實際利率                                                   | -                              | -                                 | -           | -                                                                                | 993                            | -                                 | 993         |  |
| At 30 June 2018                                                                                       | 於二零一八年<br>六月三十日                                           | -                              | -                                 | -           | -                                                                                | 75,307                         | 9,267                             | 84,574      |  |

## 19. CONVERTIBLE BONDS AND PROVISION (Continued)

### 2017 SYHL Bonds

Pursuant to subscription agreements entered into by the Company on 17 November 2017, the Company issued convertible bonds with aggregate principal amount of HK\$110,000,000 ("**2017 SYHL Bonds**") on 23 November 2017. The 2017 SYHL Bonds entitled the holders to convert them into ordinary shares of the Company at the conversion price of HK\$0.35 per share at any time before 12 months from the initial issue date ("**2017 SYHL Bonds Maturity Date**") and bear interest at 8% per annum. Unless previously redeemed, converted or cancelled, the Company has to redeem each 2017 SYHL Bonds on the 2017 SYHL Bonds Maturity Date at 100% of the outstanding principal amount, together with accrued interest, if any.

Based on the terms of the subscription agreements, the 2017 SYHL Bonds contain two components, (i) the liability and (ii) the equity conversion components. Since the initial issue date, none of the 2017 SYHL Bonds has been converted into ordinary shares of the Company. The movements of the components of 2017 SYHL Bonds during the current period and previous year are set out below:

## 19. 可換股債券及撥備（續）

### 二零一七年盛源控股債券

根據本公司於二零一七年十一月十七日訂立之認購協議，本公司於二零一七年十一月二十三日發行本金總額為110,000,000港元之可換股債券（「**二零一七年盛源控股債券**」）。二零一七年盛源控股債券賦予持有人權利，可於首個發行日期起計12個月（「**二零一七年盛源控股債券到期日**」）前任何時間將之按兌換價每股股份0.35港元兌換為本公司普通股，及以年利率8厘計息。除非先前已贖回、兌換或註銷，本公司將於二零一七年盛源控股債券到期日按全部尚未償還本金額連同應計利息（如有）贖回各二零一七年盛源控股債券。

根據認購協議之條款，二零一七年盛源控股債券分為兩個部分：(i) 負債及(ii) 權益兌換部分。自首個發行日期起，概無二零一七年盛源控股債券被兌換為本公司普通股。於本期間及上年度二零一七年盛源控股債券組成部分之變動載列如下：

## 19. CONVERTIBLE BONDS AND PROVISION (Continued)

### 2017 SYHL Bonds (Continued)

|                               |               | Liability component<br>負債部分<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) | Equity conversion component<br>權益兌換部分<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) | Total<br>總計<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
|-------------------------------|---------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------|
| <b>At 1 January 2017</b>      | 於二零一七年一月一日    | –                                                                    | –                                                                              | –                                                    |
| Issue of 2017 SYHL Bonds      | 發行二零一七年盛源控股債券 | 96,287                                                               | 13,713                                                                         | 110,000                                              |
| Effective interest recognised | 已確認實際利率       | 2,230                                                                | –                                                                              | 2,230                                                |
| <b>At 31 December 2017</b>    | 於二零一七年十二月三十一日 | 98,517                                                               | 13,713                                                                         | 112,230                                              |

|                               |             | Liability component<br>負債部分<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | Equity conversion component<br>權益兌換部分<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | Total<br>總計<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|-------------------------------|-------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>At 1 January 2018</b>      | 於二零一八年一月一日  | 98,517                                                                  | 13,713                                                                            | 112,230                                                 |
| Effective interest recognised | 已確認實際利率     | 10,955                                                                  | –                                                                                 | 10,955                                                  |
| Settlement of interest        | 結算利息        | (4,362)                                                                 | –                                                                                 | (4,362)                                                 |
| <b>At 30 June 2018</b>        | 於二零一八年六月三十日 | 105,110                                                                 | 13,713                                                                            | 118,823                                                 |

## 19. 可換股債券及撥備 (續)

### 二零一七年盛源控股債券 (續)

## 20. SHARE CAPITAL

## 20. 股本

|                                                   |                                               | Number of<br>ordinary<br>shares of<br>HK\$0.05 each<br>每股面值<br>0.05 港元之<br>普通股數目 | Nominal value<br>面值<br>HK\$'000<br>千港元 |
|---------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|
|                                                   |                                               | (Audited)<br>(經審核)                                                               | (Audited)<br>(經審核)                     |
| <i>Authorised:</i>                                | <i>法定：</i>                                    |                                                                                  |                                        |
| <b>At 1 January 2017<br/>and 31 December 2017</b> | <b>於二零一七年<br/>一月一日及<br/>二零一七年<br/>十二月三十一日</b> | 8,000,000,000                                                                    | 400,000                                |
| <i>Issued and fully paid:</i>                     | <i>已發行及繳足：</i>                                |                                                                                  |                                        |
| <b>At 1 January 2017</b>                          | <b>於二零一七年一月一日</b>                             | 3,542,562,556                                                                    | 177,128                                |
| Issue of shares upon exercise<br>of share options | 因購股權獲行使<br>而發行股份                              | 20,000,000                                                                       | 1,000                                  |
| <b>At 31 December 2017</b>                        | <b>於二零一七年<br/>十二月三十一日</b>                     | 3,562,562,556                                                                    | 178,128                                |

## 20. SHARE CAPITAL (Continued)

|                                                                                |                                                     | Number of<br>ordinary<br>shares of<br>HK\$0.05 each<br>每股面值<br>0.05 港元之<br>普通股數目<br>(Unaudited)<br>(未經審核) | Nominal value<br>面值<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|--------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <i>Authorised:</i><br><b>At 1 January 2018<br/>and 30 June 2018</b>            | <i>法定：</i><br>於二零一八年<br>一月一日及<br>二零一八年<br>六月三十日     | 8,000,000,000                                                                                             | 400,000                                                         |
| <i>Issued and fully paid:</i><br><b>At 1 January 2018<br/>and 30 June 2018</b> | <i>已發行及繳足：</i><br>於二零一八年<br>一月一日及<br>二零一八年<br>六月三十日 | 3,562,562,556                                                                                             | 178,128                                                         |

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

所有已發行股份在所有方面享有同等權利，包括有關股息、投票及資本退還之所有權利。

## 21. SHARE-BASED PAYMENTS

On 24 September 2004 and 15 October 2014, the Group adopted share option schemes that entitled eligible participants (including but not limited to employees, directors, suppliers and customers of the Group) to subscribe for new shares of the Company. On 26 March 2018, the Company further granted an option to an eligible grantee that entitle the grantee to subscribe for an aggregate 35,000,000 new shares of HK\$0.05 each in the share capital of the Company ("Share Options"). The Share Options are exercisable from 1 April 2019 to 25 March 2021 when the profit after tax (excluding bonus to management and employees) of SYFS and its subsidiaries for the year ending 31 December 2018 is not less than HK\$15 million.

## 21. 股份付款

於二零零四年九月二十四日及二零一四年十月十五日，本集團採納購股權計劃，以賦予合資格參與者（包括但不限於本集團之僱員、董事、供應商及客戶）權利認購本公司之新股份。於二零一八年三月二十六日，本公司進一步向合資格承授人授出一份賦予該承授人權利認購本公司股本中每股面值0.05港元之合共35,000,000股新股之購股權（「購股權」）。倘SYFS及其附屬公司截至二零一八年十二月三十一日止年度之除稅後溢利（不包括給予管理層及僱員之花紅）不低於15,000,000港元，則購股權可於二零一九年四月一日至二零二一年三月二十五日期間行使。

## 21. SHARE-BASED PAYMENTS (Continued)

For the six months ended 30 June 2018, the Group recognised equity-settled share-based payment expense of HK\$876,000 (six months ended 30 June 2017: Nil) under staff costs. The fair value of services received in return for Share Options granted is based on the fair value of the Share Options granted of HK\$3,505,000, measured using Binomial Option Pricing Model. The following inputs were used in the measurement of the fair value at grant date:

### Inputs

#### 輸入值

26/03/2018

二零一八年三月二十六日

(Unaudited)

(未經審核)

|                         |        |                       |
|-------------------------|--------|-----------------------|
| Grant date share price  | 授出日期股價 | HK\$0.234<br>0.234 港元 |
| Exercise price          | 行使價    | HK\$0.240<br>0.240 港元 |
| Expected life           | 預期年期   | 3 years<br>3 年        |
| Expected volatility     | 預期波幅   | 71.59%                |
| Expected dividend yield | 預期股息率  | 0.00%                 |
| Risk-free interest rate | 無風險利率  | 1.67%                 |

Expected volatility was determined by using the historical volatility of the Company's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

## 21. 股份付款 (續)

截至二零一八年六月三十日止六個月，本集團於員工成本下確認股本結算股份付款開支 876,000 港元（截至二零一七年六月三十日止六個月：零）。以授出購股權作為酬謝所收取服務之公平值乃基於授出購股權之公平值 3,505,000 港元（使用二項式期權定價模型計量）。下列輸入值乃用於計量於授出日期之公平值：

預期波幅乃使用本公司先前三年股價升跌的過往波幅釐定。模型所用之預期年期已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。

## 22. DISPOSAL OF SUBSIDIARIES

On 28 June 2018, the Company entered into an agreement to sell the entire issued share capital of a subsidiary, Joinbo Holdings Limited, for a cash consideration of HK\$4,000,000. The net assets disposed of, the resulting loss on disposal and the net cash inflow in respect of the above transaction were as follows:

## 22. 出售附屬公司

於二零一八年六月二十八日，本公司訂立一份協議，以出售一間附屬公司駿寶集團有限公司之全部已發行股本，現金代價為4,000,000港元。涉及上述交易之已出售資產淨值、出售產生之虧損及淨現金流入如下：

|                                                                                                                                                         |                                        | HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|
| <b>Net assets disposed of:</b>                                                                                                                          | <b>已出售資產淨值：</b>                        |                                          |
| Property, plant and equipment                                                                                                                           | 物業、廠房及設備                               | 1                                        |
| Interests in an associate                                                                                                                               | 於一間聯營公司之權益                             | 193                                      |
| Other receivables and prepayments                                                                                                                       | 其他應收賬款及預付款項                            | 169                                      |
| Cash and cash equivalents                                                                                                                               | 現金及現金等同項目                              | 18                                       |
| Other payables and accruals                                                                                                                             | 其他應付賬款及應計費用                            | (1)                                      |
|                                                                                                                                                         |                                        | 380                                      |
| <b>Loss on disposal:</b>                                                                                                                                | <b>出售虧損：</b>                           |                                          |
| Consideration received                                                                                                                                  | 已收代價                                   | 4,000                                    |
| Net assets disposed of                                                                                                                                  | 已出售資產淨值                                | (380)                                    |
| Non-controlling interests                                                                                                                               | 非控股權益                                  | (11)                                     |
| Cumulative currency translation reserve in respect of the subsidiaries and associate disposed of reclassified from equity to profit or loss on disposal | 於出售時由權益重新分類為損益之有關已出售附屬公司及聯營公司之累計貨幣換算儲備 | (6,528)                                  |
|                                                                                                                                                         |                                        | (2,919)**                                |
| <b>Net cash inflow:</b>                                                                                                                                 | <b>淨現金流入：</b>                          |                                          |
| Total consideration                                                                                                                                     | 代價總額                                   | 4,000                                    |
| Less: Cash and cash equivalents disposed of                                                                                                             | 減：已出售現金及現金等同項目                         | (18)                                     |
|                                                                                                                                                         |                                        | 3,982                                    |

\*\* included in "Other gains and losses" in profit or loss

\*\* 計入損益之「其他收益及虧損」內

## 23. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

## 23. 關連人士交易

除該等財務報表其他地方詳述之交易及結餘外，本集團於期內與關連人士進行之重大交易如下：

### Six months ended 30 June

截至六月三十日止六個月

|                                                 |                         | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|-------------------------------------------------|-------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>A director of the Company</b>                | <b>本公司一名董事</b>          |                                                           |                                                           |
| Mr. Chen Zhong Min                              | 陳重民先生                   |                                                           |                                                           |
| – Interest paid (note)                          | – 已付利息 (附註)             | 3,967                                                     | –                                                         |
| <b>A substantial shareholder of the Company</b> | <b>本公司一名主要股東</b>        |                                                           |                                                           |
| King Lion Group Limited                         | King Lion Group Limited |                                                           |                                                           |
| – Interest expense                              | – 利息開支                  | –                                                         | 276                                                       |

Note:

Mr. Chen Zhong Min was appointed as a director of the Company on 2 January 2018. Interest paid to him during the six months ended 30 June 2018 was in connection with 2017 SYHL Bonds held by him during the period. The principal amount of the 2017 SYHL Bonds as at 30 June 2018 amounted to HK\$100,000,000 and was included under “Convertible bonds” (note 19).

附註：

陳重民先生於二零一八年一月二日獲委任為本公司董事。於截至二零一八年六月三十日止六個月支付予彼之利息與彼於該期間所持有之二零一七年盛源控股債券有關。二零一七年盛源控股債券於二零一八年六月三十日之本金額為100,000,000港元，計入「可換股債券」(附註19)。

### Compensation of key management personnel

### 主要管理層人員薪酬

### Six months ended 30 June

截至六月三十日止六個月

|                              |        | 2018<br>二零一八年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 2017<br>二零一七年<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) |
|------------------------------|--------|-----------------------------------------------------------|-----------------------------------------------------------|
| Short-term employee benefits | 短期僱員福利 | 3,192                                                     | 2,208                                                     |
| Post-employment benefits     | 退休福利   | 107                                                       | 106                                                       |
|                              |        | 3,299                                                     | 2,314                                                     |

## 24. FAIR VALUE MEASUREMENT

### Financial instruments measured at fair value

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. For financial instruments traded in active markets, which included securities listed on a stock exchange, their fair value is based on quoted market prices for identical instruments at the reporting date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent the actual and regularly occurring market transactions on an arm's length basis. For financial instruments that are not traded in an active market, which included unlisted investment funds, their fair value is determined by using valuation techniques. Specific valuation techniques used to value these financial instruments included value as reported by the fund administrators.

The following table presents the Group's financial instruments measured at fair value on a recurring basis according to the fair value hierarchy. The hierarchy groups financial instruments into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial instruments. The fair value hierarchy has the following levels:

|          |                                                                                                                                                                                           |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1: | quoted prices (unadjusted) in active markets for identical assets or liabilities;                                                                                                         |
| Level 2: | inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and |
| Level 3: | inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).                                                                                  |

## 24. 公平值計量

### 按公平值計量之金融工具

就財務申報目的而言，本集團若干金融工具乃以公平值計量。於活躍市場買賣之金融工具（包括於證券交易所上市之證券）之公平值乃按於報告日期相同工具之市場報價計算。倘報價可容易及定期取得，且該等報價反應實際及定期按公平原則進行之市場交易，該市場則視為活躍。並非於活躍市場買賣之金融工具（包括非上市投資基金）之公平值乃使用估值技術釐定。對該等金融工具進行估值所使用的特定估值技術包括基金管理人提供之估值。

下表呈列本集團根據公平值等級制度以經常基準按公平值計量之金融工具。該等級制度根據該等金融工具之公平值計量所採用之重要輸入值之相對可靠性，將金融工具分為三級。公平值等級制度分級如下：

|      |                                            |
|------|--------------------------------------------|
| 第一級： | 相同資產或負債於活躍市場之報價（未經調整）；                     |
| 第二級： | 資產或負債直接（即價格）或間接（即價格衍生）可觀察之輸入值，第一級包括之報價除外；及 |
| 第三級： | 資產或負債並非根據可觀察市場數據之輸入值（不可觀察輸入值）計算。           |

## 24. FAIR VALUE MEASUREMENT (Continued)

## 24. 公平值計量（續）

Financial instruments measured at fair value  
(Continued)

## 按公平值計量之金融工具（續）

|                                                                |                                     | Level 1<br>第一級<br>HK\$'000<br>千港元<br>(note (a))<br>(附註(a)) | Level 2<br>第二級<br>HK\$'000<br>千港元<br>(note (b))<br>(附註(b)) | Level 3<br>第三級<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|----------------------------------------------------------------|-------------------------------------|------------------------------------------------------------|------------------------------------------------------------|-----------------------------------|--------------------------------|
| <b>At 30 June 2018 (Unaudited)</b>                             | <b>於二零一八年<br/>六月三十日<br/>(未經審核)</b>  |                                                            |                                                            |                                   |                                |
| Financial assets measured at fair value through profit or loss | 按公平值計入損益計量之金融資產                     |                                                            |                                                            |                                   |                                |
| - Listed equity securities                                     | - 上市股本證券                            | 24,224                                                     | -                                                          | -                                 | 24,224                         |
| - Unlisted investment funds                                    | - 非上市投資基金                           | -                                                          | 1,630                                                      | -                                 | 1,630                          |
|                                                                |                                     | 24,224                                                     | 1,630                                                      | -                                 | 25,854                         |
| <b>At 31 December 2017 (Audited)</b>                           | <b>於二零一七年<br/>十二月三十一日<br/>(經審核)</b> |                                                            |                                                            |                                   |                                |
| Financial assets measured at fair value through profit or loss | 按公平值計入損益計量之金融資產                     |                                                            |                                                            |                                   |                                |
| - Listed equity securities                                     | - 上市股本證券                            | 37,841                                                     | -                                                          | -                                 | 37,841                         |
| - Unlisted investment funds                                    | - 非上市投資基金                           | -                                                          | 1,775                                                      | -                                 | 1,775                          |
|                                                                |                                     | 37,841                                                     | 1,775                                                      | -                                 | 39,616                         |

## 24. FAIR VALUE MEASUREMENT (Continued)

### Financial instruments measured at fair value (Continued)

The levels in the fair value hierarchy within which the financial instruments are categorised in its entirety are based on the lowest level of input that is significant to the fair value measurement. There were no transfers between levels 1 and 2 or transfers into or out of level 3 in the reporting periods. The Group's policy is to recognise transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

#### (a) Financial instruments in Level 1

The fair value of the listed equity securities is based on the quoted market prices at the reporting date. The quoted market price used for the listed equity securities held by the Group is the current bid price.

#### (b) Financial instruments in Level 2

The fair value was determined with reference to the reported net asset value of the investment funds.

## 24. 公平值計量 (續)

### 按公平值計量之金融工具 (續)

公平值等級制度分級乃基於對公平值計量而言屬重要的輸入值的最低層次，該分級對金融工具進行整體分類。於報告期內，第一級與第二級之間並無轉移，第三級亦並無轉入或轉出。本集團的政策是於致使轉移的事件或情況發生當日確認公平值級別之間的轉移。

#### (a) 第一級中的金融工具

上市股本證券之公平值乃基於報告日期之市場報價得出。本集團持有之上市股本證券所採用之市場報價為現行市場買入價。

#### (b) 第二級中的金融工具

公平值乃經參考已呈報之投資基金之資產淨值釐定。

## 24. FAIR VALUE MEASUREMENT (Continued)

### Financial instruments measured at amortised cost

The fair value of the financial assets and financial liabilities at amortised cost under current assets and current liabilities, respectively, is not materially different from their carrying amount as they are all short term in nature.

The carrying amount of the financial instruments measured at amortised cost under non-current assets and non-current liabilities, other than those who carrying amount reasonably be approximate to their fair value, and their fair value are as follows:

## 24. 公平值計量（續）

### 按攤銷成本計量之金融工具

流動資產及流動負債項下按攤銷成本入賬之金融資產及金融負債均為短期，故其公平值與其各自賬面值並無重大差別。

非流動資產及非流動負債項下按攤銷成本計量之金融工具（其賬面值與其公平值合理相若者除外）之賬面值及其公平值如下：

|                                                   |                   | Carrying amount<br>賬面值                                                        |                                                                                  | Fair value<br>公平值                                                             |                                                                                  |
|---------------------------------------------------|-------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
|                                                   |                   | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) | 30 June<br>2018<br>二零一八年<br>六月三十日<br>HK\$'000<br>千港元<br>(Unaudited)<br>(未經審核) | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元<br>(Audited)<br>(經審核) |
| Financial liabilities                             | 金融負債              |                                                                               |                                                                                  |                                                                               |                                                                                  |
| - Liability component of convertible bonds (note) | - 可換股債券之負債部分 (附註) | 75,307                                                                        | -                                                                                | 75,006                                                                        | -                                                                                |

Note: The fair value of the liability component of the convertible bonds has been calculated by discounting the expected future cash flows using rate currently available for instruments with similar terms, credit risk and remaining maturities and are categorised within level 2 of fair value hierarchy.

附註：可換股債券之負債部分之公平值乃透過具有類似條款、信貸風險及剩餘到期日之工具現時之利率折現預期未來現金流量計算，並分類至公平值等級制度第二級內。

## INTERIM DIVIDEND

### 中期股息

The directors of the Company (the “**Directors**”) do not recommend the payment of interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

本公司董事（「**董事**」）不建議派發截至二零一八年六月三十日止六個月之中期股息（截至二零一七年六月三十日止六個月：無）。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### BUSINESS AND FINANCIAL REVIEW

For the six months ended 30 June 2018, the fee and commission income of the Group substantially decreased to approximately HK\$15.5 million, representing 52.2% decrease as compared with approximately HK\$32.4 million for the six months ended 30 June 2017. For the six months ended 30 June 2018, the interest income of the Group increased to approximately HK\$1.3 million due to increased income from money lending business, representing 550.0% increase as compared with approximately HK\$0.2 million for the six months ended 30 June 2017. Loss for the six months ended 30 June 2018 was approximately HK\$40.0 million, as compared with loss of approximately HK\$123.0 million of the six months ended 30 June 2017. Such decrease in loss is primarily attributable to decrease in staff costs, decrease in loss on proprietary trading, and the absence of impairment loss and decrease in loss on share of results on interest in Xin Hua (Daqing) Merchandise Exchange Company Limited.

#### 業務及財務回顧

截至二零一八年六月三十日止六個月，本集團之費用及佣金收入大幅減少至約15,500,000港元，較截至二零一七年六月三十日止六個月之約32,400,000港元減少52.2%。截至二零一八年六月三十日止六個月，本集團之利息收入由於貸款業務收入增加而增加至約1,300,000港元，較截至二零一七年六月三十日止六個月之約200,000港元增加550.0%。截至二零一八年六月三十日止六個月之虧損約為40,000,000港元，而截至二零一七年六月三十日止六個月之虧損約為123,000,000港元。有關虧損減少主要由於員工成本減少、自營買賣虧損減少、無減值虧損及應佔新華（大慶）商品交易所有限公司之權益之業績虧損減少所致。

## BUSINESS AND FINANCIAL REVIEW (Continued)

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

In the first half of 2018, dragged by the news of trading war between China and the US, the stock market in Hong Kong swung downward repeatedly, with 5,315 points move. The Hang Seng Index had a roaring start in the first month of the year, beating the 2017 high at one stroke and recording various new highs. In February 2018, however, as the attitude of the chairman of the US Federal Reserve toward interest rate hike gradually became positive and the interest of the US 10-Year Bond soared, combined with the uncertainties of the trading war between China and the US, the stock market in Hong Kong fluctuated after a surge.

During the six months ended 30 June 2018, the total revenue of Sheng Yuan Financial Services Group Limited and its subsidiaries (collectively, the “**SYFS Group**”) decreased by nearly 52.2% to approximately HK\$15.5 million (2017: HK\$32.4 million).

## 業務及財務回顧（續）

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

受中美貿易戰消息拖累，香港股市於二零一八年上半年反覆向下，高低波幅5,315點。恆指於今年首月氣勢如虹，一舉突破二零零七年高位，並屢創歷史新高，但二零一八年二月美國聯儲局主席對加息態度漸趨積極，美國十年期債息飆高，加上中美貿易戰不明朗消息所拖累，令香港股市先升後反覆波動。

Sheng Yuan Financial Services Group Limited 及其附屬公司（「**SYFS集團**」）在截至二零一八年六月三十日止六個月之總收入下跌近52.2%至約15,500,000港元（二零一七年：32,400,000港元）。

## BUSINESS AND FINANCIAL REVIEW (Continued)

For securities business, revenue from securities brokerage and financial services during the six months ended 30 June 2018 decreased significantly by 71.4% to approximately HK\$2.4 million (2017: approximately HK\$8.4 million); segment result recorded a loss of approximately HK\$8.4 million (2017: profit of approximately HK\$1.4 million). Such decrease in revenue was mainly due to the absence of income from placement for the six months ended 30 June 2018 as a result of an inactive placing market caused by the repeated downswing of stock market in the first half of the year.

For asset management business, Sheng Yuan Asset Management Limited (“SYAM”) acts as the fund manager or investment adviser for 10 funds and 5 discretionary accounts. The total assets under management of SYAM have increased by nearly 8% to more than approximately HK\$10.8 billion for the six months ended 30 June 2018 (2017: approximately HK\$10 billion). During the six months ended 30 June 2018, SYAM recorded segment revenue of approximately HK\$14.4 million (2017: approximately HK\$24.4 million), representing a decrease of approximately 41.0%; it recorded segment profit of approximately HK\$6.3 million (2017: approximately HK\$11.8 million), representing a decrease of approximately 46.6%. The significant decrease in revenue and profit was mainly due to the decrease in gross profit margin of fund management fee received.

## 業務及財務回顧（續）

證券業務方面，於截至二零一八年六月三十日止六個月，來自證券經紀及金融服務之收益大幅減少71.4%至約2,400,000港元（二零一七年：約8,400,000港元）；分部業績出現虧損約8,400,000港元（二零一七年：溢利約1,400,000港元）。有關收益減少主要是由於股票市場上半年反覆向下，令配售市場不活躍，致令證券業務於截至二零一八年六月三十日止六個月未能錄得有關配售之收入。

資產管理業務方面，盛源資產管理有限公司（「盛源資產管理」）作為基金管理人或投資顧問管理的基金已達10隻，管理的專戶達5個。截至二零一八年六月三十日止六個月，盛源資產管理所管理之資產總額增長近8%至逾約108億港元（二零一七年：約100億港元）。於截至二零一八年六月三十日止六個月，盛源資產管理分部收益減少約41.0%至約14,400,000港元（二零一七年：約24,400,000港元）；分部溢利減少約46.6%至約6,300,000港元（二零一七年：約11,800,000港元）。有關收益及溢利明顯減少主要原因是收取基金管理費用毛利率減少所致。

## BUSINESS AND FINANCIAL REVIEW (Continued)

For proprietary trading business, the SYFS Group mainly invests in the listed shares and private funds in Hong Kong market. During the six months ended 30 June 2018, as no additional investment in proprietary trading business, the segment loss from proprietary trading business was approximately HK\$9.8 million (2017: HK\$38 million). Such loss was mainly due to the provision for impairment of the value of shares and private funds held by the Group owing to under-performance of the stock market.

As the Group focuses on the development of financial services business and the recovery of commodity market remains slow, the Group has continued to suspend its trading business for the six months ended 30 June 2018. The segment loss for trading business for the six months ended 30 June 2018 was approximately HK\$4.2 million (2017: segment loss of HK\$1.8 million), mainly from staff cost and the loss of HK\$2.9 million from the disposal of subsidiaries. Details of the disposal of subsidiaries set out in the announcement of the Company dated 29 June 2018.

## 業務及財務回顧（續）

自營買賣業務方面，SYFS集團主要投資香港市場之上市股份及私募基金。於截至二零一八年六月三十日止六個月，自營買賣業務並沒有再增加投資，自營買賣業務帶來之分部虧損約9,800,000港元（二零一七年：38,000,000港元）。其出現虧損主要由於股票市場表現欠佳，本集團對已持有股票及私募基金的價值作出減值所致。

由於本集團專注於發展金融服務業務，而商品市場復甦依然緩慢，故本集團於截至二零一八年六月三十日止六個月繼續暫停其貿易業務。截至二零一八年六月三十日止六個月，貿易業務之分部虧損約為4,200,000港元（二零一七年：分部虧損1,800,000港元），主要是員工成本及出售附屬公司之虧損約2,900,000港元。有關出售附屬公司之詳情已載於本公司日期為二零一八年六月二十九日之公告。

## BUSINESS AND FINANCIAL REVIEW (Continued)

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

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

## 業務及財務回顧（續）

於二零一七年十二月二十九日，本公司、Sheng Yuan Financial Services Group Limited（「**SYFS**」）與Team Effort Investments Limited（「**Team Effort**」）訂立結算契據（「**結算契據**」），據此，本公司將按初始兌換價每股0.35港元向Team Effort發行本金額為90,000,000港元，年利率為8厘之可換股債券（「**可換股債券**」），以結算及解除SYFS於二零一四年六月十六日發行、於二零一七年六月十五日到期且本金額為450,000,000港元之可換股債券（「**SYFS可換股債券**」）項下之SYFS債務。SYFS可換股債券及可換股債券之詳情已載於本公司日期分別為二零一四年五月十六日及二零一七年十二月二十九日之通函及公告。

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

## BUSINESS AND FINANCIAL REVIEW (Continued)

### PROSPECTS

Looking forward to the second half of the year, Hong Kong will be exposed to increasing risks and difficulties, mainly from the evolvement of the trading war between China and the US, rising capital cost, further interest rate hike by the US Federal Reserve, beginning of interest rate hike circle in Hong Kong, depreciation of RMB and credit squeeze in Mainland China and economic downturn in emerging markets.

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

## 業務及財務回顧（續）

### 前景

展望下半年，香港將遇到的風險和困難逐步增多，主要是中美貿易戰的演變；資金成本持續上升，美國聯儲局繼續調升利率，香港也將正式踏入加息周期；中國內地人民幣貶值及信貸收緊；及新興市場經濟下滑。

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

## BUSINESS AND FINANCIAL REVIEW (Continued)

### PROSPECTS (Continued)

Further, the Group wishes to expand money lending business and will continue to adopt various measures to cut operating expense and improve profitability.

On 20 August 2018, Sheng Yuan Venture Capital Limited (the “**Intended Purchaser**”), a wholly-owned subsidiary of the Company, entered into the memorandum of understanding with two intended vendors (the “**Intended Vendors**”) pursuant to which the Intended Purchaser intends to acquire, and the Intended Vendors intends to sell 80% equity interests in the target company (the “**Target Company**”), a limited liability company established under the laws of the PRC, from the Intended Vendors. The Target Company is principally engaged in financial leasing business. Taking into account of the prospects of the financial leasing market in the PRC, it is the intention of the Group to step into in this market and develop the business in PRC. The Board believes that the above proposed transaction will facilitate the Group’s diversification and expansion of business development geographically.

## 業務及財務回顧（續）

### 前景（續）

另外，本集團希望擴展貸款業務，並將繼續採取多種措施縮緊營運開支以改善其盈利能力。

於二零一八年八月二十日，本公司之全資附屬公司盛源創業投資有限公司（「**有意買方**」）與兩名有意賣方（「**有意賣方**」）訂立諒解備忘錄，據此，有意買方擬向有意賣方收購及有意賣方擬出售目標公司（「**目標公司**」），一間根據中國法律成立之有限公司）之80%股權。目標公司主要從事融資租賃業務。經計及中國融資租賃市場之前景，本集團有意進軍該市場及開發中國之業務。董事會認為，上述建議交易將可於地理佈局方面促進本集團業務發展多元化及擴展業務。

## ACQUISITIONS AND DISPOSALS

There was no material acquisition during the six months ended 30 June 2018.

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

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, cash and bank balances in general accounts and maintained by the Group were approximately HK\$75.4 million, representing a decrease of approximately 13.9% from approximately HK\$87.6 million as at 31 December 2017. Balances in trust and segregated accounts were approximately HK\$205.9 million (31 December 2017: HK\$221.6 million). Trade and other receivables and prepayments approximately HK\$63.3 million as at 30 June 2018 (31 December 2017: HK\$69.5 million), which mainly represented decreased trade volume arising from business of securities brokerage. Trade and other payables and accruals approximately HK\$217.4 million as at 30 June 2018 (31 December 2017: HK\$242.5 million), which was due to decrease in other payable from asset management business and trade payable from securities brokerage.

## 收購及出售

於截至二零一八年六月三十日止六個月，概無任何重大收購。

於二零一八年六月二十八日，本公司訂立一項協議，以出售一間附屬公司駿寶集團有限公司（其間接擁有新華（大慶）商品交易所有限公司（「新華商品交易所」）之24.975%股權）之全部已發行股本。新華商品交易所為於中國註冊成立之實體，主要於中國營運電子商品交易平台，以供進行商品交易。於出售於二零一八年六月二十八日完成後，本公司不再於新華商品交易所持有任何權益，而新華商品交易所不再確認為本公司之聯營公司。

## 流動資金及財務資源

於二零一八年六月三十日，本集團維持現金及銀行結餘（屬一般賬戶）約75,400,000港元，較二零一七年十二月三十一日之約87,600,000港元減少約13.9%。信託及獨立賬戶之結餘約為205,900,000港元（二零一七年十二月三十一日：221,600,000港元）。於二零一八年六月三十日，貿易及其他應收賬款以及預付款項約為63,300,000港元（二零一七年十二月三十一日：69,500,000港元），主要源於來自證券經紀業務交易量減少。於二零一八年六月三十日，貿易及其他應付賬款以及應計費用約為217,400,000港元（二零一七年十二月三十一日：242,500,000港元），乃由於資產管理業務之其他應付賬款及證券經紀之貿易應付賬款減少所致。

## LIQUIDITY AND FINANCIAL RESOURCES (Continued)

The Group's current assets and current liabilities as at 30 June 2018 were approximately HK\$370.4 million (31 December 2017: HK\$418.2 million) and approximately HK\$324.5 million (31 December 2017: HK\$420.3 million) respectively. No borrowings as at 30 June 2018 (31 December 2017: Nil). The gearing of the Group, measured as total debts to total assets, remained healthy at approximately 47.5% as at 30 June 2018 (31 December 2017: 33.2%). As at 30 June 2018, the Group recorded net current assets of approximately HK\$55.1 million (31 December 2017: HK\$12.5 million), which was mainly due to the settlement of 2014 SYFS Bonds during the six months ended 30 June 2018. During the six months ended 30 June 2018, the Group financed its operation with internally generated cash flow and funds from convertible bonds issued.

## FOREIGN EXCHANGE EXPOSURE

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

## CAPITAL STRUCTURE

There has been no change to the capital structure of the Group during the six months ended 30 June 2018.

## 流動資金及財務資源（續）

本集團於二零一八年六月三十日之流動資產及流動負債分別約為370,400,000港元（二零一七年十二月三十一日：418,200,000港元）及約324,500,000港元（二零一七年十二月三十一日：420,300,000港元）。於二零一八年六月三十日，並無借貸（二零一七年十二月三十一日：無）。於二零一八年六月三十日，本集團之資產負債比率（按總債務對總資產計算）約為47.5%（二零一七年十二月三十一日：33.2%），維持於穩健水平。於二零一八年六月三十日，本集團錄得流動資產淨值約55,100,000港元（二零一七年十二月三十一日：12,500,000港元），其增加主要是由於截至二零一八年六月三十日止六個月結算二零一四年SYFS債券所致。於截至二零一八年六月三十日止六個月，本集團以內部現金流量及已發行可換股債券之資金為其業務提供資金。

## 外匯風險

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

## 資本架構

於截至二零一八年六月三十日止六個月，本集團之資本架構並無變動。

## SIGNIFICANT SECURITIES INVESTMENTS

During the six months ended 30 June 2018, the Group has no further investments in held-for-trading securities in Hong Kong. As at 30 June 2018, the Company held an aggregate of 377,894,903 shares of Hong Kong Life Sciences and Technologies Group Limited, a company listed on the GEM of the Stock Exchange (stock code: 8085) at an average cost of HK\$0.144 each for a consideration of approximately HK\$54.5 million. As at 30 June 2018, such securities investment was at fair value of approximately HK\$24.2 million (31 December 2017: HK\$37.8 million), accounting for approximately 6.4% of the Group's total assets and the loss on the change in fair value for the six months ended 30 June 2018 was approximately HK\$13.6 million (31 December 2017: HK\$16.7 million).

## CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have any material contingent liabilities.

## PLEDGE OF ASSETS

As at 30 June 2018, the Group did not have any pledged assets.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group employed 47 employees. The remuneration policy and package of the Group's employees are maintained at market level and are reviewed annually by management. In addition to basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

## 重大證券投資

於截至二零一八年六月三十日止六個月，本集團於香港並無進一步投資持作交易證券。於二零一八年六月三十日，本公司持有香港生命科學技術集團有限公司（一間於聯交所GEM上市之公司（股份代號：8085））合共377,894,903股股份，平均成本為每股0.144港元，代價約為54,500,000港元。於二零一八年六月三十日，有關證券投資公平值約為24,200,000港元（二零一七年十二月三十一日：37,800,000港元），佔本集團資產總值之約6.4%，及截至二零一八年六月三十日止六個月公平值變動虧損約為13,600,000港元（二零一七年十二月三十一日：16,700,000港元）。

## 或然負債

於二零一八年六月三十日，本集團並無任何重大或然負債。

## 抵押資產

於二零一八年六月三十日，本集團並無任何抵押資產。

## 僱員及薪酬政策

於二零一八年六月三十日，本集團聘用47名僱員。本集團僱員之薪酬政策及待遇維持在市場水平，並由管理層每年檢討。除基本薪金、酌情花紅、強制性公積金及醫療保險計劃外，董事會亦會根據個別僱員表現及本集團業績，酌情向合資格僱員授出購股權。

## DIRECTORS' INTERESTS IN SHARES

### 董事於股份之權益

At 30 June 2018, the interests and short positions of the Directors and chief executive of the Company in the shares capital and underlying shares and convertible notes of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), were as follows:

於二零一八年六月三十日，董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股本、相關股份及可換股票據中擁有並已記錄於本公司根據證券及期貨條例第352條須予存置之登記冊之權益及淡倉，或根據上市發行人之董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所之權益及淡倉如下：

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

#### 好倉 – 本公司每股面值0.05港元之普通股

| Name of Director               | Capacity                                     | Number of shares held | Percentage of the issued share capital of the Company<br>佔本公司已發行股本百分比 |
|--------------------------------|----------------------------------------------|-----------------------|-----------------------------------------------------------------------|
| 董事姓名                           | 身份                                           | 所持有股份數目               |                                                                       |
| Mr. Qiu Bin (Note)<br>邱斌先生（附註） | Interest of corporation controlled<br>受控法團權益 | 10,300,000            | 0.29%                                                                 |

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

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

## LONG POSITION – SHARE OPTIONS

## 好倉 – 購股權

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

## LONG POSITION – CONVERTIBLE NOTES

## 好倉 – 可換股票據

| Name of Directors<br>董事姓名                | Capacity<br>身份            | Description of<br>equity<br>derivatives<br>權益衍生工具概要                                  | Number of<br>underlying shares<br>相關股份數目 |
|------------------------------------------|---------------------------|--------------------------------------------------------------------------------------|------------------------------------------|
| Mr. Chen Zhong Min (Note 1)<br>陳重民 (附註1) | Beneficial owner<br>實益擁有人 | 1 year 8%<br>coupon<br>convertible<br>bonds<br>(Note 2)<br>一年期票息8厘<br>可換股債券<br>(附註2) | 285,714,285                              |

(1) Mr. Chen Zhong Min, the holder of the 8% coupon convertible bonds at principal amount of HK\$100,000,000, was appointed as a non-executive Director on 2 January 2018.

(1) 陳重民先生(本金額為100,000,000港元的票息8厘可換股債券的持有人)於二零一八年一月二日獲委任為非執行董事。

## LONG POSITION – CONVERTIBLE NOTES (Continued)

- (2) The Company issued the 8% coupon convertible bonds at aggregate principal amounts of HK\$110,000,000 on 23 November 2017 with maturity dates of 22 November 2018. The 8% coupon convertible bonds with an outstanding principal amount of HK\$110,000,000 as at 31 December 2017 are convertible into shares of the Company at a conversion price of HK\$0.35 per share.

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executive had registered an interest or short position in the shares, underlying shares or convertible notes of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the convertible notes discussed above and the share option scheme of the Company, at no time during the Interim Period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the six months ended 30 June 2018.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors have an interest in any business constituting a competing business to the Group.

## 好倉 – 可換股票據 (續)

- (2) 本公司於二零一七年十一月二十三日發行本金總額為110,000,000港元的票息8厘可換股債券，到期日為二零一八年十一月二十二日。於二零一七年十二月三十一日，該未償還本金額為110,000,000港元的票息8厘可換股債券以每股0.35港元的可換股價轉換為本公司股份。

除上文所披露者外，於二零一八年六月三十日，概無董事或主要行政人員已作登記，表示其於本公司或其任何相聯法團之股份、相關股份或可換股票據中擁有根據證券及期貨條例第352條之規定須予記錄之權益或淡倉或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

## 董事收購股份或債券之權利

除上文所討論之可換股票據及本公司購股權計劃外，於本中期期間內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉收購本公司或任何其他法團之股份或債券而獲益，且彼等之配偶或十八歲以下之子女並無擁有可認購本公司證券之任何權利，亦無於截至二零一八年六月三十日止六個月內行使任何有關權利。

## 董事於競爭業務之權益

概無董事於任何與本集團業務構成競爭之業務中擁有任何權益。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 主要股東權益

As at 30 June 2018, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than interest disclosed above in respect of certain Directors and chief executive, the following shareholders had notified the Company of their relevant interests in the shares, underlying shares and convertible notes of the Company.

於二零一八年六月三十日，根據本公司遵照證券及期貨條例第336條存置之主要股東登記冊所示，除上文所披露有關若干董事及主要行政人員所擁有之權益外，下列股東已知會本公司彼等於本公司股份、相關股份及可換股票據之相關權益。

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

### 好倉 – 本公司每股面值0.05港元之普通股

| Name of shareholders                         | Capacity                                           | Number of shares held | Percentage of the issued share capital of the Company<br>佔本公司已發行股本百分比 |
|----------------------------------------------|----------------------------------------------------|-----------------------|-----------------------------------------------------------------------|
| 股東名稱                                         | 身份                                                 | 所持有股份數目               |                                                                       |
| King Lion Group Limited<br>(Note 1)          | Beneficial owner<br>實益擁有人                          | 1,011,000,000         | 28.38%                                                                |
| King Lion Group Limited<br>(附註1)             |                                                    |                       |                                                                       |
| Mr. Lu Xing (Note 2)                         | Interest of<br>corporation<br>controlled<br>受控法團權益 | 420,000,000           | 11.79%                                                                |
| 路行先生(附註2)                                    |                                                    |                       |                                                                       |
| Redhead Investments<br>Limited (Note 2)      | Beneficial owner<br>實益擁有人                          | 300,000,000           | 8.42%                                                                 |
| Redhead Investments<br>Limited (附註2)         |                                                    |                       |                                                                       |
| Front Riches Investments<br>Limited (Note 3) | Beneficial owner<br>實益擁有人                          | 370,000,000           | 10.39%                                                                |
| 拓富投資有限公司(附註3)                                |                                                    |                       |                                                                       |

## LONG POSITION – ORDINARY SHARES OF HK\$0.05 EACH OF THE COMPANY (Continued)

Notes:

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

## 好倉 – 本公司每股面值0.05港元之普通股（續）

附註：

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

## LONG POSITION – CONVERTIBLE BONDS

## 好倉 – 可換股債券

| Name of shareholder<br>股東名稱                                                       | Capacity<br>身份            | Description of<br>equity derivatives<br>權益衍生工具概要          | Number of<br>underlying shares<br>相關股份數目 |
|-----------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------|------------------------------------------|
| Team Effort Investments Limited (Note 1)<br>Team Effort Investments Limited (附註1) | Beneficial owner<br>實益擁有人 | 2 years 8% convertible bonds (Note 2)<br>兩年期8厘可換股債券 (附註2) | 257,142,857                              |

Notes

- (1) Team Effort Investments Limited is wholly-owned by Mr. Choi Chung Lam.
- (2) The 2 years 8% convertible bonds with an outstanding principal amount of HK\$90,000,000 as at 30 June 2018 issued by the company on 4 June 2018 and due on 3 June 2020 were convertible into shares of the Company at a conversion price of HK\$0.35 per share.

附註

- (1) Team Effort Investments Limited 由蔡忠林先生全資擁有。
- (2) 於二零一八年六月三十日，本公司於二零一八年六月四日發行並於二零二零年六月三日期滿之未償還本金額為90,000,000港元之兩年期8厘可換股債券已以每股0.35港元之換股價轉換為本公司股份。

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no other person as having a notifiable interest or short position in the shares, underlying shares and convertible bonds of the Company as at 30 June 2018.

## SHARE OPTIONS

The Company adopted a share option scheme on 24 September 2004 (the **“2004 Scheme”**). Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 15 October 2014, the Company adopted a new share option scheme (the **“2014 Scheme”**), the purpose of which is to enable the Group to grant share options to the eligible participants as incentives or rewards for their contribution to the Group. No further option shall be granted under the 2004 Scheme but the options granted under the 2004 Scheme prior to its expiry shall remain valid and exercisable in accordance with the terms of the respective grants. No share option has been granted under the 2014 Scheme and the movements of the share options granted under the 2004 Scheme during the six months ended 30 June 2018 were as follows:

除上文所披露之權益外，根據本公司遵照證券及期貨條例第336條存置之主要股東登記冊所披露，於二零一八年六月三十日，概無其他人士於本公司股份、相關股份及可換股債券中擁有須予知會之權益或淡倉。

## 購股權

於二零零四年九月二十四日，本公司採納一項購股權計劃（「**二零零四年計劃**」）。根據本公司於二零一四年十月十五日舉行之股東特別大會上通過之一項普通決議案，本公司採納一項新購股權計劃（「**二零一四年計劃**」），二零一四年計劃旨在使本集團向合資格參與者授出購股權，作為彼等為本集團作出貢獻之獎勵或回報。概無根據二零零四年計劃進一步授出購股權，惟根據二零零四年計劃於其屆滿前授出之購股權根據相關授出之條款仍將有效及可予行使。於截至二零一八年六月三十日止年六個月，概無根據二零一四年計劃授出之購股權，而根據二零零四年計劃授出之購股權之變動如下：

| Grantees                                                                                        | Date of grant            | Exercise price (HK\$) | Vesting period                                     | Exercisable period                                 | Outstanding as at 1 January 2018<br>於二零一八年一月一日尚未行使 | Granted during the period<br>於期內已授出 | Exercised during the period<br>於期內已行使 | Cancelled/ Lapsed during the period<br>於期內已取消/失效 | Outstanding as at 30 June 2018<br>於二零一八年六月三十日尚未行使 |
|-------------------------------------------------------------------------------------------------|--------------------------|-----------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------------|---------------------------------------------------|
| 承授人                                                                                             | 授出日期                     | 行使價 (港元)              | 歸屬期                                                | 行使期                                                |                                                    |                                     |                                       |                                                  |                                                   |
| Mr. Qiu Bin<br>邱斌先生                                                                             | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 10,000,000                                         | -                                   | -                                     | -                                                | 10,000,000                                        |
| Ms. Cheng Kit Sun, Clara<br>鄭潔心女士                                                               | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 12,000,000                                         | -                                   | -                                     | -                                                | 12,000,000                                        |
| Mr. Lo Ka Wai<br>羅嘉偉先生                                                                          | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 3,000,000                                          | -                                   | -                                     | -                                                | 3,000,000                                         |
| Dr Huan Guocang<br>宦國蒼博士                                                                        | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 3,000,000                                          | -                                   | -                                     | -                                                | 3,000,000                                         |
| Mr. Wu Siu Lam, William<br>(note)<br>胡少霖先生 (附註)                                                 | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 12,000,000                                         | -                                   | -                                     | (12,000,000)                                     | -                                                 |
| Mr. Wu Fred Fong (note)<br>胡晃先生 (附註)                                                            | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 3,000,000                                          | -                                   | -                                     | (3,000,000)                                      | -                                                 |
| Employees in aggregate<br>僱員合計                                                                  | 25/8/2011<br>二零一一年八月二十五日 | 0.2800                | Nil<br>無                                           | 25/8/2011-25/8/2021<br>二零一一年八月二十五日至<br>二零二一年八月二十五日 | 480,000                                            | -                                   | -                                     | -                                                | 480,000                                           |
|                                                                                                 | 25/8/2011<br>二零一一年八月二十五日 | 0.2800                | 25/8/2011-24/8/2012<br>二零一一年八月二十五日至<br>二零一二年八月二十四日 | 25/8/2012-25/8/2021<br>二零一二年八月二十五日至<br>二零二一年八月二十五日 | 720,000                                            | -                                   | -                                     | -                                                | 720,000                                           |
|                                                                                                 | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 3,000,000                                          | -                                   | -                                     | -                                                | 3,000,000                                         |
| Other grantees<br>其他承授人                                                                         | 26/3/2018<br>二零一八年三月二十六日 | 0.2400                | 26/3/2018-31/3/2019<br>二零一八年三月二十六日至<br>二零一九年三月三十一日 | 1/4/2019-1/4/2022<br>二零一九年四月一日至<br>二零二二年四月一日       | -                                                  | 35,000,000                          | -                                     | -                                                | 35,000,000                                        |
|                                                                                                 | 7/9/2017<br>二零一七年九月七日    | 0.2400                | Nil<br>無                                           | 7/9/2017-7/9/2020<br>二零一七年九月七日至<br>二零二零年九月七日       | 50,000,000                                         | -                                   | -                                     | -                                                | 50,000,000                                        |
|                                                                                                 |                          |                       |                                                    |                                                    | 97,200,000                                         | 35,000,000                          | -                                     | (15,000,000)                                     | 117,200,000                                       |
| Total number of shares available for issue at period end date<br>於本期間結算日可發行股份總數                 |                          |                       |                                                    |                                                    |                                                    |                                     |                                       |                                                  | 82,200,000                                        |
| Total number of shares available for issue as a percentage to issued shares<br>可發行股份總數佔已發行股份百分比 |                          |                       |                                                    |                                                    |                                                    |                                     |                                       |                                                  | 2.31%                                             |

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

附註：胡少霖先生及胡晃先生於二零一八年五月二十八日已辭任本公司董事。

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

### 購買、出售或贖回本公司上市證券

During the six months ended 30 June 2018, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

於截至二零一八年六月三十日止六個月，本公司及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。

## CORPORATE GOVERNANCE

The Company is committed to maintain high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code on corporate governance practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2018 except the following deviations:

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

## 企業管治

本公司致力維持高水平之企業管治標準及程序，以保障全體股東之利益，以及加強公司問責性及提高透明度。本公司於截至二零一八年六月三十日止六個月一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之《企業管治常規守則》（「守則」），惟下列偏離情況除外：

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

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

## AUDIT COMMITTEE

The audit committee of the Company currently comprises Mr. Lo Ka Wai (Chairman), Mr. Fung Tze Wa and Dr. Huan Guocang, all of whom are independent non-executive Directors with appropriate professional qualifications and experience in financial matters. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters. The interim results and the unaudited financial statements for the six months ended 30 June 2018 have been reviewed by the audit committee and the external auditor.

## REMUNERATION COMMITTEE

The remuneration committee of the Company is responsible for making recommendations to the Board on the Company's policy and packages of employment for the Directors and senior management. It comprises three independent non-executive Directors. The present members are Mr. Fung Tze Wa (Chairman), Dr. Huan Guocang and Mr. Lo Ka Wai.

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

## 審核委員會

本公司審核委員會目前由羅嘉偉先生（主席）、馮子華先生及宦國蒼博士組成。彼等均為獨立非執行董事，並具有合適專業資歷及財務方面之經驗。審核委員會已與管理層審閱本集團採納之會計原則及慣例，並討論內部監控及財務報告事宜。審核委員會及外部核數師已審閱截至二零一八年六月三十日止六個月之中期業績及未經審核財務報表。

## 薪酬委員會

本公司薪酬委員會負責就本公司董事及高級管理層之聘用政策及待遇向董事會提供意見。薪酬委員會由三名獨立非執行董事組成。現任成員為馮子華先生（主席）、宦國蒼博士及羅嘉偉先生。

## NOMINATION COMMITTEE

The nomination committee of the Company is required, amongst other things, to review the structure, size and composition of the Board and make recommendations for changes as necessary, to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships, to assess the independence of independent non-executive Directors, and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the Chief Executive Officer. It comprises three independent non-executive Directors. The present members are Dr. Huan Guocang (Chairman), Mr. Fung Tze Wa and Mr. Lo Ka Wai.

## 提名委員會

本公司提名委員會須（其中包括）檢討董事會之架構、規模及組成，並於必要時就任何變動提出推薦意見，物色具備合適資格可擔任董事會成員之人士，並甄選提名有關人士出任董事或就此向董事會提出推薦意見，評核獨立非執行董事之獨立性，以及就有關董事委任或重新委任及董事（尤其是主席及行政總裁）繼任計劃之相關事宜向董事會提出推薦意見。提名委員會由三名獨立非執行董事組成。現任成員為宦國蒼博士（主席）、馮子華先生及羅嘉偉先生。

# MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

## 董事進行證券交易的標準守則

The Company has adopted the Model Code of the Listing Rules as a code of conduct of the Company for directors' securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the six months ended 30 June 2018.

## BOARD OF DIRECTORS

As at the date of this report, the Board consists of Mr. Qiu Bin and Ms. Cheng Kit Sum, Clara, (all being executive Directors), Mr. Chen Zhong Min (being non-executive Director), Mr. Fung Tze Wa, Dr. Huan Guocang and Mr. Lo Ka Wai (all being independent non-executive Directors).

By Order of the Board  
**Sheng Yuan Holdings Limited**  
**Qiu Bin**

*Executive Director and Chief Executive Officer*

Hong Kong, 31 August 2018

本公司已採納上市規則的標準守則作為本公司董事進行證券交易之操守準則。本公司已向全體董事作出具體查詢，各董事於截至二零一八年六月三十日止六個月一直遵守標準守則所載規定標準，以及本公司有關董事進行證券交易之操守準則。

## 董事會

於本報告日期，董事會成員包括執行董事邱斌先生及鄭潔心女士；非執行董事陳重民先生；以及獨立非執行董事馮子華先生、宦國蒼博士及羅嘉偉先生。

承董事會命  
**盛源控股有限公司**  
**執行董事兼行政總裁**  
**邱斌**

香港，二零一八年八月三十一日

**盛源控股有限公司**

SHENG YUAN HOLDINGS LIMITED