



PROSPERITY INVESTMENT HOLDINGS LIMITED
嘉進投資國際有限公司

Stock Code 股份代號: 0310.HK



年報
ANNUAL REPORT 2018



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Corporate Information

公司資料

EXECUTIVE DIRECTOR

CHENG Hairong (*Chairman and Managing Director*)

NON-EXECUTIVE DIRECTOR

LAU Tom Ko Yuen (*Deputy Chairman*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

FENG Nien Shu
LUI Siu Tsuen, Richard
WONG Lai Kin, Elsa

AUDIT COMMITTEE

LUI Siu Tsuen, Richard (*Chairman*)
FENG Nien Shu
WONG Lai Kin, Elsa

REMUNERATION COMMITTEE

FENG Nien Shu (*Chairman*)
LAU Tom Ko Yuen
LUI Siu Tsuen, Richard

NOMINATION COMMITTEE

CHENG Hairong (*Chairman*)
FENG Nien Shu
WONG Lai Kin, Elsa

COMPANY SECRETARY

YAU Wing Yiu

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of East Asia, Limited

執行董事

成海榮(主席兼董事總經理)

非執行董事

劉高原(副主席)

獨立非執行董事

鄧念叔
呂兆泉
黃麗堅

審核委員會

呂兆泉(主席)
鄧念叔
黃麗堅

薪酬委員會

鄧念叔(主席)
劉高原
呂兆泉

提名委員會

成海榮(主席)
鄧念叔
黃麗堅

公司秘書

邱榮耀

核數師

德勤•關黃陳方會計師行

主要往來銀行

中國銀行(香港)有限公司
東亞銀行有限公司

Corporate Information (continued) 公司資料(續)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 2701
Shui On Centre
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Wanchai
Hong Kong

總辦事處兼主要營業地點

香港
灣仔
港灣道6–8號
瑞安中心
2701室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
Level 22, Hopewell Centre
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Hong Kong

香港股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

WEBSITE

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STOCK CODE

Hong Kong Stock Exchange: 310

股份代號

香港聯交所：310

Chairman's Statement

主席報告書

Dear Shareholders,

2018 was another year of excitement. A good start of the Year was followed by the crash in the PRC economy and stock market due to the trade war between USA and PRC. Our activities had been reduced under this circumstance in order to keep us away from the uncertainty and fluctuation of the economy and stock market.

Same as previous years, 2019 should still be a year of uncertainty. With the positive sign of easing the trade war, there is also a good start in stock market in 2019. However, it is difficult to predict whether this could last over 2019.

Bear in mind with this, we will continue with our cautious in assessing and investing in potential investments.

Taking this opportunity, I would like to express my warmest thanks to your support.

Cheng Hairong
Chairman

Hong Kong, 28 March 2019

尊敬的股東：

2018年又是令人興奮的一年。本年度開始理想，但其後發生中美貿易戰，導致中國經濟及股市下跌。因此，我們減少活動，以遠離經濟及股市之不明朗因素及波動。

與過往年度相同，2019年應該依然會充斥不明朗因素。隨著貿易戰出現放緩之正面跡象，2019年股市同樣開局良好。然而，難以預測此勢是否能延續至2019年全年。

我們將此牢記於心，並會繼續為潛在投資進行謹慎評估及投資。

趁此機會，本人謹此對閣下的支持致以衷心謝意。

主席
成海榮

香港，2019年3月28日

Management Discussion 管理層論述

BUSINESS REVIEW

Market Review

The economy and stock market of Hong Kong were in an upward trend in the first half of the year. Since the start of trade war between USA and PRC in the middle of the Year, the economy of PRC was affected which in turn led to the crash of Hong Kong stock market in the second half of the year.

Operational Review

During the Year, the Group continued its investment activities in both listed and unlisted investments and other related financial assets.

In order to avoid the hit from economic uncertainty and stock market crash as mentioned above, the investing activities of the Group, which is mainly the realization of a few brought forward listed investments, had been reduced during the Year in comparison with Year 2017.

Same as the past few years, under such an uncertain worldwide economy, it is difficult to identify unlisted investment with significant growth potential. Hence, the Group had no new unlisted investment for the Year.

In order to better utilise the resources, the Group used margin financing provided by a securities broker for its investment in listed equity securities since Year 2017.

FINANCIAL REVIEW

Results for the Year

The Group reported a loss after tax of approximately HK\$87 million for the Year (profit of approximately HK\$0.2 million for Year 2017) mainly due to the following reasons:

- (i) a loss of approximately HK\$53 million (loss of approximately HK\$13 million for Year 2017) arose from the change in fair value of revenue in nature listed equity investments at FVTPL which was caused by the fluctuation of the stock market. This loss of HK\$53 million included a realised loss of HK\$54 million;
- (ii) a loss of approximately HK\$15 million arose from the change in fair value of capital in nature listed equity investments at FVTPL upon the first time adoption of HKFRS 9 (a fair value gain of approximately HK\$7 million under investment revaluation reserve for Year 2017); and

業務回顧

市場回顧

於本年度上半年，香港經濟及股市呈上升趨勢。自美國與中國於本年度年中展開貿易戰以來，中國經濟受到影響，導致於本年度下半年香港股市下跌。

經營回顧

本年度內，本集團繼續進行上市及非上市投資及其他相關金融資產之投資活動。

為避免受上述經濟不明朗因素及股市下跌衝擊，本集團於本年度之投資活動（主要為變現自上年度承前之數項上市投資）較2017年年度有所減少。

一如過往數年，在如此不明朗之全球經濟環境下，識別有重大增長潛力之非上市投資並非易事。因此，本集團於本年度概無新非上市投資。

為更有效利用資源，本集團自2017年年度起使用證券經紀提供之孖展融資以投資於其上市股本證券。

財務回顧

本年度業績

本集團於本年度錄得除稅後虧損約87,000,000港元（2017年年度溢利約為200,000港元），主要由於以下原因：

- (i) 因股市波動，屬收益性質之按公平值計入損益之上市股本投資公平值變動產生虧損約53,000,000港元（2017年年度為虧損約13,000,000港元）。該虧損53,000,000港元包括已變現虧損54,000,000港元；
- (ii) 因首次採用香港財務報告準則第9號，屬資本性質之按公平值計入損益之上市股本投資公平值變動產生虧損約15,000,000港元（2017年年度公平值收益約7,000,000港元於投資重估儲備列賬）；及

Management Discussion (continued) 管理層論述(續)

(iii) no gain (gain of approximately HK\$31 million from the disposal of Yantai Juli in Year 2017) from the disposal of available-for-sale unlisted equity investments.

(iii) 並無自出售可供出售非上市股本投資錄得收益(2017年年度收益自出售煙台巨力錄得收益約31,000,000港元)。

Gross proceeds from operation

營運所得款項總額

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Gross proceeds from disposal of equity investments at FVTPL which are revenue in nature for tax purposes/ held-for-trading listed equity investments	出售按公平值計入損益且就稅務而言為收益性質之股本投資／持作買賣上市股本投資之所得款項總額	17,753	50,916
Dividend income	股息收入	4,702	4,808
		22,455	55,724

As mentioned in the business review section above, the Group reduced its investing activities in listed equity securities and hence the gross proceeds from the disposal of equity investments at FVTPL which are revenue in nature decreased when compared with those of Year 2017.

誠如上文業務回顧一節所述，本集團減少於上市股本證券的投資活動，因此出售按公平值計入損益且屬收益性質之股本投資的所得款項總額較2017年年度有所減少。

Finance cost

In order to better utilise the resources, the Group used margin financing provided by a securities broker for its investment in listed equity securities since Year 2017. At Year End Date, the loan from a securities broker amounted to approximately HK\$46,185,000 (Year 2017: HK\$51,099,000) and the related interest expenses was approximately HK\$4,546,000 (Year 2017: HK\$3,144,000).

財務成本

為更好利用資源，本集團自2017年年度起動用證券經紀人提供之孖展融資投資於上市股本證券。於年結日，來自證券經紀之貸款約46,185,000港元(2017年年度：51,099,000港元)及相關利息開支約4,546,000港元(2017年年度：3,144,000港元)。

Investments

The investment objective of the Group is to enhance the corporate value to the Shareholders. The strategy of the Group is to identify and invest in both listed and unlisted investments with potential of growth within their industries. In identifying potential investment, the Group will consider its business segment, operation, current value and the potential of going public. Currently, the Group has no specific geographical or industry focus on potential investment.

投資

本集團之投資目標是為股東提升企業的價值。本集團之策略是識別及投資於其行業內具有發展潛力之上市及非上市投資。在識別潛在投資時，本集團將考慮其業務分部、營運、現值及上市潛力。目前，本集團於潛在投資上並無特定地域或行業重點。

Management Discussion (continued) 管理層論述 (續)

Same as previous years, the Group holds listed and unlisted investments during the Year. The listed investments are classified into two portfolios: revenue in nature listed equity investments at FVTPL which is for trading purpose (“trading portfolio”); and capital in nature listed equity investments at FVTPL (“long term portfolio”), which is for long term holding purpose. The unlisted investment is classified as equity investment at FVTOCI, which is for long term holding purpose.

As mentioned in the above sections, mainly due to the crash of the stock market and the disposal of a few brought forward listed investments under the trading portfolio, the fair value of trading portfolio decreased from approximately HK\$210 million in Year 2017 to approximately HK\$143 million for the Year. The fair value of the long term portfolio reduced from approximately HK\$39 million in Year 2017 to approximately HK\$25 million for the Year due to the crash of the stock market. The unlisted investment was measured at fair value of approximately HK\$50 million for the first time upon the adoption of HKFRS 9. This unlisted investment was accounted for under cost less impairment basis in Year 2017 at approximately HK\$47 million.

Significant investments

At Year End Date, the Group held the following significant investments:

PYI Corporation Limited (“PYI”)

The share price of this investment decreased by 38% during the Year. The economy of PRC is anticipated to growth in the foreseeable future. Being an operator of bulk cargo ports and logistic facilities in PRC, PYI should be benefited from the growth of the economy of PRC.

ITC Properties Group Ltd (“ITC”)

The share price of this investment decreased by 22% during the Year. The opening of the Hong Kong-Zhuhai-Macao Bridge and the High Speed Rail (Hong Kong Section) is expected to boost the economy in the Bay Area. ITC will focus on the presale of the remaining blocks in Sky Oasis and the redevelopment projects in Hai Tan Street and Pau Chung Street to secure the revenue for the coming few years. In addition to stepping businesses further to Canada and the United Kingdom, ITC will keep on improving earnings and enhancing the Shareholders’ value.

Rosedale Hotel Holdings Limited (“Rosedale”)

The share price of this investment decreased by 47% during the Year. Hong Kong being an international city and the economy of PRC is anticipated to growth in the foreseeable future, both business and tourist frequent travelers should be in high volume. Being a hotel operator in both Hong Kong and PRC, Rosedale should be benefited with the on going high volume of travelers.

與過往年度相同，本集團於本年度持有上市及非上市投資。上市投資被分類為兩種組合：以買賣為目的（「買賣組合」）屬收益性質之按公平值計入損益之上市股本投資；及以長期持有為目的（「長期組合」）屬資本性質之按公平值計入損益之上市股本投資。非上市投資被分類為以長期持有為目的按公平值計入其他全面收益之股本投資。

誠如上節所述，主要由於股市下跌及買賣組合中出售若干上市投資，買賣組合之公平值由2017年年度約210,000,000港元減少至本年度約143,000,000港元。由於股市下跌，長期組合之公平值由2017年年度約39,000,000港元減少至本年度約25,000,000港元。於採用香港財務報告準則第9號後，非上市投資首次按公平值計量約為50,000,000港元。於2017年年度，該非上市投資入賬列作成本減減值基準約47,000,000港元。

重大投資

於年結日，本集團持有以下重大投資：

保華集團有限公司（「保華」）

此項投資於本年度股價下跌38%。在可預視將來，中國經濟將預期增長。作為大宗散貨及物流設施營運商，保華應可從中國經濟增長中受惠。

德祥地產集團有限公司（「德祥地產」）

此項投資於本年度的股價下跌22%。港珠澳大橋及高鐵香港段近期相繼開通，預料將可刺激大灣區之經濟發展。德祥地產將著力於金峰名匯餘下各座之預售工作以及海壇街及炮仗街之重建項目，以鞏固未來數年之收益。除將業務進一步擴展至加拿大及英國外，德祥地產將繼續改善盈利及提升股東價值。

珀麗酒店控股有限公司（「珀麗」）

此項投資於本年度股價下跌47%。香港作為一個國際城市及在可預視將來，中國經濟將預期增長情況下，應有大量的商務及旅遊頻繁旅客。作為於香港及中國酒店營運商，珀麗應可從持續高流量旅客中受惠。

Management Discussion (continued) 管理層論述 (續)

China Development Bank International Investment Limited ("China Development")

The share price of this investment decreased by 31% during the Year. China Development will continue to be committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including logistics infrastructure and supply chain services. The China Development will continue to extend its area of investment from its current basis to the enterprises which enhance the efficiency of logistics infrastructure and create investment returns for the shareholders and further promote the company's overall market strength in modern service industries such as logistics, consumption and finance.

Shaw Brothers Holdings Limited ("Shaw Brother")

The share price of this investment decreased by 53% during the Year. Entertainment business is one of the significant business sectors in PRC. Being an operator in entertainment business in both PRC and Hong Kong, Shaw Brother should be benefited from this huge industrial chain.

TOM Group Limited ("TOM")

The share price of this investment decreased by 10% during the Year. e-Commerce is a popular business sector nowadays and entertainment business is also a significant business in PRC. Being an participant in e-Commerce and entertainment business sectors, TOM should be benefited from this huge industrial chain.

Rakarta Limited ("Rakarta")

Rakarta Limited is an unlisted investment holding company with its subsidiary principally engaged in zinc and lead mining in the PRC. The fair value of the mine is HK\$50,088,000 at Year End Date. The mine has obtained the exploitation licence and is in the process of planning the extraction of the minerals. Depending on the market conditions, the management of the mine expects that the sales of the minerals, being commonly used minerals, provide positive cash flows to the operation of the mine in the future.

For a detailed understanding of the performance and future prospects of those listed significant investments, please refer to the published annual/interim reports of the respective listed companies as shown on the HKExnews of the Stock Exchange.

Other details of significant investments of the Group are set out in note 20 to the consolidated financial statements.

Liquidity and Financial Resources

At Year End Date, the Group had cash and cash equivalents of approximately HK\$50,935,000 (2017: HK\$24,454,000).

國開國際投資有限公司 (「國開國際」)

此項投資於本年度的股價下跌31%。國開國際將繼續致力於物色和發掘物流行業合適的投資機會，並已在物流基礎設施及供應鏈服務等領域建立起一定的投資佈局。國開國際繼續將其現有投資領域擴大至提高物流基礎設施效益，為其股東創造投資回報及進一步提升公司在物流、消費及金融等現代服務業的整體市場優勢的企業。

邵氏兄弟控股有限公司 (「邵氏」)

此項投資於本年度股價下跌53%。娛樂事業是中國其中一個重要行業。作為於香港及中國娛樂事業營運商，邵氏應可從其高產業鏈中受惠。

TOM集團有限公司 (「TOM」)

此項投資於本年度的股價下跌10%。電子商務是一個嶄露頭角的行業，娛樂業務在中國也是一個重要的業務。作為電子商務和娛樂業務的參與者，TOM應該從這個巨大的產業鏈中受惠。

Rakarta Limited (「Rakarta」)

Rakarta Limited為一間非上市投資控股公司，其附屬公司主要於中國從事鋅及鉛開採。於年結日，煤礦之公平值為50,088,000港元。煤礦已獲開採牌照，且正計劃提取礦物。視乎市況，煤礦之管理層預期銷售礦物，作為常用礦物，日後將為煤礦營運帶來正現金流量。

有關上市重大投資之表現及未來前景之詳情，請參閱於聯交所披露易所示之各上市公司已刊發年度／中期報告。

本集團重大投資之其他資料載於綜合財務報表附註20。

流動資金及財務資源

於年結日，本集團有現金及等值現金項目約為50,935,000港元(2017年：24,454,000港元)。

Management Discussion (continued) 管理層論述 (續)

In order to better utilise the resources, the Group used margin loan provided by a securities broker for the investments in listed equity securities during the Year. The margin loan of HK\$46,185,000 (2017: HK\$51,099,000) has no determined maturity date and is subject to interest specified from time to time by the securities broker. The maximum amount of the margin loan granted by the securities broker depends on the market value of assets pledged with the securities broker. Details of the margin loan are set out in note 17 to the consolidated financial statements.

Gearing ratio

The gearing ratio (total liabilities/total assets) at Year End Date was 19.51% (2017: 15.65%).

Capital structure

Shareholders' fund, internal resources and margin financing from a securities broker were used in funding the investment and operating activities of the Group.

Details of the margin financing is set out in note 17 to the consolidated financial statements.

OUTLOOK

After several talks between USA and PRC, there are positive signs of resolving the trade war. However, with the unpredictable president of USA, year 2019 should still be a challenging and unpredictable year.

With the anticipation, same as previous years, the Group will be cautious in its investment in both listed and unlisted investments in the year of 2019.

OTHER INFORMATION

Charges on assets

Charges on assets of the Group are set out in note 17 to the consolidated financial statements.

Litigation

There was no outstanding litigation as at Year End Date.

Contingent liabilities

There were no contingent liabilities as at Year End Date.

為更善用資源，本集團於本年度內已動用由一名證券經紀提供之孖展貸款，以投資於上市股本證券。46,185,000港元(2017年：51,099,000港元)之孖展貸款並無釐定到期日，並須按證券經紀不時指定之利率計息。證券經紀所授出之孖展貸款上限乃取決於向證券經紀質押資產之市值。孖展貸款之詳情載於綜合財務報表附註17。

資本負債比率

於年結日之資本負債比率(總負債/總資產)為19.51%(2017年：15.65%)。

資本架構

股東資金、內部資源及證券經紀孖展融資用於撥付本集團投資及經營活動之資金。

孖展融資之詳情載於綜合財務報表附註17。

展望

中美進行數次會談後，顯示出貿易戰解決之正面跡象。然而，由於美國總統難以預測，2019年年度仍應為充滿挑戰及難以預測之一年。

基於此預期，與往年相同，本集團於2019年年度在上市及非上市投資作出投資時將會抱持審慎態度。

其他資料

資產抵押

本集團之資產抵押情況載列於綜合財務報表附註17。

法律訴訟

於年結日概無尚未了結之法律訴訟。

或然負債

於年結日概無或然負債。

Management Discussion (continued) 管理層論述(續)

Exposure to Fluctuations in Exchange Rates and Related Hedges

During the Year, certain investments, cash and bank balances and other receivables of the Group were denominated in HK\$, USD and RMB. Since HK\$ is pegged to USD, significant exposure is not expected in USD transactions and balances. During the Year, the Group received the proceeds denominated in RMB (equivalent to approximately HK\$32 million) from the disposal of available-for-sale investment in last year which was then translated into HK\$. Except for this, other transactions and balances in RMB were not significant and the exposure to RMB is insignificant.

The Group does not have foreign exchange hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Year, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Major Customers and Suppliers

Due to the business nature, the Group has no major customer and supplier.

Employee and Remuneration Policies

At Year End Date, the Group had 5 employees and 5 Directors. Remuneration policies for the employees and the Directors are reviewed by the Group in accordance with the market situation and their performance from time to time. Remuneration Committee will meet at least once a year to review the remuneration policy and package of Directors and senior management of the Group. No Director or executive is involved in dealing his/her own remuneration. In addition to salary payments, the Group has participated in the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the MPF Scheme and the policy of the Group, the Group and its employees are each making contributions to the MPF Scheme at 5% of their monthly relevant income. Forfeited contribution can be used to reduce future contribution of the Group. There was no forfeited contribution for the Year.

匯率波動風險及相關對沖

本年度，本集團之若干投資、現金及銀行結餘及其他應收款項以港元、美元及人民幣計值。由於港元與美元掛鈎，預期以美元計值之交易及結餘將不會面對重大風險。於本年度，本集團去年出售可供出售投資之已收所得款項以人民幣(相當於約32,000,000港元)計值，之後換算為港元。除此之外，以人民幣計值之其他交易及結餘並不重大，而以人民幣計值之風險亦不重大。

本集團並無外匯對沖政策。然而，管理層監控外匯風險，並於有需求時考慮對沖重大外幣風險。

重大收購及出售附屬公司、聯營公司及合營企業

本年度，本集團並無任何重大收購及出售附屬公司、聯營公司及合營企業。

主要客戶及供應商

由於業務性質，本集團並無主要客戶及供應商。

僱員及薪酬政策

於年結日，本集團有5名僱員及5名董事。僱員及董事之薪酬政策經本集團不時根據市況及彼等之表現進行審閱。薪酬委員會將至少每年舉行一次會議，以審閱董事及本集團高級管理層的薪酬政策及待遇。概無董事或行政人員參與釐定其本身之薪酬。除薪酬支出外，本集團已參與強積金計劃。強積金計劃之資產在獨立信託人控制之基金下與本集團之資產分開持有。根據強積金計劃及本集團之政策，本集團及其僱員各自按彼等每月之相關收入向強積金計劃作出5%之供款。沒收之供款可用作減少本集團未來之供款。本年度並無沒收供款。

Directors' Report

董事會報告

The Directors present their annual report and the audited consolidated financial statements for the Year.

董事謹此提呈本年度之年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 24 to the consolidated financial statements.

主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載於綜合財務報表附註24。

Discussion and analysis of the Group's activities can be found in the Management Discussion of this annual report which form part of this directors' report.

對本集團業務的論述及分析載於本年報管理層論述內，其組成本董事會報告的一部分。

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 45.

業績及分配

本集團本年度之業績載於第45頁之綜合損益及其他全面收益表。

The Directors do not recommend the payment of a dividend.

董事不建議派發股息。

SHARE CAPITAL

There were no movements in the share capital of the Company during the Year. Details of the share capital of the Company are set out in note 18 to the consolidated financial statements.

股本

本年度，本公司股本並無變動。本公司之股本詳情載於綜合財務報表附註18。

PLANT AND EQUIPMENT

Details of movements during the Year in plant and equipment of the Group are set out in note 13 to the consolidated financial statements.

廠房及設備

本集團廠房及設備於本年度之變動詳情載於綜合財務報表附註13。

DONATIONS

During the Year, the Group made charitable donations amounting to HK\$40,000 (2017: HK\$60,000).

捐款

於本年度，本集團作出慈善捐獻40,000港元 (2017年：60,000港元)。

Directors' Report (continued) 董事會報告(續)

DIRECTORS

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

Executive Director

Mr. CHENG Hairong (*Chairman and Managing Director*)

Non-Executive Director

Mr. LAU Tom Ko Yuen (*Deputy Chairman*)

Independent Non-Executive Directors

Mr. FENG Nien Shu

Mr. LUI Siu Tsuen, Richard

Ms. WONG Lai Kin, Elsa

In accordance with the Company's Bye-Laws, Mr. Lau Tom Ko Yuen and Ms. Wong Lai Kin, Elsa shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are as follows:

Executive Director

Mr. Cheng Hairong, aged 59, was appointed as an executive Director and managing Director in 2010 and 2016 respectively. He is the chairman and managing Director of the Company and the chairman of the nomination committee and the director of the subsidiaries of the Company. He has over 21 years of experience as an executive director and consultant in establishing and managing listed companies in Hong Kong. Mr. Cheng has extensive knowledge in China finance and investments in life sciences, biotech, energy saving, tourism, trading and financial service sectors. Mr. Cheng was the vice chairman and executive director of EPI (Holdings) Limited (689.HK) and the chairman and executive director of Anxian Yuan China Holdings Limited (922.HK) (formerly known as "Vision Tech International Holdings Limited"). Both companies are listed on the main board of the Stock Exchange.

董事

於本年度及截至本報告日期之董事為：

執行董事

成海榮先生(主席兼董事總經理)

非執行董事

劉高原先生(副主席)

獨立非執行董事

鄺念叔先生

呂兆泉先生

黃麗堅女士

根據本公司之公司細則，劉高原先生及黃麗堅女士將於應屆股東週年大會退任，且符合資格並願意重選連任。

董事及高級管理層履歷詳情

董事及高級管理層履歷詳情如下：

執行董事

成海榮先生，59歲，於2010年及2016年分別獲委任為執行董事及董事總經理。彼為本公司之主席及董事總經理以及提名委員會之主席及本公司附屬公司董事。彼擁有逾21年作為執行董事及顧問以建立及管理香港上市公司之經驗。成先生於中國金融及投資業(包括生命科學、生物科技、節能、旅遊、貿易及金融服務領域)具有廣泛經驗。成先生曾擔任長盈集團(控股)有限公司(689.HK)之副主席兼執行董事以及安賢園中國控股有限公司(922.HK)(前稱「金科數碼國際控股有限公司」)之主席兼執行董事，兩間公司均於聯交所主板上市。

Directors' Report (continued) 董事會報告 (續)

Non-Executive Director

Mr. Lau Tom Ko Yuen, aged 67, was appointed as non-executive Director and subsequently re-designated as executive Director and appointed as chairman of the Company in 2009. In 2010, he was redesignated as non-executive Director and deputy chairman of the Company. He is a member of the remuneration committee and the director of the subsidiaries of the Company. He has over 43 years of international corporate development and management experience in infrastructure developments as well as construction and engineering services involving the road, rail, port, power, telecommunications, mining and resources sectors in the Asia Pacific Region. Mr. Lau is currently the chairman and managing director of PYI Corporation Limited (498.HK) and the deputy chairman and executive director of South Shore Holdings Limited (formerly The 13 Holdings Limited) (577.HK). Both companies are listed on the main board of the Stock Exchange.

Independent Non-Executive Directors

Mr. Feng Nien Shu, aged 53, was appointed as an INED in 2009. He is the chairman of the remuneration committee and a member of the audit committee and nomination committee of the Company. He holds a Master of Business Administration degree from the University of Windsor in Canada and a Bachelor of Arts degree from the York University in Canada. He is currently the managing partner and chief investment officer of Sapientia Capital, a private equity investment manager and advisory. He has over 23 years of experience in investment, merger and acquisition in China and South East Asia.

Mr. Lui Siu Tsuen, Richard, aged 63, was appointed as an INED in 2009. He is the chairman of the audit committee and a member of the remuneration committee of the Company. He is a fellow member of each of HKICPA and The Chartered Institute of Management Accountants in the United Kingdom. He holds a Master of Business Administration degree from the University of Adelaide in Australia. He has over 30 years of experience in property investment, corporate finance and media and entertainment business. Mr. Lui is currently an executive director of eSun Holdings Limited (571.HK) and Media Asia Group Holdings Limited (8075.HK). Both companies are listed on the Stock Exchange.

Ms. Wong Lai Kin, Elsa, aged 53, was appointed as an INED in 2009. She is a member of the audit committee and nomination committee of the Company. She holds a Bachelor's and Master's degree in Law from The University of Hong Kong, as well as a Master's degree in Corporate Finance from The Hong Kong Polytechnic University. Ms. Wong is a solicitor of the Supreme Court of Hong Kong and Supreme Court of England and Wales, a member of the Hong Kong Law Society and Hong Kong Society for Financial Analysts. She also holds the Chartered Financial Analyst designation. Ms. Wong has over 28 years of experience in the legal profession, with majority years working as corporate counsel and company secretary of Hong Kong listed companies. Ms. Wong is currently an independent non-executive director of PYI Corporation Limited (498.HK) which is listed on the main board of the Stock Exchange.

非執行董事

劉高原先生，67歲，於2009年獲委任為非執行董事，其後調任為本公司執行董事及獲委任為主席。彼於2010年調任為本公司非執行董事及副主席。彼為薪酬委員會成員及本公司附屬公司之董事。彼於亞太地區之公路、鐵路、港口、電廠、電信、採礦及資源產業等基礎建設及建築工程服務方面積逾43年之國際企業發展及管理經驗。劉先生現為保華集團有限公司(498.HK)之主席兼總裁及南岸集有限公司(前稱十三集團有限公司)(577.HK)之副主席及執行董事。此兩間公司均於聯交所主板上市。

獨立非執行董事

鄧念叔先生，53歲，於2009年獲委任為獨立非執行董事。彼為本公司薪酬委員會主席以及審核委員會及提名委員會成員。彼持有加拿大溫莎大學工商管理碩士學位及加拿大約克大學文學士學位。彼目前為傳智投資(一間私人股權投資經理及顧問公司)之管理合夥人兼投資總監。彼於中國及東南亞積逾23年投資及併購經驗。

呂兆泉先生，63歲，於2009年獲委任為獨立非執行董事。彼為本公司審核委員會主席及薪酬委員會成員。彼為香港會計師公會及英國特許管理會計師公會之資深會員。彼持有澳洲阿德雷德大學工商管理碩士學位。彼於物業投資、企業融資以及傳媒及娛樂業務方面積逾30年經驗。呂先生現為豐德麗控股有限公司(571.HK)及寰亞傳媒集團有限公司(8075.HK)之執行董事。此兩間公司均於聯交所上市。

黃麗堅女士，53歲，於2009年獲委任為獨立非執行董事。彼為本公司審核委員會及提名委員會成員。彼持有香港大學法律學士學位和法律碩士學位以及香港理工大學企業融資碩士學位。黃女士是香港高等法院和英格蘭及威爾斯最高法院律師、香港律師公會及香港財經分析師學會之會員。彼亦持有特許財務分析師之資格。黃女士於法律界積逾28年經驗，多年來任職香港上市公司之內部律師及公司秘書。黃女士現為聯交所主板上市公司保華集團有限公司(498.HK)之獨立非執行董事。

Directors' Report (continued) 董事會報告(續)

On 21 December 2017, all Directors have entered into appointment letters with the Company for a term commencing from 21 December 2017 and continue until terminated by either party by not less than three months prior written notice or any time agreed by both parties. They are subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting pursuant to the Bye-Laws of the Company.

During the Year, the executive Director and non-executive Director have not received remuneration from the Company and each of the INEDs received director's fee of HK\$70,000 per annum. The director's fee for each of the INEDs has been increased to HK\$80,000 per annum since 1 January 2019 which is determined with reference to their duties and the prevailing market conditions.

Senior Management

Mr. Yau Wing Yiu, aged 51, was appointed as financial controller and company secretary of the Group in 2011 and 2015 respectively. He is also the director of the subsidiaries of the Group. He is an associate member of HKICPA and a fellow member of the Association of Chartered Certified Accountants. He holds a bachelor's degree of arts in Accountancy from the Hong Kong Polytechnic University in Hong Kong. He has over 25 years of experience in finance and accounting gained from international accounting firms and listed companies. Mr. Yau is currently an independent non-executive director of Yan Tat Group Holdings Limited (1480.HK) which is listed on the main board of the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the INEDs, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

於2017年12月21日，全體董事與本公司訂立委任函，任期由2017年12月21日起計並繼續擔任，直至任何一方透過發出不少於三個月或雙方協定之任何時間之事先書面通知予以終止為止。根據本公司之公司細則，彼等須遵守全體董事之三分之一須於每屆股東週年大會上輪值退任之規定。

本年度，執行董事及非執行董事並無自本公司收取酬金，而各獨立非執行董事所收取之董事袍金為每年70,000港元。自2019年1月1日起，各獨立非執行董事之董事袍金經參照其職責及現行市況釐定，增加至每年80,000港元。

高級管理層

邱榮耀先生，51歲，分別於2011年及2015年獲委任為本集團財務總監及公司秘書。彼亦為本集團附屬公司的董事。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。彼持有香港理工大學會計學文學士學位。彼於國際會計師事務所及上市公司中擁有逾25年金融及會計經驗。邱先生現時為於聯交所主板上市的恩達集團控股有限公司(1480.HK)的獨立非執行董事。

董事之服務合約

於應屆股東週年大會建議重選連任之董事概無訂立在一一年內本集團不作出賠償(法定賠償除外)則不可終止之服務合約。

獨立非執行董事之獨立性確認書

根據上市規則第3.13條，本公司已接獲各獨立非執行董事就其獨立性發出之年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

Directors' Report (continued) 董事會報告(續)

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-Laws, Directors shall be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to the Directors.

The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against the Directors.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At Year End Date, the interests and short positions of the Directors and the chief executive of the Company and any of their associates in the Shares and underlying Shares or any of its associated corporations (within the meaning of Part XV of 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 were as follows:

Long positions in the Shares

Name of Director	董事姓名	Personal Interests	Family Interests	Corporate Interests	Total Interests	Percentage of issued share capital of the Company
						佔本公司已發行股本之百分比
Lau Tom Ko Yuen	劉高原	—	266,890,840	266,890,840	266,890,840 (Note) (附註)	22.03%
Cheng Hairong	成海榮	9,370,000	—	—	9,370,000	0.78%

* Beneficial owner

+ Interests of spouse

Interests beneficially held by the company itself or through companies controlled by it

Note:

266,890,840 Shares were held by Favor Hero Investments Limited, a company controlled as to 51% by Sun Matrix Limited. Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen.

獲准許的彌償條文

根據本公司的公司細則，董事可從本公司的資產及溢利獲得彌償，董事執行其各自的職責或假定職責時因所作出、發生的作為或不作為而招致或蒙受或可能招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害，惟本彌償保證不延伸至任何與董事欺詐或不忠誠有關的事宜。

本公司已就針對董事的潛在法律訴訟投購及維持適當的保險覆蓋範圍。

董事及最高行政人員於股份及相關股份之權益及淡倉

按本公司根據證券及期貨條例第352條須存置之登記冊所記錄或按本公司及聯交所根據標準守則另行獲知會，於年結日，董事及本公司最高行政人員及任何彼等之聯繫人於股份及相關股份或其任何相聯法團(定義見證券及期貨條例第XV部)中擁有之權益及淡倉如下：

於股份之好倉

Name of Director	董事姓名	Personal Interests	Family Interests	Corporate Interests	Total Interests	Percentage of issued share capital of the Company
						佔本公司已發行股本之百分比
Lau Tom Ko Yuen	劉高原	—	266,890,840	266,890,840	266,890,840 (Note) (附註)	22.03%
Cheng Hairong	成海榮	9,370,000	—	—	9,370,000	0.78%

* 實益擁有人

+ 配偶權益

權益由公司本身或透過其控制之公司實益持有

附註：

266,890,840股股份由Favor Hero Investments Limited持有，而該公司則由Sun Matrix Limited控制51%權益。Sun Matrix Limited由劉高原先生及藍一女士(劉高原先生之配偶)各自控制50%權益。

Directors' Report (continued) 董事會報告(續)

Save as disclosed above, at Year End Date, none of the Directors and chief executive of the Company nor their associates had or was deemed to have any interest or short position in the Shares or underlying Shares or any of its associated corporations as recorded in the register that 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.

除上文所披露者外，按本公司根據證券及期貨條例第352條須存置之登記冊所記錄或按本公司及聯交所根據標準守則另行獲知會，於年結日，董事及本公司最高行政人員或彼等之聯繫人概無擁有或被視為於股份或相關股份或其任何相聯法團之中擁有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

At Year End Date, the following persons had interests and short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of Shareholder	股東名稱/ 姓名	Family ⁺ Interests 家族權益 ⁺	Corporate [#] Interests 公司權益 [#]	Total Interests 總權益	Percentage of issued share capital of the Company 佔本公司 已發行股本 之百分比
Favor Hero Investments Limited	Favor Hero Investments Limited	—	266,890,840	266,890,840 (Note) (附註)	22.03%
Sun Matrix Limited	Sun Matrix Limited	—	266,890,840	266,890,840 (Note) (附註)	22.03%
Lau Tom Ko Yuen*	劉高原*	266,890,840	266,890,840	266,890,840 (Note) (附註)	22.03%
Lan Yi	藍一	266,890,840	266,890,840	266,890,840 (Note) (附註)	22.03%
Glory Avenue Limited	Glory Avenue Limited	—	266,890,840	266,890,840 (Note) (附註)	22.03%
Silvery Fortune Holdings Limited	銀富控股有限公司	—	266,890,840	266,890,840 (Note) (附註)	22.03%
Liu Min	劉敏	—	266,890,840	266,890,840 (Note) (附註)	22.03%

主要股東

按本公司根據證券及期貨條例第336條須存置之登記冊所記錄，下列人士於年結日於股份及相關股份中擁有權益及淡倉：

於股份之好倉

Directors' Report (continued) 董事會報告 (續)

+ Interests of spouse

Interests beneficially held by the company itself or through companies controlled by it

* Mr. Lau Tom Ko Yuen is a non-executive Director and Deputy Chairman of the Company.

Note:

Favor Hero Investments Limited was controlled as to 51% by Sun Matrix Limited and as to 49% by Glory Avenue Limited. Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen. Glory Avenue Limited was wholly controlled by Silvery Fortune Holdings Limited which was wholly controlled by Mr. Liu Min.

Save as disclosed above, at Year End Date, the Directors were not aware of any other person who had an interest or short position in the Shares or underlying Shares as recorded in the register that required to be kept by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

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

+ 配偶權益

權益由公司本身或透過其控制之公司實益持有

* 劉高原先生為本公司非執行董事及副主席。

附註：

Favor Hero Investments Limited 由 Sun Matrix Limited 及 Glory Avenue Limited 分別控制 51% 及 49% 權益。Sun Matrix Limited 由劉高原先生及藍一女士(劉高原先生之配偶)各自控制 50% 權益。Glory Avenue Limited 則由劉敏先生全權控制之銀富控股有限公司全權控制。

除上文所披露者外，按本公司根據證券及期貨條例第 336 條須存置之登記冊所記錄，於年結日，就董事所知，並無任何其他人士於股份或相關股份中擁有權益或淡倉，及/或直接或間接擁有附有一切情況下可於本集團任何其他成員公司之股東大會上投票之權利之股本面值 5% 或以上之權益。

購買股份或債權證之安排

本公司或其任何附屬公司於本年度任何時間並無訂立任何安排，使董事可藉購入本公司或任何其他法人團體之股份或債權證而獲益。

董事之重要交易、安排或合約權益

本公司或其任何附屬公司均無訂立於本年度末或於本年度任何時間存續而董事直接或間接擁有重大權益之重要交易、安排或合約。

Directors' Report (continued) 董事會報告(續)

CONNECTED TRANSACTION

Investment Management Agreement

2016 IM Agreement

On 24 November 2015, the Company entered into the 2016 IM Agreement with GC Capital for the appointment of GC Capital as the Company's investment manager for the period from 1 January 2016 to 31 December 2018.

Under the 2016 IM Agreement, GC Capital is entitled to:

- (a) a management fee of a fixed amount of HK\$600,000 per month (exclusive of disbursements); and
- (b) discretionary bonus, if any and at such amount as the Board may at its discretion determine, provided that no such bonus shall be payable unless the Adjusted NAV as at the end of each Financial Year exceeds the higher of: (i) the Net Asset Value for the year ended 31 December 2015; and (ii) the Adjusted NAV of the most recent Financial Year after year 2015 for which GC Capital is paid a discretionary bonus and the amount of such bonus shall not exceed 5% of such excess. Such bonus, if any, shall be paid within 30 days after the issue of the audited financial statements of the Group for the relevant Financial Year.

2019 IM Agreement

On 18 December 2018, the Company entered into the 2019 IM Agreement with Opus Capital for the appointment of Opus Capital as the Company's investment manager for the period from 1 January 2019 to 31 December 2021.

Under the 2019 IM Agreement, Opus Capital is entitled to:

- (a) a management fee of a fixed amount of HK\$600,000 per month (exclusive of disbursements); and
- (b) discretionary bonus, if any and at such amount as the Board may at its discretion determine, provided that no such bonus shall be payable unless the Adjusted NAV as at the end of each Financial Year exceeds the higher of: (i) the Net Asset Value for the year ended 31 December 2018; and (ii) the Adjusted NAV of the most recent Financial Year after year 2018 for which Opus Capital is paid a discretionary bonus and the amount of such bonus shall not exceed 5% of such excess. Such bonus, if any, shall be paid within 30 days after the issue of the audited financial statements of the Group for the relevant Financial Year.

關連交易

投資管理協議

2016年投資管理協議

於2015年11月24日，本公司與漢華資本訂立2016年投資管理協議，委任漢華資本為本公司的投資經理，自2016年1月1日至2018年12月31日為止。

根據2016年投資管理協議，漢華資本有權收取：

- (a) 每月600,000港元的固定金額管理費(不包括墊付支出)；及
- (b) 酌情花紅(如有)，而有關金額由董事會酌情釐定，惟有關花紅僅於各財政年度末的經調整資產淨值超出以下較高者時方可支付：(i)截至2015年12月31日止年度的資產淨值；及(ii)2015年度後最近的財政年度(漢華資本獲支付酌情花紅者)的經調整資產淨值，而有關花紅金額不得超過此超出部分的5%。該等花紅(如有)須於本集團相關財政年度的經審核財務報表刊發後30日內支付。

2019年投資管理協議

於2018年12月18日，本公司與創富資本訂立2019年投資管理協議，委任創富資本為本公司的投資經理，自2019年1月1日至2021年12月31日為止。

根據2019年投資管理協議，創富資本有權收取：

- (a) 每月600,000港元的固定金額管理費(不包括墊付支出)；及
- (b) 酌情花紅(如有)，而有關金額由董事會酌情釐定，惟有關花紅僅於各財政年度末的經調整資產淨值超出以下較高者時方可支付：(i)截至2018年12月31日止年度的資產淨值；及(ii)2018年度後最近的財政年度(創富資本獲支付酌情花紅者)的經調整資產淨值，而有關花紅金額不得超過此超出部分的5%。該等花紅(如有)須於本集團相關財政年度的經審核財務報表刊發後30日內支付。

Directors' Report (continued) 董事會報告(續)

Information on GC Capital and Opus Capital

GC Capital is a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. It was incorporated on 30 June 1992 and it specialises in investment and fund management mainly in Hong Kong.

Opus Capital is a corporation licensed to carry out Type 9 (asset management) regulated activities under the SFO. It was incorporated in Hong Kong in 2014 and is principally engaged in the business of provision of investment services covering traditional and alternative investments via various platforms.

Being the investment manager of the Company, GC Capital and Opus Capital are connected person under Rule 14A.08 of the Listing Rules.

Further particulars of the above connected transaction is disclosed in note 22 to the consolidated financial statements and it has complied with the requirements (including the disclosure requirements) of Chapter 14A of the Listing Rules. Save as disclosed above, the Group does not have other connected transaction.

The Board (including INEDs) confirmed that the 2016 IM Agreement is entered into by the Group in the ordinary and usual course of business, on normal commercial terms and such transaction is fair and reasonable, in the interests of the Shareholders as a whole and is conducted in accordance with the terms of 2016 IM Agreement.

The Board has also confirmed that a letter pursuant to Rule 14A.56 of the Listing Rules has been issued to the Board by the auditor of the Company.

MANAGEMENT CONTRACTS

Save as the investment management agreement, the details of which are disclosed under the connected transaction section of this report, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

有關漢華資本及創富資本之資料

漢華資本為一間根據證券及期貨條例可從事第4類(就證券提供意見)、第6類(就機構融資提供意見)及第9類(提供資產管理)受規管活動之持牌公司。漢華資本於1992年6月30日註冊成立，並專注於主要在香港之投資及基金管理。

創富資本為一間根據證券及期貨條例可從事第9類(提供資產管理)受規管活動之持牌公司。創富資本於2014年在香港註冊成立，且主要從事提供投資服務之業務，包括透過多種平台進行傳統及另類投資。

由於漢華資本及創富資本為本公司之投資經理，故為上市規則第14A.08條項下之關連人士。

有關上述關連交易之進一步詳情於綜合財務報表附註22披露，並已遵守上市規則第14A章之規定(包括披露規定)。除上述所披露者外，本集團概無其他關連交易。

董事會(包括獨立非執行董事)已確認，2016年投資管理協議乃由本集團於一般日常業務過程中按一般商業條款訂立，且有關交易屬公平合理，符合股東之整體利益，並根據2016年投資管理協議之條款進行。

董事會亦已確認，本公司之核數師已向董事會發出上市規則第14A.56條所規定之函件。

管理合約

除投資管理協議(有關詳情於本報告內關連交易一節披露)外，本年度內概無訂立或存在有關本公司全部或任何重大部分業務的管理及行政的合約。

Directors' Report (continued) 董事會報告(續)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks of the Group are highlighted as below:

1. The principal activity of the Group is highly affected by the volatility and uncertainty of the worldwide economies which in turn affect the earning power of business enterprises and the fluctuation in stock markets. Hence, the Group is subject to the risk of decrease in the price and value of its investments measured at FVTPL and FVTOCI.

For investments measured at FVTPL, the financial impact on the decrease in price of the investments is set out in note 26(b)(iii) to the consolidated financial statements.

For investments measured at FVTOCI, the mentioned risk may cause a decrease in fair value of the investments which in turn causes a decrease in Net Asset Value for a maximum of HK\$50,088,000, being carrying value of the investments at Year End Date.

In order to mitigate the risk, the Group engages an experienced investment director and investment manager to manage the diversified investment portfolio of the Group. Besides, an investment committee will also review the investment portfolio regularly.

2. The Group has an earnest money deposit of HK\$25,000,000 at Year End Date which is subject to credit risk and can cause a financial loss to the Group in case the party cannot repay the earnest money due to the Group upon the cancellation of negotiation of the potential investment during the year. In order to mitigate the risk, the Group performed a credit analysis on the background and creditworthiness of the potential vendor. Subsequent to Year End Date, the Group received refund of HK\$20 million and is arranging for the refund of remaining balance of earnest money with potential vendor.

KEY PERFORMANCE INDICATOR

Being an investment company, the objective of the Group is to invest in quality investments which in turn enhance the corporate value to the Shareholders. For both short term and long term investments, a major objective of the Group is to achieve a gain in asset value of the investments which in turn increase the value of the Group. Hence, the Net Asset Value, which shows the value of the Group, is considered as the key performance indicator of the Group. The Net Asset Value is set out in note 19 to the consolidated financial statements.

主要風險及不確定因素

本集團主要風險摘要如下：

1. 本集團的主要活動極為受全球經濟反覆及不明朗影響，而全球經濟則繼而影響商業企業的盈利能力及股票市場波動。因此，本集團面臨其按公平值計入損益及按公平值計入其他全面收益計量的投資價格及價值下跌的風險。

就按公平值計入損益計量的投資而言，投資價格下跌的財務影響載於綜合財務報表附註26(b)(iii)。

就按公平值計入其他全面收益計量的投資而言，上述風險或會造成投資公平值減少，從而導致資產淨值減少最多達50,088,000港元，即投資於年結日的賬面值。

為降低風險，本集團委聘資深投資主管及投資經理管理本集團多元化的投資組合。此外，投資委員會亦會定期審閱投資組合。

2. 本集團於年結日有一筆25,000,000港元的誠意金。倘該方未能於本年度取消就潛在投資的磋商後向本集團退還到期誠意金，其信貸風險可造成本集團財務損失。為降低風險，本集團就潛在賣方之背景及信譽進行信貸分析。於年結日後，本集團收到20,000,000港元退款，並與潛在賣方安排退回餘下誠意金結餘。

關鍵績效指標

作為投資公司，本集團的目標是投資於優質投資，從而為股東提升企業的價值。就短期及長期投資而言，本集團的主要目標是實現投資資產價值的收益，從而增加本集團的價值。因此，反映本集團價值的資產淨值被視為本集團的關鍵績效指標。資產淨值載列於綜合財務報表附註19。

Directors' Report (continued) 董事會報告 (續)

ENVIRONMENT POLICIES AND PERFORMANCE

The Group promotes environmental protection in daily business operations including recycling consumables such as papers and reducing the energy consumption by switching off idle lightings and appliances.

The Group will review its environmental protection practices from time to time and will consider further eco-friendly measures and practices in the operation.

The environmental policies and performance of the Group are discussed in more detail in the ESG Report of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group pays attention to legal and regulatory requirements in designing its policies and practices. Being listed in the Stock Exchange with businesses mainly in Hong Kong and the PRC, the laws and regulations that have significant impact on the Group include Listing Rules and those laws of Hong Kong on securities, companies, taxation and labour. The Listing Rules, laws on securities and companies govern the listing and legal status of the Group, the trading of the Shares and equity investments on the Stock Exchange. The law on taxation governs the taxability of the activities of the Group which in turn affects the profit and loss attributable to the Shareholders. The law on labour governs the employment of the Group which affects the remuneration and retirement benefits payable to the employees of the Group. Except certain insignificant non-compliance with Listing Rules which had been rectified, the Board is not aware of any non-compliance of relevant laws and regulations. Legal and compliance advisers will be engaged when necessary to ensure the Group operates in accordance with applicable laws and regulations.

RELATIONSHIP WITH STAKEHOLDERS

The Group identified that the key stakeholders are employees of the Group and the Shareholders.

Employees

The activities of the Group is heavily relied on the quality and loyalty of the employees. Employees are regarded as the most valuable assets of the Group. The Group is aimed to reward the staff with competitive remuneration package and to provide staff with healthy and safety working environment. Staff are encouraged to attend training courses and reimbursement will be made for job-related training courses. The Group also promotes the employee involvement in effective communications in designing its policies and practices. The "social" section of the ESG Report has a more detail discussion.

環境政策及表現

本集團於日常業務中提倡環保，當中包括回收紙張等消耗品，並關掉閒置電燈及電器，務求節省能源。

本集團將不時檢討其環保實務，並將在營運中考慮進一步生態友好措施及實務。

本集團之環境政策及表現於本年報中環境、社會及管治報告內作更詳細論述。

遵守法律及法規

本集團設計其政策及實務時，會注意法律及法規規定。本集團於聯交所上市，業務主要於香港及中國進行，對於本集團具有重大影響的法律及法規包括上市規則以及該等有關證券、公司、稅務及勞工的香港法例。本集團之上市及法律地位、於聯交所之股份買賣及股本投資均受上市規則、證券及公司法例規管。本集團活動應否繳付稅項乃受稅務法例規管，從而影響股東應佔溢利及虧損。本集團的僱傭情況受勞工法例規管，影響應付本集團僱員之薪酬及退休福利。除若干不重大並已獲糾正的上市規則不合規情況外，董事會並不知悉有任何相關法律及法規之不合規情況。有需要時，本集團將委聘法律及合規顧問，確保本集團根據適用法律及法規經營。

持分者關係

本集團深明本集團僱員及股東乃主要持分者。

僱員

本集團活動非常依賴僱員質素及忠誠。僱員乃本集團最有價值的資產。本集團旨在以具競爭力的薪酬待遇報償員工，並向員工提供健康及安全的工作環境。本集團鼓勵員工參與培訓課程，而與工作有關的培訓課程費用將可獲得報銷。本集團亦鼓勵僱員於設計政策及實務時參與有效溝通。環境、社會及管治報告的「社會」一節具有更詳細討論。

Directors' Report (continued) 董事會報告(續)

Shareholders

The Shareholders support the Group's activities by providing funding to the Group. One of the goals of the Group is to enhance the corporate value to the Shareholders. The Group strives to obtain the quality investments in order to enhance the asset value and profitability of the Group which in turn the wealth of the Shareholders. The Group maintains regular communication with Shareholders by way of general meetings and announcements.

CUSTOMERS AND SUPPLIERS

Due to the business nature, the Group has no major customer and supplier.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or the Company Act (1981) of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

Except for dividend income which is exempt from tax in Hong Kong, the Directors are not aware of any tax relief and exemption available to the Shareholders by reason of holding the Shares.

DIVIDEND POLICY

The Board may declare dividend from time to time. The Board has absolute discretion in the declaration of dividend after taking into account the following factors:

1. Reserves of the Group available for distribution;
2. Performance of the Group;
3. Anticipation of future outlook of the economy;
4. Liquidity position and capital requirements of the Group; and
5. Any other matters considered appropriate by the Board.

股東

股東通過為本集團提供資金，以支持本集團活動。為股東提升企業價值乃本集團的目標之一。本集團致力獲得優質投資項目，提升本集團的資產值及盈利能力，從而提升股東財富。本集團透過股東大會及公告，與股東維持定期溝通。

客戶及供應商

由於業務性質，本集團並無主要客戶及供應商。

購買、出售或贖回本公司股份

本公司或其任何附屬公司於本年度內概無購買、出售或贖回任何股份。

優先認購股份權利

本公司之公司細則或百慕達公司法(1981年)並無優先認購股份權利條文規定本公司須按比例向現有股東發售新股份。

稅務減免

除股息收入在香港為免稅外，董事並不知悉股東因持有股份而可享有任何稅務減免。

股息政策

董事會可不時宣派股息。董事會於考慮以下因素後全權酌情決定股息之宣派：

1. 本集團可供分派之儲備；
2. 本集團之表現；
3. 預測未來經濟前景；
4. 本集團流動性狀況及資本要求；及
5. 董事會認為合適之任何其他事宜。

Directors' Report (continued) 董事會報告(續)

SUBSEQUENT EVENTS

There is no major event subsequent to Year End Date.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float as required under the Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 May 2019 to 30 May 2019, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the annual general meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 22 May 2019.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Cheng Hairong

Chairman

Hong Kong, 28 March 2019

期後事項

年結日後概無發生重大事項。

足夠公眾持股量

根據本公司可取得之公開資料及就董事所知，於本報告日期，本公司根據上市規則所規定，擁有足夠公眾持股量。

暫停辦理股份過戶登記

本公司將於2019年5月23日至2019年5月30日(包括首尾兩日)暫停辦理股份過戶登記，期間將不會處理股份過戶登記手續。為釐定有權出席股東週年大會並於會上投票之股東身份，所有已正式填妥之過戶表格連同有關股票，必須在不遲於2019年5月22日下午四時三十分前送達本公司之香港股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心22樓。

核數師

重新委任德勤•關黃陳方會計師行為本公司核數師之決議案將提呈至股東週年大會。

代表董事會

主席

成海榮

香港，2019年3月28日

Corporate Governance Report

企業管治報告

The Group is dedicated to maintaining a good credible framework of corporate governance with a view to being transparent, open and accountable to Shareholders.

The Company adopted all the code provisions in the CG Code as its own code on corporate governance practices.

During the Year, the Company complied with the code provisions in the CG Code except for the following deviations:

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Being the only executive Director, Mr. Cheng Hairong, the chairman of the Company, has assumed the role of chief executive officer of the Company as well. The Board believes that in light of the nature and scale of the Group's business operations, it is in the interest of the Group for Mr. Cheng Hairong to be the chairman and assume the role of chief executive officer of the Company at the same time, as it helps to ensure consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

In respect of the code provision A.6.7 of the CG Code, Mr. Feng Nien Shu, an INED was unable to attend the general meeting of the Company as he was out of town.

THE BOARD

Composition

The Board currently consists of one executive Director, one non-executive Director and three INEDs. Mr. Lui Siu Tsuen, Richard, an INED, has the appropriate professional accounting experience and expertise. The names and biographical details of each Director are set out on pages 12 to 13 of this annual report.

本集團致力為企業管治維持良好及可信之架構，以達致高透明度及持開放態度，並能向股東負責。

本公司已採納企管守則之全部守則條文，作為其本身之企業管治常規守則。

於本年度，本公司已遵守企管守則之守則條文，惟以下偏離者除外：

根據企管守則之守則條文第A.2.1條，主席及最高行政人員之職務應予以區分，並不應由同一人擔任。本公司主席成海榮先生作為唯一的執行董事，亦擔任本公司行政總裁一職的角色。董事會相信，就本集團業務運作的性質及規模而言，由於此安排有助確保本集團的領導方針一致並使本集團整體戰略規劃更具效益及效率，故成海榮先生同時擔任主席及擔任本公司行政總裁一職的角色符合本集團利益。董事會認為目前的安排將不會削弱權力及授權制衡，而此架構亦將令本公司得以及時及有效地作出並實行決策。

就企管守則的守則條文第A.6.7條而言，獨立非執行董事鄧念叔先生因不在香港而未能出席本公司之股東大會。

董事會

成員

董事會現時由一名執行董事、一名非執行董事及三名獨立非執行董事組成。獨立非執行董事呂兆泉先生具備適當之專業會計經驗及專業資格。各董事之姓名及履歷詳情載於本年報第12至13頁。

Corporate Governance Report (continued) 企業管治報告(續)

On 21 December 2017, the non-executive Directors have entered into appointment letters with the Company for a term commencing from 21 December 2017 and continue until terminated by either party by not less than three months prior written notice or any time agreed by both parties. They are subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting pursuant to the Bye-Laws of the Company. There is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

During the Year, all Directors have attended seminars covering a wide range of topics including corporate governance and updates on the Listing Rules and Companies Ordinance. All Directors have provided record of seminars attendance. The Company will continue to arrange and/or fund the training in accordance with the CG Code. The Board has a balance of skills and experience appropriate for the requirements of the business of the Group.

Function

The Board is responsible both for how the Company is managed and the Company's direction. Approval of the Board is required for the strategy of the Group, major acquisition and disposal, major capital investment, dividend policy, appointment and retirement of Directors, remuneration policy and other major operational and financial matters. Day-to-day operations of the Group are taken up by the Company's management and the Company's investment manager.

The Board established schedule of matters specifically reserved to the Board for its decision and those reserved for the management. The Board reviews this schedule on a periodic basis to ensure that it remains appropriate to the needs of the Company.

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, risk management, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc. The Board held meetings from time to time whenever necessary.

The Board established procedures to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense.

The Board held four regular board meetings at approximately quarterly interval during the Year. Additional board meetings were held when necessary. Due notice and board papers were given to all Directors prior to the meeting in accordance with the Listing Rules and the CG Code.

於2017年12月21日，非執行董事與本公司訂立委任函，任期由2017年12月21日起計並繼續擔任，除非任何一方透過發出不少於三個月或雙方協定之任何時間之事先書面通知予以終止為止，惟須遵守本公司之公司細則之規定，於每屆股東週年大會上，全體董事之三分之一須輪值退任。董事會之成員各自並無任何關係(包括財務、業務、家族或其他重大／相關關係)。

於本年度，全體董事均已參加涵蓋多個主題之研討班，包括企業管治及上市規則及公司條例之更新。全體董事已提供出席研討班記錄。本公司將會繼續根據企管守則安排及／或資助培訓。董事會於技巧與經驗之間取得平衡，切合本集團業務需要。

職能

董事會負責制定本公司之管理方法及本公司之方針。本集團之策略、主要收購及出售、主要資本投資、股息政策、委任及退任董事、薪酬政策以及其他主要經營及財務事宜，均須取得董事會之批准。本集團之日常運作由本公司管理層及本公司之投資經理負責。

董事會已為特別保留予董事會決定及保留予管理層決定之事宜制定時間表。董事會定期檢討該時間表，以確保其仍然配合本公司之需要。

董事會負責履行企業管治職能，如制定及檢討本公司政策、企業管治常規、風險管理、董事及高級管理層之培訓及持續專業發展、本公司於遵守法律及監管規定方面之政策及常規等。董事會不時於必要時舉行會議。

董事會已設立程序，令董事得以因應合理要求在適當情況下尋求獨立專業意見，費用由本公司承擔。

董事會於本年度舉行四次定期董事會會議，約每季舉行一次。額外董事會會議已於需要時舉行。本公司已根據上市規則及企管守則於舉行會議前向全體董事發出正式通知及董事會文件。

Corporate Governance Report (continued) 企業管治報告(續)

The attendance records of the Directors for the Board and committee meetings and the general meetings for the Year are as follows:

於本年度內董事於董事會會議、委員會會議及股東大會之出席記錄如下：

		No. of meetings attended/No. of meetings held 出席會議次數/舉行會議次數				
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	General Meeting 股東大會
Directors	董事					
Executive Director	執行董事					
Cheng Hairong (Chairman)	成海榮(主席)	7/7	N/A 不適用	N/A 不適用	1/1	1/1
Non-Executive Director	非執行董事					
Lau Tom Ko Yuen (Deputy Chairman)	劉高原(副主席)	7/7	N/A 不適用	1/1	N/A 不適用	1/1
INEDs	獨立非執行董事					
Feng Nien Shu	鄧念叔	7/7	2/2	1/1	1/1	0/1
Lui Siu Tsuen, Richard	呂兆泉	7/7	2/2	1/1	N/A 不適用	1/1
Wong Lai Kin, Elsa	黃麗堅	6/7	2/2	N/A 不適用	1/1	1/1
Total number of meetings held during the Year	本年度舉行會議總數	7	2	1	1	1

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding directors' securities transactions throughout the Year.

董事進行證券交易之標準守則

本公司已採納標準守則作為有關董事及本公司相關僱員進行證券交易之操守準則。經本公司作出具體查詢後，全體董事已確認彼等於本年度內一直全面遵守標準守則及董事進行證券交易的操守守則。

BOARD COMMITTEES

To strengthen the functions of the Board and to enhance its expertise, there are three board committees, namely Audit Committee, Remuneration Committee and Nomination Committee formed under the Board, with each performing different functions.

董事會委員會

為加強董事會之職能及提升其專業水平，董事會轄下設有三個董事會委員會，即審核委員會、薪酬委員會及提名委員會，各自履行不同職能。

Corporate Governance Report (continued) 企業管治報告(續)

Audit Committee

The Audit Committee comprises three INEDs, namely Mr. Lui Siu Tsuen, Richard, Mr. Feng Nien Shu and Ms. Wong Lai Kin, Elsa. The Audit Committee is chaired by Mr. Lui Siu Tsuen, Richard.

The role and function of the Audit Committee include:

- to serve as a focal point for communication between other directors and the auditor in respect of the duties relating to financial and other reporting, internal controls, audits, and such other matters as the Board may determine from time to time.
- to assist the Board in fulfilling its responsibility by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group and the adequacy of the audits.
- to review the appointment of auditor on an annual basis including the review of the audit scope and approval of the audit fees.
- to review the annual and interim financial statements prior to their approval by the Board, and recommend application of accounting policies and changes to the financial reporting requirements.
- to ensure continuing auditor objectivity and to safeguard independence of the Company's auditor.

Set out below is the summary of work done during the Year:

- to review the financial statements for Year 2017 and for the six months ended 30 June 2018;
- to review of the effectiveness of the internal control of the Company; and
- to review the independence and audit plan of auditor.

審核委員會

審核委員會由三名獨立非執行董事，即呂兆泉先生、鄧念叔先生及黃麗堅女士組成。呂兆泉先生為審核委員會之主席。

審核委員會之角色及職能包括：

- 就財務及其他申報事宜、內部監控、核數及董事會可能不時釐定之其他事宜，作為其他董事與核數師之間溝通之重要渠道。
- 透過提供獨立審閱及監察財務申報，並使其本身信納本集團具有有效之內部監控及已進行充分核數工作，從而協助董事會履行其職責。
- 每年檢討核數師之委任，包括審閱核數範圍及批准核數費用。
- 於董事會批准年度及中期財務報表前審閱有關財務報表，並就應用會計政策及財務申報規定之變動提供建議。
- 確保核數師之持續客觀性，並保障本公司核數師之獨立性。

以下載列於本年度完成之工作概要：

- 審閱2017年年度及截至2018年6月30日止六個月之財務報表；
- 審閱本公司內部監控之有效性；及
- 審閱核數師之獨立性及核數計劃。

Corporate Governance Report (continued) 企業管治報告(續)

Remuneration Committee

The Remuneration Committee comprises two INEDs, namely Mr. Feng Nien Shu and Mr. Lui Siu Tsuen, Richard, and the deputy chairman of the Company, namely Mr. Lau Tom Ko Yuen. The Remuneration Committee is chaired by Mr. Feng Nien Shu.

The role and function of the Remuneration Committee include formulation of the remuneration policy, review and recommending to the Board the annual remuneration policy, and determination of the remuneration of the executive Directors. The Remuneration Committee has adopted the model under the CG Code to determine, with delegated responsibility, the remuneration packages of individual executive Director and senior management. The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation.

Set out below is the summary of work done during the Year:

- to review of the remuneration policy and package; and
- to approve the remuneration of the executive Director and review the remuneration of non-executive Directors.

Details of Directors' emoluments for the Year are set out in note 10 to the consolidated financial statements.

Nomination Committee

The Nomination Committee comprises one executive Director, namely Mr. Cheng Hairong, and two INEDs, namely Mr. Feng Nien Shu and Ms. Wong Lai Kin, Elsa. The Nomination Committee is chaired by Mr. Cheng Hairong.

The role and function of the Nomination Committee include reviewing the structure, size and composition of the Board, formulating relevant procedures for nomination of Directors, identifying qualified individuals to become members of the Board and making recommendation to the Board on the appointment or re-appointment of Directors.

Directors or Shareholders, in accordance to the Bye-Laws of the Company, may nominate candidate for appointment as Director. When assessing candidates for directorship, the nomination committee will take into consideration the skills, experience, education background, professional knowledge, personal integrity, board diversity and potential contribution to the Company of the proposed candidates. The proposed candidates should meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. Potential candidates for INED should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

薪酬委員會

薪酬委員會由兩名獨立非執行董事鄧念叔先生及呂兆泉先生以及本公司副主席劉高原先生組成。薪酬委員會由鄧念叔先生擔任主席。

薪酬委員會之角色及職能包括制定薪酬政策、檢討及向董事會建議每年之薪酬政策，以及釐定執行董事之酬金。薪酬委員會已採納企管守則項下之模式並獲授權釐定個別執行董事以及高層管理人員之薪酬待遇。董事之薪酬乃根據彼等各自於本公司之職務、職責、本公司之業績及目前之市況而釐定。

以下載列於本年度完成之工作概要：

- 檢討薪酬政策及待遇；及
- 批准執行董事之酬金及檢討非執行董事之酬金。

本年度董事酬金之詳情載於綜合財務報表附註10。

提名委員會

提名委員會由一名執行董事，即成海榮先生及兩名獨立非執行董事，即鄧念叔先生及黃麗堅女士組成。提名委員會由成海榮先生擔任主席。

提名委員會之角色及職能包括檢討董事會之架構、規模及組成、制定董事提名之相關程序、物色董事會成員之合資格人選及就委任或重新委任董事向董事會提供建議。

董事或股東，跟據本公司之公司細則，可提名候選人委任為董事。於考核董事候選人時，提名委員會將考慮建議候選人的技能、經驗、教育背景、專業知識、個人誠信、董事會成員多元化及對本公司的潛在貢獻。建議候選人須符合上市規則第3.08及3.09條所載標準。獨立非執行董事的建議候選人亦須符合上市規則第3.13條所載獨立性標準。合資格候選人將獲推薦以供董事會批准。

Corporate Governance Report (continued) 企業管治報告(續)

Set out below is the summary of work done during the Year:

- to review the structure, size and composition of Board; and
- to review the policy and procedures for nomination of Directors.

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy (the “Policy”) which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Board will review such objectives from time to time to ensure their appropriateness and the progress made towards achieving those objectives. The Company will also take into consideration its own specific needs from time to time in determining the optimum composition of the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledged that it is responsible for the Systems and reviewing their effectiveness. The Systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for the design, implementation and monitoring of the Systems and the Board oversees the management in performing its duties on an ongoing basis.

Risk Management System

The Group adopted a risk management policy which sets out the structure of the risk management, responsibility between Directors and management of the Group, and the procedures on the risk management of the Group.

The Board identified risks in accordance with the business nature of the Group. For those significant risks identified, the management will prepare relevant policies and procedures for the daily operation of the Group. Management will monitor the significant risk during the operation and report to the Board on the effectiveness of the risk management system on a regular basis. Weakness identified in the risk management system will be remediated as soon as possible.

以下載列於本年度完成之工作概要：

- 檢討董事會之架構、規模及組成；及
- 檢討董事提名之政策及程序。

董事會成員多元化政策

本公司已採納董事會成員多元化政策(「政策」)，當中列載董事會為達致及維持成員多元化以提升董事會之有效性而採取之方針。

根據政策，本公司為尋求達致董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、族群特性、專業經驗、技能、知識及服務年資。董事會將會不時檢討有關目標，以確保該等目標之合適性及為達致該等目標所採取之程序。本公司在釐定董事會之最佳組合時，亦將不時考慮其自身之特殊需求。

風險管理及內部監控

董事會認同其有關系統及審閱其是否有效的責任。系統乃設計以管理而非消除未能達到業務目標的風險，且僅能就對抗重大失實或損失提供合理而非絕對的保證。

管理層負責系統設計、實行及監測，而董事會持續監督管理層執行其職責。

風險管理系統

本集團採納風險管理政策，其載列風險管理的架構、本集團董事與管理層的責任以及本集團風險管理的程序。

董事會根據本集團的業務性質識別風險。就該等已識別的重大風險，管理層將為本集團的日常營運編製相關政策及程序。管理層將於經營期間監測重大風險，並定期向董事會匯報風險管理系統是否有效。風險管理系統中已識別的缺點將會盡快予以糾正。

Corporate Governance Report (continued) 企業管治報告(續)

Internal Control System

Internal control systems were set up according to the operations of the Group which cover the financial, operational and compliance aspects of the Group. Relevant policies and procedures have been prepared for the daily operation of the management. Internal audit consultant will review the effectiveness of the internal control systems on rotational basis with each system to be reviewed at least once in every three years. The internal audit consultant will report the review results to the audit committee and Board twice a year.

Specific to the dissemination of inside information, the Group has an inside information disclosure policy and procedures which set out procedures on the dissemination of inside information. An inside information disclosure committee has been set up to manage the dissemination of the inside information. Whenever there is inside information, the inside information disclosure committee will make recommendation to the Board for the approval of disseminating the inside information. The internal audit consultant will review the effectiveness of this internal control system and report to the Board for remedial action if weakness were identified.

Internal Audit

An independent third party with extensive experience in reviewing internal control system of listed companies has been engaged to perform the internal audit function of the Group. The scope of internal audit will be determined at the start of each year. As part of the ongoing review of the Systems, the internal audit reviews the Systems, makes recommendation and reports to the audit committee and the Board twice a year.

Review and effectiveness of the Systems

The management provided confirmation to the Board on the effectiveness of the Systems which cover the Year on a quarterly basis. As mentioned above, the internal audit consultant reviews the Systems and reports to the audit committee and the Board twice a year.

In addition to the above, the Board in its annual review further considered that: (i) there are no changes in the nature and extent of significant risks and the Group's ability to respond to changes in the business and external environment; (ii) the scope and quality of the ongoing monitoring of the Systems by the management, internal audit consultant and external auditor are adequate; (iii) the extent and frequency of communicating the monitoring results to the Board are sufficient; (iv) there is no significant control failure or weakness; and (v) the processes for financial reporting and Listing Rules compliance are effective.

內部監控系統

內部監控系統乃根據本集團的營運所設立，其覆蓋本集團的財務、營運及合規各方面。相關政策及程序已為管理日常運作所編製。內部審計顧問將輪流審閱內部監控系統是否有效，而各系統將至少每三年審閱一次。內部審計顧問將每年兩次向審核委員會及董事會匯報審閱結果。

特別就發佈內幕消息而言，本集團具有內幕消息披露政策及程序，其載列發佈內幕消息的程序。內幕消息披露委員會已告設立，以管理發佈內幕消息。每當有內幕消息時，內幕消息披露委員會將向董事會作出建議，以供批准發佈內幕消息。內部審計顧問將審閱此內部監控系統是否有效，而倘識別缺點，將向董事會匯報補救措施。

內部審計

於審閱上市公司內部監控系統方面具備豐富經驗的獨立第三方已獲委聘執行本集團的內部審計職能。內部審計的範圍將於各年年初予以釐定。作為持續審閱系統的一部分，內部審計每年兩次審閱系統、作出建議並向審核委員會及董事會匯報。

系統審閱及效益

管理層就系統有效性每季向董事會提供涵蓋本年度的確認。誠如上文所述，內部審計顧問每年兩次審閱系統並向審核委員會及董事會匯報。

此外，董事會於其年度審閱中進一步認為：(i) 重大風險及本集團於業務及外在環境中的應變能力於本質及程度上概無發生變動；(ii) 管理層、內部審計顧問及外部核數師所持續監察的系統範圍及質素均屬充足；(iii) 向董事會交流監察結果的程度及次數屬足夠；(iv) 概無重大監控失誤或缺點；及(v) 財務匯報及上市規則的合規程序為有效。

Corporate Governance Report (continued) 企業管治報告(續)

The Board, through its review on the regular confirmation from the management and the internal audit function, concluded that the Systems were effective and adequate. It also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programmes and budget provided were sufficient.

董事會透過審閱管理層及內部審計職能的定期確認，總結系統為有效及充足。董事會亦認為相關員工的資源、員工履歷及經驗均屬充足，而所提供的培訓計劃及預算乃屬充分。

AUDITOR'S REMUNERATION

The fees paid/payable to the Company's auditor, Messrs. Deloitte Touche Tohmatsu during the Year for auditing and non-auditing services is analysed as below:

核數師酬金

於本年度，就核數及非核數服務而向本公司之核數師德勤•關黃陳方會計師行已支付/應付之費用分析如下：

		HK\$ 港元
Auditing for the Year	本年度之核數	1,071,000
Non-auditing:	非核數：	
Review of interim financial statements for the 6 months period ended 30 June 2017	審閱截至2017年6月30日止六個月期間之中期財務報表	230,000
Agreed-upon procedures on Preliminary Results Announcement for the Year	本年度初步業績公佈之協定程序	35,000
Agreed-upon procedures on Continuing Connected Transactions for the Year	本年度持續關連交易之協定程序	47,000

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities in preparing the financial statements. The statement of the auditor about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 39 to 44.

董事就編製財務報表之責任

董事確認，編製財務報表乃彼等之責任。有關彼等對財務報表之申報責任之核數師聲明載於第39至44頁之獨立核數師報告內。

Corporate Governance Report (continued) 企業管治報告(續)

SHAREHOLDERS' RIGHTS

Pursuant to the Bye-Laws of the Company, the Shareholders, holding at the date of deposit of the written requisition to the Board or the company secretary of the Company not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, may require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so.

Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. The written requisition should be signed by the requisitionists and deposited at the head office of the Company, specifying the shareholders' contact details and the resolution intended to be put forward at general meeting.

For including a resolution to propose a person for election as a Director at general meeting, Shareholders are requested to follow the Bye-Laws of the Company. A written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office of the Company provided that the minimum length of the period, during which such notices are given, shall be at least seven days and that the period for lodgment of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting of the Company appointed for such election and end no later than seven days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for Shareholders to propose a person for election as a Director is posted on the Company's website.

Shareholders should direct their questions about their shareholdings to the Company's registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent that such information is publically available. Shareholders may also make enquiries to the Board by writing to the company secretary at the Company's head office in Hong Kong at Suite 2701, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

股東權利

根據本公司之公司細則，於向董事會或本公司之公司秘書遞呈書面要求日期時持有不少於本公司繳入股本(附帶於本公司股東大會上投票之權利)十分之一之股東，可要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後2個月內舉行。倘於遞呈後21日內，董事會未有召開該大會，則遞呈要求人士可自行作出此舉。

有意提呈決議案之股東可按照前段所述之程序要求本公司召開股東大會。書面要求須經要求人士簽署並遞交至本公司之總辦事處，當中須明確說明股東之聯絡詳情及擬於股東大會上提呈之決議案。

就(其中包括)於股東大會上提名人士膺選董事之決議案而言，股東須遵守本公司之公司細則。由正式符合資格出席本公司股東大會並於會上投票之股東(擬被提名之人士除外)簽署表明其提名參選人士意向之書面通知連同被提名人士簽署表明其願意參選之書面通知應提交至本公司之總辦事處，惟發出有關通知之期限最短不得少於七日，且送交有關通知之期間不得早於寄發本公司為有關選舉而舉行之股東大會之通知翌日開始，亦不得遲於有關股東大會舉行日期前七日結束。書面通知須列明上市規則第13.51(2)條所規定之該人士之履歷詳情。股東提名人士參選董事之程序刊載於本公司網站。

股東如對名下持股有任何問題，應向本公司之過戶登記處提出。股東及投資人士可隨時索取本公司之公開資料。股東亦可致函本公司香港總辦事處(地址為香港灣仔港灣道6-8號瑞安中心2701室)之公司秘書向董事會作出查詢。

Corporate Governance Report (continued) 企業管治報告(續)

SHAREHOLDER COMMUNICATION AND INVESTOR RELATIONS

The objective of Shareholder communication is to provide Shareholders with detailed information about the Company so that they can exercise their rights as Shareholders in an informed manner.

The Company uses a range of communication tools to ensure Shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. Procedure for voting by poll has been read out by the chairman at the general meeting.

At the general meetings held during the Year, a separate resolution was proposed by the chairman in respect of each separate issue, including re-election of the Directors and were voted by poll. The Company appointed the share registrar of the Company to act as scrutineer of the poll to ensure that votes cast are properly counted and recorded. The results of the poll were announced in accordance with the Listing Rules.

During the Year, there had been no change in the Company's constitutional documents.

與股東之溝通及投資者關係

與股東溝通之目的為向股東提供有關本公司之詳細資料，使彼等可知情地行使其作為股東之權利。

本公司採用多種通訊工具，以確保股東充分獲悉主要業務之重要事項，包括股東週年大會、年報、多項通告、公佈及通函。以投票方式表決之程序已經主席於股東大會上宣讀。

主席於本年度股東大會上就各個別事項(包括重選董事)提呈獨立決議案並以投票方式表決。本公司委任本公司之股份過戶登記處擔任投票表決之監票人，確保得到妥善點票及記錄。本公司根據上市規則宣佈有關投票結果。

於本年度，本公司之憲章文件並無變動。

Environmental, Social and Governance Report

環境、社會及管治報告

SCOPE

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules.

The principal activities of the Group is investment activities in listed and unlisted investments and other related financial assets. This report covers the principal activities of the Company and its principal subsidiaries for the Year. It focuses on the aspects which have been identified as material to the principal activities of the Group.

The environmental and social areas are addressed in this report and the governance area is addressed in the corporate governance report as set out on pages 24 to 33 of this annual report.

OVERVIEW

The approach and strategy of the Group for the environmental and social areas is to raise the awareness of the employees in these areas which turn into action during the daily operation of the Group with the objectives: (i) to cause less harm to the environment and contribute to the environmental friendly eco-system of the world; (ii) to be a responsible employer; and (iii) to enhance the wealth of the stakeholders.

In order to achieve the above objectives, the Board aware the importance of and acknowledge the responsibility for the strategy and reporting the environmental and social areas of the Group.

Aspects which are considered material and in high priorities in the environmental and social areas are highlighted as below.

範圍

本報告乃根據上市規則附錄27所載之環境、社會及管治報告指引而編製。

本集團之主要活動為於上市及非上市投資以及其他相關金融資產的投資活動。本報告涵蓋本公司及其主要附屬公司於本年度之主要活動，集中於已被識別為對本集團主要活動而言屬重大的方面。

環境及社會範疇載於本報告中，而管治範疇則載於本年報第24至33頁企業管治報告中。

概覽

本集團對環境及社會範疇的方針及策略為提高僱員對此等範疇的意識，繼而轉化為本集團日常營運中之行動，務求達到以下目標：(i) 減少對環境的損害，並為地球上的環保生態系統作出貢獻；(ii) 成為負責任的僱主；及(iii) 增加持份者的財富。

為達致上述目標，董事會明白到本集團於環境及社會範疇的策略及申報之重要性並得悉為此所負的責任。

於環境及社會範疇中被視為重大及優先考慮的方面概述於下文。

Environmental, Social and Governance Report (continued) 環境、社會及管治報告(續)

ENVIRONMENTAL

The principal activities of the Group is investment activities in listed and unlisted investments and other related financial assets. The use of resources of the Group are mainly electricity and papers for office and reporting purposes. The major emission of greenhouse gas is carbon dioxide through the consumption of electricity and papers.

Emissions and use of resources

It is the policy of the Group to minimise the use of resources in order to reduce the emission of carbon dioxide. The resources consumption and emission are listed as below:

Resources consumption/Carbon dioxide emission

資源消耗／二氧化碳排放量

Resources consumption 資源消耗

Electricity consumption (indirect consumption)

電力消耗(間接消耗)

Paper consumption

紙張消耗

Carbon dioxide emission (indirect emissions) 二氧化碳排放量(間接排放)

(i) Electricity

(i) 電力

(ii) Paper consumption

(ii) 紙張消耗

The water consumption of the Group is minimum and immaterial. In view of the business nature, the Group is not aware of any significant generation of hazardous waste.

In view of the principal activities of the Group, the Group is not aware of any relevant laws and regulations in relation to environmental protection that have significant impact on the Group.

環境

本集團之主要活動為於上市及非上市投資以及其他相關金融資產的投資活動。本集團消耗的資源，主要包括辦公室電力使用，及作報告用的紙張。消耗電力及紙張的過程中所排放的溫室氣體主要為二氧化碳。

排放及使用資源

本集團的政策為盡量減少使用資源以減低二氧化碳的排放量。資源消耗及排放量載列如下：

Unit

單位

kWh

千瓦時

tonnes

噸

tCO₂e

二氧化碳當量(噸)

tCO₂e

二氧化碳當量(噸)

19,823

0.1

15.66

0.48

本集團的用水量極少。鑒於業務性質，本集團並不知悉有產生任何大量危險廢料。

鑒於本集團的主要業務，本集團並不知悉任何有關環境保護的相關法例及規例會對本集團造成重大影響。

Environmental, Social and Governance Report (continued) 環境、社會及管治報告(續)

Impact on use of resources

In order to minimise the impact on environment, it is the aim of the Group to minimise the use of resources in order to reduce the emission of carbon dioxide. The Group has the following measures for achieving this aim:

1. switching off unnecessary lighting and electronic appliances (e.g. computer) in order to reduce the electricity consumption;
2. using FSC certified paper for printing of interim and annual reports;
3. encouraging the employees to use electronic means for record keeping in order to reduce the use of paper;
4. encouraging employees to use one-side printed recycle paper for printing draft;
5. using air-conditioning with thermostats to maintain optimum temperature for both occupants' comfort and energy saving; and
6. assessing the compliance of environmental, social and governance practice of investee when considering future investments.

使用資源的影響

為盡量減少對環境的影響，本集團的目標是將資源的使用量降至最低，以減少二氧化碳的排放量。本集團制定下列措施以達致此目標：

1. 關掉非必要的光源及電子設備(如：電腦)以減少電力消耗；
2. 使用經FSC認證的紙張付印中期及年度報告；
3. 鼓勵僱員使用電子形式保存記錄以減少使用紙張；
4. 鼓勵僱員循環使用已單面列印的紙張作印刷草稿；
5. 使用恆溫空調系統以保持令佔用者感到舒適的同時亦能達致節能效果的最佳溫度；及
6. 於考慮未來投資時，評估被投資方有否遵守環境、社會及管治常規。

SOCIAL

Employment

Employees is the most valuable asset to the Group. It is the policy of the Group to employ person which is suitable to the position with equal opportunity. Competitive remuneration package will be provided for the employees. The Group will also comply with the relevant employment laws and regulations.

社會

僱傭

僱員為本集團的最寶貴資產。本集團的政策為給予平等機會以僱用適合有關職位的人士。僱員將獲提供具競爭力的薪酬組合。本集團亦將會遵守相關僱傭法例及規例。

Environmental, Social and Governance Report (continued)

環境、社會及管治報告(續)

At Year End Date, the Group had 5 employees with ages ranging from 37 to 63 who have worked in the Group for more than 6 years. The distribution of gender of the employee of the Company is shown in the table below:

於年結日，本集團有5名年齡介乎37至63歲的僱員為本集團工作超過6年。下表列載本公司僱員性別分佈：

As at	於	Number of male staff 男性 僱員數目	Number of female staff 女性 僱員數目	Turnover rate 流失率
1 January 2018	2018年1月1日	4	1	N/A 不適用
Year End Date	年結日	4	1	0%

The law on labour governs the employment of the Group which affects the remuneration and retirement benefits payable to the employees of the Group.

勞工法例規管本集團的僱傭，其影響本集團應付其僱員的薪酬及退休福利。

The Group is not aware of any non-compliance with employment related laws and regulations that have significant impact on the Group during the Year.

於本年度內，本集團並不知悉其未有遵守會對本集團造成重大影響的僱傭相關法例及規例。

Health and safety

It is the policy of the Group to provide a healthy and safety working environment to the employees. The Group will maintain its office premises from time to time in order to provide a safety working place for the employees. The Group also encourage employees to participate in recreational activities organised by outside parties.

健康及安全

本集團的政策為向僱員提供一個健康及安全的工作環境。本集團將致力不時維持辦公室良好狀況，為僱員提供一個安全的工作地方。本集團亦鼓勵僱員參與由外界舉辦的康樂活動。

The laws on health and safety working environment governs the provision of a healthy and safety working environment and compensation, if any, to the employees of the Group.

健康及安全工作環境法例規管本集團須向其僱員提供健康及安全工作環境以及補償(如有)。

The Group is not aware of any non-compliance with relevant laws and regulations in relation to health and safety working environment during the Year that have significant impact on the Group.

於本年度內，本集團並不知悉其未有遵守有關健康及安全的工作環境的相關法例及規例，且對本集團造成重大影響。

The Group regularly promotes employees' occupational safety and health good practice at work in the aspects of lighting condition, use of office equipment, office safety, computer workstation design and working posture through briefing and various communication channels, resulting in better working environment quality.

本集團定期透過簡介會及多種通訊渠道宣傳於光亮環境、辦公室設備的使用、辦公室安全、電腦工作站設計及工作姿勢方面的僱員職業安全及健康以及良好的作業方法，以達致更理想的工作環境質素。

Environmental, Social and Governance Report (continued) 環境、社會及管治報告(續)

Development and training

On-the-job training and continuous professional development are important elements to enhance the industry knowledge of the employees of the Group. The Group encourage employees to attend training courses (e.g. Listing Rules and accountancy related seminars) and reimbursement will be made by the Group for those job-related training courses. Besides, the Group will purchase relevant reference materials for the employees' self-study.

Labour standards

It is the policy of the Group to comply with the relevant laws and regulations which prohibit the employment of child and force labour.

The Group is not aware of any non-compliance with relevant laws and regulations in relation to preventing child and forced labour during the Year that have significant impact on the Group.

Supply chain management and product responsibility

The supply chain contributes only to a small part of the operation of the Group which the Group has no policy on this area.

The Group does not have products or services provided to customers and hence the product responsibility is not applicable to the Group.

Anti-corruption

The Group has a whistleblowing policy for employees reporting suspicious cases to the top management of the Group or the Directors.

The laws on anti-corruption ensure the integrity of Directors and employees of the Group in conducting the business activities of the Group.

The Group is not aware of any non-compliance with relevant laws and regulations in relation to anti-corruption during the Year that have significant impact on the Group.

Community investment

With base in Hong Kong and investments in Hong Kong and the PRC, the Group had made donations to charitable organisations which focused on charitable affairs for both Hong Kong and the PRC. In the future, the Group will consider engaging charity or non-governmental organization for volunteering and corporate social responsibility opportunities.

發展及培訓

在職培訓及持續專業發展為加強本集團僱員的行業知識的重要元素。本集團鼓勵僱員參與培訓課程(如：有關上市規則及會計相關的研討會)，並可就該等與工作相關的培訓課程費用向本集團報銷。另外，本集團將購入相關參考材料以供僱員自學之用。

勞工標準

本集團的政策乃遵守相關法例及規例，禁止僱用童工及強制勞工行為。

於本年度內，本集團並不知悉其未有遵守有關防止童工及強制勞工的相關法例及規例，且對本集團造成重大影響。

供應鏈管理及產品責任

供應鏈僅佔本集團營運的一小部分，故本集團並無此方面的政策。

本集團並無向客戶提供產品或服務，因此產品責任並不適用於本集團。

反貪污

本集團設有舉報政策以供僱員向本集團高級管理層或董事舉報懷疑個案。

反貪污法例確保本集團董事及僱員在進行本集團業務活動方面的忠誠。

於本年度內，本集團並不知悉其未有遵守有關反貪污的相關法例及規例，且對本集團造成重大影響。

社區投資

本集團以香港為基地及在香港及中國進行投資，過往向專注於中港兩地慈善活動的慈善機構作出捐贈。未來，本集團將考慮向慈善或非政府組織提供志願服務及尋求履行企業社會責任的機會。

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

**TO THE MEMBERS OF
PROSPERITY INVESTMENT HOLDINGS LIMITED**
(incorporated in Bermuda with limited liability)

致嘉進投資國際有限公司
(於百慕達註冊成立之有限公司)
全體股東

OPINION

We have audited the consolidated financial statements of Prosperity Investment Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 45 to 110, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

本核數師已審核列載於第45至第110頁內之嘉進投資國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，當中包括於2018年12月31日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本核數師認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2018年12月31日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基準

本核數師已根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審計。本核數師在該等準則下的責任已於本報告核數師就審計綜合財務報表須承擔的責任一節中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(「守則」)，本核數師獨立於 貴集團，並已履行守則中的其他道德責任。本核數師相信，本核數師所獲得的審計憑證能充足及適當地為本核數師的意見提供基準。

Independent Auditor's Report (continued) 獨立核數師報告(續)

KEY AUDIT MATTERS

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter 關鍵審計事項

Valuation of the unlisted equity investment in Rakarta Limited ("Rakarta")

於Rakarta Limited (「Rakarta」) 的非上市股本投資估值

We identified the valuation of an unlisted equity investment, Rakarta, classified as equity investment at fair value through other comprehensive income ("FVTOCI") in the consolidated statement of financial position at 1 January 2018 and 31 December 2018 as a key audit matter due to the significant estimation uncertainty in determining the fair value of the investment in Rakarta.

本核數師識別一項於2018年1月1日及2018年12月31日的綜合財務狀況表中分類為按公平值計入其他全面收益(「按公平值計入其他全面收益」)之股本投資的非上市股本投資估值乃一項關鍵審計事項，原因為釐定於Rakarta的投資公平值涉及的估計不確定性屬重大。

As disclosed in notes 4 and 14 to the consolidated financial statements, the Group's investment in Rakarta, which is an investment holding company with its subsidiary principally engaged in zinc and lead mining in the People's Republic of China (the "PRC"), is measured at FVTOCI from 1 January 2018. Previously it was measured at cost less impairment under HKAS39. At the date of initial application of HKFRS 9, the fair value of this investment is remeasured at HK\$58,026,000 with gain of HK\$11,192,000 adjusted to investment revaluation reserve, net of impairment loss of HK\$7,212,000 previously recognised. The fair value of this investment is HK\$50,088,000 at 31 December 2018 with a fair value loss during the year of HK\$7,938,000 adjusted to investment revaluation reserve. The estimated future cash flows of Rakarta are highly dependent on the significant unobservable inputs and assumptions used in deriving the future cash flows, in particular the forecasted selling price, discount rate, forecasted production volume and marketability discount.

誠如綜合財務報表附註4及14所披露，貴集團於Rakarta(為一間投資控股公司，其附屬公司主要於中華人民共和國(「中國」)從事鋅及鉛開採)的投資乃自2018年1月1日起按公平值計入其他全面收益計量。此投資先前為根據香港會計準則第39號按成本減減值計量。於首次應用香港財務報告準則第9號日期，此項投資之公平值重新計量為58,026,000港元，並已就收益11,192,000港元調整投資重估儲備，扣除先前確認之減值虧損7,212,000港元。於2018年12月31日，此項投資之公平值為50,088,000港元，並已就本年度公平值虧損7,938,000港元調整投資重估儲備。Rakarta之估計未來現金流量十分倚賴產生未來現金流量所用之重要不可觀察輸入數據及假設，尤其是預測售價、折讓率、預測產量及市場流通性折讓。

Management has reviewed the valuation of the investment in Rakarta and considered the significant unobservable inputs and assumptions of the valuation are appropriate.

管理層已審閱於Rakarta之投資評估，並認為，評估之重要不可觀察輸入數據及假設視為合適。

關鍵審計事項

關鍵審計事項為根據本核數師的專業判斷，認為對本年度綜合財務報表的審計最為重要的事項。該事項於本核數師審計整體綜合財務報表及出具意見時處理，而本核數師不會對該等事項提供獨立的意見。

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Our procedures in relation to the valuation of an unlisted equity investment classified as equity investment at FVTOCI included: 本核數師就有關一項分類為按公平值計入其他全面收益之股本投資的非上市股本投資估值的程序包括：

- (i) With the assistance of our internal valuation specialists, challenging the reasonableness of the significant inputs and assumptions including the forecasted selling price, discount rate, forecasted production volume and marketability discount adopted by the valuer and management of the Group and comparing them to externally available market data, such as historical trend in price of ore, future outlook in mining industry in the PRC, as well as the weighted average cost of capital of comparable companies in the same industry.
- (ii) 在內部估值專業人士之輔助下，質疑重要輸入數據及假設是否合理，包括估值師及貴集團管理層所採用之預測售價、折讓率及預測產量及市場流通性折讓，方法是對比可於外部獲取的市場數據，如過往礦石價格趨勢、未來中國礦業的前景、以及於同一行業內可比較公司的加權平均資本成本。
- (iii) Evaluating whether the estimated future cash flows and annual production capacity of the subsidiary of Rakarta are in line with the business plans formulated by the management of Rakarta.
- (ii) 評估Rakarta的附屬公司的估計未來現金流量及年產能與Rakarta管理層所制定的業務計劃是否一致。
- (iii) Assessing the competence, independence and objectivity of the valuer by assessing his qualification and valuation experience in similar industry.
- (iii) 透過評估估值師於類似行業的資格及估值經驗以評估其作為估值師的能力、獨立性及客觀性。
- (iv) Reperforming sensitivity analysis by evaluating the potential impact of reasonably possible changes in the key assumptions.
- (iv) 評估重要假設的合理可能更改造成的潛在影響，以重新進行敏感度分析。

Independent Auditor's Report (continued) 獨立核數師報告(續)

OTHER INFORMATION

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及本核數師載於其中的核數師報告。

本核數師對綜合財務報表的意見並不涵蓋其他資料，本核數師亦不對該等其他資料發表任何形式的保證結論。

就本核數師對綜合財務報表的審計而言，本核數師的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本核數師在審計過程中所知悉的情況是否存在重大抵觸或存在重大錯誤陳述。基於本核數師已執行的工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告該事實。本核數師就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定編製提供真實而公平觀點的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督 貴集團的財務報告過程。

Independent Auditor's Report (continued) 獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表須承擔的責任

本核數師的目標乃對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本核數師意見的核數師報告，並按照百慕達公司法第90條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本核數師概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但概不保證按照香港審計準則進行的審計總能於重大錯誤陳述出現時有所發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期其單獨或匯總起來可影響使用者以該等綜合財務報表為基準所作出的經濟決定，則有關錯誤陳述被視為重大。

作為根據香港審計準則進行審計的一部分，於整個審計過程中，本核數師運用專業判斷，並保持專業懷疑態度。本核數師亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，為本核數師的意見提供基準。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

Independent Auditor's Report (continued) 獨立核數師報告(續)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本核數師認為存在重大不確定性，則須於核數師報告中提請使用者注意綜合財務報表中的相關披露，或倘有關披露不足，則修訂本核數師的意見。本核數師的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體呈列方式、結構及內容，包括披露，以及綜合財務報表是否以達致公平呈列的方式反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本核數師負責貴集團審計的方向、監督及執行。本核數師為審計意見承擔全部責任。

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

本核數師與治理層就(其中包括)審計的計劃範圍及時間以及重大審計發現進行溝通，包括本核數師在審計中識別出內部控制的任何重大不足之處。

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

本核數師亦向治理層提交聲明，表明本核數師已符合有關獨立性的相關道德要求，並與彼等溝通可能合理被認為會影響本核數師獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

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

從與治理層溝通的事項中，本核數師確定該等對本年度綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。本核數師在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於本報告中註明某事項造成的負面後果超過產生的公眾利益，則本核數師決定不應在本報告中註明該事項。

Independent Auditor's Report (continued) 獨立核數師報告(續)

The engagement partner on the audit resulting in the independent auditor's report is Lam Sau Fung.

出具獨立核數師報告的審計項目合夥人為林秀鳳。

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

28 March 2019

德勤•關黃陳方會計師行

執業會計師

香港

2019年3月28日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Gross proceeds from operation	經營所得款項總額	6	22,455	55,724
Revenue	收入	6	4,702	4,808
Other gains and losses	其他收益及虧損	7	(66,768)	20,165
Bank interest income	銀行利息收入		217	2
Administrative expenses	行政開支		(13,609)	(13,674)
Investment management expenses	投資管理開支	22	(7,200)	(7,200)
Finance cost	財務成本	17	(4,546)	(3,144)
(Loss) profit before tax	除稅前(虧損)溢利		(87,204)	957
Taxation	稅項	8	—	(797)
(Loss) profit for the year, attributable to owners of the Company	本公司擁有人應佔年度(虧損)溢利	9	(87,204)	160
Other comprehensive (expense) income:	其他全面(開支)收益:			
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目:</i>			
Fair value loss on an equity investment at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資公平值虧損		(7,938)	—
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目:</i>			
Fair value changes of available-for-sale investments	可供出售投資之公平值變動		—	7,993
Reclassification adjustment upon disposal of available-for-sale investments	於出售可供出售投資時重新分類調整		—	(3,160)
Reclassification adjustment upon impairment loss recognised in respect of available-for-sale investments	於就可供出售投資確認減值虧損時重新分類調整	14(iii)	—	1,913
Other comprehensive (expense) income for the year	年度其他全面(開支)收益		(7,938)	6,746
Total comprehensive (expense) income for the year, attributable to owners of the Company	本公司擁有人應佔年度全面(開支)收益總額		(95,142)	6,906
(Loss) earning per share	每股(虧損)盈利	12		
— Basic (HK cents)	— 基本(港仙)		(7.20)	0.01

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於2018年12月31日

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current assets	非流動資產			
Plant and equipment	廠房及設備	13	1,087	1,671
Available-for-sale investments	可供出售投資	14(a)	—	86,610
Equity investment at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資	14(b)	50,088	—
Equity investments at fair value through profit or loss	按公平值計入損益之股本投資	14(c)	154,191	—
			205,366	88,281
Current assets	流動資產			
Equity investments at fair value through profit or loss	按公平值計入損益之股本投資	14(c)	14,348	—
Held-for-trading listed equity investments	持作買賣上市股本投資	14(d)	—	210,694
Other receivables	其他應收賬項	15	27,629	60,745
Cash held by securities brokers	證券經紀持有之現金	16	5,197	23,594
Bank balances and cash	銀行結餘及現金	16	45,738	860
			92,912	295,893
Current liabilities	流動負債			
Loan from a securities broker	來自證券經紀的貸款	17	46,185	51,099
Accruals and other payable	應計及其他應付賬項		12,000	8,225
Tax payable	應付稅項		—	807
			58,185	60,131
Net current assets	流動資產淨值		34,727	235,762
Net assets	資產淨值		240,093	324,043
Capital and reserves	資本及儲備			
Share capital	股本	18	30,283	30,283
Reserves	儲備		209,810	293,760
Total equity	股本總值		240,093	324,043
Net Asset Value per Share (HK\$)	每股資產淨值(港元)	19	0.20	0.27

The consolidated financial statements on pages 45 to 110 were approved and authorised for issue by the Board on 28 March 2019 and are signed on its behalf by:

第45至第110頁之綜合財務報表已於2019年3月28日獲董事會批准及授權刊發，並由下列人士代表簽署：

Cheng Hairong 成海榮
DIRECTOR 董事

Lau Tom Ko Yuen 劉高原
DIRECTOR 董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Share capital	Share premium	Investment revaluation reserve	Contributed surplus	Accumulated losses	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	投資重估儲備 HK\$'000 千港元	實繳盈餘 HK\$'000 千港元 (Note) (附註)	累計虧損 HK\$'000 千港元	股本總值 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	30,283	192,895	(2,990)	290,081	(193,132)	317,137
Profit for the year	年度溢利	—	—	—	—	160	160
Fair value changes of available-for-sale investments	可供出售投資之公平值變動	—	—	7,993	—	—	7,993
Reclassification adjustment upon disposal of available-for-sale investments	於出售可供出售投資時重新分類調整	—	—	(3,160)	—	—	(3,160)
Reclassification adjustment upon impairment loss recognised in respect of available-for-sale investments (note 14(iii))	於就可供出售投資確認減值虧損時重新分類調整 (附註14(iii))	—	—	1,913	—	—	1,913
Other comprehensive income for the year	年度其他全面收益	—	—	6,746	—	—	6,746
Total comprehensive income for the year	年度全面收益總額	—	—	6,746	—	160	6,906
At 31 December 2017	於2017年12月31日	30,283	192,895	3,756	290,081	(192,972)	324,043
Adjustments (note 2.1)	調整(附註2.1)	—	—	224	—	10,968	11,192
At 1 January 2018 (restated)	於2018年1月1日(經重述)	30,283	192,895	3,980	290,081	(182,004)	335,235
Loss for the year	年度虧損	—	—	—	—	(87,204)	(87,204)
Fair value loss on equity investment at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資之公平值虧損	—	—	(7,938)	—	—	(7,938)
Other comprehensive expense for the year	年度其他全面開支	—	—	(7,938)	—	—	(7,938)
Total comprehensive expense for the year	年度全面開支總額	—	—	(7,938)	—	(87,204)	(95,142)
At 31 December 2018	於2018年12月31日	30,283	192,895	(3,958)	290,081	(269,208)	(240,093)

Notes: Contributed surplus of the Group represents:

附註：本集團之實繳盈餘指：

- | | |
|---|--|
| <p>(i) the difference between the nominal value of the issued shares and the aggregate of the nominal value of the share capital and share premium of GRIH at the time when GRIH was acquired by the Company pursuant to a group reorganisation completed in 2001; and</p> <p>(ii) the excess of the consideration paid over the nominal value of the Shares repurchased and cancelled in 2011.</p> | <p>(i) 於金源創展根據於2001年完成之集團重組被本公司收購時已發行股份面值與金源創展之股本面值及股份溢價總額之差額；及</p> <p>(ii) 已付代價超出於2011年購回及註銷之股份面值的部分。</p> |
|---|--|

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

	NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
(Loss) profit before tax	除稅前(虧損)溢利	(87,204)	957
Adjustments for:	就以下項目作出調整：		
Depreciation of plant and equipment	廠房及設備折舊	13 600	637
Exchange difference	匯兌差額	(931)	(420)
Interest expenses	利息開支	17 4,546	3,144
Fair value changes of held-for-trading listed equity investments	持作買賣上市股本投資公平值變動	7 —	12,921
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	7 —	(34,579)
Impairment losses on available-for-sale investments	可供出售投資之減值虧損	7 —	1,913
Interest income	利息收入	(217)	(2)
Dividend Income	股息收入	6 (4,702)	(4,808)
Fair value changes of equity investments at FVTPL	按公平值計入損益之股本投資之公平值變動	7 67,766	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(20,142)	(20,237)
Increase in held-for-trading listed equity investments	持作買賣上市股本投資增加	—	(40,912)
Decrease in other receivables	其他應收賬項減少	817	348
Increase in accruals and other payable	應計及其他應付款項增加	3,775	3,819
Cash used in operations	經營所用現金	(15,550)	(56,982)
Hong Kong Profits Tax refund	已退回香港利得稅	—	50
Dividend Income	股息收入	6 4,702	4,808
NET CASH USED IN OPERATING ACTIVITIES	經營活動所耗現金淨額	(10,848)	(52,124)
INVESTING ACTIVITIES	投資活動		
Proceeds on disposal of equity investments at FVTPL	出售按公平值計入損益之股本投資之所得款項	17,753	—
Proceeds on disposal of available-for-sale investments	出售可供出售投資之所得款項	32,423	20,468
Interest received	已收利息	217	2
Purchase of equity investments at FVTPL	購買按公平值計入損益之股本投資	(3,588)	—
Purchase of plant and equipment	購買廠房及設備	(16)	—
NET CASH FROM INVESTING ACTIVITIES	投資活動所得現金淨額	46,789	20,470
FINANCING ACTIVITIES	融資活動		
Loan from a securities broker	來自證券經紀的貸款	4,546	52,936
Repayment of loan from a securities broker	償還來自證券經紀的貸款	(9,460)	(1,837)
Interest paid	已付利息	(4,546)	(3,144)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所耗)所得現金淨額	(9,460)	47,955
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等值現金項目增加淨額	26,481	16,301
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於1月1日之現金及等值現金項目	24,454	8,153
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於12月31日之現金及等值現金項目	50,935	24,454
REPRESENTED BY	指		
Bank balances and cash	銀行結餘及現金	45,738	860
Cash held by securities brokers	證券經紀持有之現金	5,197	23,594
		50,935	24,454

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its Shares are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the section "Corporate Information" to the annual report.

The consolidated financial statements are presented in HK\$, which is also the functional currency of the Company.

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in note 24.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

本公司在百慕達註冊成立為一間受豁免有限公司，其股份於聯交所上市。本公司之註冊辦事處及主要營業地點之地址於年報「公司資料」一節中披露。

綜合財務報表以港元列值，而港元亦為本公司之功能貨幣。

本公司為一間投資控股公司，其主要附屬公司之主要業務載於附註24。

2. 應用新訂及經修訂香港財務報告準則

於本年度強制生效的新訂及經修訂香港財務報告準則

於本年度，本集團已首次應用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	與客戶簽訂的合約收入及相關修訂
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	以股份為基礎的支付交易的分類和計量
香港財務報告準則第4號之修訂	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港會計準則第28號之修訂	作為2014年至2016年週期香港財務報告準則的年度改進的一部分
香港會計準則第40號之修訂	投資性房地產轉讓

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則並無對本集團本年度及過往年度之財務表現及狀況及/或於該等綜合財務報表所載之披露造成重大影響。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

2.1 HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) ECL for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 is recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用新訂及經修訂香港財務報告準則(續)

2.1 香港財務報告準則第9號金融工具

於本年度，本集團已採用香港財務報告準則第9號金融工具及相應對其他相關香港財務報告準則修訂。香港財務報告準則第9號引入就1) 金融資產及金融負債的分類及計量、2) 金融資產的預期信貸虧損及3) 一般對沖會計法之新增要求。

本集團已根據香港財務報告準則第9號所載的過渡條文採用香港財務報告準則第9號，即是將分類及計量規定(包括預期信貸虧損模式下之減值)追溯應用於2018年1月1日(初始採用日期)尚未取消確認的工具，且並無將該等規定應用於於2018年1月1日已取消確認的工具。2017年12月31日之賬面值與2018年1月1日之賬面值間的差額於期初累計虧損及其他權益中確認，並無重列比較資料。

因此，比較資料乃根據香港會計準則第39號金融工具：確認及計量而編製，所以若干比較資料無法比較。

採用香港財務報告準則第9號產生對會計政策的變化於附註3披露。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSS (Continued) 2. 應用新訂及經修訂香港財務報告準則(續)

2.1 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

2.1 香港財務報告準則第9號金融工具(續)

首次應用香港財務報告準則第9號產生的影響摘要

下表顯示於日期為2018年1月1日首次採用根據香港財務報告準則第9號及香港會計準則第39號進行有關金融資產之分類及計量。

		Available-for-sale investments	Held-for-trading listed equity investments	Equity investments at FVTPL	Equity investment at FVTOCI	Amortised cost (previously classified as loans and receivables)	Investment revaluation reserve	Accumulated losses
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	附註	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Closing balance at 31 December 2017 — HKAS 39	於2017年12月31日期未結餘—香港會計準則第39號	86,610	210,694	—	—	84,342	3,756	(192,972)
Effect arising from initial application of HKFRS 9	初始採用香港財務報告準則第9號產生的影響							
Reclassification	重新分類							
From available-for-sale investments	自可供出售投資	(a) (86,610)	—	39,776	46,834	—	(10,968)	10,968
From held-for-trading listed equity investments	自持作買賣上市股本投資	(b) —	(210,694)	210,694	—	—	—	—
Remeasurement	重估							
From cost less impairment to fair value	自成本扣除減值至公平值	(a) —	—	—	11,192	—	11,192	—
Opening balance at 1 January 2018	於2018年1月1日期初結餘	—	—	250,470	58,026	84,342	3,980	(182,004)

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

2.1 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(a) *Available-for-sale investments*

From available-for-sale equity investments to FVTOCI

The Group elected to present in OCI the fair value changes of its unlisted equity investment previously classified as available-for-sale measured at cost less impairment under HKAS 39. This investment is not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, unlisted equity investment of HK\$46,834,000 which was previously measured at cost less impairment under HKAS 39 was reclassified from available-for-sale investment to equity investment at FVTOCI. The fair value gain of HK\$11,192,000 relating to this unlisted equity investment was adjusted to investment revaluation reserve as at 1 January 2018. In addition, impairment loss previously recognised of HK\$7,212,000 was transferred from accumulated losses to investment revaluation reserve as at 1 January 2018.

2. 應用新訂及經修訂香港 財務報告準則(續)

2.1 香港財務報告準則第9號 金融工具(續)

首次應用香港財務報告準則 第9號產生的影響摘要(續)

(a) *可供出售投資*

從可供出售股本投資至按公平值計入其他全面收益

本集團選擇在其他全面收益中呈報其先前按香港會計準則第39號成本減減值計算而分類為可供出售的非上市股本投資的公平值變動。該等投資並非持作買賣，預計不會在可預見的將來出售。於首次採用香港財務報告準則第9號日期，先前按香港會計準則第39號成本減減值計算之46,834,000港元非上市股本投資已由可供出售投資重新分類至按公平值計入其他全面收益之股本投資。此非上市股本投資有關的公平值收益約11,192,000港元已於2018年1月1日調整至投資重估儲備。此外，於2018年1月1日，先前確認的減值虧損7,212,000港元已從累計虧損轉撥至投資重估儲備。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

2.1 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(a) *Available-for-sale investments (Continued)*

From available-for-sale investments to FVTPL

At the date of initial application of HKFRS 9, the Group's listed equity investments of HK\$39,776,000 were reclassified from available-for-sale investments to equity investments at FVTPL under non-current assets. The fair value gains of HK\$3,756,000 relating to those investments previously accumulated in investment revaluation reserve were transferred into accumulated losses.

(b) *Held-for-trading listed equity investments*

At the date of initial application of HKFRS 9, the Group's listed equity investments of HK\$210,694,000 were reclassified from held-for-trading listed equity investments to equity investments at FVTPL.

(c) *Impairment under ECL model*

Assessment of loss allowances for other financial assets at amortised cost, mainly comprising of cash held by securities brokers, bank balances and other receivables, are measured on 12-month ECL ("12m ECL") basis. At 1 January 2018, there had been no significant increase in credit risk since initial recognition. Accordingly, no credit loss allowance has been recognised to accumulated losses.

2. 應用新訂及經修訂香港 財務報告準則(續)

2.1 香港財務報告準則第9號 金融工具(續)

首次應用香港財務報告準則第9號產生的影響摘要(續)

(a) *可供出售投資(續)*

從可供出售投資至按公平值計入損益

於首次應用香港財務報告準則第9號當日，本集團的上市股本投資39,776,000港元已從可供出售投資重新分類至非流動資產項下按公平值計入損益之股本投資。先前與此投資有關而累積在投資重估儲備的公平值3,756,000港元已轉撥至累計虧損。

(b) *持作買賣上市股本投資*

於首次應用香港財務報告準則第9號當日，本集團之上市股本投資210,694,000港元已從持作買賣上市股本投資重新分類至按公平值計入損益之股本投資。

(c) *預期信貸虧損模式下的減值*

按攤銷成本計量的其他金融資產，主要包括證券經紀持有之現金、銀行結餘及其他應收賬項之虧損撥備評估，以12個月預期信貸虧損(「12個月預期信貸虧損」)為計算基準。於2018年1月1日，自初始確認以來信貸風險並無顯著增加。因此，並無信貸虧損撥備予以確認至累計虧損。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Amendments to Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹

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

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

⁵ Effective for annual periods beginning on or after 1 January 2020

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂及經修訂香港財務報告準則(續)

已頒佈但尚未生效之新訂或經修訂香港財務報告準則

本集團尚未提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港(國際財務報告詮釋委員會)–詮釋第23號	香港(國際財務報告詮釋委員會)–詮釋第23號 所得稅處理的不確定性 ¹
香港財務報告準則第3號	業務的定義 ⁴ 之修訂
香港財務報告準則第9號	具有負補償之提前還款特性 ¹ 之修訂
香港財務報告準則第10號及香港會計準則第28號	投資者與其聯營公司或合營及香港會計準則第28號 企業之間的資產出售或注資 ³ 之修訂
香港會計準則第1號及香港會計準則第8號	重大的定義之修訂 ⁵ 之修訂
香港會計準則第19號	計劃修訂、縮減或清償 ¹ 之修訂
香港會計準則第28號	於聯營公司及合營企業的長期權益 ¹ 之修訂
香港財務報告準則之修訂	2015年至2017年週期香港財務報告準則之年度改進 ¹

¹ 於2019年1月1日或之後開始之年度期間生效

² 於2021年1月1日或之後開始之年度期間生效

³ 於待定期日或之後開始之年度期間生效

⁴ 於業務合併及資產收購(收購日期為2020年1月1日或之後開始的第一個年度期間開始當日或之後)時生效

⁵ 於2020年1月1日或之後開始之年度期間生效

除下文所述之新訂及經修訂香港財務報告準則外，董事預計於可預見將來應用所有其他新訂及經修訂香港財務報告準則將不會對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

2. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號為出租人及承租人在識別租賃安排及會計處理上引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。應用香港財務報告準則第16號後，有關租賃負債的租賃款項將分配至本金及利息部分，並由本集團以融資現金流量呈列。

應用香港財務報告準則第16號可能導致該等資產之分類出現潛在改變，取決於本集團是否分開呈列使用權資產或於呈列相應有關資產(倘擁有)之同一分列項目內呈列。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has no non-cancellable operating lease commitments.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(續)

除亦適用於出租人的若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求較廣泛的披露。

於2018年12月31日，本集團並無不可撤銷經營租賃承擔。

香港會計準則第1號及香港會計準則第8號之修訂重大的定義

該等修訂透過載入作出重大判斷時的額外指引及解釋提供重大的定義之修訂。該等修訂亦於所有香港財務報告準則統一有關定義並將於本集團於二零二零年一月一日開始之年度期間強制生效。預期應用該等修訂將不會對本集團的財務狀況及表現造成重大影響，惟可能影響綜合財務報表之呈列及披露。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. 主要會計政策

綜合財務報表乃根據香港財務報告準則而編製。此外，綜合財務報表亦載有上市規則及香港公司條例所規定之適用披露事項。

綜合財務報表乃按歷史成本基準編製，惟若干金融工具則於各報告期末按公平值計量(如下文所載會計政策所解釋)。

歷史成本一般以貨品及服務交易代價之公平值為基準。

公平值為市場參與者之間於計量日期按有秩序交易出售一項資產將收取或轉讓一項負債時將支付之價格，不論該價格是否直接可觀察或使用另一項估值方法作出估計。於估計一項資產或一項負債之公平值時，倘市場參與者於計量日期就資產或負債進行定價時將計及資產或負債特徵，本集團亦會計及該等特徵。於該等綜合財務報表中作計量及/或披露用途之公平值乃按該基準釐定，惟於香港財務報告準則第2號以股份為基礎付款範圍內之股份支付交易、香港會計準則第17號租賃範圍內之租賃交易及與公平值計量相似但並非公平值之計量(如香港會計準則第2號存貨中的可變現價值淨額或香港會計準則第36號資產減值中之使用價值)除外。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. 主要會計政策(續)

此外，出於財務報告目的，公平值計量乃根據公平值計量輸入值之可觀察程度及公平值計量輸入值之整體重要性分類為第1級、第2級或第3級，分類載列如下：

- 第1級輸入值為實體於計量日期可獲得之同等資產或負債於活躍市場之報價(未經調整)；
- 第2級輸入值為資產或負債可直接或間接觀察之輸入值(第1級所包含之報價除外)；及
- 第3級輸入值為資產或負債之非可觀察輸入值。

主要會計政策載列如下。

綜合賬目之基準

綜合財務報表包括本公司所以及本公司及其附屬公司所控制實體之財務報表。當本公司達致以下條件，則擁有控制權：

- 對接受投資公司行使權力；
- 承受或享有因參與接受投資公司之業務而產生之可變回報風險或權益；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上文所列之三個控制因素中一個或多個出現變動，本集團會重估其是否控制接受投資公司。

附屬公司之綜合賬目於本集團取得對附屬公司之控制權時開始，並於本集團失去對附屬公司之控制權時終止。具體而言，年內購入或出售的附屬公司之收益及開支自本集團獲得控制權之日起至本集團終止控制附屬公司之日止計入綜合損益及其他全面收益表。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue recognition

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Plant and equipment

Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Retirement benefit costs

Payments to the MPF Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

綜合賬目之基準(續)

如有需要，本集團將對附屬公司之財務報表作出調整，以使其會計政策與本集團之會計政策相一致。

所有與本集團成員公司間交易相關之集團內部資產及負債、權益、收入、開支以及現金流量將於綜合賬目時全數對銷。

收入確認

投資之股息收入於確立本集團收取款項之權利時確認。

廠房及設備

廠房及設備按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表中列賬。

折舊乃採用直線法確認，以撇銷資產項目之成本，並扣除有關項目於估計可使用年期之剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末審閱，任何估計變動之影響按前瞻基準入賬。

廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時取消確認。於出售或報廢廠房及設備項目時產生之任何收益或虧損乃以出售所得款項與該資產賬面值的差額計算，並於損益內確認。

租賃

本集團作為承租人

經營租賃款項以直線法，按租期確認為開支。

退休福利成本

向強積金計劃支付之款項於僱員提供服務令其有權享有有關供款時確認為開支。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use or sale.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from '(loss) profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易均按交易日期現行匯率確認。於報告期末，以外幣計值之貨幣項目均按當日現行匯率重新換算。按公平值以外幣計值之非貨幣項目按於公平值釐定當日現行匯率重新換算。按外幣以過往成本計量之非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生之匯兌差額均於其產生期間內在損益確認。

借款成本

除直接用作收購、建設或生產需要相當長時間才可作擬定用途或銷售的借款成本予以資本化外，所有借款成本於產生期間於損益確認。

短期僱員福利

短期僱員福利按僱員提供服務時預期支付的福利的未貼現金額確認。

稅項

所得稅開支指當前應繳稅項及遞延稅項之總和。

當前應繳稅項乃按年內應課稅溢利計算。由於其他年度之應課稅或可扣稅收支項目及毋須課稅或不獲扣稅項目，故應課稅溢利有別於綜合損益及其他全面收益表所呈報之「除稅前(虧損)溢利」。本集團之本期稅項使用於報告期末前已頒佈或實質上已頒佈之稅率計算。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 主要會計政策(續)

稅項(續)

就綜合財務報表內資產及負債賬面值與計算應課稅溢利時所採用相應稅基之臨時差額確認遞延稅項。遞延稅項負債通常就所有應課稅臨時差額確認。遞延稅項資產則通常於可能有可扣減臨時差額用以對銷應課稅溢利時就所有可扣減臨時差額確認。如初步確認一項交易之資產及負債(業務合併除外)所產生之臨時差額不影響應課稅溢利或會計溢利，則有關遞延稅項資產及負債將不予確認。此外，倘初步確認商譽時產生臨時差額，則遞延稅項負債將不予確認。

遞延稅項負債乃就於附屬公司及聯營公司投資之相關應課稅臨時差額而確認，惟本集團能夠控制臨時差額之轉回及臨時差額有可能不會於可見將來轉回之情況除外。與該等投資相關之可扣減臨時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用臨時差額之利益且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值在報告期末進行檢討，並於不再可能有足夠應課稅溢利可用以收回所有或部分資產時作出相應扣減。

遞延稅項資產和負債，以報告期末已頒佈或實質上已頒佈之稅率(及稅法)為基礎，按預期清償該負債或變現該資產期間適用之稅率計量。

遞延稅項負債和資產之計量，反映本集團在報告期末預期收回或清償其資產及負債賬面值之方式所導致之稅務後果。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liability are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liability are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at FVTPL) and financial liability are added to or deducted from the fair value of the financial assets and financial liability, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策(續)

稅項(續)

當有合法可強制執行權利將即期稅項資產與即期稅項負債抵銷，及當與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項於損益中確認，除非其與在其他全面收益或直接在權益中確認之項目相關，在此情況下，即期及遞延稅項亦分別於其他全面收益或直接或於權益中確認。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文訂約方時確認。所有以一般方式買賣之金融資產均於交易日確認及取消確認。以一般方式的買賣乃指按照市場規定或慣例在一定期間內交付資產之金融資產買賣。

金融資產及金融負債初步按公平值計量。收購或發行金融資產(按公平值計入損益之金融資產除外)及金融負債直接應佔之交易成本於初始確認時加入或扣自金融資產及金融負債(如適用)之公平值。購買金融資產之直接交易成本及按公平值計入損益之金融負債即時於損益確認。

實際利率法為計算金融資產或金融負債之攤銷成本，以及於有關期間分配利息收入及利息開支之方法。實際利率指於初始確認時將金融資產或金融負債之估計未來所收及所付現金(包括構成實際利率主要部分之一切已付或已收費用、交易成本及其他溢價或折讓)在預計年期(或適用之較短期間)內確切折現至賬面淨值之利率。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產之分類及後續計量(於根據附註2所載過渡條文應用香港財務報告準則第9號後)

符合下列條件之金融資產其後按攤銷成本計量：

- 金融資產以其目的為收取合約現金流量之業務模式所持有；及
- 其合約條款旨在指定日期產生現金流量，該現金流量純粹為支付本金及未償還本金之利息。

符合下列條件之金融資產其後按公平值計入其他全面收益計量：

- 金融資產以其目的為通過收取合同現金流量和出售之業務模式所持有；及
- 其合約條款在指定日期產生現金流量，該現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後按公平值計入損益計算，惟倘該等股本投資並非持作買賣，亦無收購方於業務合併時以香港財務報告準則第3號業務合併確認或然代價，於初始應用／初始確認金融資產當日，本集團可以不可撤銷地選擇於其他全面收益列示股本投資公平價值之其後變動。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(於根據附註2所載過渡條文應用香港財務報告準則第9號後)(續)

倘金融資產符合以下條件，則分類為持作買賣：

- 購入之主要目的為於短期內出售；或
- 於初始確認時為本集團合併管理確定金融工具之組合其中部分，且具有近期實際短期獲利模式；或
- 為並無指定及有效作為對沖工具之衍生工具。

此外，本集團可以不可撤銷地指定符合按攤銷成本或按公平值計入其他全面收益準則之金融資產按公平值計入損益，而使用此方法可消除或大幅減少會計錯配。

攤銷成本及利息收入

就其後按攤銷成本計量之金融資產及其後按公平值計入其他全面收益之債務工具／應收賬項而言，利息收入使用實際利率法確認。利息收入以金融資產總賬面值按實際利率計算，惟其後出現信貸減值之金融資產除外。就其後出現信貸減值之金融資產而言，則利息收入自下一報告期起於按攤銷成本計量之金融資產中使用實際利率法確認。倘信貸減值金融工具之信貸風險改善，以致金融資產不再出現信貸減值，則利息收入自釐定資產不再出現信貸減值後之報告期初於金融資產總賬面值按實際利率確認。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the revenue line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Loss allowance for ECL will be recognised on financial assets which are subject to impairment under HKFRS 9 (including other receivables, bank balances and cash held by securities brokers). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(於根據附註2所載過渡條文應用香港財務報告準則第9號後)(續)

指定為按公平值計入其他全面收益之股本工具

指定為按公平值計入其他全面收益之股本工具之投資其後按公平值計量，其公平價值變動產生之收益及虧損於其他全面收益確認並累計至投資重估儲備；無須作減值評估。該累計損益將不重新分類至出售股本投資之損益，並將轉撥至累計虧損。

當本集團確認收取股息之權利時，該等股本工具投資之股息於損益中確認，除非該股息明確表示為收回部分投資成本。股息計入損益中收入項目。

按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益計量條件之金融資產按公平值計入損益計量。

按公平值計入損益之金融資產在各報告期末按其公平值計量，其中任何公平值所產生之收益或虧損則於損益內確認。在損益中確認之淨收益或虧損不包括金融資產所賺取之任何股息或利息，並包括計入「其他收益及虧損」項目。

金融資產減值(於根據附註2所載過渡條文應用香港財務報告準則第9號後)

根據香港財務報告準則第9號須予減值之金融資產(包括其他應收賬項、銀行結餘及證券經紀持有之現金)需確認預期信貸虧損撥備。預期信貸虧損金額於各報告日期更新以反映信貸風險自初始確認以來之變動。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done 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 conditions at the reporting date as well as the forecast of future conditions.

For all financial assets, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk 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:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2所載過渡條文應用香港財務報告準則第9號後)(續) 全期預期信貸虧損指於相關工具於預計全期內所有可能違約事件而產生之預期信貸虧損。相反, 12個月預期信貸虧損指於報告日期後12個月內可能發生之違約事件預計產生之部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗, 並就債務人特定因素、整體經濟狀況以及對於報告日期之現時狀況及未來狀況預測之評估作出調整。

就所有金融資產而言, 本集團計量虧損撥備等於12個月預期信貸虧損, 除非當信貸風險自初始確認以來顯著上升, 則在該情況下本集團確認全期預期信貸虧損。是否應以全期預期信貸虧損確認乃根據自初始確認以來出現違約之可能性或風險顯著上升而評估。

(i) 信貸風險顯著增加

在評估自初始確認後信貸風險是否顯著增加時, 本集團將於報告日期發生在金融工具上之違約風險與初始確認日期金融工具發生違約風險進行比較。在進行此評估時, 本集團考慮合理且有依據之定量和定性信息, 包括無需付出不必要之額外成本或精力即可獲得之過往經驗和前瞻性信息。

特別是, 在評估信用風險是否顯著增加時, 會考慮以下信息:

- 金融工具之外部(如有)或內部信貸評級之有實際或預期之顯著惡化;
- 外部市場信貸風險指標顯著惡化, 例如: 信貸利差大幅增加、債務人之信貸違約掉期價格;

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

- (i) Significant increase in credit risk (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;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk 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.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2所載過渡條文應用香港財務報告準則第9號後)(續)

- (i) 信貸風險顯著增加(續)
- 預計會導致債務人償還債務能力大幅下降之業務、財務或經濟狀況之現有或預測之不利變化；
 - 債務人經營業績之實際或預期顯著惡化；
 - 債務人監管、經濟或技術環境之實際或預期重大不利變動，導致債務人履行其債務責任之能力大幅下降。

無論上述評估之結果如何，當合約付款逾期超過30日時，本集團假設信貸風險自初始確認起已大幅增加，惟本集團有合理及支持資料證明除外。

本集團定期監察用以確定信貸風險曾否大幅增加之標準之成效，並適時作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險大幅增加。

- (ii) 違約之定義
- 就內部信貸風險管理而言，倘內部產生或來自外部來源之資料顯示債務人不大可能向債權人(包括本集團)悉數付款(不計及本集團所持任何抵押品)，則本集團認為構成違約事件。

無論上述評估之結果如何，倘金融資產逾期超過90日，則本集團視為違約，除非本集團有合理及支持資料顯示進一步延長違約條件更為合適。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) 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;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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, for example, 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. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2所載過渡條文應用香港財務報告準則第9號後)(續)

(iii) 信貸減值金融資產

倘一項或多於一項違約對估計未來現金流量已構成不利影響，金融資產將被視為信貸減值。金融資產之信貸減值證據包括下列事件之可觀察數據：

- (a) 發行人或借貸人出現嚴重財務困難；
- (b) 違約，如拖欠或延遲支付；
- (c) 借貸人之貸款人就與借貸人財務困難有關之經濟或合約理由，向借貸人授出貸款人在一般情況下不作考慮之優惠安排；
- (d) 借貸人可能破產或進行財務重組；或
- (e) 因財務困難而導致該金融資產失去活躍市場。

(iv) 撇銷政策

當有信息顯示交易對手方出現嚴重財務困難預期無法實際收回(例如交易對手方被清算或已進入破產程序)時，本集團會撇銷金融資產。經考慮法律建議(如適用)，已撇銷金融資產可能仍須進行本集團收回程序下之執行活動。所作之任何收回均於損益確認。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual 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 effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at FVTPL, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2所載過渡條文應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損之計量和確認

預期信貸虧損之計量是一項違約機率、違約損失率(即違責時之損失大小)及違約風險承擔功能。評估違約機率及違約損失率乃基於按前瞻性資料作出調整之歷史數據進行。就預期信貸虧損作出之估計反映以發生違約風險之金額作為加權數值而釐定之公平及概率加權數值。

一般而言，預期信貸虧損乃按根據合約應付本集團之所有合約現金流量與本集團預期將收取之所有現金流量之差額估計，並按初始確認時釐定之實際利率貼現。

利息收入乃根據金融資產之總賬面值計算，惟金融資產出現信貸減值則除外，在此情況下，利息收入根據金融資產之攤銷成本計算。

本集團透過調整所有金融工具賬面金額於損益確認減值收益或虧損。

金融資產之分類及後續計量(於2018年1月1日應用香港財務報告準則第9號前)

金融資產被分類至以下特定類別：按公平值計入損益之金融資產、貸款及應收賬項以及可供出售金融資產。分類取決於金融資產之性質及目的，並於初始確認時釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is held for trading.

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling of in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in other gains and losses in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 26c.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including other receivables, cash held by securities brokers and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(於2018年1月1日應用香港財務報告準則第9號前)

按公平值計入損益之金融資產

於金融資產為持作買賣時，金融資產被分類為按公平值計入損益。

倘金融資產符合以下條件，則分類為持作買賣：

- 購入之主要目的為於短期內出售；或
- 於初始確認時為本集團合併管理確定金融工具之組合其中部分，且具有近期實際短期獲利模式；或
- 為並無指定及有效作為對沖工具之衍生工具。

按公平值計入損益之金融資產乃按公平值計量，而因重新計量產生之任何收益或虧損則在損益表中確認。於損益表確認之盈虧淨額不包括金融資產賺取之任何股息或利息並計入綜合損益及其他全面收益表之其他收益及虧損。公平值乃按附註26c所載之方法釐定。

貸款及應收賬項

貸款及應收賬項為具有固定或可釐定付款而並無在活躍市場報價之非衍生性金融資產。初始確認後，貸款及應收賬項(包括其他應收賬項、證券經紀持有之現金以及銀行結餘及現金)採用實際利率法按攤銷成本減任何減值計量(見下文有關金融資產減值之會計政策)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Equity securities held by the Group that are classified as available-for-sale financial assets are measured at fair value at the end of each reporting period except for unlisted equity instruments whose fair value cannot be reliably measured. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy on impairment of financial assets before application of HKFRS 9 on 1 January 2018 below).

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of the reporting period.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its carrying value is considered to be objective evidence of impairment.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(於2018年1月1日應用香港財務報告準則第9號前)
(續)

可供出售金融資產

可供出售金融資產為指定為可供出售或並無分類為按公平值計入損益之金融資產、貸款及應收賬項或持有直至到期之投資之非衍生工具。

分類為可供出售之金融資產之本集團所持股本證券於各報告期末按公平值計量，惟其公平值不能可靠計量之非上市股本工具除外。當本集團獲得股息之權利確立時，可供出售股本工具之股息於損益表內確認。可供出售金融資產賬面值之其他變動於其他全面收益確認，並於投資重估儲備項下累計。倘投資被出售或被釐定減值，先前於投資重估儲備累計之累計盈虧會重新分類至損益(見下文有關於2018年1月1日應用香港財務報告準則第9號前金融資產減值之會計政策)。

於活躍市場並無市場報價及公平值不能可靠計量之可供出售股本投資，乃於報告期末按成本減任何已識別減值虧損計量。

金融資產減值(於2018年1月1日應用香港財務報告準則第9號前)

金融資產(按公平值計入損益者除外)於各報告期末就出現之減值跡象作出評估。當有客觀證據顯示，金融資產之估計未來現金流量因金融資產初始確認後發生之一項或多項事件而受到影響，則金融資產被視為出現減值。

就可供出售股本投資而言，該投資之公平值大幅或長時間跌至低於其賬面值被視為屬客觀減值證據。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於2018年1月1日應用香港財務報告準則第9號前)(續)

就所有其他金融資產而言，客觀減值證據可包括：

- 發行人或交易對手方出現嚴重財務困難；或
- 違約，如拖欠或延遲支付利息及本金；或
- 借貸人可能破產或進行財務重組；或
- 因財務困難而導致該金融資產失去活躍市場。

就按攤銷成本列賬之金融資產而言，所確認之減值虧損金額以資產賬面值與估計未來現金流量按原本實際利率折現之現值之間之差額計量。

就按成本列賬之金融資產而言，減值虧損金額乃以資產賬面值與估計未來現金流量按類似金融資產之現行市場回報率折現之現值之間之差額計量。該減值虧損不會於隨後期間撥回。

金融資產之賬面值因所有金融資產直接之減值虧損而減少。

當一項可供出售金融資產被視為減值，則過往於其他全面收益中確認之累計收益或虧損將於期間重新分類至損益。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, representing other payable and loan from a securities broker, is subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於2018年1月1日應用香港財務報告準則第9號前)(續)

就按攤銷成本計量之金融資產而言，倘在隨後期間減值虧損之金額減少，而有關減少可客觀地與確認減值虧損後發生之事件相關連，則先前已確認之減值虧損將透過損益表撥回，惟該項投資於撥回減值當日之賬面值不超出倘並無確認減值原應有之攤銷成本。

就可供出售股本投資而言，先前於損益表確認之減值虧損不會於後續期間在損益表撥回。於減值虧損後之任何公平值增加於其他全面收益確認並於投資重估儲備項下累計。

金融負債及股本工具

集團實體發行之債務及股本工具乃根據合約安排之內容以及金融負債及股本工具之定義而分類為金融負債或股本。

股本工具

股本工具為任何可證明本集團資產(經扣除其所有負債後)之剩餘權益之合約。本公司發行之股本工具乃按已收所得款項扣除直接發行成本確認。

金融負債

金融負債(即其他應付款項及來自證券經紀之貸款)其後以實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

On derecognition of an available-for-sale financial asset, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make various judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3. 主要會計政策(續)

金融工具(續)

取消確認金融資產及金融負債

僅當從資產收取現金流量之合約權利屆滿，或倘本集團轉讓金融資產及資產擁有權之絕大部分風險及回報予另一實體時，本集團方取消確認金融資產。

於取消確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價之總和之差額於損益表內確認。

於取消確認股本工具之投資時，本集團於初始確認已選擇於應用香港財務報告準則第9號後按公平值計入其他全面收益計量，先前於投資重估儲備累計之累計損益不會重新分類至損益，而是轉撥至累計虧損。

於取消確認可供出售金融資產時，先前於投資重估儲備累計之累計損益會重新分類至損益。

當且僅當本集團之責任獲解除、撤銷或屆滿時，本集團方會終止確認金融負債。獲終止確認之金融負債之賬面值與已付及應付代價之差額於損益表內確認。

4. 關鍵會計判斷及主要估計不確定因素之來源

於應用本集團之會計政策(載於附註3)時，董事須就目前尚未能從其他來源得出之資產及負債賬面值作出多項判斷估計及假設。此等估計及相關假設乃基於過往經驗及其他相信為相關之因素作出。實際結果可能與此等估計有別。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Fair value measurement of financial instruments

The Group's unlisted equity investment, amounting to HK\$50,088,000 as at 31 December 2018 is measured at fair value, which is determined based on unobservable inputs using valuation techniques. The unlisted equity investment has a carrying amount of HK\$46,834,000 and was measured at cost less impairment under HKAS 39 as at 31 December 2017. At the date of initial application of HKFRS 9, the fair value of this investment was remeasured at HK\$58,026,000 with gain of HK\$11,192,000 adjusted to investment revaluation reserve, net of impairment loss of HK\$7,212,000 previously recognised. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in estimations relating to these factors could affect the reported fair values of these instruments. See note 26(c) for further disclosures.

Recoverability of earnest money deposit paid for a potential investment

Determining whether the earnest money deposit paid for a potential investment is impaired requires an estimation of the ECL. In assessing the ECL, the management performed credit analysis on the background and creditworthiness of the potential vendor to which the earnest money has been paid as disclosed in note 26(b). The provision of ECL is sensitive to changes in estimates, including the probability of default and loss given default. As at Year End Date, the carrying amount of the earnest money deposit is HK\$25,000,000 (2017: HK\$25,000,000).

4. 關鍵會計判斷及主要估計 不確定因素之來源(續)

本集團會持續檢討此等估計及相關假設。倘對會計估計作出修訂時，有關修訂僅影響作出修訂之期間，則於該期間確認有關修訂，而若有關修訂影響當期及未來期間，則於作出修訂之期間及未來期間確認有關修訂。

以下為於報告期末，極有可能導致下一財政年度內之資產及負債賬面值出現重大調整之有關未來之主要假設及其他估計不確定因素之主要來源。

金融工具之公平值計量

於2018年12月31日，本集團非上市股本投資50,088,000港元乃按非可觀察輸入值使用估值技術釐定之公平值計量。於2017年12月31日，非上市股本投資之賬面值46,834,000港元乃根據香港會計準則第39號按成本扣除減值計量。於首次應用香港財務報告準則第9號當日，此項投資之公平值重新計量為58,026,000港元，並已就收益11,192,000港元調整至投資重估儲備，扣除先前確認之減值虧損7,212,000港元。於訂定相關估值技術及有關輸入值時須作出判斷及估計。該等因素估計之變動或會影響該等工具之呈報公平值。有關進一步披露，請參閱附註26(c)。

就潛在投資已付誠意金之可 收回性

釐定就潛在投資已支付之誠意金是否減值需要估計預期信貸虧損。於評估預期信貸虧損時，管理層就按附註26(b)所披露獲支付誠意金之潛在賣方之背景及信譽進行信貸分析。預期信貸虧損撥備對估計的變動較為敏感，包括違約機率及違約損失率。於年結日，誠意金之賬面值為25,000,000港元(2017年：25,000,000港元)。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Income taxes

As at 31 December 2018, no deferred tax asset has been recognised in relation to the tax losses of HK\$282,408,000 (2017: HK\$204,614,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits will be available in the future. In cases where the actual future taxable profits generated are more than expected, or there are changes in facts and circumstances which result in revisions of future taxable profits estimation, a material recognition of deferred tax asset may arise, which would be recognised in profit or loss for the period in which such recognition takes place.

5. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the CODM, the managing director of the Group, in order to allocate resources and to assess performance. The CODM reviews the Group's investment portfolio and profit or loss as a whole, which is determined in accordance with the Group's accounting policies, for performance assessment and therefore no separate segment information is prepared by the Group.

The Group's revenue is generated from, and non-current assets are located in, Hong Kong.

Revenue from the Group's investments contributing over 10% of the total revenue of the Group for the year is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Investee A ¹	接受投資公司A ¹	4,442	4,442

¹ Revenue from dividend income

4. 關鍵會計判斷及主要估計不確定因素之來源(續)

所得稅

於2018年12月31日，由於未來溢利流量不可預測，故並無就稅項虧損282,408,000港元(2017年：204,614,000港元)確認遞延稅項資產。遞延稅項資產之變現能力主要依賴日後是否可獲得足夠未來溢利。倘所產生之實際未來之應課稅溢利多於預期，或事實及情況有所變動，以致修改未來應課稅溢利估計，則可能須確認重大遞延稅項資產，並於作出確認之期間在損益中確認。

5. 分類資料

香港財務報告準則第8號要求按有關主要經營決策者(即本集團董事總經理)定期檢討之本集團成份之內部報告基準識別經營分類，以分配資源及評估表現。主要經營決策者檢討本集團之整體投資組合及溢利或虧損(根據本集團之會計政策釐定)以進行表現評估，因此，本集團並無另行編製分類資料。

本集團之收入來自香港，而其非流動資產亦位於香港。

於年度內佔本集團總收入10%以上之本集團投資收入如下：

¹ 來自股息收入之收入

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

6. GROSS PROCEEDS FROM OPERATION/ REVENUE

The following table shows the revenue of the Group which represents the dividend income and the gross proceeds from disposal of equity investments at FVTPL which are revenue in nature for tax purposes and were previously classified as held-for-trading under HKAS 39 (2017: held-for-trading listed equity investments):

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Gross proceeds from disposal of equity investments at FVTPL which are revenue in nature for tax purposes	17,753	—
Gross proceeds from disposal of held-for-trading listed equity investments	—	50,916
Dividend income	4,702	4,808
	22,455	55,724

Revenue represents dividend income of HK\$4,702,000 (2017: HK\$4,808,000).

6. 營運所得款項總額／收入

下表顯示本集團由股息收入所獲之收入及出售按公平值計入損益之就稅務而言為收益性質股本投資及之前按香港會計準則第39號分類為持作買賣(2017年：持作買賣上市股本投資)之所得款項總額：

收入指股息收入4,702,000港元(2017年：4,808,000港元)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Fair value changes of equity investments at FVTPL (Note)	按公平值計入損益之股本投資之公平值變動(附註)	(67,766)	—
Fair value changes of held-for-trading listed equity investments	持作買賣上市股本投資之公平值變動	—	(12,921)
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	—	34,579
Impairment losses on available-for-sale investments (note 14(iii))	可供出售投資之減值虧損(附註14(iii))	—	(1,913)
Exchange difference	匯兌差額	998	420
		(66,768)	20,165

Note: Included in fair value changes of equity investments at FVTPL are net losses of HK\$53,054,000 and HK\$14,712,000 which are revenue and capital in nature respectively for tax purposes.

附註：就稅務而言，按公平值計入損益之股本投資之公平值變動包括淨虧損53,054,000港元及14,712,000港元分別為收益性質及資本性質。

8. TAXATION

8. 稅項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Current tax	即期稅		
— PRC Withholding Tax	— 中國預扣稅	—	797

No provision for Hong Kong Profits Tax is made for both years since there was no assessable profit for both years.

由於本集團於兩個年度均無產生應課稅溢利，故並無於該兩個年度就香港利得稅作出撥備。

The tax charge of HK\$797,000 for the Year 2017 represents 10% PRC withholding tax on the capital gain upon disposal of an available-for-sale investment during the Year 2017.

本年度稅項支出797,000港元為於2017年度出售可供出售投資資本收益之10%中國預扣稅。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

8. TAXATION (Continued)

The taxation for the year can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
(Loss) profit before tax	除稅前(虧損)溢利	(87,204)	957
Tax at the domestic income tax rate of 16.5% (2017: 16.5%)	按本地所得稅稅率16.5%(2017年: 16.5%)計算之稅項	(14,389)	158
Tax effect of expense not deductible for tax purpose	就稅務目的不獲扣減開支之稅務影響	2,529	1,086
Tax effect of income not taxable for tax purpose	就稅務目的不被計稅收入之稅務影響	(976)	(6,599)
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	12,836	5,355
PRC withholding tax arising from capital gain on disposal of available-for-sale investment	出售可供出售投資資本收益產生之中國預扣稅	—	797
		—	797

At the end of the reporting period, the Group has unused tax losses of HK\$282,408,000 (2017: HK\$204,614,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

There is no other significant unprovided deferred taxation at the end of the reporting periods.

年度之稅項可與綜合損益及其他全面收益表之除稅前(虧損)溢利對賬如下:

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
於報告期末, 本集團之未動用稅項虧損 282,408,000 港元 (2017 年: 204,614,000 港元) 可用於抵銷未來溢利。由於未來溢利流量不可預測, 故並無確認遞延稅項資產。稅項虧損可無限期承前結轉。		
於報告期末, 本集團並無其他重大未撥備遞延稅項。		

9. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Directors' emoluments (note 10)	董事酬金(附註10)	210	180
Other staff costs	其他員工開支	3,664	3,584
Other staff's retirement benefit schemes contributions	其他員工之退休福利計劃供款	181	177
Total staff costs	員工開支總額	4,055	3,941
Auditor's remuneration	核數師酬金	1,071	924
Depreciation of plant and equipment (note 13)	廠房及設備折舊(附註13)	600	637

9. 年度(虧損)溢利

年度(虧損)溢利已扣除下列各項:

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 5 (2017: 5) Directors were as follows:

10. 董事酬金

已付或應付予5位(2017年: 5位)董事各自之酬金如下:

		Directors' fees	Retirement benefit scheme contributions	Total
		董事袍金	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Year ended 31 December 2018	截至2018年12月31日止年度			
Executive Director and managing Director (Note i):	執行董事兼董事總經理 (附註i):			
Mr. Cheng Hairong	成海榮先生	—	—	—
Non-Executive Director (Note ii):	非執行董事(附註ii):			
Mr. Lau Tom Ko Yuen	劉高原先生	—	—	—
INEDs (Note ii):	獨立非執行董事(附註ii):			
Mr. Feng Nien Shu	鄺念叔先生	70	—	70
Mr. Lui Siu Tsuen, Richard	呂兆泉先生	70	—	70
Ms. Wong Lai Kin, Elsa	黃麗堅女士	70	—	70
		210	—	210
Total	總計	210	—	210
Year ended 31 December 2017	截至2017年12月31日止年度			
Executive Director and managing Director (Note i):	執行董事兼董事總經理 (附註i):			
Mr. Cheng Hairong	成海榮先生	—	—	—
Non-Executive Director (Note ii):	非執行董事(附註ii):			
Mr. Lau Tom Ko Yuen	劉高原先生	—	—	—
INEDs (Note ii):	獨立非執行董事(附註ii):			
Mr. Feng Nien Shu	鄺念叔先生	60	—	60
Mr. Lui Siu Tsuen, Richard	呂兆泉先生	60	—	60
Ms. Wong Lai Kin, Elsa	黃麗堅女士	60	—	60
		180	—	180
Total	總計	180	—	180

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

10. DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (i) The executive Directors' emolument shown above was for his service as Director and in connection with the management of the affairs of the Company and the Group.
- (ii) The non-executive Directors' and INEDs' emoluments shown above were for their services as Directors.
- (iii) No Directors waived any emoluments in both years.

10. 董事酬金 (續)

附註：

- (i) 上文所示之執行董事酬金為其就擔任董事及管理本公司及本集團事宜之酬金。
- (ii) 上文所示之非執行董事及獨立非執行董事酬金為彼等擔任董事之酬金。
- (iii) 概無董事於該兩個年度內放棄任何酬金。

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none (2017: none) was a Director. The emoluments of these 5 (2017: 5) individuals were as follows:

11. 僱員酬金

本集團五名最高薪酬人士中概無董事(2017年：無)。該5名(2017年：5名)人士之酬金如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,350	3,282
Discretionary bonus	酌情花紅	275	267
Contributions to retirement benefits scheme	退休福利計劃供款	181	177
		3,806	3,726

Their emoluments were within the following bands:

彼等之酬金介乎下列範圍：

		2018 No. of employees 僱員人數	2017 No. of employees 僱員人數
Not exceeding HK\$1,000,000	不超過1,000,000港元	4	4
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	1

During both years, no emoluments have been paid to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

於兩個年度內，本集團並無向董事或五名最高薪酬人士支付酬金，以作為加盟或於加盟本集團時之報酬或作為離職之補償。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

12. (LOSS) EARNING PER SHARE

The calculation of basic (loss) earning per share attributable to the owners of the Company is based on the following data:

12. 每股(虧損)盈利

本公司擁有人應佔每股基本(虧損)盈利乃按以下數據計算：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
(Loss) earning	(虧損) 盈利		
(Loss) earning for purposes of basic (loss) earning per share	計算每股基本(虧損)盈利之(虧損)盈利		
(Loss) profit for the year attributed to the owners of the Company	本公司擁有人應佔年度(虧損)溢利	(87,204)	160
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic (loss) earning per share	計算每股基本(虧損)盈利之普通股加權平均數	1,211,320,200	1,211,320,200

For both years, no diluted (loss) earning per share is presented as there was no potential dilutive ordinary share outstanding during both years.

於該兩個年度內，由於該兩個年度並無發行在外之潛在攤薄普通股，故並無呈列每股攤薄(虧損)盈利。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

13. PLANT AND EQUIPMENT

13. 廠房及設備

		Motor vehicle	Leasehold improvements	Computer equipment	Office equipment, furniture and fixtures 辦公室 設備、傢俬 及裝置	Total
		汽車租賃 HK\$'000 千港元	物業裝修 HK\$'000 千港元	電腦設備 HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
COST	成本					
At 1 January 2017 and 31 December 2017	於2017年1月1日及 2017年12月31日	2,918	1,096	331	229	4,574
Addition	增加	—	—	13	3	16
Disposal	出售	—	—	(50)	(47)	(97)
At 31 December 2018	於2018年12月31日	2,918	1,096	294	185	4,493
DEPRECIATION	折舊					
At 1 January 2017	於2017年1月1日	732	1,096	216	222	2,266
Provided for the year	年度撥備	584	—	52	1	637
At 31 December 2017	於2017年12月31日	1,316	1,096	268	223	2,903
Provided for the year	年度撥備	547	—	50	3	600
Disposal	出售	—	—	(50)	(47)	(97)
At 31 December 2018	於2018年12月31日	1,863	1,096	268	179	3,406
CARRYING VALUES	賬面值					
At 31 December 2018	於2018年12月31日	1,055	—	26	6	1,087
At 31 December 2017	於2017年12月31日	1,602	—	63	6	1,671

The above items of plant and equipment are depreciated on a straight-line basis as follows:

上述廠房及設備項目乃以直線法按下列年期計提折舊：

Motor vehicle	5 years	汽車	5年
Leasehold improvements	the shorter of the term of the lease or 3 years	租賃物業裝修	租期或3年 (以較短者為準)
Computer equipment	3 years	電腦設備	3年
Office equipment, furniture and fixtures	3 years	辦公室設備、傢俬及 裝置	3年

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

14. AVAILABLE-FOR-SALE INVESTMENTS/ EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS/HELD- FOR-TRADING LISTED EQUITY INVESTMENTS

14. 可供出售投資/按公平之 值計入損益之上市股本投資 可供出售投資/按公平之 值計入損益之上市股本投資 可供出售投資/按公平之 值計入損益之上市股本投資

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
(a) Available-for-sale investments (Note i)	(a) 可供出售投資(附註i)		
Unlisted equity securities (Note ii)	非上市股本證券(附註ii)	—	57,694
Less: Impairment losses (Note iii)	減: 減值虧損(附註iii)	—	(10,860)
			46,834
Hong Kong listed equity securities, at fair value (Note iii)	香港上市股本證券, 按公平值 計算(附註iii)	—	39,776
		—	86,610
(b) Unlisted equity investment designated at FVTOCI (Note i and iv)	(b) 指定為按公平值計入其他全面 收益之非上市股本投資 (附註i及iv)	50,088	—
(c) Listed equity investments at FVTPL (Note i)	(c) 按公平值計入損益之上市股本 投資(附註i)		
Revenue in nature for tax purpose	就稅務而言為收益性質		
— current	— 流動	14,348	—
— non-current	— 非流動	129,127	—
		143,475	—
Capital in nature for tax purpose	就稅務而言為資本性質		
— non-current	— 非流動	25,064	—
		168,539	—
(d) Held-for-trading listed equity investments (Note i)	(d) 持作買賣上市股本投資(附註i)	—	210,694

Notes:

- (i) During the Year, the Group has applied HKFRS 9 which introduced new requirements to the classification and measurement of financial assets and financial liabilities. The result of assessment and impact are detailed in note 2.1.

附註:

- (i) 本年度, 本集團已採用香港財務報告準則第9號而引入金融資產及金融負債的分類及計量的新規定。評估及影響結果詳情見附註2.1。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

14. AVAILABLE-FOR-SALE INVESTMENTS/ EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS/HELD- FOR-TRADING LISTED EQUITY INVESTMENTS (Continued)

14. 可供出售投資／按公平 價值計入損益之股本 投資／按公平價值計 入損益之上市股本 投資／按公平價值計 入損益之上市股本 投資(續)

Notes (Continued):

- (ii) Under HKAS 39, the unlisted equity securities were measured at cost less impairment at the end of Year 2017, because the range of reasonable fair value estimates was so significant that the Directors were of the opinion that their fair values cannot be measured reliably.
- (iii) Impairment loss recognised during the year was as follows:

附註(續):

- (ii) 根據香港會計準則第39號，非上市股本證券於2017年年度結束時成本減減值計量，因為公平價值之估計範圍過大，董事認為其公平價值不能可靠計量。
- (iii) 於年度確認之減值虧損如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Unlisted equity securities	非上市股本證券	—	—
Listed equity securities	上市股本證券	—	1,913
		—	1,913

Under HKAS 39, for unlisted equity securities, the amount of the impairment loss is measured as the difference between the carrying amounts of the investments and the present value of the estimated future cash flows.

根據香港會計準則第39號，就非上市股本證券而言，減值虧損金額乃以投資賬面值與估計未來現金流量之現值之間的差額計量。

Under HKAS 39, for listed equity securities, impairment loss of HK\$1,913,000 for Year 2017 was recognised in profit or loss as there had been a significant or prolonged decline in the fair value of the relevant equity securities below their carrying value.

根據香港會計準則第39號，2017年年度上市股本證券的減值虧損1,913,000港元已於損益確認，原因是相關股本證券的公平值大幅或長期下跌至其賬面值以下。

- (iv) The investment is not held for trading, instead, it is held for long-term strategic purposes. The Directors have elected to designate this investment in equity investment at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

- (iv) 該投資並不持作買賣，而是策略性長期持有。董事已選擇指定該股本投資之投資為按公平價值計入其他全面收益，因為彼等認為，於損益中確認該投資之公平價值短期波動與本集團長期持有該投資並於往後實現其潛在表現之策略不一致。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

15. OTHER RECEIVABLES

15. 其他應收賬項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Earnest money deposit for a potential investment project (Note i)	潛在投資項目之誠意金(附註i)	25,000	25,000
Consideration receivable for disposal of an available-for-sale investment (Note iv)	出售可供出售投資之應收代價(附註iv)	—	32,299
Rental deposit (Note ii)	租賃按金(附註ii)	—	565
Other prepayments and deposits (Note iii)	其他預付款項及按金(附註iii)	605	857
Dividend receivable	應收股息	2,019	2,019
Other receivables	其他應收賬項	5	5
		27,629	60,745

Notes:

- (i) The earnest money deposit was placed with the potential vendor, an individual and independent third party to the Group. During the Year, the negotiation with the potential vendor has been terminated and a letter of request for refund of the earnest money has been issued on 30 August 2018. Subsequent to Year End Date, the Group received settlement in form of cash and listed shares in aggregate amounting to HK\$20 million and is arranging for the refund of the remaining balance of the earnest money with the potential vendor.
- (ii) The rental deposit is unsecured, interest-free and repayable upon expiry of the relevant tenancy agreement. The tenancy agreement expired on 31 December 2018.
- (iii) Included in other prepayments and deposits of HK\$233,000 (2017: HK\$235,000) are denominated in RMB.
- (iv) During the Year 2017, the Group disposed of the unlisted investment in Yantai Juli classified as available-for-sale investment. Consideration receivable of HK\$32,299,000 has not been received as at 31 December 2017 and was denominated in RMB. It was settled during the Year.

附註：

- (i) 該誠意金存放於潛在賣方(為個人及本集團之一名獨立第三方)。於本年度，與潛在賣方之磋商中止並於2018年8月30日發出退還誠意金通知。於年結日後，本集團收到總值為20,000,000港元的現金及上市股份以作為支付方式，並與潛在賣方安排退回餘下誠意金結餘。
- (ii) 租賃按金為無抵押、免息及須於有關租約屆滿後償還。該租約已於2018年12月31日屆滿。
- (iii) 其他預付款項及按金包括233,000港元(2017年：235,000港元)以人民幣計值。
- (iv) 本集團於2017年年度出售於煙台巨力之非上市可供出售投資。於2017年12月31日本集團尚未收回32,299,000港元以人民幣計值之應收代價。此金額已在本年度收回。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

16. BANK BALANCES AND CASH/CASH HELD BY SECURITIES BROKERS

Bank balances carry interest at market rates which range from 0% to 0.02% (2017: 0% to 0.02%) per annum. The cash held by securities brokers carry interest at market rates which range from 0.01% to 0.25% (2017: 0.01% to 0.25%) per annum.

16. 銀行結餘及現金／證券經紀持有之現金

銀行結餘按市場年利率介乎0%至0.02% (2017年：0%至0.02%)計息。證券經紀持有之現金按市場年利率介乎0.01%至0.25% (2017年：0.01%至0.25%)計息。

17. LOAN FROM A SECURITIES BROKER/ FINANCE COST

At Year End Date, the margin loan from a securities broker was secured by a portfolio of equity investments at FVTPL (2017: available-for-sale investments and held-for-trading listed equity investments) held under the margin account, with a total market value of approximately HK\$145,392,000 (2017: HK\$207,184,000). The Group's margin loan has no determined maturity date and is subject to interest specified from time to time by a securities broker. The maximum amount of the margin loan granted by the securities broker depends on the market value of the assets pledged with the securities broker. The effective interest rate for the Year is 9.65% (2017: 9.65%) per annum. The finance cost for the Year amounting to HK\$4,546,000 (2017: HK\$3,144,000) represents interest on loan from a securities broker.

17. 來自證券經紀之貸款／財務成本

於年結日，來自證券經紀之孖展貸款乃由孖展賬戶項下持有之按公平值計入損益之股本投資(2017年：可供出售投資及持作買賣上市股本投資)之組合所抵押，總市值約為145,392,000港元(2017年：207,184,000港元)。本集團之孖展貸款並無釐定到期日，並須按證券經紀不時指定之利率計息。證券經紀人授予之孖展貸款之最高金額取決於與證券經紀人質押之資產之市場價值。本年度之實際年利率為9.65% (2017年：9.65%)。本年度之財務成本為4,546,000港元(2017年：3,144,000港元)為來自證券經紀之貸款利息。

18. SHARE CAPITAL

18. 股本

		Number of Shares 股份數目	Nominal value 面值 HK\$'000 千港元
Ordinary shares of HK\$0.025 each 每股面值0.025港元之普通股			
Authorised:	法定：		
At 1 January 2017, 31 December 2017 and 2018	於2017年1月1日、2017年及 2018年12月31日	4,000,000,000	100,000
Issued and fully paid:	已發行及已繳足：		
At 1 January 2017, 31 December 2017 and 2018	於2017年1月1日、2017年及 2018年12月31日	1,211,320,200	30,283

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

19. NET ASSET VALUE PER SHARE

Net Asset Value per Share is computed based on the net assets of HK\$240,093,000 (2017: HK\$324,043,000) and 1,211,320,200 (2017: 1,211,320,200) issued and fully paid Shares as at the Year End Date.

19. 每股資產淨值

每股股份資產淨值乃按於年結日之資產淨值240,093,000港元(2017年: 324,043,000港元)及已發行及已繳足之1,211,320,200股(2017年: 1,211,320,200股)股份計算。

20. PARTICULARS OF SIGNIFICANT INVESTMENTS HELD BY THE GROUP

Particulars of investments held by the Group as at Year End Date disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

20. 本集團持有之重大投資詳情

本集團於年結日持有之投資詳情根據上市規則第21章披露如下:

Name	Place of incorporation	Proportion of investee's capital owned	Cost	Fair values of listed/ unlisted equity securities	Dividend received during the year	Net assets attributable to the investment	Principal activities/ places of operation
名稱	註冊成立地點	所擁有接受投資實體之資本比例	原值 HK\$ million 百萬港元	上市/非上市股本證券之公平值 HK\$ million 百萬港元	年內已收之股息 HK\$ million 百萬港元	投資項目應佔資產淨值 HK\$ million 百萬港元 (Note i) (附註i)	主要業務/經營地點
Listed equity securities 上市股本證券							
* PYI Corporation Limited (498.HK)	Bermuda	1.05%	17.81	6.62	—	54.88	Infrastructure investment and the operation of bulk cargo ports and logistics facilities/PRC
* 保華集團有限公司(498.HK)	百慕達						基建投資以及大宗散貨港口及物流設施營運/中國
* ITC Properties Group Ltd (199.HK)	Bermuda	2.08%	67.98	43.21	4.44	117.10	Property development and investment, hotel and leisure operations, securities trading and loan financing services/ Hong Kong, Macau, Canada, United Kingdom and the PRC
* 德祥地產集團有限公司 (199.HK)	百慕達						物業發展及投資、酒店及消閒業務營運、證券買賣及貸款融資服務/香港、澳門、加拿大、英國及中國
* Rosedale Hotel Holdings Limited (1189.HK)	Bermuda	4.94%	35.13	9.56	—	109.45	Operation of hotel business/ Hong Kong and the PRC
* 珀麗酒店控股有限公司 (1189.HK)	百慕達						酒店業務營運/香港及中國
* China Development Bank International Investment Limited (1062.HK)	Cayman Islands	0.90%	32.56	4.97	—	14.56	Investments in money market securities and equity and debt related securities in listed and unlisted entities on a global basis/HK and the PRC
* 國開國際投資有限公司 (1062.HK)	開曼群島						投資全球之貨幣市場證券以及上市及非上市實體之股票及債務相關證券/香港及中國

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

20. PARTICULARS OF SIGNIFICANT INVESTMENTS HELD BY THE GROUP (Continued)

20. 本集團持有之重大投資詳情(續)

Name 名稱	Place of incorporation 註冊成立地點	Proportion of investee's capital owned 所擁有接受投資實體之資本比例	Cost 原值 HK\$ million 百萬港元	Fair values of listed/ unlisted equity securities 上市/非上市股本證券之公平值 HK\$ million 百萬港元	Dividend received during the year 年內已收之股息 HK\$ million 百萬港元	Net assets attributable to the investment 投資項目應佔資產淨值 HK\$ million 百萬港元 (Note i) (附註i)	Principal activities/ places of operation 主要業務/經營地點
* Shaw Brothers Holdings Ltd (953.HK)	Cayman Islands	3.83%	38.69	13.04	—	18.01	Investments in films, drama and non-drama productions and artiste and event management/ Hong Kong and the PRC
* 邵氏兄弟控股有限公司 (953.HK)	開曼群島						電影、劇集及非劇集製作投資以及藝人及活動管理/香港及中國
* TOM Group Ltd (2383.HK)	Cayman Islands	1.19%	70.50	89.77	—	0.01	Chinese-language media conglomerate with diverse business interests in e-Commerce, mobile Internet, publishing, outdoor media, television and entertainment/Hong Kong, the PRC and Taiwan
* TOM集團有限公司(2383.HK)	開曼群島						中文媒體集團，於電子商貿、移動互聯網、出版、戶外傳媒、電視及娛樂擁有多元化業務權益/香港、中國及台灣
Tracker Fund of Hong Kong (2800.HK)	Hong Kong	0.0003%	0.26	0.26	0.01	0.26	A unit trust which provides investment results that corresponding to the performance of the Hang Seng Index in the Hong Kong Stock Market
盈富基金(2800.HK)	香港						提供緊貼香港股市恒生指數表現之投資業績之單位信託基金
China Construction Bank Corporation (939.HK)	PRC	0.00002%	0.32	0.26	0.01	0.38	Banking and financial services/Global operation
中國建設銀行股份有限公司 (939.HK)	中國						銀行和金融服務/全球運營
HSBC Holdings Plc (005.HK)	England	0.00002%	0.36	0.24	0.01	0.26	Banking and financial services/Global operation
滙豐控股有限公司(005.HK)	英格蘭						銀行和金融服務/全球運營
Unlisted equity securities 非上市股本證券							
* Rakarta Limited	The BVI	14.70%	54.05	50.09	—	0.88	Investments in a subsidiary principally engaged in zinc and lead mining/ the PRC
Rakarta Limited	英屬處女群島						投資於從事鋅及鉛開採的附屬公司/中國

* Significant Investments held at Year End Date

* 於年結日持有之重大投資

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

20. PARTICULARS OF SIGNIFICANT INVESTMENTS HELD BY THE GROUP (Continued)

20. 本集團持有之重大投資詳情(續)

Particulars of investments held by the Group as at 31 December 2017 disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

本集團於2017年12月31日持有之投資詳情根據上市規則第21章披露如下：

Name	Place of incorporation	Proportion of investee's capital owned	Cost	Fair values of listed equity securities/ Directors' valuation	Dividend received during the year	Net assets attributable to the investment	Impairment losses since acquisition	Principal activities/ places of operation
名稱	註冊成立地點	所擁有接受投資實體之資本比例	原值 HK\$ million 百萬港元	上市股本證券之 公平值/ 董事估值 HK\$ million 百萬港元	年內已收之 股息 HK\$ million 百萬港元	投資項目 應佔資產 淨值 HK\$ million 百萬港元 (Note i) (附註i)	收購後產生之 減值虧損 HK\$ million 百萬港元	主要業務/經營地點
Listed equity securities 上市股本證券								
PYI Corporation Limited (498.HK)	Bermuda	1.05%	17.81	10.63	—	57.84	7.54	Infrastructure investment and the operation of bulk cargo ports and logistics facilities/PRC
保華集團有限公司 (498.HK)	百慕達							基建投資以及大宗散貨港口及物流設施營運/中國
ITC Properties Group Ltd (199.HK)	Bermuda	2.21%	68.29	55.52	4.44	127.73	1.28	Property development and investment, golf resort and leisure operations, securities trading and loan financing services/ Hong Kong, Macau and the PRC
德祥地產集團有限公司 (199.HK)	百慕達							物業發展及投資、高爾夫休閒渡假業務營運、證券買賣及貸款融資服務/香港、澳門及中國
Rosedale Hotel Holdings Limited (1189.HK)	Bermuda	4.94%	35.13	18.14	—	111.09	19.73	Operation of hotel business/ Hong Kong and the PRC
珀麗酒店控股有限公司 (1189.HK)	百慕達							酒店業務營運/香港及中國
China Development Bank International Investment Limited (1062.HK)	Cayman Islands	0.90%	32.56	7.16	—	13.34	—	Investments in money market securities and equity and debt related securities in listed and unlisted entities on a global basis/HK and the PRC
國開國際投資有限公司 (1062.HK)	開曼群島							投資全球之貨幣市場證券以及上市及非上市實體之股票及債務相關證券/香港及中國
Shaw Brothers Holdings Ltd (953.HK)	Cayman Islands	3.83%	38.69	27.71	—	20.05	—	Manufacturing and trading of sporting goods and investment in production and distribution of films/ Hong Kong
邵氏兄弟控股有限公司 (953.HK)	開曼群島							製造及買賣體育用品以及投資電影製作及發行/香港

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

20. PARTICULARS OF SIGNIFICANT INVESTMENTS HELD BY THE GROUP (Continued)

20. 本集團持有之重大投資詳情(續)

Name	Place of incorporation	Proportion of investee's capital owned	Cost	Fair values of listed equity securities/ Directors' valuation	Dividend received during the year	Net assets attributable to the investment	Impairment losses since acquisition	Principal activities/ places of operation
名稱	註冊成立地點	所擁有接受投資實體之資本比例	原值 HK\$ million 百萬港元	上市股本證券之 公平值/ 董事估值 HK\$ million 百萬港元	年內已收之股息 HK\$ million 百萬港元	投資項目 應佔資產 淨值 HK\$ million 百萬港元 (附註i)	收購後產生之 減值虧損 HK\$ million 百萬港元	主要業務/經營地點
TOM Group Ltd (2383.HK)	Cayman Islands	1.21%	70.50	99.64	—	0.94	—	Chinese-language media conglomerate with diverse business interests in e-Commerce, mobile Internet, publishing, outdoor media, television and entertainment/Hong Kong, the PRC and Taiwan
TOM集團有限公司 (2383.HK)	開曼群島							中文媒體集團，於電子商貿、移動互聯網、出版、戶外傳媒、電視及娛樂擁有多元化業務權益/香港、中國及台灣
China Display Optoelectronics Technology Holdings Ltd (formally TCL Display Technology Holdings Ltd) (334.HK)	Bermuda	0.5%	28.83	11.50	0.3	3.64	—	Research and development, manufacturing, sales and distribution of LCD modules mainly for mobile phones/the PRC
華顯光電技術控股有限公司(前稱TCL顯示科技控股有限公司)(334.HK)	百慕達							研究與開發、製造、銷售及分銷主要供移動手機使用的LCD模組/中國
Mater Glory Group Limited (275.HK)	Bermuda	1.85%	39.89	19.26	—	93.95	—	Investments in securities, industrial water supply business, property development and trading and other strategic investments/Hong Kong
凱華集團有限公司 (275.HK)	百慕達							證券買賣、工業供水業務、物業發展及買賣以及其他策略性投資/香港
HSBC Holdings Plc (005.HK)	England	0.00002%	0.36	0.29	0.04	0.28	—	Banking and financial services/Global operation
滙豐控股有限公司 (005.HK)	英國							銀行及金融服務/全球經營
Unlisted equity securities 非上市股本證券								
Rakarta Limited	The BVI	14.70%	54.05	46.84	—	0.93	7.21	Investment in a subsidiary principally engaged in zinc and lead mining/the PRC
Rakarta Limited	英屬處女群島							投資於從事鋅及鉛開採的附屬公司/中國

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

20. PARTICULARS OF SIGNIFICANT INVESTMENTS HELD BY THE GROUP (Continued)

20. 本集團持有之重大投資詳情(續)

An analysis of realised and unrealised gains (losses) is as follows:

已變現及未變現收益(虧損)之分析如下:

		Realised (losses) gains for equity investments disposed during the year	Cumulative unrealised losses for equity investments held by the Group as at reporting date
		年內出售之 股本投資 的已變現 (虧損)收益 HK\$'000 千港元 (Note ii) (附註ii)	於報告日期本集 團持有之股本投 資的累積未變現 虧損 HK\$'000 千港元 (Note iii) (附註iii)
31 December 2018	2018年12月31日		
Hong Kong listed equity securities	香港上市股本證券	(54,105)	(67,513)
Unlisted equity investment	非上市股本投資	—	(3,958)
		(54,105)	(71,471)
31 December 2017	2017年12月31日		
Hong Kong listed equity securities	香港上市股本證券	(6,834)	(53,852)
Unlisted equity investments	非上市股本投資	5,609	—
		(1,225)	(53,852)

Notes:

- (i) For listed equity securities, net assets attributable to the investment are based on latest published financial information of the relevant investment. For unlisted investments, net assets attributable to investments are based on latest financial statements or management accounts of the relevant investment.
- (ii) Realised (losses) gains during the year represent the difference between the proceeds on disposal and the initial acquisition cost of the respective investment in equity securities.
- (iii) Unrealised losses represent the difference between fair value and cost of the respective investment in equity securities.

附註:

- (i) 就上市股本證券而言，投資項目應佔資產淨值乃以相關投資項目刊發之最新財務資料為依據。就非上市投資而言，投資項目應佔資產淨值乃以相關投資項目之最新財務報表或管理賬為依據。
- (ii) 年內已變現(虧損)收益指出售有關股本證券投資之所得款項與其初始購買成本之差額。
- (iii) 未變現虧損指有關股本證券投資之公平值與原值之差額。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

20. PARTICULARS OF SIGNIFICANT INVESTMENTS HELD BY THE GROUP (Continued)

Notes (Continued):

(iv) An analysis of accumulated impairment losses is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Hong Kong listed equity securities	香港上市股本證券	—	28,553
Unlisted equity securities*	非上市股本證券*	—	10,860
		—	39,413

* The accumulated impairment losses on the unlisted equity securities for Year 2017 include an impairment loss of HK\$3,648,000 recognised for the cost of an investment in Power Digital Card Limited, which is not included in the disclosed investments as above. Upon the adoption of HKFRS 9 in the Year, all investments of the Group are measured at fair value and there is no further impairment.

20. 本集團持有之重大投資詳情(續)

附註(續):

(iv) 累計減值虧損之分析如下:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Hong Kong listed equity securities	香港上市股本證券	—	28,553
Unlisted equity securities*	非上市股本證券*	—	10,860
		—	39,413

* 2017年年度非上市股本證券之累計減值虧損包括就Power Digital Card Limited之投資(不包括在上文披露之投資)成本已確認之減值虧損3,648,000港元。於年內採用香港財務報告準則第9號後,本集團所有投資按公平值計量,且概無進一步減值。

21. OPERATING LEASES

During the Year, the Group incurred HK\$2,284,000 (2017: HK\$2,156,000) minimum lease payments in respect of office premise.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	—	2,275

The commitments for operating lease payments as at 31 December 2017 represent rentals, rates and building and management fee payable by the Group for office premise.

21. 營運租約

於本年度,本集團之辦公室物業產生之最低租賃款項為2,284,000港元(2017年:2,156,000港元)。

於報告期末,本集團根據不可撤銷營運租約之未來最低租賃款項承擔之到期情況如下:

於2017年12月31日營運租賃款項承擔指本集團就辦公室物業應付之租金、差餉以及樓宇及管理費。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

22. RELATED PARTY/CONNECTED TRANSACTIONS

During both years, the Group entered into the following related party/connected transactions:

Name 名稱	Relationship 關係	Nature of transactions 交易性質	2018 HK\$'000 千港元	2017 HK\$'000 千港元
GC Capital 漢華資本	Investment manager of the Company 本公司之投資經理	Investment management fees expense 投資管理費開支	7,200	7,200

22. 關連方／關連交易

兩個年度內，本集團訂立以下關連方／關連交易：

The remuneration of Directors and other members of key management during the year was as follows:

		2018 HK\$'000 千港元	2018 HK\$'000 千港元
Directors' remuneration	董事酬金	210	180
Short-term employee benefits	短期僱員福利	2,933	2,847
Retirement benefit costs	退休福利成本	146	142
		3,289	3,169

年內，董事及主要管理層其他成員之薪酬如下：

The emoluments of key management were within the following bands:

		2018 No. of employees 僱員人數	2017 No. of employees 僱員人數
Not exceeding HK\$1,000,000	不超過1,000,000港元	2	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	1

主要管理層之酬金介乎下列範圍：

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

23. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY

23. 本公司之概約財務資料

The summarised financial information of the Company is as follows:

本公司之概約財務資料如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
NON-CURRENT ASSET	非流動資產		
Investments in subsidiaries	於附屬公司之投資	1	1
Amounts due from subsidiaries (Note (ii))	應收附屬公司款項(附註(ii))	171,621	207,152
		171,622	207,153
CURRENT ASSETS	流動資產		
Other receivables	其他應收賬項	25,284	25,296
Bank balances	銀行結餘	92	98
		25,376	25,394
CURRENT LIABILITIES	流動負債		
Amount due to a subsidiary	應付一間附屬公司款項	12,824	12,824
Other payables and accruals	其他應付賬項及應計賬項	11,596	7,634
		24,420	20,458
NET CURRENT ASSETS	流動資產淨額	956	4,936
NET ASSETS	資產淨額	172,578	212,089
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	30,283	30,283
Reserves (Note (i))	儲備(附註(i))	142,295	181,806
		172,578	212,089

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

23. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY (Continued)

23. 本公司之概約財務資料 (續)

Notes:

(i) Reserves:

附註：

(i) 儲備：

		Share premium	Contributed surplus	Retained profits/ (Accumulated loss)	Total
		股份溢價 HK\$'000 千港元	實繳盈餘 HK\$'000 千港元	保留溢利/ (累積虧損) HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	192,895	123,754	49,530	366,179
Loss for the year	年度虧損	—	—	(184,373)	(184,373)
At 31 December 2017	於2017年12月31日	192,895	123,754	(134,843)	181,806
Loss for the year	年度虧損	—	—	(39,511)	(39,511)
At 31 December 2018	於2018年12月31日	192,895	123,754	(174,354)	142,295

Contributed surplus of the Company represents the difference between the nominal value of the Shares issued by the Company for the acquisition of GRIH and the consolidated net assets value of GRIH at the time it was acquired by the Company pursuant to a group reorganisation in 2001.

Under the Companies Act (1981) of Bermuda (as amended), the contributed surplus is distributable to the Shareholders, provided that the Company is, after the payment of dividends out of the contributed surplus, able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, issued share capital and reserves.

The Company has no reserves available for distribution to Shareholders as at Year Ended Date (2017: NIL).

(ii) Under HKAS 39, the amounts due from subsidiaries were classified as loans and receivables and measured at amortised cost at the end of Year 2017. Upon the application of HKFRS 9, the amounts due from subsidiaries were reclassified to financial assets at FVTPL as the cash flows do not represent solely payments of principal and interest. The adoption of HKFRS 9 has not had a significant financial impact as at 1 January 2018.

本公司之實繳盈餘指金源創展根據2001年集團重組被本公司收購時本公司因收購金源創展而發行之股份面值與金源創展之綜合資產淨值之差額。

根據百慕達(1981年)公司法(經修訂)，實繳盈餘可分派予股東，惟自實繳盈餘支付股息後，本公司須有能力償還其到期負債；或本公司資產之可變現價值不得因此而低於其負債、已發行股本及儲備之總和。

於年結日，本公司概無可用作分配予股東之儲備(2017年：無)。

(ii) 於2017年年度末，根據香港會計準則第39號，應收附屬公司款項被分類為貸款及應收賬項並以攤銷成本計量。在應用香港財務報告準則第9號後，應收附屬公司款項被重新分類為按公平值計入損益之金融資產，原因是該等現金流並非純粹為支付本金及未償還本金之利息。採納香港財務報告準則第9號於2018年1月1日並無重大財務影響。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

24. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 31 December 2018 and 2017 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Issued and fully paid share capital/ paid-in capital 已發行及繳足股本/ 實繳股本	Attributable equity interest 應佔股本權益		Principal activity 主要業務
			2018	2017	
Directly held by the Company: 由本公司直接持有：					
Accufocus Investments Limited	The BVI 英屬處女群島	100 shares of USD1 each 100股每股面值1美元之股份	100%	100%	Investment holding 投資控股
Carson Capital Resources Limited 嘉信資本有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	100%	100%	Investment holding 投資控股
Indirectly held by the Company: 由本公司間接持有：					
GRIH 金源創展	Hong Kong 香港	899,900,000 ordinary shares of HK\$0.1 each 899,900,000股每股面值0.1港元之普通股	100%	100%	Investment holding 投資控股
Genius Choice Investments Limited	The BVI 英屬處女群島	1 share of USD1 each 1股每股面值1美元之股份	100%	100%	Investment holding 投資控股
Easy Ace Investments Limited	The BVI 英屬處女群島	1 share of USD1 each 1股每股面值1美元之股份	100%	100%	Investment holding 投資控股
Ever Honest Investments Limited	The BVI 英屬處女群島	1 share of USD1 each 1股每股面值1美元之股份	100%	100%	Investment holding 投資控股
Prosperity Management 嘉進管理	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股每股面值1港元之普通股	100%	100%	Provision of management services 提供管理服務
Rich Concept Investments Limited	The BVI 英屬處女群島	1 share of USD1 each 1股每股面值1美元之股份	100%	100%	Investment holding 投資控股

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The majority of the subsidiaries are intermediate holding companies or inactive during the Year.

24. 本公司主要附屬公司之詳情

本公司主要附屬公司於2018年及2017年12月31日之詳情如下：

上表呈列董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為提供其他附屬公司之詳情會導致篇幅過於冗長。

於報告期末，本公司擁有其他對本集團而言並不重要之附屬公司。大部分附屬公司為中介控股公司或於本年度暫停營業。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

25. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The Directors review the capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share repurchase.

25. 資本風險管理

本集團資本管理旨在確保本集團之實體均有能力持續經營業務，同時透過優化債務及權益之平衡提升股東回報。本集團之整體策略相對過往年度並無變動。

本集團之資本架構包括本公司擁有人應佔權益(包括已發行股本、儲備及累計虧損)。

董事定期檢討資本架構。作為此檢討之一部分，董事考慮資本成本及各類資本之相關風險。根據董事之推薦意見，本集團將透過派付股息、發行新股及購回股份平衡其整體資本架構。

26. FINANCIAL INSTRUMENTS

26a. Categories of financial instruments

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Financial assets	金融資產		
Equity investments at FVTPL	按公平值計入損益的股本投資	168,539	—
Held-for-trading listed equity investments	持作買賣上市股本投資	—	210,694
Financial assets at amortised cost	按攤銷成本計量之金融資產	77,960	—
Equity investment at FVTOCI	按公平值計入其他全面收益之股本投資	50,088	—
Loans and receivables (including cash and cash equivalents)	貸款及應收賬項(包括現金及等值現金項目)	—	84,343
Available-for-sale investments	可供出售投資	—	86,610
Financial liabilities	財務負債		
Amortised cost	攤銷成本	56,385	57,699

26. 金融工具

26a. 金融工具類別

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26b. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, other receivables, cash held by securities brokers, bank balances and cash, loan from a securities broker and other payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk) and credit risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Certain bank balances and other receivables are denominated in USD and RMB which are foreign currencies of the relevant group entities. No sensitivity analysis is presented on HK\$ against USD as HK\$ is pegged to USD and the Directors believe the foreign exchange exposure is insignificant. If the exchange rate of RMB against HK\$ appreciates/depreciates by 5% (2017: 5%), the pre-tax loss for the Year would decrease/increase insignificantly (2017: pre-tax profit increase/decrease by HK\$1,615,000) respectively.

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

26. 金融工具(續)

26b. 財務風險管理目標及政策

本集團之主要金融工具包括股本投資、其他應收賬項、證券經紀持有之現金、銀行結餘及現金、來自證券經紀的貸款及其他應付款項。此等金融工具之詳情於相關附註披露。與此等金融工具有關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)及信貸風險。如何減低此等風險之政策載於下文。管理層管理及監控此等風險以確保適當措施得到及時而有效地落實。

市場風險

(i) 貨幣風險

若干銀行結餘以及其他應收賬項乃以美元及人民幣計值，而美元及人民幣是有關集團實體之外幣。由於港元與美元掛鈎，董事認為外匯風險甚微，因此並無呈列港元兌美元匯率之敏感度分析。倘人民幣兌港元之匯率升值/貶值5% (2017年：5%)，則年內除稅前虧損將分別輕微減少/增加港元 (2017年：除稅前溢利增加/減少1,615,000港元)。

本集團現時並無外幣對沖政策。然而，管理層會監控外匯風險，並將在需要時考慮對沖重大外幣風險。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances, cash held by security brokers and loan from a securities broker. The Directors consider the Group's exposure to cash flow interest rate risk is not significant as interest-bearing bank balances and cash held by security brokers and loan from a securities broker are within short maturity periods.

The management monitors the Group's fair value interest rate exposure on an ongoing basis and will consider hedging significant fair value interest rate risk should the need arise.

(iii) Other price risk

The Group is exposed to equity price risk through its equity investments measured at FVTPL (2017: listed equity securities classified as available-for-sale and held-for-trading) and FVTOCI (2017: unlisted equity investment classified as available-for-sale). Management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity investments quoted in the Stock Exchange and an unlisted equity investment as disclosed in note 20.

26. 金融工具(續)

26b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團承受有關浮動利率銀行結餘、證券經紀持有之現金及來自證券經紀之貸款之現金流量利率風險。董事認為，由於計息銀行結餘、證券經紀持有之現金及來自證券經紀之貸款均將於短期內到期，因此本集團所承受之現金流量利率風險並不重大。

管理層持續監控本集團之公平值利率風險，並將在需要時考慮對沖重大公平值利率風險。

(iii) 其他價格風險

本集團就按公平值計入損益(2017年：分類為可供出售及持作買賣之上市股本證券)及按公平值計入其他全面收益(2017年：分類為可供出售之非上市股本投資)計量之股本投資承受股本價格風險。管理層透過維持承受不同風險之投資組合管理此風險。本集團之股本價格風險主要集中於披露於附註20在聯交所報價之股本投資及非上市股本投資。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk (Continued)

Sensitivity analyses

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective equity investments at FVTPL had been 10% (2017: 10%) higher/lower, pre-tax loss for the Year would decrease by HK\$16,854,000 (2017: pre-tax profit increase by HK\$21,069,000) or increase by HK\$16,854,000 (2017: pre-tax profit decrease by HK\$22,427,000) as a result of the changes in fair value of equity investments at FVTPL (2017: held-for-trading listed equity investments and impairment loss on listed available-for-sale investments).

Sensitivity analysis of equity investment at FVTOCI is disclosed in note 26(c).

26. 金融工具(續)

26b. 財務風險管理目標及政策(續)

市場風險(續)

(iii) 其他價格風險(續)

敏感度分析

下文敏感度分析乃根據於報告日期承受之股本價格風險釐定。

倘有關按公平值計入損益之股本投資之價格上升/下跌10%(2017年:10%)，本年度除稅前虧損將減少16,854,000港元(2017年:除稅前溢利增加21,069,000港元)或增加16,854,000港元(2017年:除稅前溢利減少22,427,000港元)，乃由於按公平值計入損益之股本投資公平值出現變動(2017年:持作買賣上市股本投資及可供出售上市投資出現減值虧損)所致。

按公平值計入其他全面收益之股本投資之敏感度分析於附註26(c)中披露。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on each individual debtor. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group paid an earnest money deposit in 2012 which is included in other receivables in the consolidated statement of financial position, amounting to HK\$25,000,000 as at 31 December 2018 (2017: HK\$25,000,000) (see note 15 for details). The deposit exposes the Group to concentration of credit risk as 100% of the earnest money deposit, representing 32% of the total financial assets at amortised cost at 31 December 2018 (2017: 30% of the total loans and receivables), is due from one (2017: one) party. In order to minimise the credit risk arising from the earnest money deposit, management of the Group performed a credit analysis on the background and creditworthiness of the potential vendor to which the earnest money has been paid.

26. 金融工具(續)

26b. 財務風險管理目標及政策(續)

信貸風險及減值評估

於2018年12月31日，本集團因對手方未能履行責任而令本集團招致財務損失須承擔之最高信貸風險，是由於綜合財務狀況表所載之相應已確認金融資產之賬面值所致。

為減低信貸風險，管理層已委派專責團隊，負責釐定信貸限額、審批信貸及其他監察程序，確保採取跟進行動收回過期債務。此外，本集團應用香港財務報告準則第9號項下之預期信貸虧損模式向各個別債務人進行減值評估(2017年：已產生虧損模式)。就此而言，董事認為，本集團之信貸風險已大幅減少。

本集團於2012年支付一筆誠意金，於綜合財務狀況表中列為其他應收賬項，於2018年12月31日為25,000,000港元(2017年：25,000,000港元)(詳情見附註15)。誠意金令本集團須承受信貸集中風險，乃由於誠意金之100%(佔於2018年12月31日之按攤銷成本計量金融資產總額之32%(2017年：貸款及應收賬項總額之30%))由一方(2017年：一方)所結欠所致。為降低誠意金所產生之信貸風險，本集團管理層就收取誠意金之潛在賣方之背景及信譽度進行了信貸分析。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

At the end of the reporting period, the Group has a concentration of credit risk in respect of cash held by securities brokers as 80% (2017: 98%) of the total balance was held by one (2017: one) securities broker. The Directors consider that such concentration of credit risk would not result in any default exposure to the Group because the counterparty is a broker with high credit ratings assigned by international credit-rating agencies.

The Group has a concentration of credit risk in respect of bank balances which are held by three banks. The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

For the purposes of internal credit risk management, the Group uses past and forward-looking information to assess whether credit risk has increased significantly since initial recognition. The internal credit risk grading of the Group comprises 4 categories: performing, doubtful, in default and write-off. The financial assets of the Group which are subject to ECL assessment comprises other receivables, cash held by securities brokers and bank balances and cash. The management of the Group reviewed and assessed the impairment for each financial asset individually under the 12m ECL model. These financial assets are categorised as performing as there is no significant increase in credit risk since initial recognition and the risk of default is low and the counterparties have the capacity to meet their contractual cash flow obligations in the near term. No loss allowance was recognised as the amount was immaterial.

Liquidity risk management

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liability.

26. 金融工具(續)

26b. 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

於報告期末，本集團就證券經紀持有之現金而承受信貸集中風險，此乃由於總結餘的80%（2017年：98%）由一名（2017年：一名）證券經紀持有。由於交易對手方為國際信貸評級代理認為具有高信貸評級之經紀人，董事認為，有關信貸集中風險將不會導致本集團面臨任何違約的風險。

本集團存放於三間銀行的銀行結餘存在信貸集中風險。由於交易對手方為國際信貸評級代理認為具有高信貸評級之銀行，故銀行結餘之信貸風險有限。

就內部信貸風險管理而言，本集團使用過往及前瞻性資料，以評估信貸風險是否自初始確認起顯著增加。本集團之內部信貸風險評級由4類組成：履約、存疑、違約及撇銷。本集團按預期信貸虧損評估之金融資產包括其他應收賬項、證券經紀持有之現金以及銀行結餘及現金。本集團管理層審閱及評估12個月預期信貸虧損模式下之個別金融資產的減值。該等金融資產分類為履約，原因為自初始確認起信貸風險概無顯著增加，違約風險較低，且對手方有能力於短期內滿足彼等合約現金流量責任。由於金額並不重大，故概無確認虧損撥備。

流動資金風險管理

本集團通過監察及維持現金及等值現金項目水平、不斷監察預測及實際現金流量及配對金融資產及負債之到期日，以管理流動資金風險。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26b. Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

The following table details the Group's expected maturity for its financial liabilities as at the Year End Date. The table has been drawn up based on the undiscounted contractual cash flows of the financial liabilities.

26. 金融工具(續)

26b. 財務風險管理目標及政策(續)

流動資金風險管理(續)

下表詳述本集團於年結日財務負債之預期到期日。該表乃按照財務負債之未折現合約現金流量編製。

		Weighted average effective interest rate 加權平均實際利率 %	Less than 1 month or on demand 1個月以內或按 要求 HK\$'000 千港元	Total undiscounted cash flows 未折現現金流總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
2018	2018年				
Loan from a securities broker	來自證券經紀之貸款	9.65	46,185	46,185	46,185
Other payable	其他應付賬項	—	10,200	10,200	10,200
		—	56,385	56,385	56,385
<hr/>					
		Weighted average effective interest rate 加權平均實際利率 %	Less than 1 month or on demand 1個月以內或按 要求 HK\$'000 千港元	Total undiscounted cash flows 未折現現金流總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
2017	2017年				
Loan from a securities broker	來自證券經紀之貸款	9.65	51,099	51,099	51,099
Other payable	其他應付賬項	—	6,600	6,600	6,600
			57,699	57,699	57,699

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26c. Fair value measurement of financial instrument

Fair value measurements and valuation processes

The Directors have closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed below.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i. e. as prices) or indirectly (i. e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

26. 金融工具(續)

26c. 金融工具之公平值計量

公平值計量和估值過程

董事已緊密監察及釐定合適之公平值計量估值方法及輸入值。

於估計一項資產或一項負債之公平值時，本集團會使用可得之市場可觀察數據。

有關用以釐定多項資產之公平值之估值方法及輸入值之資料於下文披露。

本集團按持續基準按公平值計量之金融資產公平值

本集團若干金融資產於各報告期末按公平值計量。下表載列有關釐定該等金融資產公平值方法之資料(尤其是所用之估值方法及輸入值)以及公平值等級之級別(公平值計量根據其輸入值之可觀察程度進行分類(第1至3級))之資料。

- 第1級公平值計量由同等資產於活躍市場之報價(未經調整)得出；
- 第2級公平值計量由第1級所載報價以外之可觀察資產輸入值直接(即價格)或間接(即源自價格)得出；及
- 第3級公平值計量由包括並基於可觀察市場數據(非可觀察輸入值)之資產輸入值之估值方法得出。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26. 金融工具(續)

26c. Fair value measurement of financial instrument (Continued)

26c. 金融工具之公平值計量(續)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

本集團按持續基準按公平值計量之金融資產公平值(續)

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2018	2018年12月31日				
Financial assets at FVTPL	按公平值計入損益之 金融資產				
Listed equity securities	上市股本證券	168,539	—	—	168,539
Equity investment at FVTOCI	按公平值計入其他 全面收益之股本 投資	—	—	50,088	50,088
Total	總計	168,539	—	50,088	218,627
		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2017	2017年12月31日				
Financial assets at FVTPL	按公平值計入損益之 金融資產				
Non-derivative financial assets held-for-trading	持作買賣非衍生性 金融資產	210,694	—	—	210,694
Available-for-sale financial assets	可供出售金融資產				
Listed equity securities	上市股本證券	39,776	—	—	39,776
Total	總計	250,470	—	—	250,470

There were no transfers between levels during both years.

於該兩個年度內各等級之間並無轉撥。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26c. Fair value measurement of financial instrument (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
金融資產	於下列年度之公平值		公平值等級	估值技術及重要輸入值	重要非可觀察輸入值	非可觀察輸入值與公平值之關係
	2018 HK\$'000 千港元	2017 HK\$'000 千港元				
Listed equity securities classified as equity investments at FVTPL 分類為按公平值計入損益之股本投資之上市股本證券	168,539	—	Level 1 第1級	Quoted bid price in an active market 於活躍市場之買入價報價	N/A 不適用	N/A 不適用
Held-for-trading listed equity investments 持作買賣上市股本投資	—	210,694	Level 1 第1級	Quoted bid price in an active market 於活躍市場之買入價報價	N/A 不適用	N/A 不適用
Available-for-sale investments 可供出售投資	—	39,776	Level 1 第1級	Quoted bid price in an active market 於活躍市場之買入價報價	N/A 不適用	N/A 不適用
Unlisted equity securities classified as equity investment at FVTOCI (note) 分類為按公平值計入其他全面收益之股本投資之非上市股本證券(附註)	50,088	—	Level 3 第3級	Discounted cash flows 貼現現金流量	Discount rate of 18.62%, forecasted production volume of 220,000 tonnes per year, forecasted selling price with base price of RMB1,904 per tonne and price changes over the projection period based on World Bank Commodities Price Forecast and marketability discount of 20.70% 貼現率為18.62%；預測產量為每年220,000噸；預測銷售價以每噸人民幣1,904元為基準價及根據世界銀行商品價格預測計算預測期內之價格變動；及市場流通性折扣為20.70%	

26. 金融工具(續)

26c. 金融工具之公平值計量(續)

本集團按持續基準按公平值計量之金融資產公平值(續)

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26c. Fair value measurement of financial instrument (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Note: A 2% increase or decrease in the discount rate used in isolation would decrease or increase the fair value measurement of the unlisted equity securities classified as equity investment at FVTOCI approximately by HK\$4,604,000 and HK\$5,318,000, respectively.

A 10% increase or decrease in the forecasted production volume used in isolation would increase or decrease the fair value measurement of the unlisted equity securities classified as equity investments at FVTOCI approximately by HK\$4,683,000 and HK\$5,001,000, respectively.

A 10% increase or decrease in the forecasted selling price used in isolation would increase or decrease the fair value measurement of the unlisted equity securities classified as equity investment at FVTOCI approximately by HK\$8,732,000 and HK\$8,732,000, respectively.

A 2% increase or decrease in the marketability discount used in isolation would decrease or increase the fair value measurement of the unlisted equity securities classified as equity investments at FVTOCI approximately by HK\$1,270,000 and HK\$1,270,000, respectively.

The Directors consider that the carrying amounts of its financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

The fair values of the Group's financial assets and financial liabilities recorded at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

26. 金融工具(續)

26c. 金融工具之公平值計量(續)

本集團按持續基準按公平值計量之金融資產公平值(續)

附註：單獨應用之貼現率增加或減少2%將分別導致分類為按公平值計入其他全面收益之股本投資之非上市股本證券之公平值計量減少或增加約4,604,000港元及約5,318,000港元。

單獨應用之預測產量增加或減少10%將分別導致分類為按公平值計入其他全面收益之股本投資之非上市股本證券之公平值計量增加或減少約4,683,000港元及約5,001,000港元。

單獨應用之預測銷售價增加或減少10%將分別導致分類為按公平值計入其他全面收益之股本投資之非上市股本證券之公平值計量增加或減少約8,732,000港元及約8,732,000港元。

單獨應用之市場流通性折扣增加或減少2%將分別導致分類為按公平值計入其他全面收益之股本投資之非上市股本證券之公平值計量增加或減少約1,270,000港元及約1,270,000港元。

董事認為，於簡明綜合財務報表中按攤銷成本記錄之金融資產及金融負債賬面值與其公平值相若。

按攤銷成本記錄之本集團金融資產及金融負債之公平值乃按公認之定價模型根據貼現現金流量分析釐定。

Notes to the Consolidated Financial Statements (continued) 綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. FINANCIAL INSTRUMENTS (Continued)

26c. Fair value measurement of financial instrument (Continued)

Reconciliation of Level 3 fair value measurements of financial asset

At 1 January 2018	於2018年1月1日	58,026
Loss in other comprehensive expenses	其他全面開支之虧損	(7,938)

At 31 December 2018	於2018年12月31日	50,088
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Loss in other comprehensive expenses relates to changes in fair value of equity investment at FVTOCI held at the end of the reporting period and is reported as changes in "investment revaluation reserve".

26. 金融工具(續)

26c. 金融工具之公平值計量(續)

第3級金融資產之公平值計量對賬

Unlisted equity securities classified as equity investment at FVTOCI

分類為按公平值計入其他全面收益之股本投資之非上市股本證券

HK\$'000
千港元

其他全面開支之虧損與於報告期末所持按公平值計入其他全面收益之股本投資之公平值變動有關，並於「投資重估儲備」變動中列賬。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

27. 融資活動所產生負債之對賬

下表載列本集團融資活動所產生負債之變動詳情，包括現金及非現金變動。融資活動所產生負債之現金流量為於本集團綜合現金流量表內分類為融資活動所得現金流量的現金流量或未來現金流量。

		Interest payable	Loan from/ (repayment to) a securities broker 來自證券 經紀之貸款/ (還款)	Total
		HK\$'000 千港元	HK\$'000 千港元 (Note 17) (附註17)	HK\$'000 千港元
At 1 January 2017	於2017年1月1日	—	—	—
Financing cash flows	融資現金流量	(3,144)	51,099	47,955
Interest expense	利息開支	3,144	—	3,144
At 31 December 2017	於2017年12月31日	—	51,099	51,099
Financing cash flows	融資現金流量	(4,546)	(4,914)	(9,460)
Interest expense	利息開支	4,546	—	4,546
At 31 December 2018	於2018年12月31日	—	46,185	46,185

Financial Summary 財務概要

For the year ended 31 December 2018 截至2018年12月31日止年度

		2014	2015	2016	2017	2018
		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
Results	業績					
(Loss) Profit for the year	年度(虧損)溢利	(15,815)	17,126	(43,297)	160	(87,204)
Assets and liabilities	資產及負債					
Total assets	資產總值	277,142	363,180	321,543	384,174	298,278
Total liabilities	負債總值	(3,155)	(1,193)	(4,406)	(60,131)	(58,185)
Net assets	資產淨值	273,987	361,987	317,137	324,043	240,093
Net Assets Value per Share (HK\$)	每股資產淨值 (港元)	0.39	0.30	0.26	0.27	0.20

Note: The Group adopted HKFRS 9 during the Year. As the comparative periods continue to be reported under HKAS 39 of which the information has not been restated, it may not be comparable with that of the Year.

附註：本集團於本年度採納香港財務報告準則第9號。由於比較期間之資料繼續根據香港會計準則第39號呈報而並無重列，因此，不能與本年度之資料作比較。

Glossary

詞彙

In this annual report (other than the independent auditor's report as set out on pages 39 to 44, the following expressions shall have the following meanings unless the context otherwise requires: 於本年報內(載於第39至44頁之獨立核數師報告除外), 除非文義另有所指, 否則下列詞彙具有以下涵義:

Adjusted NAV 經調整資產淨值	the Net Asset Value as at the end of the relevant Financial Year, adjusted by (A) excluding effects attributed to the issue of new Shares, Share repurchase and fund raisings; and (B) adding back (i) remuneration paid to the GC Capital or Opus Capital under the 2016 IM Agreement and 2019 IM Agreement; and (ii) dividends or distributions paid to Shareholders whether in cash or in specie 於相關財政年度末的資產淨值, 已就以下各項作出調整: (A) 剔除發行新股、股份購回及集資的影響; 及(B) 加回(i) 根據2016年投資管理協議及2019年投資管理協議支付予漢華資本或創富資本的酬金; 及(ii) 以現金或實物支付予股東的股息或分派
Associate(s) 聯營公司	has the meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞之涵義
Board 董事會	the board of Directors 董事會
BVI 英屬處女群島	British Virgin Islands 英屬處女群島
CG Code 企管守則	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules 上市規則附錄14所載之企業管治守則
CODM 主要經營決策者	the chief operating decision maker 主要經營決策者
Company 本公司	Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange 嘉進投資國際有限公司, 一間於百慕達註冊成立之有限公司, 其已發行股份於聯交所主板上市
Director(s) 董事	the director(s) of the Company 本公司董事
ECL 預期信貸虧損	expected credit losses 預期信貸虧損
ESG Report 環境、社會及管治報告	Environmental, Social and Governance Report 環境、社會及管治報告

Glossary (continued)

詞彙 (續)

Financial Year 財政年度	the financial year of the Company during the Management Period 本公司於管理期間之財政年度
FVTOCI 按公平值計入其他全面 收益	fair value through other comprehensive income 按公平值計入其他全面收益
FVTPL 按公平值計入損益	fair value through profit or loss 按公平值計入損益
GC Capital 漢華資本	Greater China Capital Limited, the investment manager of the Group up to 31 December 2018 that provides investment management services to the Group and a private limited company incorporated in Hong Kong and licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under SFO 漢華資本有限公司，截至2018年12月31日為本集團之投資經理，負責向本集團提供投資管理服務，乃一間於香港註冊成立之私人有限公司，及根據證券及期貨條例可進行第4類(就證券提供意見)、第6類(就機構融資提供意見)及第9類(提供資產管理)受規管活動之持牌人
GRIH 金源創展	GR Investment Holdings Limited, a limited company incorporated in the Hong Kong and a wholly-owned subsidiary of the Company 金源創展有限公司，一間於香港註冊成立之有限公司，並為本公司之全資附屬公司
Group 本集團	the Company and its subsidiaries 本公司及其附屬公司
HKAS 香港會計準則	the Hong Kong Accounting Standards issued by HKICPA 香港會計師公會頒佈之香港會計準則
HKFRS(s) 香港財務報告準則	the Hong Kong Financial Reporting Standards issued by HKICPA 香港會計師公會頒佈之香港財務報告準則
HKICPA 香港會計師公會	the Hong Kong Institute of Certified Public Accountants 香港會計師公會
Hong Kong 香港	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區

Glossary (continued)

詞彙 (續)

INED(s) 獨立非執行董事	the independent non-executive Directors(s) 獨立非執行董事
Listing Rules 上市規則	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
Management Period 管理期間	the period from 1 January 2016 to 31 December 2018 under 2016 IM Agreement or 1 January 2019 to 31 December 2021 under 2019 IM Agreement 根據2016年投資管理協議自2016年1月1日至2018年12月31日止期間或根據2019年投資管理協議自2019年1月1日至2021年12月31日
MPF Scheme 強積金計劃	Mandatory Provident Fund Scheme established under Mandatory Provident Funds Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) 根據香港法例第485章強制性公積金計劃條例而註冊之強制性公積金計劃
Model Code 標準守則	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules 上市規則附錄10所載之上市發行人董事進行證券交易的標準守則
Net Asset Value 資產淨值	the consolidated net asset value of the Group as reflected in its audited financial statements 本集團於經審核財務報表內反映之綜合資產淨值
Opus Capital 創富資本	Opus Capital Management Limited, the investment manager of the Group since 1 January 2019 that provides investment management services to the Group and a private limited company incorporated in Hong Kong and licensed to carry out Type 9 (asset management) regulated activities under SFO 創富資本管理有限公司，自2019年1月1日為本集團之投資經理，負責向本集團提供投資管理服務，乃一間於香港註冊成立之私人有限公司，及根據證券及期貨條例可進行第9類(提供資產管理)受規管活動之持牌人
PRC 中國	People's Republic of China, which for the purpose of this annual report, excludes Hong Kong, Macau and Taiwan 中華人民共和國，就本年報而言，不包括香港、澳門及台灣
Prosperity Management 嘉進管理	Prosperity Management Services Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company 嘉進管理服務有限公司，一間於香港註冊成立之有限公司，並為本公司之全資附屬公司
Share(s) 股份	share(s) of HK\$0.025 each in the share capital of the Company 本公司股本中每股面值0.025港元之股份

Glossary (continued)

詞彙 (續)

Shareholder(s) 股東	holder(s) of Share(s) 股份持有人
SFO 證券及期貨條例	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
Stock Exchange 聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Systems 系統	the risk management and internal control systems of the Group 本集團風險管理及內部監控之系統
USA 美國	United States of America 美利堅合眾國
Yantai Juli 煙台巨力	Yantai Juli Fine Chemical Co. Ltd., a company established in the PRC 煙台巨力精細化工股份有限公司，一間於中國成立之公司
Year 本年度	year ended 31 December 2018 截至2018年12月31日止年度
Year End Date 年結日	at 31 December 2018 於2018年12月31日
Year 2017 2017年年度	year ended 31 December 2017 截至2017年12月31日止年度
2016 IM Agreement 2016年投資管理協議	the agreement dated 24 November 2015 entered into between the Company and GC Capital regarding the appointment of GC Capital as the Company's investment manager for the period from 1 January 2016 to 31 December 2018 本公司與漢華資本就委任漢華資本為本公司自2016年1月1日起至2018年12月31日止期間之投資經理而於2015年11月24日訂立之協議
2019 IM Agreement 2019年投資管理協議	the agreement dated 18 December 2018 entered between the Company and Opus Capital regarding the appointment of Opus Capital as the Company's investment manager for the period from 1 January 2019 to 31 December 2021 本公司與創富資本就委任創富資本為本公司自2019年1月1日起至2021年12月31日止期間之投資經理而於2018年12月18日訂立之協議

Glossary (continued)

詞彙 (續)

HK\$ 港元	Hong Kong Dollar, the lawful currency of Hong Kong 香港法定貨幣港元
RMB 人民幣	Renminbi, the lawful currency of PRC 中國法定貨幣人民幣
USD 美元	United States Dollar, the lawful currency of USA 美國法定貨幣美元



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