



大中華金融控股有限公司

GREATER CHINA FINANCIAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 431)

ANNUAL REPORT

2018 年報





CONTENTS 目錄

		<i>Pages</i> 頁次
CORPORATE INFORMATION	公司資料	2
CHAIRMAN'S STATEMENT	主席報告書	4
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析	5
BIOGRAPHICAL DETAILS OF DIRECTORS	董事履歷	19
CORPORATE GOVERNANCE REPORT	企業管治報告	21
DIRECTORS' REPORT	董事會報告	33
INDEPENDENT AUDITOR'S REPORT	獨立核數師報告	53
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	綜合損益及其他全面收益表	64
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表	66
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動表	68
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量表	69
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	綜合財務報表附註	71
FINANCIAL SUMMARY	財務概要	247

CORPORATE INFORMATION

公司資料

Executive Directors

Mr. Liu Kequan (*Chairman*)
Mr. Yang Dayong (*Chief Executive Officer*)
Mr. Zhang Peidong

Independent Non-executive Directors

Mr. Kwan Kei Chor
Dr. Lyu Ziang
Mr. Zhou Liangyu

Audit Committee

Mr. Kwan Kei Chor (*Chairman*)
Dr. Lyu Ziang
Mr. Zhou Liangyu

Remuneration Committee

Dr. Lyu Ziang (*Chairman*)
Mr. Kwan Kei Chor
Mr. Zhang Peidong

Nomination Committee

Mr. Liu Kequan (*Chairman*)
Dr. Lyu Ziang
Mr. Zhou Liangyu

Company Secretary

Ms. Chan Siu Mun

Auditor

HLM CPA Limited
Certified Public Accountants

Principal Bankers

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Taicang Rural Commercial Bank

Legal Advisor

Iu, Lai & Li Solicitors & Notaries

執行董事

劉克泉先生 (*主席*)
楊大勇先生 (*行政總裁*)
張沛東先生

獨立非執行董事

關基楚先生
呂子昂博士
周梁宇先生

審核委員會

關基楚先生 (*主席*)
呂子昂博士
周梁宇先生

薪酬委員會

呂子昂博士 (*主席*)
關基楚先生
張沛東先生

提名委員會

劉克泉先生 (*主席*)
呂子昂博士
周梁宇先生

公司秘書

陳兆敏小姐

核數師

恒健會計師行有限公司
執業會計師

主要往來銀行

中國銀行(香港)有限公司
恒生銀行有限公司
太倉農村商業銀行

法律顧問

姚黎李律師行

Head Office and Principal Place of Business

Suites 3001-11, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Share Registrar and Transfer Office in Bermuda

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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

Stock Code

431

Website

<http://www.irasia.com/listco/hk/greaterchina/index.htm>

總辦事處及主要營業地點

香港
銅鑼灣
勿地臣街1號
時代廣場
二座3001-11室

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

百慕達股份過戶及登記總處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

香港股份過戶及登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

431

網址

<http://www.irasia.com/listco/hk/greaterchina/index.htm>

CHAIRMAN'S STATEMENT

主席報告書

On behalf of the board (the "Board") of directors (the "Directors") of Greater China Financial Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I would like to present the annual report of the Group for the year ended 31 December 2018.

REVIEW OF OPERATIONS

2018 is a challenging year as the financial markets in Hong Kong and the PRC are volatile. Due to the slowdown of the economic growth in the PRC and the intensification of the Sino-US trade disputes, the financial markets are affected by various uncertainty and the overall business of the Group especially the loan financing and asset management segments have be adversely affected.

PROSPECT

Looking forward, the Group will continue to strength the operations of each segments including but not limited to the supply-chain financing services and asset management. In addition, we will explore opportunity to further develop the operation of the Group as a whole to improve the returns to the shareholders of the Company (the "Shareholder").

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our management team and employees for their commitment and contribution to the Group. I would also like to thank our Shareholders, business partners, professional parties and customers for their continued support.

Liu Kequan

Chairman

Hong Kong

26 March 2019

本人謹代表大中華金融控股有限公司（「本公司」，連同其附屬公司合稱「本集團」）董事（「董事」）會（「董事會」）提呈本集團截至二零一八年十二月三十一日止年度的年報。

業務回顧

二零一八年是充滿挑戰的一年，此乃由於香港及中國的金融市場動蕩不安。由於中國經濟增長放緩及中美貿易糾紛加劇，金融市場受各種不確定因素影響及本集團整體業務，尤其是貸款融資及資產管理部門受不利影響。

展望

展望未來，本集團將繼續加強各部門業務，包括但不限於供應鏈融資服務及資產管理。此外，我們將探索機遇以進一步發展本集團整體業務以進一步提高本公司股東（「股東」）回報。

致謝

本人謹代表董事會衷心感謝管理團隊及全體員工為本集團作出的勤勉努力及竭誠奉獻。本人亦對各股東、業務夥伴、各方專業人士及客戶給予本集團的持續支持表示謝意。

主席

劉克泉

香港

二零一九年三月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW AND PROSPECT

The Group is principally engaged in investment holding, industrial property development, general trading of consumable goods, securities brokerage, insurance brokerage, asset management and loan financing operation includes loan financing, financial guarantee services, loan referral and consultancy services.

Revenue and segment results of the Group for the year of 2018 are stated in the table below:

業務回顧及前景

本集團主要從事投資控股、工業用物業發展、消費品的一般貿易、證券經紀、保險經紀、資產管理及貸款融資業務（包括貸款融資、融資擔保服務、貸款轉介及諮詢服務）。

本集團於二零一八年的收入及分部業績載於下表：

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from:	來自以下各項之收入：		
Industrial property development	工業用物業發展	13,342	6,518
General trading	一般貿易	60,043	64,182
Securities brokerage	證券經紀	710	3,436
Insurance brokerage	保險經紀	8,007	14,072
Asset management	資產管理	471	1,323
Loan financing	貸款融資	70,022	41,121
		152,595	130,652
Segment (loss) profit from:	來自以下各項之分部（虧損） 溢利：		
Industrial property development	工業用物業發展	(6,925)	(11,905)
General trading	一般貿易	4,255	1,605
Securities brokerage	證券經紀	(2,287)	(545)
Insurance brokerage	保險經紀	(435)	(6)
Asset management	資產管理	(5,405)	(704)
Loan financing	貸款融資	54,605	27,755
		43,808	16,200

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Industrial Property Development

The revenue from industrial property development segment mainly represented the warehouse storage income generated from the warehouse operation. The warehouse of the Group is located in Taicang, Jiangsu Province, the PRC. It is divided into 6 units and the total areas is approximately 48,600 square meters.

Revenue from the warehouse operation recorded an increase of HK\$6,824,000 to HK\$13,342,000 for the year ended 31 December 2018 (2017: HK\$6,518,000) and a segment loss of HK\$6,925,000 has resulted (2017: HK\$11,905,000). The repair and maintenance works of 2 warehouse units were completed in July 2018. Most of the warehouse units has been fully occupied early in 2018 for storage of raw materials mainly. Although the trade war between China and United States brought negative effect on the general trading and exporting business during the year, as the customers of our warehousing operation mainly focus on local trading business, there is no material effect on the Group's income generated from the warehouse operation.

General Trading

Our co-operation with a major distribution agent of Moutai (i.e. a reputable distilled Chinese liquor) to sell Moutai and other popular Chinese liquors continued in 2018. The revenue generated from the liquors trading amounted to HK\$60,043,000 (2017: HK\$64,182,000), resulting in segment profit of HK\$4,255,000 (2017: HK\$1,605,000).

Due to the popularity of Moutai and other popular Chinese wines in the PRC and the limited number of authorized distribution agents, the key to carry out trading is to secure the supply, as the demand of Chinese wine products in the PRC far exceeds its supply. It is the normal commercial practice that no credit term is granted from the supplier and to the wholesalers and/or re-sellers and the liquors will only be delivered upon full payment of the liquors ordered. Since the commencement of such co-operation in late 2016, our management has established a strong mutual trust with the supplier which is a reputable wine distributor and is able to obtain stable supply from the wine producers, which is crucial to the long term stable development of our wine trading operation.

工業用物業發展

工業用物業發展分部之收入主要指倉庫業務產生之倉庫存放收入。本集團之倉庫位於中國江蘇省太倉市，共分為6個單元，總面積約為48,600平方米。

截至二零一八年十二月三十一日止年度，倉庫業務收入錄得上升6,824,000港元至13,342,000港元（二零一七年：6,518,000港元），而產生之分部虧損為6,925,000港元（二零一七年：11,905,000港元）。其中2個倉庫單位的維修及保養工程已於二零一八年七月完工，而大部分倉庫單位已於二零一八年初被悉數佔用，主要用於存放原材料。儘管年內中美貿易戰對國內的一般貿易及出口業務帶來負面影響，惟由於我們的倉庫客戶主要從事於本地貿易業務，對本集團倉庫業務產生的收入並無受到重大影響。

一般貿易

我們與一名茅台（即知名中國蒸餾白酒）大型經銷代理建立了銷售茅台及其他暢銷中國白酒之合作關係，並於二零一八年仍然持續。相關酒品貿易帶來收入60,043,000港元（二零一七年：64,182,000港元），產生分部溢利4,255,000港元（二零一七年：1,605,000港元）。

由於茅台及其他暢銷中國白酒在中國廣受歡迎，且授權分銷代理商數目有限，而開展該貿易的關鍵是確保供應，此乃由於中國白酒產品的需求遠大於供應。按照一般商業慣例，供應商不會授予批發商及／或轉銷商信貸期，且僅於全數支付酒品訂單後方會交貨。自二零一六年年年底開始合作以來，我們的管理層已與供應商建立堅實的互信基礎，該供應商是一名聲譽良好的茅台經銷商，能從生產商獲取穩定的供應，這對我們酒類貿易業務的長遠穩定發展至為重要。

In 2018, the strong demand for Moutai continued and the price of Moutai increased radically during the year, and such increase in price is expected to be continued in the Chinese liquors market in general. The increase in price contributed to the increase in profit margin of the segment. However, turnover is reduced compared to last year as there is insufficient supply of Moutai and other popular Chinese liquors allocated to us by our suppliers.

To secure a stable supply of these popular Chinese liquors, we strive to actively negotiate with our business parties to secure a stable supply in 2019. Due to the stable and continued growth in the demand of Chinese liquors, especially Moutai, the Group will continue the operations of this segment and further develop the sales network to increase its volume and profitability gradually.

Securities Brokerage

The securities brokerage operation continues to provide a variety of securities related services including securities brokerage, securities trading, margin financing and placements in Hong Kong. Revenue from the segment was HK\$710,000 (2017: HK\$3,436,000) and segment loss of HK\$2,287,000 (2017: HK\$545,000) has resulted.

Revenue from this segment has dropped significantly, mainly caused by the securities brokerage operation undergoing a business restructuring process and operation streamlining during the year. In order to face keen competition in the securities brokerage operation, we established a new sales and operation team to expand our business presence in the securities brokerage sector. At the same time, we are looking into new products including but not limited to funds trading in order to broaden our client base.

Insurance Brokerage

During the year, we continued to provide tailor-made financial solutions to its clients and independent advisory services in connection with insurance products and operate long term (including linked long term) and general insurance business plus MPF.

於二零一八年，茅台的需求持續強勁，而年內茅台的價格大幅上升，預期中國白酒市場整體將延續價格上漲趨勢。價格抬升拉動該分部毛利率上升。然而，由於供應商向我們分配的茅台及其他暢銷中國白酒供應不足，導致營業額與去年相比有所下跌。

為確保該等暢銷中國白酒的穩定供應，於二零一九年我們會積極與我們的業務夥伴磋商以確保持續供應。由於尤以茅台為甚之中國白酒需求增長持續穩定，本集團將繼續經營本分部，並進一步發展銷售網絡，以逐步提升其銷量及盈利能力。

證券經紀

證券經紀業務繼續提供多種證券相關服務，包括在香港進行證券經紀、證券買賣、保證金融資及配售。分部收入為710,000港元（二零一七年：3,436,000港元），而產生之分部虧損為2,287,000港元（二零一七年：545,000港元）。

該分部收入大幅下降主要由於年內證券經紀業務進行業務重組以精簡營運。為應對證券經紀業務的激烈競爭，我們已組建新的銷售及營運團隊，以擴展於證券經紀行業的業務範圍。同時，我們正尋求新產品，包括但不限於基金買賣業務，以擴大我們的客戶基礎。

保險經紀

年內，我們繼續為客戶提供度身定制金融解決方案及有關保險產品的獨立顧問服務，並經營長期（包括相連長期）及一般保險業務以及強積金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue from insurance brokerage was approximately HK\$8,007,000 with net loss HK\$435,000 for the year ended 31 December 2018 compared to 2017 with revenue of HK\$14,072,000 and net loss of HK\$6,000. The performance of insurance brokerage is still facing challenge of keen marketing competition. According to the Insurance Authority of Hong Kong, the number of authorized insurance brokers in Hong Kong was increased from 771 as at 31 March 2017 to 778 as at 31 March 2018. Thus, the Group will continue to strengthen the existing sales team and to develop various channels in different client segments and foster close relationship with insurance companies and offer diversified products to our customers to achieve a steady growth of the business.

Asset Management

The fund managed by our asset management segment is “Spruce Light Absolute Return Fund” which is a hedge fund. Its net value of assets under our management is approximately US\$10 million. Revenue of HK\$471,000 and segment loss of HK\$5,405,000 were recorded for the year ended 31 December 2018 compared to 2017 with the revenue HK\$1,323,000 and segment loss of HK\$704,000.

In 2018, China’s economy growth had slowed down, following the implementation of “deleveraging” policy and the influence of Sino-US trade disputes. In particular, fixed asset investments increased by 5.9% year-on-year, representing a drop of 1.3% in growth as compared with the last year. The growth for total retail sales of consumer goods eased to 9% year-on-year, representing a drop of 1.2% in growth as compared with the last year. In securities markets, due to the economic growth slow down, the “deleveraging” policy in China and the influence of Sino-US trade disputes, large declines occurred in major Chinese stock indexes at home and abroad. CSI-300 Index slipped 25.3% for the year. At the same time, Hang Seng Index and Hang Seng China Enterprise Index also fell 13.6% and 13.5%, respectively. Nonetheless, the general performance of the fund under management for the year was better than the major market indexes.

截至二零一八年十二月三十一日止年度，保險經紀之收入約為8,007,000港元及虧損淨額為435,000港元，而截至二零一七年則分別為收入14,072,000港元及虧損淨額6,000港元。保險經紀表現依舊面臨激烈市場競爭的挑戰。根據香港保險業監管局的資料，香港獲授權保險經紀公司的數目由二零一七年三月三十一日的771間增至二零一八年三月三十一日的778間。因此，本集團將繼續加強現有銷售團隊以發展多種不同客戶分部渠道，同時與保險公司培育密切關係並向客戶提供多樣的產品，從而實現業務的穩步增長。

資產管理

由我們的資產管理部門管理的基金為「Spruce Light 絕對回報基金」，該基金為一項對沖基金，管理資產淨值約為10,000,000美元。截至二零一八年十二月三十一日止年度，收入為471,000港元及分部虧損為5,405,000港元，而二零一七年收入為1,323,000港元及分部虧損為704,000港元。

伴隨「去槓桿」政策的執行及中美貿易紛爭的擾動，二零一八年中國國內經濟增速有所放緩。其中，固定資產投資額全年同比增長5.9%，增速較上年回落1.3%。社會消費品零售總額同比增速放緩至9%，增速較上年回落1.2%。證券市場方面，由於經濟增速放緩，疊加國內「去槓桿」政策和中美貿易紛爭的擾動，主要境內外中國股票指數都出現了較大幅度下跌。滬深300指數全年下跌25.3%，恆生指數下跌13.6%，恆生中國企業指數下跌13.5%。二零一八年全年，我們管理的項下基金的整體表現仍好於主要市場指數。

Looking ahead in 2019, China's economic policies will be strengthened to improve the domestic economic environment while the uncertainties of Sino-US trade disputes will continue to cause stock market fluctuations. In the long run, Chinese companies with excellent management and good competitive landscape could still achieve outstanding performance growth, thus improving stock price. On the other hand, companies without performance improvements could lose its support in face of continuing challenges from downside risks. The asset management business segment will continue to seek growth in both scale and performance.

Loan Financing

Loan financing segment includes the provision of financing guarantee services, loan financing, financing consultancy and loan referral services in both Hong Kong and the PRC.

The segment revenue generated from loan financing for year ended 31 December 2018 was HK\$70,022,000 with segment profit of HK\$54,605,000, compared to the segment revenue of HK\$41,121,000 and segment profit of HK\$27,755,000 for the year ended 31 December 2017. The increase in segment revenue and profit was mainly contributed by the newly acquire PRC financing guarantee and financing consultancy services business.

The State Council published the Measures for the Supervision and Administration of Financing Guarantee Companies (《融資擔保公司監督管理條例》) on 2 August 2017 which clarifies the development direction for financing guarantee business in form of administrative regulation. The financing guarantee business will maintain sustainable, stable and healthy development under the support of the new national regulation. With the synergy between loan referral services and financing guarantee services in PRC, it will bring further business opportunity in relation to supply chain financing services to parallel import car business, as well as factoring business in PRC.

For risk management purposes, our loan financing team in PRC established corresponding credit policy and operation procedures. Due diligence and credit reviews are routinely performed for existing and potential customers. For financing guarantee services, our financing team will require sufficient pledge of assets.

展望二零一九年，中國的經濟政策加力提效，國內經濟環境趨於改善，然而中美貿易談判仍存不確定性，或將繼續為股票市場帶來波動。長期來看，管理優秀且競爭格局良好的中國企業，仍將取得優秀的業績增長，從而帶動股價的提升。而缺乏業績支撐的公司或仍面臨持續的挑戰。資產管理業務板塊將繼續尋求規模和業績的增長。

貸款融資

貸款融資分部包括在香港和中國提供融資擔保服務、貸款融資、融資諮詢及貸款轉介服務。

截至二零一八年十二月三十一日止年度，貸款融資產生分部收入70,022,000港元及分部溢利54,605,000港元，而截至二零一七年十二月三十一日止年度之分部收入為41,121,000港元及分部溢利為27,755,000港元。分部收入及溢利增加主要受惠於新收購的中國融資擔保及融資諮詢服務業務。

國務院於二零一七年八月二日頒佈《融資擔保公司監督管理條例》，該條例指明融資擔保業務在行政監管方面的發展方向。融資擔保業務將在國家新規的支持下持續、穩定及健康發展。憑藉於中國地區提供貸款轉介服務與融資擔保服務之間的協同效應，其將為供應鏈融資服務提供其他業務機會，以配合中國進口汽車業務以及保理業務。

就風險管理目的而言，中國的貸款融資團隊已制定相應的信貸政策及操作程序。我們將定期對現有及潛在客戶進行盡職及信用調查。就融資擔保服務而言，我們的融資團隊將要求提供足夠的質押資產。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In the government report of the Second Session of the 13th National People's Congress stated that the main focus of the central government in 2019 shall be exerting reform efforts and improving the money and credit supply mechanism, guiding financial institutions to extend credit quota and reducing the cost of loans by utilizing quantitative and pricing monetary policy, such as reserve requirement ratio and interest rates, and releasing funds to support the development of private enterprises, and small and micro enterprises. The management believe that these policies will have a positive impact on the financing and credit market, and will benefit the Group's supply chain finance business and financial advisory services business in Mainland China.

The loan financing operations in Hong Kong primarily involved in mortgage loan operation. To remain competitive while mitigating the overall credit risk, we adopted a stringent credit approval policy and before the loan was approved, we worked closely with reputable professionals for property valuation in valuing the property provided by customers for the mortgage loan application to ensure the loan to value ratio of the relevant properties are maintained at a reasonable level. Credit assessment including full review of credit history and personal TU credit report of the potential customers is performed. In addition, we installed tools to monitor the trend in the property market which will provide alert to our credit team in case of significant fluctuation or irregularity is noted in the mortgage under supervision.

The Group will continue to implement a prudent strategy and maintain its focus on high net worth customers through building closer partnership with our business partners which act as loan referral agents and has established stringent internal loan management system, including credit assessment and risk management as mentioned above. In addition, we cooperate tightly with external professionals for property valuation, credit check and legal counsel.

As at 31 December 2018, the balance of the loans and interest receivables was approximately HK\$113,952,000 (2017: HK\$189,891,000). Interest rate of the loans ranged from 6% to 30% (2017: 6.6% to 18%) per annum. As at 31 December 2018, the total guarantee issued by our financing guarantee operation was approximately RMB492 million (as at 31 December 2017: RMB349 million).

在十三屆全國人大二次會議政府報告中表示，2019年中央政府的主要工作將致力於改革完善貨幣信貸投放機制，適時運用存款準備金率、利率等數量和價格手段，引導金融機構擴大信貸投放、降低貸款成本，釋放資金用予支持民營及小微企業發展。管理層相信有關政策對於融資及信貸市場將有正面的影響，亦有利於本集團於中國內地的供應鏈金融業務及融資顧問服務業務。

於香港之貸款融資業務主要涉及按揭貸款業務。為了在減輕整體信貸風險的同時維持競爭力，我們採納一項嚴格的信貸審批政策，而在批准貸款前，我們會與聲譽良好的物業估值專業人士密切合作，評估客戶就按揭貸款申請所提供物業的價值，以確保相關物業的貸款價值比率維持在合理水平。我們亦會進行信貸評估，包括全面審閱潛在客戶的信貸記錄及個人TU信貸報告。此外，我們已安裝工具監控物業市場趨勢，倘受監控按揭出現重大波動或不尋常現象，有關工具將向我們的信貸團隊發出警示。

本集團將繼續實行審慎策略，透過與擔任貸款轉介代理的業務夥伴建立緊密合夥關係，重點關注高淨值客戶，並已設立包括上文所述信貸評估及風險管理在內的嚴格內部貸款管理系統。此外，我們在物業估值、信貸審查及法律諮詢方面與外部專業人士緊密合作。

於二零一八年十二月三十一日，應收貸款及利息結餘約為113,952,000港元（二零一七年：189,891,000港元）。該等貸款年利率介乎6%至30%（二零一七年：6.6%至18%）。於二零一八年十二月三十一日，融資擔保業務已發出的擔保總額為約人民幣492,000,000元（於二零一七年十二月三十一日：人民幣349,000,000元）。

Non-fulfillment of profit guarantee of Sino Wealth Group and Access China Group

According to the agreements in relation to the acquisition of Sino Wealth Investment Co., Limited (together with its subsidiaries, the "Sino Wealth Group") and Access China Group Limited (together with its subsidiaries, the "Access China Group"), the vendors of each acquisition had guaranteed that the audited net profit after tax of 北京安家世行融資擔保有限公司 (Beijing An Jia Shi Hang Financing Guarantee Company Limited) and 北京信諾微資產管理有限公司 (Beijing Xin Nuo Wei Assets Management Limited) would be not less than RMB20 million and RMB30 million respectively for the year ended 31 December 2018. If the guaranteed profits were not met, a compensation being 1.2 times of the shortfall between the difference of the profit guarantee and the actual audited net profit after tax (the "Shortfall") would be deducted from the partial cash consideration payable to the respective vendors.

Due to the adverse situation in the financial sector in the PRC which resulted in a tighten of funding source, the operation of provision of financing guarantee services of Sino Wealth Group and financing consultancy and loan referral services which were the principal activities of Access China Group had encountered severe challenge in identifying various source of funding to the clients and generating relevant income. As a result, both Sino Wealth Group and Access China Group failed to meet the profit guarantees and the Shortfalls were deducted from the partial cash considerations to be paid.

For Sino Wealth Group, the audited net profit after tax for the year ended 31 December 2018 subject to consideration of profit guarantee was approximately RMB15.5 million and the Shortfall of approximately HK\$6.3 million (being 1.2 times of the difference between the audited net profit after tax and the profit guarantee of RMB20 million) was deducted from the next part payment of the consideration in the sum of HK\$11 million paid by the Group to the vendor.

For Access China Group, the audited net profit after tax for the year ended 31 December 2018 subject to consideration of profit guarantee was approximately RMB28 million and the Shortfall of approximately HK\$2.8 million (being 1.2 times of the difference between the audited net profit after tax and the profit guarantee of RMB30 million) was deducted from the next part payment of the consideration in the sum of HK\$10 million paid by the Group to the vendor.

Sino Wealth 集團及 Access China 集團未履行溢利保證

根據有關收購 Sino Wealth Investment Co., Limited (連同其附屬公司, 統稱「Sino Wealth 集團」) 及 Access China Group Limited (連同其附屬公司, 統稱「Access China 集團」) 之協議, 各項收購之賣方已保證北京安家世行融資擔保有限公司及北京信諾微資產管理有限公司之截至二零一八年十二月三十一日止年度經審核除稅後溢利淨額分別不低於人民幣 20,000,000 元及人民幣 30,000,000 元。若未達到保證溢利, 則應從應付予各賣方的部分現金代價中扣除溢利保證與實際經審核除稅後溢利淨額之間差額 1.2 倍 (「差額」) 之賠償。

由於中國金融市場逆轉導致資金來源收緊, Sino Wealth 集團及 Access China 集團的主要業務分別為提供融資擔保服務及提供融資顧問及貸款轉介服務。故為客戶尋找資金來源, 產生收益方面遇到嚴峻挑戰。因此, Sino Wealth 集團及 Access China 集團均未能履行溢利保證, 而差額已從將支付之部分現金代價中扣除。

就 Sino Wealth 集團而言, 截至二零一八年十二月三十一日止年度的經審核除稅後溢利淨額約為人民幣 15,500,000 元, 與溢利保證代價有關差額約為 6,300,000 港元 (即經審核除稅後溢利淨額與溢利保證人民幣 20,000,000 元之差額的 1.2 倍) 從本集團支付予賣方的下一部分代價款項 11,000,000 港元中扣除。

就 Access China 集團而言, 截至二零一八年十二月三十一日止年度的經審核除稅後溢利淨額約為人民幣 28,000,000 元, 與溢利保證代價有關差額約為 2,800,000 港元 (即經審核除稅後溢利淨額與溢利保證人民幣 30,000,000 元之差額的 1.2 倍) 從本集團支付予賣方的下一部分代價款項 10,000,000 港元中扣除。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Litigation

PRC

(l) The Company has appointed PRC legal advisers and the applications for arbitration to enforce the variable interest entity contracts (the "VIE Contracts") have been filed and accepted by 上海仲裁委員會 (Shanghai Arbitration Commission, "SAC") in August 2016 (the "Arbitration"). Details of the applications are set out in the announcement dated 18 August 2016. On 22 February 2017, the PRC legal advisers of the Company received three decisions issued by the SAC to suspend the Arbitration as (i) 上海新盛典當有限公司 (Shanghai Xinsheng Pawnshop Limited, "Xinsheng"), 上海快鹿投資(集團)有限公司 (Shanghai Kuailu Investment Group Company Limited, "Shanghai Kuailu") and 上海中源典當有限公司 (Shanghai Zhongyuan Pawnshop Company Limited, "Zhongyuan") are involved in a criminal investigation conducted by the public security authority of Shanghai City, PRC; and (ii) the shares of Xinsheng and Zhongyuan were frozen by PRC public security authority. As such, it was stated that such circumstances would create obstacles for submitting evidence to SAC, and SAC agreed to suspend the Arbitration with effect from 21 February 2017. As we are not a party of the criminal investigation in relation to Shanghai Kuailu conducted by the public security authority of Shanghai City, PRC, we have no access to the latest status nor the outstanding matters and the expected time of the completion of such investigation. Up to the date of this report, the Arbitration was still suspended and the PRC legal advisers of the Company has not received any oral or written updates from SAC on when the Arbitration will be resumed nor the status of the criminal investigation. Since the effective control of the Group over the two subsidiaries was governed by the VIE Contracts, the feasible way to re-gain control of the subsidiaries was to enforce such VIE Contracts through the Arbitration and the PRC legal advisers of the Company will closely monitor the latest development of the cases and would proceed to resume the Arbitration once the criminal investigation is completed. The financial impacts of the de-consolidation resulting from the incident has been fully reflected in the financial year of 2016 and the suspension of the Arbitration claim is not expected to create any adverse impact on the Group as whole.

訴訟

中國

(l) 本公司已委任中國法律顧問，而向上海仲裁委員會（「上海仲裁委員會」）存檔關於強制執行可變動權益實體合約（「可變動權益實體合約」）的仲裁申請已於二零一六年八月獲受理（「仲裁」）。有關申請之詳情載於二零一六年八月十八日之公佈。於二零一七年二月二十二日，本公司的中國法律顧問收到上海仲裁委員會發出的三項決定，內容有關暫緩處理仲裁，因為(i) 上海新盛典當有限公司（「新盛」）、上海快鹿投資(集團)有限公司（「上海快鹿」）及上海中源典當有限公司（「中源」）牽涉中國上海市某公安機關的犯罪調查；及(ii) 新盛及中源的股份已被中國公安機關凍結。因此，據稱上述情況將妨礙向上海仲裁委員會提交證據，而上海仲裁委員會同意暫緩處理仲裁，自二零一七年二月二十一日起生效。由於我們並非中國上海市某公安機關對上海快鹿所進行犯罪調查的一方，我們無法知悉最新情況或未決事項以及有關調查的預期完成時間。直至本報告日期，仲裁仍在暫緩處理及本公司中國法律顧問並無收到上海仲裁委員會任何有關仲裁恢復時間或刑事調查情況的口頭或書面最新消息。鑒於本集團對兩間附屬公司的有效控制權乃由可變動權益實體合約規管，重新獲取該等附屬公司之控制權的可行方法是透過仲裁強制執行該等可變動權益實體合約，而本公司中國法律顧問將密切監控事件的最新進展，一旦完成刑事調查，將繼續恢復仲裁。該事件導致之取消綜合入賬的財務影響已於二零一六年財政年度內充分反映而中止仲裁申索預期不會對本集團整體產生任何不利影響。

(II) The financing guarantee subsidiary of the Group has commenced a litigation as the plaintiff against a P2P platform in Beijing, PRC. The matter is related to the guarantee deposit paid to and withheld by a P2P platform in the course of our financial guarantee business. The hearing commenced in March 2019 and no judicial decision has been promulgated up to the date of this report. The Board believe that there is no significant financial impact on the Group.

The Directors continue to follow up the progress of the incident addressed in section "Litigation".

FINANCIAL REVIEW

Administrative and Other Operating Expenses

Administrative and other operating expenses mainly consist of the operating expenses of each of industrial property development, general trading, loan financing, securities brokerage and insurance brokerage as well as the overall administrative expenses including but not limited to the office utilities and administration, legal and professional fee, operating lease payments, employee benefit expenses, depreciation and amortization, etc. Administrative and other operating expenses amounted to approximately HK\$115,836,000 during the year under review, which is increased by HK\$16,039,000 as compared to last year. The increase mainly resulted from the increase in staff salary and overall expenses as a consequence of the growth in different operations of the Group. The management will continue to act on its stringent measures on costs control to contain the administrative and other expenses at a reasonable level.

Net Impairment Losses on Financial Assets

The Group has recognised a provision for net impairment on the financial assets of approximately HK\$7,523,000 in accordance to the new requirement of HKFRS 9 during the year, the amount mainly in relation to the loan receivable, account receivables and interest receivable of certain customers in HK and PRC.

Finance Costs

Finance costs have decreased from approximately HK\$16,340,000 in 2017 to approximately HK\$11,560,000 in 2018. The decrease in the finance costs was caused by repayment of bank and other loans during the year and decrease in imputed interest on deferred consideration.

(II) 本集團的融資擔保附屬公司已以原告身份在中國北京對一家P2P平台提出訴訟，該訴訟關於我們在融資擔保業務中支付予該P2P平台的業務保證金。訴訟已於二零一九年三月開庭審理，且直至本報告日期，尚未作出任何司法判決，董事會認為對本集團並未造成重大財務影響。

董事繼續跟進「訴訟」一節所處理事件的進度。

財務回顧

行政及其他營運開支

行政及其他營運開支主要包括工業用物業發展、一般貿易、貸款融資、證券經紀及保險經紀各自所產生之營運開支以及整體行政開支，包括但不限於辦公室水電費及管理、法律及專業費用、經營租賃付款、僱員福利開支、折舊及攤銷等。於回顧年內之行政及其他營運開支約為115,836,000港元，較去年增加16,039,000港元。開支增加主要由於本集團不同業務增長導致員工薪金及整體開支增加所致。管理層將繼續採取嚴格的成本監控措施，以確保行政及其他開支維持在合理水平。

金融資產之減值虧損淨額

本集團已於年內根據香港財務報告準則第9號的新規定確認金融資產之減值淨額撥備約7,523,000港元，該金額主要涉及香港及中國若干客戶的應收貸款、應收賬款及應收利息。

財務成本

財務成本由二零一七年的約16,340,000港元減少至二零一八年的約11,560,000港元。財務成本減少乃由於年內償還銀行及其他貸款以及遞延代價推算利息減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Financial Resources

The Group adopts the policy of prudence in managing its working capital. The operation of the Group was primarily financed by internally generated cash flow and external financing. As at 31 December 2018, the shareholders' fund and net current assets of the Group amounted to approximately HK\$664,625,000 (31 December 2017: HK\$714,829,000) and HK\$401,468,000 (31 December 2017: HK\$464,442,000) respectively. On the same date, the Group's bank balances and cash amounted to HK\$269,578,000 (31 December 2017: HK\$410,117,000) which were principally denominated in Hong Kong dollars and Renminbi and the current ratio was 3.49 (31 December 2017: 3.03).

As at 31 December 2018, the Group's total borrowings were denominated in Renminbi at the fixed rate of 6.37% amounted to approximately HK\$88,226,000 (31 December 2017: HK\$159,093,000) of which approximately HK\$8,538,000 is repayable within 1 year, approximately HK\$11,384,000 is repayable between 1 to 2 years, approximately HK\$36,998,000 is repayable between 2 to 5 years and approximately HK\$31,306,000 is repayable over 5 years. The gearing ratio, measured on the basis of total borrowings over net assets, was 13% as at 31 December 2018 (31 December 2017: 22%).

There was no capital commitment in respect of the acquisition and construction of property, plant and equipment as at 31 December 2018 (31 December 2017: nil).

The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are mainly in Hong Kong dollars & Renminbi. Therefore the Group did not use any financial instruments for hedging purposes.

流動資金及財務資源

本集團採納審慎的營運資金管理政策。本集團的營運主要由內部產生的現金流量及外部融資提供資金。於二零一八年十二月三十一日，本集團股東資金及流動資產淨值分別約為664,625,000港元（二零一七年十二月三十一日：714,829,000港元）及401,468,000港元（二零一七年十二月三十一日：464,442,000港元）。同日，本集團銀行結餘及現金為269,578,000港元，主要以港元及人民幣計值（二零一七年十二月三十一日：410,117,000港元）及流動比率為3.49（二零一七年十二月三十一日：3.03）。

於二零一八年十二月三十一日，本集團借貸總額以人民幣計值，按6.37%固定利率計息，共計約為88,226,000港元（二零一七年十二月三十一日：159,093,000港元），其中約8,538,000港元須於1年內償還，約11,384,000港元須於1至2年內償還，約36,998,000港元須於2至5年內償還及約31,306,000港元須於5年後償還。於二零一八年十二月三十一日，按借貸總額除以資產淨值計量之資本負債比率為13%（二零一七年十二月三十一日：22%）。

於二零一八年十二月三十一日，本集團並無有關收購及建設物業、廠房及設備之資本承擔（二零一七年十二月三十一日：無）。

由於本集團之現金、借貸、收入及開支主要以港元及人民幣計值，故預期本集團並無任何重大外匯風險。因此，本集團並無使用任何金融工具以進行對沖。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Actual use of proceeds of 2017 Open Offer

In June 2017, the Company completed an open offer on the basis of one offer share for every two existing shares of the Company at a subscription price of HK\$0.10 per offer shares (the "2017 Open Offer") and a net amount of approximately HK\$222 million was raised. The intended and actual use of the net proceeds from the 2017 Open Offer is stated as below:

二零一七年公開發售所得款項的實際用途

於二零一七年六月，本公司完成以認購價每股發售股份0.10港元按每持有本公司兩股現有股份可獲發一股發售股份之基準進行的公開發售（「二零一七年公開發售」）及籌得淨額約222,000,000港元。二零一七年公開發售所得款項淨額的擬定及實際用途載列如下：

Amount (HK\$ million) 金額 (百萬港元)	Intended use 擬定用途	Actual use 實際用途
25	For expansion of money lending business 擴大放債業務	Fully utilised as intended 悉數按擬定用途使用
20	For development of factoring business in the PRC 於中國發展保理業務	The amount has not been utilised and is expected to be used as intended within 12 months 該款項尚未動用及預期於12個月內按擬定用途使用
5	For expansion of insurance brokerage business 擴大保險經紀業務	Fully utilised as intended 悉數按擬定用途使用
22	For general working capital 一般營運資金	Fully utilised as general working capital including but not limited to office and administrative expenses, rent, salary, etc. 悉數用作一般營運資金，包括但不限於辦公室及行政開支、租金、薪資等
150	For future investment 未來投資	The amount has been utilised as partial payment to the vendors for the acquisition of Sino Wealth Investment Co. Limited. 該款項已用作就收購Sino Wealth Investment Co. Limited向賣方作出的部分付款。
Total 總計	222	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Assets impairment loss

The impairment loss on goodwill of approximately HK\$7,143,000 (the "Impairment") recorded for the year ended 31 December 2018 (2017: HK\$14,650,000) was mainly related to the impairment loss on goodwill of the Type 1 & 9 licensed operations (the "Impaired Operations"). The Impaired Operations were acquired by the Group in 2016 with the objective to expand the operations to the potential clients in the PRC as there was increasingly demand for those clients to invest in the securities in the local market. However, despite the efforts spent by the management and the operation team on developing the business, it has failed to meet the growth rate forecast in 2018 as expected and thus the valuation conducted by our external valuer in 2018 has to be adjusted accordingly, resulting in the impairment loss for the year ended 31 December 2018.

Fund Investments

Our investment portfolio is classified according to HKFRS 9. The carrying amounts of the financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss during the year were approximately HK\$15,872,000 and HK\$77,695,000 respectively as at 31 December 2018 (as at 31 December 2017: available-for-sale investments: HK\$25,521,000 and HK\$22,410,000). The investment portfolio includes unlisted investment funds, investing primarily in equity of companies listed in PRC and Hong Kong, and investment in property development project in PRC.

Contingent Liabilities

There are no significant contingent liabilities noted as at 31 December 2018.

Capital Structure

In May and June 2018, upon the exercise of the share options at an exercise prices of HK\$0.187 and HK\$0.188 per share, 13,170,000 new shares were issued. In late December 2018, the Company received 9,000,000 share options exercise request at an exercise prices of HK\$0.187 and those shares were issued in January 2019.

Grant of Share Options

On 20 March 2018, the Company granted 457,580,000 share options to certain eligible persons. Share-based payment expenses of approximately HK\$40,313,000 was recognised. Such one-off non-cash expenses result in a material negative impact to the financial performance of the Group in 2018.

資產減值虧損

截至二零一八年十二月三十一日止年度錄得的商譽減值虧損約7,143,000港元(二零一七年: 14,650,000港元)(「減值」)主要與第1及9類持牌業務(「已減值業務」)的商譽減值虧損有關。已減值業務乃由本集團於二零一六年收購,旨在隨著投資本地市場證券的客戶需求日益增大,於中國擴展潛在客戶業務。然而,儘管管理層及經營團隊大力發展業務,但未能達到先前於二零一八年的增長率預測,因此外部估值師於二零一八年進行的估值須作出相應調整,導致於截至二零一八年十二月三十一日止年度錄得減值虧損。

資金投資

年內,我們的投資組合根據香港財務報告準則第9號進行分類。按公平值計入其他全面收益的金融資產及按公平值計入損益的金融資產各自於二零一八年十二月三十一日之賬面值約為15,872,000港元及77,695,000港元(於二零一七年十二月三十一日:可供出售投資: 25,521,000港元及22,410,000港元)。投資組合包括投資於非上市投資基金,中國及香港上市公司的股權,以及對中國房地產發展項目的投資。

或然負債

本集團於二零一八年十二月三十一日並無重大或然負債。

資本架構

於二零一八年五月及六月,於按每股0.187港元及0.188港元的行使價行使購股權後發行13,170,000股新股份。於二零一八年十二月下旬,本公司接獲9,000,000份購股權的行使要求,行使價為0.187港元,有關股份於二零一九年一月發行。

授出購股權

於二零一八年三月二十日,本公司向若干合資格人士授出457,580,000份購股權。已確認以股份支付款項開支約40,313,000港元。該一次性非現金開支對本集團二零一八年的財務表現產生重大負面影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 14 June 2018, the Company received conversion notice from a noteholder in respect of the exercise of the conversion rights attached to the 2014 Convertible Note and 2015 Convertible Note in an aggregate principal amount of HK\$7,644,106 at the conversion price of HK\$0.24 per share. As a result of the conversion, on 15 June 2018, the Company allotted and issued 31,850,442 shares in aggregate to the noteholders. Details of the change in share capital of the Group are set out in note 37 to this report.

Charges on Assets

Our warehouse located in Taicang with the following carrying amounts have been pledged to secure general banking facilities granted to the Group:

於二零一八年六月十四日，本公司接獲票據持有人的轉換通知，內容有關按每股0.24港元之轉換價行使本金總額為7,644,106港元之二零一四年可換股票據及二零一五年可換股票據所附帶的轉換權。由於進行該轉換，於二零一八年六月十五日，本公司向票據持有人配發及發行合共31,850,442股股份。本集團的股本變動詳情載於本報告附註37。

抵押資產

我們位於太倉的倉庫已就本集團獲授之一般銀行融資而作出抵押，資產賬面值如下：

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Property, plant and equipment (RMB81,181,000)	物業、廠房及設備 (人民幣81,181,000元)	92,416	102,527
Prepaid lease payments (RMB20,223,000)	預付租賃款項 (人民幣20,223,000元)	23,021	25,040
		115,437	127,567

Save for the above, the Group had not charged other assets to secure its borrowings.

Foreign currency exposure

As confirmed by the Directors, the Group's present operations are mainly carried out in PRC and HK, and all of the Group's receipts and payments in relation to the operations are basically denominated in Renminbi & HK dollars. The Group does not use derivative financial instruments to hedge its foreign currency risks. The management will continue to monitor its foreign exchange exposure and take appropriate measures if needed.

除以上所述者外，本集團並無質押其他資產以取得其借貸。

外幣風險

經董事確認，本集團的現有業務主要於中國及香港進行，且與本集團業務有關的所有收付款主要以人民幣及港元計值。本集團並無使用衍生金融工具對沖其外幣風險。管理層將持續監察其外匯風險，並於必要時採取適當措施。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Future Plans for material investments or capital assets

Up to the report date, there was no specific plan for material investments and acquisition of capital assets. However, the Group will continue to seek new business development opportunities especially in developing financial services related business.

Employees and Remuneration Policy

As at 31 December 2018, the Group had 138 employees in Hong Kong and PRC (2017: 138 employees). Remuneration is determined by reference to their respective qualifications and experiences and according to the prevailing industry practice. Besides salary payments, our staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds. The total staff costs was approximately HK\$50,626,000 for the year ended 31 December 2018 (2017: HK\$32,951,000).

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "2019 AGM") is scheduled to be held on Thursday, 6 June 2019. For determining the entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Monday, 3 June 2019 to Thursday, 6 June 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order for a Shareholder to be eligible to attend and vote at the 2019 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 31 May 2019.

重大投資或資本資產之未來規劃

直至報告日期，並無就重大投資及收購資本資產作出具體規劃。然而，本集團將繼續尋求新的業務發展機會，尤其是發展金融服務相關業務。

僱員及薪酬政策

於二零一八年十二月三十一日，本集團於香港及中國共僱用138名僱員（二零一七年：138名僱員），並參照各員工之資歷和經驗及根據現時行業慣例釐定薪酬。除薪金外，其他員工福利包括強積金供款、酌定花紅計劃及購股權計劃。按中國法規所規定，本集團為中國僱員利益，提供包括養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金等強制性社會保障基金供款。截至二零一八年十二月三十一日止年度，員工成本總額約為50,626,000港元（二零一七年：32,951,000港元）。

暫停辦理股份過戶登記手續

本公司議定於二零一九年六月六日（星期四）舉行應屆股東週年大會（「二零一九年股東週年大會」）。為釐定出席二零一九年股東週年大會並於會上投票的權利，本公司的股東名冊將於二零一九年六月三日（星期一）至二零一九年六月六日（星期四）（包括首尾兩天）暫停辦理過戶登記手續，期內將不會辦理股份轉讓登記。股東如欲符合資格出席二零一九年股東週年大會並於會上投票，所有過戶表格連同相關股票必須於二零一九年五月三十一日（星期五）下午四時三十分前送呈本公司的香港股份過戶登記分處卓佳登捷時有限公司辦理登記，地址為香港皇后大道東183號合和中心22樓。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

EXECUTIVE DIRECTORS

Mr. Liu Kequan, aged 46, was appointed as a non-executive Director on 1 June 2016. He was re-designated as an executive Director, chief executive officer of the Company (the “CEO”) and the chairman of the Board on 30 June 2016. Mr. Liu ceased to act as the CEO on 8 June 2018. He is also a director of certain subsidiaries of the Company. Mr. Liu was previously the chief executive officer of 雲南子元集團股份有限公司 (Yunnan Ziyuan Group Co., Ltd.), a conglomerate specialising in investment, real estate development, tourism development and bio-pharmaceutical biotechnology industry and has extensive management experience. He graduated from Shanghai Jiao Tong University with a major in Applied Chemistry in July 1994. Mr. Liu also obtained an Executive Master of Business Administration degree from Tsinghua University in July 2005.

Mr. Yang Dayong, aged 43, was appointed as an executive director and CEO on 8 June 2018. He is also a director of a subsidiary of the Company. Mr. Yang is the founder of 北京安家世行融資擔保有限公司 (Beijing Anjia Shihang Financing Guarantee Co., Ltd.). He has more than 20 years of experience in the field of fintech investment, risk management and merger and acquisition. Mr. Yang graduated from Peking University with a degree in Economics. He received a Master’s degree in Economics from Tsinghua University and a Doctoral degree in Economics from Renmin University of China.

Mr. Zhang Peidong, aged 51, was appointed as an independent non-executive Director on 30 June 2016. He was re-designated as an executive Director on 5 July 2016. Mr. Zhang is currently the managing director of Yongsheng (HK) International Co., Limited which was previously owned by a Hong Kong listed company. He has over 20 years of experience in investment, corporate management and international trade industry. Mr. Zhang graduated from Jilin University of Technology (now known as Jilin University) with a major in Metallic Materials Engineering.

執行董事

劉克泉先生，四十六歲，於二零一六年六月一日獲委任為非執行董事。彼於二零一六年六月三十日調任為執行董事、本公司行政總裁（「行政總裁」）及董事會主席。劉先生於二零一八年六月八日不再擔任行政總裁。彼亦為本公司若干附屬公司之董事。劉先生曾擔任雲南子元集團股份有限公司（一間專門從事投資、房地產發展、旅遊業發展及生物製藥生物技術產業之企業集團）行政總裁並擁有豐富的管理經驗。彼於一九九四年七月畢業於上海交通大學，主修應用化學。劉先生亦於二零零五年七月獲得清華大學高級管理人員工商管理碩士學位。

楊大勇先生，四十三歲，於二零一八年六月八日獲委任為執行董事兼行政總裁。彼亦為本公司一間附屬公司之董事。楊先生為北京安家世行融資擔保有限公司的創始人。彼於金融科技投資、風險管理及併購領域擁有逾20年經驗。楊先生畢業於北京大學，獲經濟學學位。彼亦獲得清華大學經濟學碩士學位及中國人民大學經濟學博士學位。

張沛東先生，五十一歲，於二零一六年六月三十日獲委任為獨立非執行董事。彼於二零一六年七月五日調任為執行董事。張先生現任永盛（香港）國際有限公司（先前由一間香港上市公司擁有）董事總經理。彼於投資、企業管理及國際貿易行業擁有逾20年經驗。張先生畢業於吉林工業大學（現稱吉林大學），主修金屬材料工程學。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Kei Chor, aged 52, was appointed as an independent non-executive Director on 4 May 2015. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwan has over 10 years of experience in corporate accounting and worked in a number of listed companies. He was the company secretary of C&D International Investment Group Limited (Stock Code: 1908), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), from July 2015 to May 2016. Mr. Kwan holds a Master's degree in Accounting from Curtin University of Technology (now known as Curtin University).

Dr. Lyu Ziang (formerly known as Lu Ziang), aged 46, was appointed as an independent non-executive Director on 5 July 2016. He is currently the vice president of 成都數聯醫信科技有限公司 (Chengdu Shulianyixin Technology Company Limited). Dr. Lyu was the director of 上海貿易數據挖掘與應用工程技術研究中心 (Shanghai Trade Data Mining and Application Engineering Technology Research Center) from 2011 to 2016. He has years of experience in identification and control of trade and financial risks. Dr. Lyu graduated from Tsinghua University with a degree in Thermo-Dynamic Engineering and Control in July 1994 and also received a Master's degree in Computer Software and Theory as well as a Doctoral degree in Computer Technology Application from Beijing Jiaotong University in May 2003 and July 2012 respectively.

Mr. Zhou Liangyu, aged 45, was appointed as an independent non-executive Director on 30 June 2016. He is currently the managing director of 深圳海紅天遠微電子有限公司 (H&H Microelectronics Co., Ltd.), a company specialising in ODM service and overall supply chain management service in electronics industry. Mr. Zhou has over 20 years of experience in investment, corporate management and technology industry. He graduated from 陝西省涉外培訓學院 (Shaanxi Province Foreign Training College) with a major in Foreign Trade English.

獨立非執行董事

關基楚先生，五十二歲，於二零一五年五月四日獲委任為獨立非執行董事。彼為香港會計師公會的會員。關先生於企業會計方面擁有逾10年經驗並曾任職於多家上市公司。彼於二零一五年七月至二零一六年五月期間擔任香港聯合交易所有限公司（「聯交所」）上市公司建發國際投資集團有限公司（股份代號：1908）之公司秘書。關先生持有科廷科技大學（現稱科廷大學）會計學碩士學位。

呂子昂博士，四十六歲，於二零一六年七月五日獲委任為獨立非執行董事。彼現任成都數聯醫信科技有限公司副總裁。呂博士於二零一一年至二零一六年期間曾擔任上海貿易數據挖掘與應用工程技術研究中心主任。彼於識別及控制貿易及金融風險方面擁有多年經驗。呂博士於一九九四年七月畢業於清華大學並獲得熱能動力工程與控制學位，並分別於二零零三年五月及二零一二年七月獲得北京交通大學的計算機軟件與理論碩士學位及計算機應用技術博士學位。

周梁宇先生，四十五歲，於二零一六年六月三十日獲委任為獨立非執行董事。彼現任深圳海紅天遠微電子有限公司（一間專門從事電子行業之ODM服務及整體供應鏈管理服務之公司）董事總經理。周先生於投資、企業管理及技術行業方面擁有逾20年經驗。彼畢業於陝西省涉外培訓學院，主修外貿英語。

The Company is committed to maintaining high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all Shareholders. The Company has always recognised the importance of the transparency and accountability towards the Shareholders. It is the belief of the Board that Shareholders can maximise their benefits from good corporate governance.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the code provisions (the “Code Provision(s)”) as set out in the Corporate Governance Code (the “CG Code”) and Corporate Governance Report contained in Appendix 14 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange, except for the following deviations:

- Code Provision A.5 stipulates that a nomination committee should be established to make recommendations to the Board on the appointment and reappointment of Directors and succession planning for Director.

The Company established the nomination committee on 28 August 2018. Prior to the nomination committee was established, the Board was responsible for the appointment of its own members. The chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidate recommended by the chairman and make recommendation of the appointment and re-election of the Directors. Candidates are appointed to the Board on the basis of their skill, competence, diversity of perspectives and experience that they can contribute to the Company.

本公司致力維持高水準的企業管治，以確保本公司管理層的操守及保障全體股東的利益。本公司深明透明度及對股東問責的重要性。董事會相信股東可從良好的企業管治中獲得最大裨益。

企業管治常規守則

本公司已應用聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企管守則」）及企業管治報告的原則及遵守其守則條文（「守則條文」），惟以下偏離情況除外：

- 守則條文第A.5條訂明，應設立提名委員會，以就董事委任及重新委任以及董事繼任計劃向董事會作出建議。

本公司於二零一八年八月二十八日成立提名委員會。於提名委員會成立前，董事會負責委任其自身成員。董事會主席負責物色適當人選，並向董事會建議合資格人選以供考慮。董事會將審閱主席所建議之人選的資料，並就董事的委任及重選作出建議。候選人根據彼等能為本公司貢獻的技能、勝任程度、多元化觀點及經驗獲委任加入董事會。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD DIVERSITY POLICY

The Board recognizes that an increasing diversity at the Board level is inductive to the attainment of the Company's strategic objectives and the Company's sustainable development. All Directors share their competence to bring sustainable growth to the Company. Recognizing diversity is a wider issue than just gender diversity, the Board aims to achieve diversity on the Board in other respects including age, cultural and educational background, ethnicities, professional experience, skills, knowledge and length of service. In identifying suitable candidates for appointments to the Board, the Nomination Committee will take into consideration the Company's business models and specific needs. Selection of candidates will be based on a range of diversity criteria and perspectives. The Nomination Committee will consider the balance of skills, experience, independence and knowledge of the Board and the diversity representation of the Board, how the Board works together as a unit, and other factors relevant to its effectiveness.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2018.

THE BOARD

The Board currently comprises three executive Directors, being Mr. Liu Kequan (Chairman), Mr. Yang Dayong (Chief Executive Officer) and Mr. Zhang Peidong, and three independent non-executive Directors, being Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu.

董事會成員多元化政策

董事會認為提升董事會的多元化有助於本公司達致策略目標及實現本公司的可持續發展。全體董事各施所能，促進本公司的可持續發展。董事會深諳，性別多元化僅是多元化的其中一個範疇，因此董事會旨在於年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限等多個方面實現董事會多元化。於識別合適候選人以委任加入董事會時，提名委員會將考慮本公司的業務模式及特別需求。候選人的甄選將基於一系列多元化標準及層面作出。提名委員會將考慮董事會技能、經驗、獨立性及知識與董事會成員多元化之間的平衡、董事會如何協同工作以及與其效率有關的其他因素。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載之「上市發行人董事進行證券交易的標準守則」（「標準守則」），作為本公司董事進行證券交易之操守守則。經作出具體查詢後，全體董事已確認彼等於截至二零一八年十二月三十一日止的整個年度內已遵守標準守則所規定的準則。

董事會

董事會現由三位執行董事劉克泉先生（主席）、楊大勇先生（行政總裁）及張沛東先生，以及三位獨立非執行董事關基楚先生、呂子昂博士及周梁宇先生組成。

CORPORATE GOVERNANCE REPORT

企業管治報告

14 board meetings and 1 general meetings were held during the year of 2018. The individual attendance record is as follows:

於二零一八年內，曾舉行14次董事會會議及一次股東大會。個別成員的出席記錄如下：

Directors		Board Meetings Attended/ Eligible to attend 已出席／合資格出席董事會會議次數	General Meetings Attended/ Eligible to attend 已出席／合資格出席股東大會次數
董事			
<i>Executive Directors:</i>			
Mr. Liu Kequan	執行董事： 劉克泉先生	14/14	1/1
Mr. Yang Dayong (Note 1)	楊大勇先生（附註1）	8/8	0/0
Mr. Zhang Peidong	張沛東先生	14/14	0/1
<i>Independent non-executive Directors:</i>			
Mr. Kwan Kei Chor	獨立非執行董事： 關基楚先生	14/14	1/1
Dr. Lyu Ziang	呂子昂博士	14/14	1/1
Dr. Rui Mingjie (Note 2)	芮明杰博士（附註2）	4/4	0/1
Mr. Zhou Liangyu	周梁宇先生	14/14	0/1

Notes:

- Mr. Yang Dayong was appointed as Director on 8 June 2018.
- Dr. Rui Mingjie retired as Director on 6 June 2018.

Due to other business engagement, some of the Directors were unable to attend the general meetings held during the year.

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances, but the day-to-day management is delegated to the three executive Directors, Mr. Liu Kequan, Mr. Yang Dayong and Mr. Zhang Peidong.

The list of Directors and their roles and functions is posted on the website of the Company and the Stock Exchange.

Directors are given timely access to relevant information prior to each board meeting. Directors are given the opportunity to include matters in the agenda for regular board meetings. At the same time, Directors are entitled to have access to board papers and related materials to allow them to make informed decisions on matters arising from board meetings.

Minutes of board meetings and meetings of other committees are kept by the company secretary of the Company and are open for inspection by Directors.

附註：

- 楊大勇先生於二零一八年六月八日獲委任為董事。
- 芮明杰博士於二零一八年六月六日退任董事。

若干董事因其他事務而未能出席年內舉行的股東大會。

董事會負責領導及控制本公司，並監管本集團業務、戰略決策及表現，惟日常的管理則已任命三位執行董事劉克泉先生、楊大勇先生及張沛東先生負責。

董事名單及彼等的角色和職務登載於本公司及聯交所的網頁。

董事可於各董事會會議召開前適時地收到相關資料。董事有機會於董事會定期會議的議程中加入討論事項。同時董事有權取得董事會文件及相關資料以讓彼等就董事會會議上的討論事項作出知情的決定。

董事會及其他委員會的會議記錄由本公司公司秘書保管，並可供董事查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Each of the non-executive Directors is appointed for a term of three years and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

The independent non-executive Directors are persons of high caliber with academic and professional qualifications in accounting, financial, management and various business fields which provide the Group with a wide range of valuable expertise. With their experience gained from senior positions held in other organisations, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

Mr. Kwan Kei Chor, an independent non-executive Director, possesses appropriate professional qualifications in accounting or related financial management expertise states under Rule 3.10(2) of the Listing Rules.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors. The Company is of the view that all the independent non-executive Directors meet the guidelines for assessing independence in accordance with the prevailing Rule 3.13 of the Listing Rules.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Company is responsible for arranging and funding suitable training for the Directors. Individual Director is encouraged to attend courses relating to the roles, functions and duties of a listed company director or further enhancement of professional development by way of attending training courses or via online aids or reading relevant materials. The company secretary of the Company continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. During the year under review, the current Directors, namely, Mr. Liu Kequan, Mr. Yang Dayong, Mr. Zhang Peidong, Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu had participated in appropriate continuous professional development activities by attending training courses or by reading materials.

各非執行董事的委任年期為三年，並且須按照本公司的公司細則於本公司股東週年大會上輪值退任及膺選連任。

獨立非執行董事均極具才幹，擁有會計、金融、管理及眾多業務範疇的學術及專業資格，為本集團提供廣泛類別的寶貴專業知識。加上彼等在其他機構擔任高層所累積的經驗，彼等對董事會有效地履行其職務和責任提供強大的支持。

獨立非執行董事關基楚先生具備上市規則第3.10(2)條所要求的適當專業會計資格或相關財務管理專長。

本公司已收到各獨立非執行董事就獨立性作出的年度確認。本公司認為所有獨立非執行董事均符合現行上市規則第3.13條有關評估獨立性的指引。

董事的培訓及專業發展

本公司負責安排及撥付資源為董事提供適當培訓，並鼓勵個別董事出席關於上市公司董事的角色、職能及職責的課程，或者透過出席培訓課程或透過網上資源或閱讀相關材料來進一步提升專業發展。本公司的公司秘書會持續向所有董事提供上市規則及其他適用監管規定的最新資料，以確保遵守及維持良好的企業管治常規。於回顧年內，現任董事劉克泉先生、楊大勇先生、張沛東先生、關基楚先生、呂子昂博士及周梁宇先生均透過出席培訓課程或閱讀相關資料之方式參與合適之持續專業發展活動。

AUDIT COMMITTEE

The Board has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Code Provisions of the CG Code. The duties of the Audit Committee are to review and monitor the financial reporting and risk management and internal control systems of the Company. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Kwan Kei Chor (Chairman), Dr. Lyu Ziang and Mr. Zhou Liangyu.

During the year under review, the Audit Committee has reviewed with the management and the auditors the accounting principles and practices adopted by the Company and discussed the auditing, risk management, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2017 and the unaudited interim financial statements of the Group for the six months ended 30 June 2018.

In addition, the Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2018 and the related results announcement and auditor’s report, and made recommendation to the Board that the same be approved.

Three Audit Committee meetings were convened during the year. The individual attendance records are as follows:

Directors

董事

		Number of attendance 出席次數
Mr. Kwan Kei Chor (<i>Chairman</i>)	關基楚先生 (主席)	3/3
Dr. Lyu Ziang	呂子昂博士	3/3
Dr. Rui Mingjie (Note 1)	芮明杰博士 (附註1)	1/1
Mr. Zhou Liangyu	周梁宇先生	3/3

Note:

1. Dr. Rui Mingjie ceased to serve as the member of Audit Committee on 6 June 2018.

審核委員會

本公司已成立審核委員會(「審核委員會」)，並遵照企管守則的守則條文制定書面職權範圍。審核委員會的職責為審閱及監察本公司的財務申報及風險管理以及內部監控制度。審核委員會現由三位獨立非執行董事關基楚先生(主席)、呂子昂博士及周梁宇先生組成。

於回顧年內，審核委員會已聯同管理人員及核數師檢討本公司所採納的會計原則及慣例，並討論審核、風險管理、內部監控及財務申報事宜，包括審閱本集團截至二零一七年十二月三十一日止年度的經審核財務報表及本集團截至二零一八年六月三十日止六個月的未經審核中期財務報表。

此外，審核委員會已審閱截至二零一八年十二月三十一日止年度的綜合財務報表及有關的業績公佈和核數師報告，並向董事會作出核准該等公佈和報告的建議。

年內，曾召開三次審核委員會會議。個別成員的出席記錄如下：

附註：

1. 芮明杰博士於二零一八年六月六日不再擔任審核委員會成員。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Board has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the Code Provisions of the CG Code. The responsibilities of the Remuneration Committee are to advise and recommend the Board on the remuneration policy and framework of the Company's Directors and senior management, as well as review and determine the remuneration of individual executive Directors and senior management with reference to the Company's objectives from time to time. The Remuneration Committee currently comprises two independent non-executive Directors, namely, Dr. Lyu Ziang (Chairman) and Mr. Kwan Kei Chor and one executive Director, namely, Mr. Zhang Peidong.

During the year under review, the Remuneration Committee has reviewed the remuneration policy and framework of the Company's Directors and senior management, assessed the performance of executive Directors and determined the remuneration packages of individual executive Directors and senior management with reference to the Company's objectives.

Two Remuneration Committee meeting was convened during the year. The individual attendance records are as follows:

Directors 董事

Dr. Lyu Ziang (*Chairman*)
Mr. Kwan Kei Chor
Dr. Rui Mingjie (Note 1)
Mr. Zhang Peidong

呂子昂博士 (主席)
關基楚先生
芮明杰博士 (附註1)
張沛東先生

Number of attendance 出席次數

2/2
2/2
0/0
2/2

Note:

1. Dr. Rui Mingjie ceased to serve as the member of Remuneration Committee on 6 June 2018.

薪酬委員會

董事會已成立薪酬委員會(「薪酬委員會」)，並遵照企管守則的守則條文制定書面職權範圍。薪酬委員會負責就本公司董事及高級管理層的薪酬政策及綱領向董事會提供意見及建議，以及負責不時參考本公司的目標檢討及釐定個別執行董事及高級管理層的薪酬。薪酬委員會現由兩名獨立非執行董事呂子昂博士(主席)及關基楚先生以及一名執行董事張沛東先生組成。

於回顧年內，薪酬委員會已檢討本公司董事及高級管理層的薪酬政策及綱領、評估執行董事的表現，並參考本公司的目標釐定個別執行董事及高級管理層的薪酬待遇。

年內，曾召開兩次薪酬委員會會議。個別成員的出席記錄如下：

附註：

1. 芮明杰博士於二零一八年六月六日不再擔任薪酬委員會會員。

NOMINATION COMMITTEE

The Board has established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the Code Provisions of the CG Code. The duties of the Nomination Committee are (a) to review the structure, size and composition (including skills, knowledge, experience and diversity) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with due regard to the diversity of the Board; (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (c) to assess the independence of INEDs and to review the INEDs' annual confirmation on their independence; (d) to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors; and (e) before appointments are made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation to prepare a description of the roles and capabilities required for a particular appointment. The Nomination Committee currently comprises one executive Director, namely, Mr. Liu Kequan (Chairman) and two independent non-executive Directors, namely, Dr. Lyu Ziang and Mr. Zhou Liangyu.

During the year under review, one meeting was held by the Nomination Committee to review the size, structure, composition as well as diversity of the Board, to assess the independence of independent non-executive Directors and to consider the re-election of the Directors. The Nomination Committee has also reviewed the board diversity policy to ensure its effectiveness and considered that the Group has achieved the objectives of the board diversity policy during the year under review.

The Nomination Committee follows its established nomination policy in the selection of candidates for director appointments. The Bye-Laws of the Company set out the process for the appointment of Board members. In the event that the vacancy to be filled is a casual vacancy, or an additional Director is to be appointed, the Board will make the appointment of the Director in accordance with the Bye-laws. In the event that the vacancy has arisen as a result of normal retirement or rotation, the Board shall present the candidates to the shareholders for election in accordance with the Bye-laws. The Board shall avail sufficient information to enable the shareholders to make an informed choice. When a vacancy arises on the Board (through resignation, rotation etc) or in the event that an additional Director is to be appointed, the Nomination Committee shall consider the Board's needs in terms of skills, competencies and other diversity considerations with due regard to any on-going major projects

提名委員會

董事會已成立提名委員會（「提名委員會」），並遵照企管守則的守則條文制定書面職權範圍。提名委員會的職責為(a)檢討董事會的架構、人數及組成（包括技能、知識、經驗及多元化），並就任何為配合本公司的企業策略（充分顧及董事會多元化）而建議對董事會作出的任何變動提出建議；(b)物色具備合適資格成為董事會成員的人士，並挑選被提名擔任董事的人士或就此向董事會提供建議；(c)評核獨立非執行董事的獨立性並審閱獨立非執行董事的年度獨立性確認書；(d)就委任或重新委任董事及董事的繼任計劃向董事會提出建議；及(e)於董事會作出委任前，評估董事會在技能、知識及經驗方面的均衡程度，並根據評估結果就特定委任的角色及所需能力編製說明。提名委員會現由一名執行董事劉克泉先生（主席）以及兩名獨立非執行董事呂子昂博士及周梁宇先生組成。

於回顧年內，提名委員會曾召開一次會議，以檢討董事會的人數、架構、組成及多元化，評核獨立非執行董事的獨立性，以及審議董事重選事宜。提名委員會亦已檢討董事會多元化政策以確保其成效，並認為本集團於回顧年內已實現董事會多元化政策的目標。

提名委員會於挑選董事委任候選人時遵循其提名政策。本公司的公司細則載有董事會成員的委任流程。倘有關空缺為臨時空缺或委任額外董事，則董事會可根據公司細則的規定作出董事委任。倘有關空缺乃因董事正常退休或輪席退任而產生，則董事會應根據公司細則的規定提呈候選人供股東選舉。董事會應提供充足資料，以讓股東作出知情選擇。當董事會出現空缺（因董事辭任或輪席退任等）或委任額外董事加入董事會時，提名委員會應考慮董事會在技能、能力及其他多元化考慮因素方面的需求，並充分顧及任何進行中的主要項目，勾勒出理想的候選人概況。提名委員會應邀請董事會成員向其提交屬意的候選人檔案。提名委員會應就此作出考慮並挑選候選人進行面談，以衡量其是否適合有關職位。在挑選潛在候選人

CORPORATE GOVERNANCE REPORT

企業管治報告

and develop a profile of the required candidate. The Nomination Committee shall invite Board members to submit to it profiles of interested potential Board members. The Nomination Committee shall consider the profiles received and select candidates whom it shall interview to assess suitability for the position. In selecting the potential candidates, the Nomination Committee shall consider, in addition to the requirements in the Bye-Laws of the Company, the mandatory regulatory requirements. The candidate is required to expressly disclose the nature and extent of other activities or appointments which may give rise to conflict of interests, and hence his/her independence. The Nomination Committee shall make its recommendation on the candidate to the Board, and ultimately to the shareholders if required.

The Company values, promotes, and observes the Board diversity policy in the composition of its Board of Directors. The Company implements the policy as a part of the recruitment and selection process in appointment of a member of the Board. The Company is initiating the use of a matrix to facilitate a review of the skills, competencies, experience and other attributes of the Board members to establish a baseline. Selection of a candidate is generally made based on a range of diversity objectives against the baseline in the Board diversity policy. Particular regard will be paid to the benefits of balance of skills, knowledge and experience, and perspective differentiations introduced to the Board from the candidates, including varied educational background, and extensive expertise, knowledge and experience in technology, investment, trade and financial risks identification and control, international trade, corporate management to professional qualification in accounting and other professional fields.

時，提名委員會應考慮本公司的公司細則規定以及法定監管要求。候選人須明確披露其於其他可能構成利益衝突進而影響其獨立性的活動或委任的性質及程度。提名委員會應就候選人向董事會並最終向股東（如需要）提供建議。

本公司在組建董事會時重視、倡導及遵守董事會成員多元化政策。本公司將該政策應用到委任董事會成員的招聘及甄選過程中。本公司使用矩陣促進對董事會成員的技能、能力、經驗及其他屬性進行檢討，藉以定下基準。候選人的挑選通常根據董事會多元化政策的各項多元化目標而作出。將特別注意候選人的技能、知識和經驗的平衡以及向董事會提出的觀點差異所帶來的好處，包括不同的教育背景，於技術、投資、貿易及金融風險識別及控制、國際貿易、企業管理方面的豐富專業知識及經驗，以及於會計及其他專業領域的專業資格。

Directors		Number of attendance
董事		出席次數
Mr. Liu Kequan (Chairman)	劉克泉先生 (主席)	1/1
Dr. Lyu Ziang	呂子昂博士	1/1
Mr. Zhou Liangyu	周梁宇先生	1/1

CORPORATE GOVERNANCE FUNCTIONS

The Board as a whole performs the corporate governance duties which include:

- (i) developing and reviewing the Company's policies and practice on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG code and disclosure in the Corporate Governance Report.

AUDITOR'S REMUNERATION

During the year, the fees in respect of the audit and non-audit services provided to the Group by the Company's auditors, HLM CPA Limited, amounted to HK\$1,100,000 and HK\$800,000 respectively. The non-audit services mainly consist of interim results review and other reporting services.

FINANCIAL REPORTING

The Directors acknowledged their responsibility for the preparation of the financial statements in accordance with the statutory requirements and applicable accounting standards. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt on the Company's ability to continue as a going concern.

The statement by the Auditor about their reporting responsibilities on the financial statements for the year ended 31 December 2018 is set out in the "Independent Auditor's Report" of this report.

企業管治職能

董事會整體履行企業管治職責，其中包括：

- (i) 制定及檢討本公司的企業管治政策及常規；
- (ii) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (iii) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (iv) 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊（如有）；及
- (v) 檢討本公司遵守企管守則的情況及於企業管治報告內的披露。

核數師酬金

年內，就本公司核數師恒健會計師行有限公司向本集團提供核數及非核數服務的費用分別為1,100,000港元及800,000港元。非核數服務主要包括中期業績審閱及其他申報服務。

財務申報

董事知悉其有責任根據法定規定及適用會計準則編製財務報表。董事並不知悉關於可能使本公司持續經營能力存在重大疑問之事件或狀況的任何重大不確定性。

核數師關於其對於截至二零一八年十二月三十一日止年度財務報表之申報責任的聲明，載於本報告「獨立核數師報告」內。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

During the year, the company secretary of the Company is Ms. Chan Siu Mun who had taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

The Board recognises the importance of good communication with Shareholders. Information in relation to the Group is disseminated to Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Our published documents together with the latest corporate information and news are also made available on the website of the Company. The Company also welcomes comments and questions from Shareholders at its annual general meeting.

Shareholders are given the opportunity to participate and vote in Shareholder's meetings. According to Bye-law 57 of the bye-laws of the Company, any 2 or more Shareholders holding at the date of the deposit of a written requisition in aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of the deposit have the right to require a special general meeting to be called by the Board. Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at Company's head office.

Pursuant to Bye-law 89 of the bye-laws of the Company, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing by some Shareholders (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting 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.

公司秘書

年內，本公司的公司秘書為陳兆敏小姐，彼已接受不少於15個小時的相關專業培訓。

股東權利及投資者關係

董事會深明與股東保持良好溝通十分重要。有關本集團的資料會及時經由多種正規途徑（包括中期及年度報告、公佈及通函等）向股東傳達。我們的公佈文件連同最近期的公司資料及消息亦在本公司網站上可供查閱。本公司亦在其股東週年大會上接受股東的意見及提問。

股東有機會參加股東大會並於會上投票。根據本公司的公司細則第57條，於遞交請求書日期合共持有不少於本公司於遞交日期的有關已繳足股本十分之一的任何2名或以上股東有權要求董事會召開股東特別大會。有關請求書必須說明會議目的及必須由請求人簽署及遞交至本公司總辦事處。

根據本公司的公司細則第89條，除退任董事外，任何人士概無資格於任何股東大會上競選董事職位（獲董事推薦者除外），除非有權出席與所發出通知有關的大會並於會上投票的若干股東（並非獲推薦的人士）已向本公司發出一份書面通知，表明其有意提名該人士競選董事職位，而該名人士亦向本公司發出一份書面通知表明願意參選，惟發出該等通知的期間最少須為七日，而呈交該等通知的起始時間不得早於發出指定進行董事選舉的股東大會通告翌日，結束時間則不得遲於該股東大會日期前七日。書面通知應載列上市規則第13.51(2)條所規定有關該人士的履歷詳情。

Shareholders are provided with contact details of the Company, such as telephone number, fax number and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these means.

During the year ended 31 December 2018, there had not been any changes in the Company's constitutional documents. The Company's bye-laws are available on the websites of the Company and the Stock Exchange.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems to safeguard the Shareholders' interests and the Company's assets and reviewing their effectiveness. Review of the Group's internal controls include major financial, operational and compliance controls, as well as risk management functions. The risk management and internal control system are designed to manage, not eliminate, the risk of failure to achieve business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements of the risk management and internal control systems of the Group are to ensure their effectiveness include providing a clear policies and procedure, as well as a reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group's risk management policy includes the following elements:

- Identification of significant risks in the Group's operation environment and evaluate the impacts of those;
- Develop necessary measures to manage those risks; and
- Monitor and review the effectiveness of such measures.

股東已獲得本公司的聯絡方式詳情，例如電話號碼、傳真號碼及郵寄地址，以便彼等就各自對有關本公司的任何疑問作出查詢。彼等亦可透過上述方式向董事會作出查詢。

於截至二零一八年十二月三十一日止年度，本公司的憲章文件並無任何變動。本公司的公司細則於本公司及聯交所網站可供查閱。

風險管理及內部監控

董事會負責風險管理及內部監控制度，以保障股東權益及本公司資產以及審閱有關制度的成效。審閱本集團的內部監控涵蓋主要財務、營運及規管監控，以及風險管理職能。風險管理及內部監控制度旨在管理而非消除無法實現業務目標的風險，且僅可就重大失實陳述或損失提供合理而非絕對的保證。

本集團風險管理及內部監控制度的關鍵要素為確保其成效，包括提供清晰的政策及程序以及匯報機制，以協助本集團管理其業務營運過程中的風險。

本集團的風險管理政策包括下列元素：

- 識別本集團經營環境中的重大風險及評估其影響；
- 建立必備措施以管理該等風險；及
- 監察及檢討該等措施的有效性。

CORPORATE GOVERNANCE REPORT

企業管治報告

Risks that affect the achievement of the Group's objectives are identified, evaluated and prioritized by department managers. Management will assess the nature and impact of those risks, risk register are then established. The Audit Committee is responsible to manage the risk management process. Risks which cannot be accepted by the Group are transferred, eliminated or controlled through risk mitigation measures. Each risk mitigation measure has a risk owner who is a department manager or designated person who will be assigned to ensure accountability. Risks owners are also responsible for monitoring the status of the risk mitigation measures for risks under their areas of responsibility.

Due to the size of the Group and cost effectiveness consideration, the Group does not have an internal audit function. Instead, the Group has engaged an independent professional advisor to assist the Board and the Audit Committee in ongoing monitoring of internal control systems of the Group, assessing the effectiveness of the risk management and internal control systems and in performing the internal audit functions for the Group. The review covers major activities of the Group in rotation basis and also the risk management functions. Deficiencies (if any) are identified and improvement recommendations as well as remedial actions are proposed.

Audit Committee and the Board receives the risk management report and internal control report by the independent professional advisor annually. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control system, covering all material controls including financial, operational and compliance controls, and considers them to be effective and adequate.

Regarding the procedure and internal controls for the handling and dissemination of inside information, the Group is aware of its obligations under the SFO and the Listing Rules. The handling and dissemination of inside information are regulated to ensure the information is kept strictly confidential before disclosure is appropriately approved. Only personnel at appropriate level can get reach of inside information. The Group will immediately disclose the information to the public if it believes that the confidentiality may have been breached.

DIVIDEND POLICY

The Board does not have a policy to pay any fixed dividend or a pre-determined future dividend distribution policy. The Board has absolute discretion to recommend any dividend declaration. Dividend will depend on our financial conditions, results of operations, cash availability, statutory and regulatory restrictions in relation thereto, future prospects, and any other factors that the directors may consider relevant. In any event, the Company will not be in a position to pay or declare dividends until such time as it has profits available for that purpose as determined in accordance with the applicable law.

部門經理識別、評估及優先考慮影響本集團目標實現的風險。管理層將評估該等風險的性質及影響，其後設立風險登記冊。審核委員會負責管理風險管理流程。本集團無法接受的風險將透過風險消減措施轉移、消除或控制。各項風險消減措施均設有一名風險負責人，其為部門經理或將受委託確保問責的指定人士。風險負責人亦須負責監控其所負責風險領域的風險消減措施情況。

鑒於本集團規模及成本效益考慮因素，本集團並無內部審核職能。相反，本集團已委聘一名獨立專業顧問以協助董事會及審核委員會持續監控本集團的內部監控制度、評估風險管理及內部監控制度的成效以及為本集團執行內部審核職能。檢討範圍依次涵蓋本集團主要業務以及風險管理職能。該顧問會識別不足之處（如有）並提出改善建議及補救措施。

審核委員會及董事會接收獨立專業顧問每年提交的風險管理報告及內部監控報告。董事會透過審核委員會對本集團風險管理及內部監控制度的成效進行年度檢討，包括財務、營運及合規控制的所有重大控制，並認為彼等乃有效及充足。

就處理及發佈內幕消息的程序及內部監控而言，本集團知悉其於證券及期貨條例以及上市規則項下的責任。處理及發佈內幕消息須受規管以確保信息於妥為批准披露前嚴格保密。只有適當層級的人員才可獲取內部消息。倘本集團認為保密性可能已遭違反，其將立即公開披露有關信息。

股息政策

董事會並無支付任何固定股息或先前釐定的未來股息分派政策。董事會擁有絕對酌情權建議任何股息分派。股息將取決於我們的財務狀況、經營業績、可用現金、相關的法定及監管限制、未來前景，董事認為相關的任何其他因素。於任何情況下，本公司將毋須支付或宣派股息，直至根據適用法律就此釐定可用溢利為止。

The Directors present the annual report and the audited consolidated financial statements for the year ended 31 December 2018.

董事謹提呈截至二零一八年十二月三十一日止年度的年度報告及經審核綜合財務報表。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company and provide corporate management services to its subsidiaries. The activities of its principal subsidiaries are set out in note 47 to the consolidated financial statements.

主要業務及業務回顧

本公司為一間投資控股公司，並為其附屬公司提供企業管理服務。主要附屬公司的業務載於綜合財務報表附註47。

Detailed review and the future development of the Group's business are set out in the Chairman's Statement and the Management Discussion and Analysis sections of this report. Those sections form part of this "Directors' Report".

本集團業務回顧及未來發展詳載於本報告的主席報告書以及管理層討論及分析兩節。該等章節構成本「董事會報告」的一部分。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 64.

業績及分配

本集團截至二零一八年十二月三十一日止年度的業績載於第64頁的綜合損益及其他全面收益表。

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: nil).

董事會不建議派付截至二零一八年十二月三十一日止年度的末期股息（二零一七年：無）。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 247 and 248 of this report.

五年財務概要

本集團過去五個財政年度的業績及資產與負債概要載於本報告第247及248頁。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

物業、廠房及設備

年內本集團物業、廠房及設備的變動詳情載於綜合財務報表附註16。

SHARE CAPITAL

Details of the share capital of the Company during the year are set out in note 37 to the consolidated financial statements.

股本

年內本公司股本的詳情載於綜合財務報表附註37。

DIRECTORS' REPORT

董事會報告

RESERVES

Movements in reserves of the Group and the Company during the year are set out in notes 49 and 50 to the consolidated financial statements.

As at 31 December 2018, the Company's reserves available for distribution to the Shareholders amounted to HK\$nil (2017: nil).

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES

During the year, there were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest customer and the five largest customers accounted for approximately 11.75% and 38.54% of the Group's total revenue for the year respectively. The aggregate purchases attributable to the Group's largest supplier and the five largest suppliers accounted for approximately 100% and 100% of the Group's total purchases for the year respectively.

None of the Directors, their associates, or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has any interest in any of the Group's five largest suppliers or customers.

DIRECTORS

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

Executive Directors:

Mr. Liu Kequan (*Chairman*)
Mr. Yang Dayong (*Chief Executive Officer*)
(*appointed on 8 June 2018*)
Mr. Zhang Peidong

儲備

年內本集團及本公司儲備的變動載於綜合財務報表附註49及50。

於二零一八年十二月三十一日，本公司可供分派予股東的儲備為零港元（二零一七年：無）。

購買、出售及贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司的上市證券。

主要客戶及供應商

本集團最大客戶及五大客戶的銷售總額分別佔本集團年內總收入約11.75%及38.54%。本集團最大供應商及五大供應商應佔的採購總額分別佔本集團年內採購總額約100%及100%。

概無董事、彼等的聯繫人或就董事所知擁有本公司股本5%以上的任何股東擁有本集團五大供應商或客戶的任何權益。

董事

於本年度及直至本報告日期止，董事為：

執行董事：

劉克泉先生（*主席*）
楊大勇先生（*行政總裁*）
(於二零一八年六月八日獲委任)
張沛東先生

Independent non-executive Directors:

Mr. Kwan Kei Chor
Dr. Lyu Ziang
Dr. Rui Mingjie
(retired on 6 June 2018)
Mr. Zhou Liangyu

Pursuant to Bye-laws 91 and 99(B) of the bye-laws of the Company, Mr. Yang Dayong ("Mr. Yang"), Mr. Zhang Peidong ("Mr. Zhang") and Mr. Zhou Liangyu ("Mr. Zhou") will retire from office as Directors at the 2019 AGM and Mr. Yang, Mr. Zhang and Mr. Zhou, being eligible, will offer themselves for re-election.

The Company confirms that it has received an annual confirmation from each of the independent non-executive Directors regarding his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers all the existing independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

No Directors proposed for re-election at the 2019 AGM has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

獨立非執行董事：

關基楚先生
呂子昂博士
芮明杰博士
(於二零一八年六月六日退任)
周梁宇先生

根據本公司細則第91條及細則第99(B)條，楊大勇先生（「楊先生」）及張沛東先生（「張先生」）及周梁宇先生（「周先生」）將於二零一九年股東週年大會上退任董事，而楊先生、張先生及周先生合資格並願膺選連任。

本公司確認其已收到各獨立非執行董事根據上市規則第3.13條就其獨立性作出的年度確認，本公司認為所有現任獨立非執行董事均為獨立人士。

董事的服務合約

擬於二零一九年股東週年大會上重選的董事概無訂立本公司不可於一年內終止而毋須作出賠償（法定賠償除外）的服務合約。

DIRECTORS' REPORT 董事會報告

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

As at 31 December 2018, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under section 352 of the SFO; or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in shares and underlying shares of the Company

Director	Nature of Interests	Number of issued shares held	Number of underlying shares held	Total number of shares and underlying shares	Approximate percentage of the issued voting shares 佔已發行有投票權股份概約百分比
董事	權益性質	所持已發行股份數目	所持相關股份數目	股份及相關股份總數	
Liu Kequan ("Mr. Liu") 劉克泉 (「劉先生」)	Corporate interests 法團權益	1,447,750,000 (Note 1) (附註1)	–	1,447,750,000	20.94%
Yang Dayong ("Mr. Yang") 楊大勇 (「楊先生」)	Corporate and family interests 法團及家族權益	614,826,000 (Note 2) (附註2)	–	614,826,000	8.89%

Notes:

- The interests are held by Eastern Spring Global Limited. Mr. Liu is the beneficial owner of the entire issued share capital of Eastern Spring Global Limited.
- The interests include (i) 612,810,000 shares held by Eternally Sunny Limited and (ii) 2,016,000 shares held by Mrs. Yang, being the spouse of Mr. Yang. Mr. Yang is the beneficial owner of the entire issued share capital of Eternally Sunny Limited.

董事及主要行政人員於股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，董事及本公司主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益（包括根據證券及期貨條例相關條文彼等被當作或視為擁有的權益及淡倉）；或(b)記錄於根據證券及期貨條例第352條須置存之登記冊的權益；或(c)根據標準守則須知會本公司及聯交所的權益如下：

於本公司股份及相關股份之好倉

附註：

- 該等權益由東泉環球有限公司持有。劉先生為東泉環球有限公司全部已發行股本的實益擁有人。
- 該等權益包括(i)恆陽有限公司持有的612,810,000股股份及(ii)楊先生之配偶楊女士持有的2,016,000股股份。楊先生為恆陽有限公司全部已發行股本的實益擁有人。

DIRECTORS' REPORT 董事會報告

Long positions in the shares and underlying shares of the Company's associated corporations

於本公司相聯法團股份及相關股份之好倉

Director	Name of associated corporation	Nature of interest	Class	Number of shares/amount of registered capital	Approximate percentage to issued voting shares/registered capital 佔已發行有投票權股份／註冊資本之概約百分比
董事	相聯法團名稱	權益性質	類別	股份數目／註冊資本金額	
Mr. Liu	Intraday Financial Information Service Limited	Corporate interests (Note 3)	Ordinary	55 shares	55%
劉先生	當天金融信息服務有限公司	法團權益(附註3)	普通股	55股	
	aBCD Enterprise Limited	Corporate interests (Note 3)	Ordinary	3 shares	100%
		法團權益(附註3)	普通股	3股	
	鼎泰潤和投資諮詢(上海)有限公司 (Dingtai Runhe Investment Consulting (Shanghai) Co., Ltd.)	Corporate interests (Note 3)	Registered capital	RMB31,000,000	100%
		法團權益(附註3)	註冊資本	人民幣 31,000,000元	

Note:

3. 65.80% of the issued share capital of Long Tu Limited ("Long Tu") is owned by Mr. Liu. Long Tu is the legal and beneficial owner of 55 shares of Intraday Financial Information Service Limited ("Intraday"), which is 55% of its issued share capital, whilst the remaining 45 shares, which represents 45% of the issued share capital of Intraday, is owned by the Company. Intraday is the legal and beneficial owner of 3 shares of aBCD Enterprise Limited ("aBCD"), which is 100% of its issued share capital. aBCD is the holder of RMB31,000,000 of the registered capital of Dingtai Runhe Investment Consulting (Shanghai) Co., Ltd., which is its entire equity interest.

Save as disclosed above, as at 31 December 2018, none of the Directors, chief executive or their associates had any interests and short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under section 352 of the SFO; or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註:

3. 龍圖有限公司(「龍圖」)已發行股本的65.80%乃由劉先生擁有。龍圖為當天金融信息服務有限公司(「當天金融」)之55股股份(為其已發行股本之55%)之法定及實益擁有人,而餘下的45股股份(為當天金融已發行股本之45%)乃由本公司擁有。當天金融乃aBCD Enterprise Limited(「aBCD」)之3股股份(為其全部已發行股本)之法定及實益擁有人。aBCD為鼎泰潤和投資諮詢(上海)有限公司之註冊資本人民幣31,000,000元(為其全部股本權益)之持有人。

除上文披露者外,於二零一八年十二月三十一日,概無董事、主要行政人員或彼等的聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例相關條文彼等被當作或視為擁有的權益及淡倉);或(b)記錄於根據證券及期貨條例第352條須置存之登記冊的權益及淡倉;或(c)根據標準守則須知會本公司及聯交所的權益及淡倉。

DIRECTORS' REPORT

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme as disclosed in note 40 to the consolidated financial statements and the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares", 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. The effect of such arrangements would enable the Director involved to be the Shareholder.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangement and contracts of significance to which (i) the Company or any of its subsidiaries was a party with a controlling Shareholder or any of its subsidiaries and (ii) in which the Directors or an entity connected with the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this report, none of the Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

購買股份或債權證的安排

除綜合財務報表附註40所披露的購股權計劃及「董事及主要行政人員於股份及相關股份的權益及淡倉」一節之外，本公司或其任何附屬公司概無於年內任何時間訂立任何安排，以使董事可藉收購本公司或任何其他法團的股份或債權證而獲益。有關安排的效力可讓有關董事成為股東。

董事於交易、安排及合約中的權益

本公司概無訂立(i)本公司或其任何附屬公司為其中訂約方與一名控股股東或其任何附屬公司及(ii)董事或與董事有關連的實體直接或間接擁有重大權益，而於年終或年內任何時間仍然存續的重大交易、安排或合約。

董事於競爭業務中的權益

於本年度內及截至本報告日期，概無董事被視為於直接或間接與本集團的業務構成競爭或可能構成競爭的業務中擁有任何權益（定義見上市規則）。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, so far as is known to the Directors and chief executive of the Company, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long position in shares and underlying shares of the Company

Name	Nature of interest	No. of shares held	Approximate percentage to issued voting share 佔已發行有投票權股份 概約百分比
名稱／姓名	權益性質	所持股份數目	
Eastern Spring Global Limited 東泉環球有限公司	Beneficial owner 實益擁有人	1,447,750,000	20.94%
Eternally Sunny Limited 恆陽有限公司	Beneficial owner 實益擁有人	612,810,000	8.86%

Save as disclosed above, as at 31 December 2018, so far as is known to the Directors and chief executive of the Company, no other parties (other than a Director or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

主要股東於股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，據董事及本公司主要行政人員所知，於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司及聯交所披露，或記錄於本公司根據證券及期貨條例第336條須存置之登記冊的權益或淡倉的人士／公司（董事或本公司主要行政人員除外）如下：

於本公司股份及相關股份之好倉

除上文所披露者外，於二零一八年十二月三十一日，據董事及本公司主要行政人員所知，概無其他人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司及聯交所披露，或須記錄於本公司根據證券及期貨條例第336條須存置之登記冊的權益或淡倉。

EQUITY-LINKED AGREEMENTS

Convertible Notes

Pursuant to the sale and purchase agreement dated 20 November 2014 (the "Oriental SPA") in relation to the acquisition of the entire issued share capital of Oriental Credit Holdings Limited ("Oriental Credit"), the consideration shall be satisfied by the Company by way of issue of convertible notes. The holder of the convertible notes is entitled to convert it into new ordinary shares at any time between the 30th business day after the issue of 2015 convertible notes and ending on the 21st business day before the maturity date (i.e. the 5th anniversary of the date of issue of the respective convertible notes). If the convertible notes have not been converted, it will be redeemed on maturity date at the entire principal amount. The convertible notes bear no interest.

On 3 June 2015, the Company issued the 2014 convertible notes with principal amount of HK\$85,401,768.19 with conversion price of HK\$1.2 per conversion share.

Following the completion of share subdivision of the Company on 28 December 2015, the conversion price was adjusted to HK\$0.24 per conversion share and pursuant to the second supplemental agreement to the Oriental SPA dated 8 January 2016, the conversion period of the convertible notes was amended to a period from the 5th business day after the issue of the audited accounts of the Oriental Credit for the respective financial years and ending on the 21st business day before the maturity date.

On 8 March 2016, the Company issued the 2015 convertible notes with principal amount of HK\$42,000,000 with conversion price of HK\$0.24 per conversion share.

股權掛鈎協議

可換股票據

根據日期為二零一四年十一月二十日有關收購東方信貸控股有限公司（「東方信貸」）全部已發行股本的買賣協議（「東方買賣協議」），有關代價應由本公司以發行可換股票據的方式償付。可換股票據的持有人有權於發行二零一五年可換股票據後第30個營業日至到期日（即相關可換股票據發行日期的第五個週年日）前第21個營業日當日止期間，隨時將其轉換為新的普通股。倘可換股票據未獲轉換，則將於到期日按全部本金贖回。可換股票據不計息。

於二零一五年六月三日，本公司發行本金額為85,401,768.19港元的二零一四年可換股票據，換股價為每股轉換股份1.2港元。

於二零一五年十二月二十八日完成本公司股份拆細後，換股價調整為每股轉換股份0.24港元，而根據日期為二零一六年一月八日的東方買賣協議第二份補充協議，可換股票據的轉換期改訂為自東方信貸刊發相關財務年度的經審核賬目後第5個營業日至到期日前第21個營業日當日止期間。

於二零一六年三月八日，本公司發行本金額為42,000,000港元的二零一五年可換股票據，換股價為每股轉換股份0.24港元。

DIRECTORS' REPORT

董事會報告

During the year of 2016, convertible notes with an aggregate principal amount of HK\$119,757,662.10 were converted and 498,990,258 new ordinary shares were allotted and issued by the Company accordingly.

On 21 March 2017, the company announced that according to the audited financial statements of Oriental Credit and its subsidiaries ("Oriental Credit Group") for the year ended 31 December 2016 issued by HLM CPA Limited on 20 March, 2017, Oriental Credit Group was making a loss for the financial year ended 31 December 2016. Based on the adjustment formula, the adjusted principal amount of the 2016 convertible note was a negative amount. As such, the Company was not required to issue the 2016 convertible note according to the Oriental SPA.

No convertible note was converted during the year of 2017 and no new ordinary share was allotted and issued by the Company accordingly.

During the period under review, convertible notes with an aggregate principal amount of HK\$7,644,106.09 were converted and 31,850,442 new ordinary shares were allotted and issued by the Company accordingly. The shareholding of the substantial shareholders of the Company, namely Eastern Spring Global Limited and Eternally Sunny Limited was decreased.

Details of the convertible notes are set out in note 35 to the consolidated financial statements.

Details of movement of the convertible notes during the year ended 31 December 2018 are as follows:

於二零一六年，本金總額為119,757,662.10港元的可換股票據已獲轉換，本公司已相應配發及發行498,990,258股新普通股。

於二零一七年三月二十一日，本公司宣佈，根據恒健會計師行有限公司於二零一七年三月二十日所刊發東方信貸及其附屬公司（「東方信貸集團」）截至二零一六年十二月三十一日止年度之經審核財務報表，東方信貸集團於截至二零一六年十二月三十一日止財政年度一直處於虧損狀態。根據調整公式，二零一六年可換股票據之經調整本金額為負數。因此，本公司無須根據東方買賣協議發行二零一六年可換股票據。

概無可換股票據於二零一七年內獲轉換，因此本公司概無配發及發行任何新普通股。

於回顧期間，本金總額為7,644,106.09港元之可換股票據已獲轉換，本公司已相應配發及發行31,850,442股新普通股。本公司之主要股東（即東泉環球有限公司及恆陽有限公司）之持股量減少。

可換股票據的詳情載於綜合財務報表附註35。

截至二零一八年十二月三十一日止年度，可換股票據的變動詳情如下：

Holder	Amount of convertible notes 可換股票據金額				Conversion price 換股價	Number of share allotted and issued upon conversion 於轉換後配發及 發行的股份數目	Balance as at 31 December 2018 於二零一八年 十二月三十一日 結餘
	Balance as at 1 January 2018 於二零一八年 一月一日結餘	Granted during the period 於期內授出	Exercised during the period 於期內行使				
Vendors of the SPA 買賣協議的賣方	HK\$7,644,106.09 7,644,106.09港元	-	HK\$7,644,106.09 7,644,106.09港元	HK\$0.24 0.24港元	31,850,442 31,850,442	- -	

DIRECTORS' REPORT

董事會報告

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to the Shareholders' resolution passed on 20 June 2011.

The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

The participants of the Scheme are as follow:

- (a) any employee (whether full time or part time employee, including executive directors) of the Company, any of its subsidiaries and any invested entity;
- (b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any invested entity;
- (c) any supplier of goods or services to any member of the Group or any invested entity;
- (d) any customer of the Group or any invested entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any invested entity;
- (f) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any invested entity; and
- (h) any other group or classes of participants who have contributed or may contribute, by way of joint venture, business alliance, other business arrangement or otherwise, to the development and growth of the Group.

As at the date of this report, the total number of shares available for issue under the Scheme is 1,135,271,917 which comprises 448,080,000 shares to be issued under the outstanding options unexercised and 687,191,917 shares to be issued under the options not yet being granted, representing approximately 16.40% of the issued share capital (i.e. 6,924,077,621 shares).

購股權計劃

本公司根據於二零一一年六月二十日通過的股東決議案採納本公司的購股權計劃（「計劃」）。

計劃旨在令本集團可向經甄選的參與人士授出購股權，以獎勵或回報彼等對本集團所作出的貢獻及／或令本集團可招攬及挽留優秀僱員及吸引對本集團及任何投資實體有價值的人力資源。

計劃的參與人士包括以下人士：

- (a) 本公司、其任何附屬公司及任何投資實體的任何僱員（不論全職或兼職僱員，包括執行董事）；
- (b) 本公司、其任何附屬公司或任何投資實體的任何非執行董事（包括獨立非執行董事）；
- (c) 本集團任何成員公司或任何投資實體的任何貨物或服務供應商；
- (d) 本集團或任何投資實體的任何客戶；
- (e) 向本集團或任何投資實體提供研究、開發或其他技術支援的任何人士或實體；
- (f) 本集團任何成員公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行任何證券的任何持有人；
- (g) 本集團或任何投資實體任何業務範疇或業務發展的任何顧問（專業或其他顧問）或諮詢顧問；及
- (h) 透過合資企業、業務聯盟、其他商業安排或其他方式，曾經或可能對本集團發展和增長作出貢獻的任何其他組別或類別的參與人士。

於本報告日期，計劃項下可供發行的股份總數為1,135,271,917股，包括根據已授出但未行使用的購股權可予發行的448,080,000股股份及根據尚未授出購股權將予發行的687,191,917股股份，相當於已發行股本（即6,924,077,621股股份）的約16.40%。

The total number of shares issued and which may fall to be issued upon exercise of the share options and the share options granted under any other share option scheme of the Group (including both exercised or outstanding share options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Board to each grantee, save that such period shall end in any event not later than ten years from the date of grant of the option and subject to the provisions for early termination thereof.

There is no minimum period required under the Scheme for holding of the share options before it can be exercised, unless otherwise determined by the Directors and stated in the offer of the grant of share options to a grantee. An option may be accepted by a participant within 28 days from the date of the offer of grant of the option by payment from the participant and receipt by the Company of HK\$1.00 prior to or on the last date of the said 28 day period.

The exercise price will be a price to be determined by the Board, but may not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The Scheme will expire on 19 June 2021.

Details of the Scheme are set out in note 40 to the consolidated financial statements.

於任何12個月期間因購股權及根據本集團任何其他購股權計劃向各承授人授出的購股權（包括已行使或尚未行使的購股權）獲行使而已發行及可能須予發行的股份總數不得超過本公司當時已發行股本的1%。

各承授人可於董事會釐定及通知的期間內的任何時間，按照計劃的條款行使購股權，惟任何情況下該期間將於購股權授出日期起計屆滿十年之前結束，並且須受其提前終止條文所規限。

除董事另有決定及在向承授人授出購股權的要約內指明外，計劃並無規定行使前須持有購股權的最短持有期。購股權可由參與人士於授出購股權要約日期起計28日內藉於上述28日期間最後一日或之前向本公司支付1.00港元而獲接納。

行使價將為董事會釐定的價格，但不可低於以下最高者：(i) 股份於授出日期於聯交所每日報價表所列的收市價；(ii) 股份於緊接授出日期前五個營業日於聯交所每日報價表所列的平均收市價；及(iii) 股份的面值。

計劃將於二零二一年六月十九日屆期。

計劃詳情載於綜合財務報表附註40。

DIRECTORS' REPORT

董事會報告

Details of movements in the share options granted under the Scheme during the year ended 31 December 2018 were as follows:

截至二零一八年十二月三十一日止年度根據計劃授出之購股權的變動詳情如下：

Category	Date of grant	Number of share options held 所持購股權數目					Exercise Period of Share Options	Exercise Price HKS	Closing Price of share immediately before the date of grant of share options 股份於緊接購股權授出日期前的收市價	Weighted average closing price
		Balance as at 1 January 2018 於二零一八年一月一日結餘	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Balance as at 31 December 2018 於二零一八年十二月三十一日結餘				
Employees and consultants	20 Nov 2015	37,294,520	-	-	(37,294,520)	-	0.74	0.70	-	
僱員及顧問	二零一五年十一月二十日					3 tranches from (i) the expiry date of the put option period as stated in the sale and purchase agreement dated 20 November 2014 (as amended by the first supplemental agreement dated 3 June 2015 and the second supplemental agreement dated 8 January 2016); (ii) 20 November 2016; and (iii) 20 May 2017 to 19 May 2018 分為三批，由(i)日期為二零一四年十一月二十日的買賣協議(經日期為二零一五年六月三日的第一份補充協議及日期為二零一六年一月八日的第二份補充協議修訂)所訂的認沽期權期間屆滿日期起；(ii)二零一六年十一月二十日起；及(iii)二零一七年五月二十日起至二零一八年五月十九日				
	28 Dec 2016 二零一六年十二月二十八日	147,497,342	-	(20,670,000)*	(126,827,342)	-	0.187	0.194	0.206	
	20 March 2018 二零一八年三月二十日	-	457,580,000	(1,500,000)	(5,000,000)	451,080,000	Any time within 20/3/2018 to 19/3/2021 二零一八年三月二十日至二零二一年三月十九日期間內隨時	0.188	0.187	0.206
Total 總計		184,791,862	457,580,000	(22,170,000)	(169,121,862)	451,080,000				

* This includes an aggregate of 9,000,000 share options which were exercised in December 2018 but such shares were allotted in January 2019.

* 這包括於二零一八年十二月已行使的合共9,000,000份購股權，惟該等股份於二零一九年一月獲配發。

3,000,000 share options lapsed during the period from January to March 2019.

於二零一九年一月至三月期間，3,000,000份購股權失效。

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is set up by the Board and is based on their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of the share option scheme is set out in note 40 to the consolidated financial statements.

PERMITTED INDEMNITY

Pursuant to the bye-laws of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur or about the execution and discharge of his duties or in relation thereto. Directors' liability insurance policies containing permitted indemnity provisions have been taken out and maintained in force during the financial year and as at the date of approval of this report to provide appropriate cover for the Directors and directors of the subsidiaries of the Group in respect of the relevant liabilities and costs associated with legal proceedings against them.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

薪金政策

本集團的僱員薪金政策由董事會按僱員的條件、資格與能力而訂立。

董事薪金由薪酬委員會按本公司經營業績、個人表現及可比較市場數據而決定。

本公司已採納購股權計劃以獎勵董事及合資格僱員，購股權計劃詳情載於綜合財務報表附註40。

獲准許的彌償

根據本公司的公司細則，各董事有權就所有在執行及履行本身職責時或就此蒙受或招致或與之有關的成本、收費、損失、開支及法律責任，獲得本公司從本公司的資產中撥付賠償。載有獲准許彌償條文的董事責任保險單已取得並於財政年度內及於本報告獲批准日期維持有效，以就董事及本集團附屬公司董事有關針對彼等之法律訴訟的相關責任及費用提供適當保障。

遵守相關法律及法規

於本年度，據本公司所知悉，本集團概無嚴重違反或不遵守適用法律及法規而對本集團業務及營運構成重大影響。

DIRECTORS' REPORT

董事會報告

RELATIONSHIPS WITH STAKEHOLDERS

The Group provides a harmonious and professional working environment to employees and ensures they all are reasonable remunerated. The Company regular reviews and updates its policies on remuneration and benefits, training, occupational health and safety.

The Group also recognises that it is important to maintain good relationship with business partners to achieve its long-term goals. During the year, there was no material and significant dispute between the Group and its business partners.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is committed to protecting the environment and adheres to the principle of recycling and reducing. Double-sided printing and copying, using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance are being implemented in the offices.

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

KEY RISKS AND UNCERTAINTIES

The Group has reviewed the possible risks and uncertainties which may affect its businesses, financial condition, operations and prospects. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

與利益相關方的關係

本集團為僱員提供和諧及專業的工作環境，確保彼等全部均獲得合理報酬。本公司定期檢討及更新其有關薪酬福利、培訓、職業健康及安全的政策。

本集團亦明白與業務合作夥伴維持良好關係以實現其長遠目標的重要性。於本年度，本集團與其業務合作夥伴之間概無重大嚴重糾紛。

環保政策及表現

本集團致力保護環境，並緊遵循環再用及節約原則。雙面打印及複印、使用環保紙張及透過關閉不必要的照明和電器以減少能源消耗等措施已在各個辦公場所實行。

本集團不時將檢討其環保實踐慣例，並將在營運中考慮進一步生態友好措施及實踐慣例。

主要風險及不明朗因素

本集團已檢討可能對其業務、財務狀況、營運和前景造成影響的潛在風險及不明朗因素。以下為本集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在本集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

Strategy Risk
策略風險

Risk Description
風險描述

Risk Mitigation
降低風險

Acquisition risk
收購風險

The Group from time to time may acquire new line of business. If the acquisition is not done properly, it could seriously impact the Group. Some of the mergers and acquisitions issues are:

本集團可能不時收購新業務線。倘收購未有妥善進行，或會對本集團造成嚴重影響。一些併購問題包括：

1. Overpaying for deals (over value)
1. 超額支付交易（估值過高）
2. Insufficient operational diligence
2. 營運盡職調查不足
3. Maintaining strategic clarity and focus on new business
3. 保持戰略清晰及專注於新業務
4. Culture assimilation challenges
4. 文化同化挑戰
5. Employee anxiety, morale, and/or engagement issues
5. 員工焦慮、士氣及／或敬業度問題
6. Underestimation of time and resources required to come up to speed
6. 低估了趕上進度所需的時間和資源
7. Insufficient financial and operational due diligence performed.
7. 未進行充分的財務及營運盡職調查
8. Acquired Group fails to perform
8. 所收購集團未能履約
9. Underestimation of integration work
9. 低估了整合工作
10. IT infrastructure capability, transition costs
10. 信息技術基礎設施能力、轉換成本
11. Target Group management team operating capability and loss of key personnel etc.
11. 目標集團管理團隊營運能力及關鍵人員流失等。

- Before investment in a new project or acquisition of new business, the Board should perform full management assessment and due diligence on the project/new business, its business models, financial performance, market trend, growth opportunities, business valuations etc. The new business need to be consistent with the Group's overall business objectives and the long term growth.
- 在投資新項目或收購新業務之前，董事會對項目／新業務，其業務模式，財務業績，市場趨勢，增長機會，業務估值等進行全面的管理層面評估和盡職調查。新業務需要符合本集團的整體業務目標及長遠發展。
- External consultants/experts/valuators/advisors/professionals that are expert in the business to be commissioned to support technical evaluations or provide independent assessment.
- 委託熟練有關業務的外部顧問／專家／估值師／諮詢人／專業人士支持技術評價或提供獨立評估。
- The management should continue to monitor the progress of the acquisition to ensure it is on time and within the expected financial performance. Any material discrepancy will need to inform the Board immediately.
- 管理層持續監察收購進度，以確保收購準時並符合預期財務表現。任何重大差異必須立即通知董事會。
- The management should independently assess the adequacy of all the critical internal control points and risk areas of the newly acquired business to ensure all the controls and risk mitigations are in place.
- 管理層應獨立評估新收購業務的所有關鍵內部控制點及風險領域的充分性，以確保落實所有控制及風險減輕措施。

DIRECTORS' REPORT

董事會報告

Strategy Risk 策略風險

Risk Description 風險描述

Risk Mitigation 降低風險

Information Technology risk
信息技術風險

Some of the businesses rely much on IT technologies to keep track of customer information, transaction records, personal and financial data of customers etc. All of those records are highly confidential. Any leakage of those information will have serious consequence to the Group and the customers. IT issues, cyber-attack, system failure or interruption of business-critical IT systems or digital infrastructure could compromise the Group's business operations, reputation and financial position.

部分業務十分依賴信息技術來跟蹤客戶信息、交易記錄、客戶的個人及財務資料等。所有該等記錄均高度保密。該等資料的任何洩露均會對本集團及客戶造成嚴重後果。信息技術問題、網絡攻擊、系統故障或關鍵業務的信息技術系統或數字基礎設施中斷可能會損害本集團的業務營運、聲譽及財務狀況。

- The Group should continue to monitor and upgrade its softwares and systems to the latest cyber-attack prevention version.
- 本集團應持續監控網絡攻擊預防軟件和系統並將有關軟件和系統升級到最新版本。
- Systems vulnerability and penetration testing should be carried out regularly to ensure that data are protected from unauthorized access or uses.
- 定期執行系統漏洞和滲透測試，以確保數據受到保護，免受未經授權的查閱或使用。
- Use of up-to-date anti-virus software and increased patching of key software.
- 使用最新的防毒軟件及增加修補主要軟件。
- IT risks are also managed through the application of internal policies and change management procedures, and contractual service level agreements with third party suppliers.
- 信息技術風險亦通過應用內部政策和變更管理程序以及與第三方供應商簽訂合約服務協議進行管理。
- The Group should develop a company-wide cyber risk policy and emergency procedures in case of security breach.
- 本集團應制定公司層面的網絡風險政策和安全漏洞應急程序。
- Technical team should receive updates and training relating to cyber risk and business continuity.
- 技術團隊應定期接收有關網絡風險和業務連續性計劃的更新和培訓。
- All the critical data should be back up on a regular basis and all backup should be stored in secure and safe places.
- 所有重要資料應定期備份，及所有備份應儲存在可靠安全的地方。

Strategy Risk
策略風險

Risk Description
風險描述

Risk Mitigation
降低風險

Credit settlement and counterparty risks
信貸結算及交易對方風險

For the provision of financial guarantees, loan financing, loan referral and consultancy services, the money will be repaid by clients directly to the lending platforms, if the lending platform channels transferred the repayment money to some unauthorized accounts, the Group may be liable to repay the loan as a guarantor.

就提供融資擔保、貸款融資、貸款轉介及諮詢服務而言，有關款項將由客戶直接向借貸平台償還，倘借貸平台將還款款項轉入某些未經授權的賬戶，本集團可能有責任作為擔保人償還貸款。

For the securities brokerage business, clients of the Group are required to settle their securities transactions within T+2. If a client fails to do so, the Group will be required to settle the amount on behalf of its client with HKSCC with its own funds, which could have an impact on the cash flow position of the Group.

就證券經紀業務而言，本集團客戶必須在T+2內完成證券交易結算。倘客戶未能按時結算，本集團將須代客戶向香港結算以自有資金結算有關款項，這可能會影響本集團的現金流量狀況。

– The Group should continue to monitor the performance of the lending platforms. Any sign of issue will need to inform management or the Board for appropriate actions.

– 本集團應持續監察借貸平台的表現。如有任何問題，應即時通知管理層或董事會以便採取適當行動。

– Ongoing monitor and regular review of the Group financial and operation exposure to the lending platforms and find ways to mitigate or lessen the impacts.

– 不斷監察及定期審查本集團在借貸平台上的財務及營運風險，並尋找降低或減輕影響的方法。

– For the brokerage business, the Group should perform regular review on payment pattern of the client. If there is signs of issue, the management should be informed for action.

– 就經紀業務而言，本集團應定期審查客戶的付款模式。如有任何問題，應即時通知管理層以便採取行動。

DIRECTORS' REPORT

董事會報告

Strategy Risk 策略風險

Risk Description 風險描述

Risk Mitigation 降低風險

Loan guarantee risk 貸款擔保風險

One of the Group's businesses is provision of credit-based financing guarantee and related loan arrangement and consultancy services. The credit-based financing guarantee depends on the Group's internal credit risk management strategy and stringent credit checking policy. If the internal credit risk management strategy and client credit checking process are not executed properly, it could lead to default by clients. Further, if the P2P platform becomes insolvent, the Group might have to repay the lender and the deposit paid cannot be recovered.

本集團其中一項業務為提供基於信貸的融資擔保以及相關貸款安排及諮詢服務。基於信貸的融資擔保業務依賴本集團的內部信貸風險管理策略及嚴格的信貸核查政策。倘未有恰當執行內部信貸風險管理策略及客戶信貸核查程序，或會導致客戶違約。此外，倘P2P平台無力償債，本集團可能不得不向貸款人償還款項，而已支付的保證金將無法追回。

- To strengthen the key aspects of the lending policy and procedures to ensure a thorough and comprehensive credit checks should be performed before granting the guarantee.
- 加強貸款政策及程序的關鍵方面，確保在提供擔保前進行全面徹底的信貸核查。
- To perform regular monitoring of the financial position of the borrowers as well as the lending platforms.
- 定期監察借款人及信貸平台的財務狀況。
- Detect leading indicators of problems early. Any sign of material issue should be reported to the management immediately for actions.
- 及早發現問題的先行指標。如有任何重大問題，應即時通知管理層以便採取行動。
- To develop a standardized follow up and recovery procedures for bad loans.
- 制定規範的不良貸款跟蹤及追回程序。

Litigation risk 訴訟風險

The Group currently involves in a number of litigations in Hong Kong and PRC. Lawsuits can have an adverse impact on the Group. The impact may lead to significant monetary settlements that materially impact the Group and the Group's reputation would be lost.

本集團目前牽涉香港及中國的若干訴訟。訴訟可能會對本集團產生不利影響，進而導致對本集團有重大影響的重大貨幣結算，並令本集團聲譽受損。

- An early assessment of the impact and implementation of changes in the law.
- 盡早評估法律修改的影響和執行情況。
- Early engagement with legal advisors.
- 盡早委聘法律顧問。
- To engage with lawyers that are specialized in this kind of court cases.
- 與專攻該類訴訟案件的律師接洽。
- To consider other resolution, such as out-of-court settlement with the counter parties.
- 考慮其他解決方案，如與交易對方庭外和解。
- Ongoing monitor the progress of the court cases and inform management and the Board.
- 持續監察訴訟案件的進展並通知管理層及董事會。

Strategy Risk
策略風險

Risk Description
風險描述

Risk Mitigation
降低風險

Regulation updates and compliance risks
監管更新及合規風險

The frequent updates on disclosure requirements, other supervision regulations in listing rules, accounting standards, financial reporting and others, the Group may have omissions or noncompliance risks. Further, change in regulation could make the unit's current business models unprofitable or unsustainable. This is evidenced by the PRC authorities tighten up the regulations in P2P lending platforms. Compliance failures could lead to criminal and civil prosecution, fines, loss of rights, reputational damage etc.

由於上市規則、會計準則、財務報告及其他方面有關披露要求、其他監管規定的頻繁更新，本集團可能存在遺漏或不合規風險。此外，監管的變化可能會使單位目前的業務模式無法盈利或不可持續。這從中國有關部門收緊P2P借貸平台的監管就可以看出。違規行為可能導致刑事和民事起訴、罰款、權利喪失、聲譽受損等。

– The Group should set up independent team (external accountants, lawyers, and other specialists) to review new disclosure requirements and other regulations in the listing rules, accounting rules etc. Any material changes that could impact the Group will need to report to senior management or the Board for actions.

– 本集團應成立獨立團隊（外部會計師、律師及其他專家）審閱上市規則、會計準則中新的披露要求及其他監管規定。如有任何可影響本集團的重大變化，應立即上報高級管理層或董事會以便採取行動。

– The Group should regularly assess the financial exposure on those business lines that could be affected by regulatory changes.

– 本集團應定期評估可能受監管變化影響的該等業務線的財務風險。

Government policies
政府政策

The Group's business in securities brokerage, asset management, insurance brokerage, loan guarantee and loan consultation services are greatly influenced by the government policies (including macro policies, monetary policies and financial policies), this increase the uncontrollable risk of the Group's business and operation.

本集團的證券經紀、資產管理、保險經紀、貸款擔保及貸款諮詢服務業務在很大程度上受政府政策（包括宏觀政策、貨幣政策及金融政策）影響，加大了本集團業務及營運的不可控制風險。

– The Group should continue to monitor national and local government policies to see the new changes.

– 本集團應持續監察國家及地方政府政策，以了解新的變化。

– To engage external consultants such as lawyer, accountants, specialist to give advice to the Group.

– 委聘律師、會計師及專家等外部顧問向本集團提供意見。

– The Group should regularly assess the financial exposure on those business lines that could be affected by the change of government policies.

– 本集團應定期評估可能受政府政策變化影響的該等業務線的財務風險。

DIRECTORS' REPORT

董事會報告

MANAGEMENT CONTRACTS

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.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event affecting the Company that have occurred since the end of the financial year.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on information that is publicly available to the Company and within knowledge of the Directors, the Company has maintained a sufficient public float under the Listing Rules.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to Shareholders by reason of their holding of the Company securities.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2018 have been audited by HLM CPA Limited. A resolution for their reappointment as auditor of the Company will be proposed at the 2019 AGM.

On behalf of the Board

Liu Kequan
Chairman

Hong Kong, 26 March 2019

管理合約

年內概無訂立或存在涉及本公司業務整體或任何重大部分的管理及行政事務的合約。

報告期後事項

自財政年度末以來並未發生任何影響本公司之重大事項。

優先認購權

本公司的公司細則或百慕達法例中並無優先認購權條文，要求本公司按比例向現有股東提呈發售新股份。

企業管治

本公司採納的主要企業管治常規載於企業管治報告。

足夠公眾持股量

於本報告日期，根據本公司公開可得資料及據董事所知，本公司已維持上市規則項下的足夠公眾持股量。

稅務減免

本公司並不知悉股東因其持有本公司證券而享有任何稅務減免。

核數師

本集團截至二零一八年十二月三十一日止年度的綜合財務報表已由恒健會計師行有限公司審核。在二零一九年股東週年大會上，將提呈決議案續聘其為本公司核數師。

代表董事會

主席
劉克泉

香港，二零一九年三月二十六日

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

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TO THE MEMBERS OF
GREATER CHINA FINANCIAL HOLDINGS LIMITED

大中華金融控股有限公司
(Incorporated in Bermuda with limited liability)

致大中華金融控股有限公司股東

(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Greater China Financial Holdings Limited ("the Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 64 to 246, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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(以下簡稱「我們」)獲委聘審計列載於第64頁至第246頁的大中華金融控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表。此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們根據香港會計師公會發佈之香港審核準則(「香港審核準則」)進行我們的審核。我們於該等準則項下之責任於我們的報告核數師審核綜合財務報表的責任一節進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」),我們獨立於貴集團,並已遵循該守則履行其他道德責任。我們認為,我們所獲得的審核憑證屬充分及恰當,可為我們的意見提供基準。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
Impairment assessment of goodwill	
商譽的減值評估	
<p>Referring to notes 18 and 20 to the consolidated financial statements, the management of the Company had performed an impairment review in accordance with HKAS 36 "Impairment of Assets" in relation to the Group's goodwill belonging to the groups of cash-generating units ("CGU") comprising insurance brokerage CGU, security brokerage CGU, asset management CGU, financing referral CGU and financial guarantee CGU. The Group had recognised an impairment loss on goodwill of HK\$7,143,000 for the year ended 31 December 2018 (2017: HK\$14,650,000) as a result of the impairment review.</p> <p>參閱綜合財務報表附註18及20，貴公司管理層已根據香港會計準則第36號「資產減值」對貴集團的現金產生單位（「現金產生單位」）組別，包括保險經紀現金產生單位、證券經紀現金產生單位、資產管理現金產生單位、融資轉介現金產生單位及融資擔保現金產生單位的商譽進行減值檢討。根據減值檢討，貴集團已於截至二零一八年十二月三十一日止年度確認商譽減值虧損7,143,000港元（二零一七年：14,650,000港元）。</p> <p>The assessment of the recoverable amounts of the CGUs required involvement of significant judgements and assumptions by management concerning the estimated future cash flows and other key inputs and involved high level of estimation uncertainty.</p> <p>評估現金產生單位的可收回金額需要管理層就估計未來現金流量及其他關鍵輸入數據作出重大判斷及假設，並涉及高度的估計不確定性。</p> <p>Accordingly, we have identified management's impairment assessment of the goodwill as a key audit matter.</p> <p>因此，我們將管理層對商譽的減值評估識別為一項關鍵審計事項。</p>	<p>Our key procedures to address the matter included: 我們為處理該事項而採取的主要程序包括：</p> <ul style="list-style-type: none">• discussing with and, where applicable, sought corroborative supporting information from the management of the Company and the independent valuer engaged by the Company (the "Valuer") regarding the reasonableness of the valuation methodologies adopted and the key inputs used;• 與貴公司管理層及貴公司委聘的獨立估值師（「估值師」）討論所採納估值方法及所採用關鍵輸入數據的合理性及（倘適用）尋求證實支持資料；• discussing with the management of the Company and the Valuer about the key assumptions used in forming the CGU's value-in-use calculation including the cash flow projections and discount rates used and evaluating the relevance and reasonableness of key assumptions based on our knowledge of the business and industry; and• 與貴公司管理層及估值師討論形成現金產生單位使用價值計算所採用的關鍵假設，包括現金流量預測及所用貼現率，並依據我們對業務及行業的了解，評估關鍵假設的關聯性及合理性；及• assessing the competency and experience of the Valuer.• 評估估值師的勝任能力及其經驗。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
<p>Provision of guarantee losses</p> <p>擔保虧損撥備</p> <p>Referring to notes 4 and 32 to the consolidated financial statements, the Group had provision for guarantee losses amounting to HK\$49,156,000 as at 31 December 2018 (2017: HK\$51,229,000). 參閱綜合財務報表附註4及32，於二零一八年十二月三十一日，貴集團的擔保虧損撥備為49,156,000港元（二零一七年：51,229,000港元）。</p> <p>Assessing provisions of guarantee losses is a subjective area due to the level of judgement exercised by the management in determining the amount of provisions required. 由於管理層在釐定須計提準備金的金額時需要運用較多判斷，因此評估擔保虧損撥備屬相對主觀的範疇。</p> <p>From the Group's perspective, the portfolios which give rise to the greatest uncertainty were those where provisions were derived from collective assessment, where the financial guarantees issued were unsecured or where the financial guarantees issued were subject to potential collateral shortfalls. 從貴集團的角度看，具有最大不確定性的組合是撥備是採用組合評估釐定、已發出融資擔保沒有抵押或已發出融資擔保可能存在抵押品不足的情況。</p> <p>The determination of collective impairment allowances for provisions of guarantee losses is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The Group's collective provisions of guarantee losses are derived from estimates including the Group's historical losses for financial guarantees issued, the loss emergence period (i.e. the time lapse between the occurrence of the event causing eventual default to the actual recording of a loss) and other adjustment factors. 擔保虧損撥備中以組合方式確定減值準備很大程度上依賴於外部宏觀環境和貴集團內部的信用風險管理策略。貴集團按組合方式確定的擔保虧損撥備是基於多項估計，包括貴集團已發出融資擔保的歷史損失、損失衍生期（即從導致最終違約事件的發生到實際錄得虧損的時間間隔）及其他調整因素。</p>	<p>Our key procedures to address the matter included: 我們為處理該事項而採取的主要程序包括：</p> <ul style="list-style-type: none"> • assessing the design and operating effectiveness of key controls from approval, to recording and monitoring of financial guarantees issued, the credit assessment process, the identification and timeliness of identifying impairment indicators, continuous re-assessment of the appropriateness of assumptions used in the collective assessment model and the management's specific provisions for individual guarantee losses; • 評估已發出融資擔保從審批到入賬及監控各環節關鍵控制的設計及運作成效、信用評估流程、減值跡象的識別及其時效、總體評估模式所用假設合適性的持續重新評估及管理層就個別擔保虧損計提的特定撥備； • comparing the total balances of the guarantee list, which contain information used by management to assess provisions for guarantee losses, with the general ledger and comparing individual loans and guarantee information, on a sample basis, with the underlying loan and guarantee agreements and other related documentation to assess the presentation of the information in the due diligence report, risk control report and the guarantee list; • 比較管理層用於評估擔保虧損撥備的擔保台賬餘額總額與總賬記錄的一致性，並採用抽樣方法比較個別貸款和擔保資料與對應貸款及擔保協議和其他相關文件的一致性，以評估盡職調查報告和風控報告和擔保台賬內資料的列報情況；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
Provision of guarantee losses (Continued)	
擔保虧損撥備(續)	
<p>Individual provisions of guarantee losses are estimated by management once objective evidence of impairment becomes apparent. Management exercises judgement in determining the quantum of loss based on a range of factors. These include available remedies for recovery, the financial situation of the debtors, collateral valuation, the seniority of the claim and the existence and cooperativeness of other creditors. The enforceability, timing and means of realisation of certain property and other illiquid collaterals may also affect the ultimate collectability and thereby the amount of provisions of guarantee losses as at the reporting date.</p> <p>當有客觀證據表明發生了減值時，管理層便會採用單項評估的方式估計擔保虧損撥備。在釐定虧損金額時，管理層會運用判斷，考慮多項因素。這些因素包括可用的收回款項補救方法、借款人的財務狀況、抵押品的估值、索賠受償順序、是否存在其他債權人及其代償意願。物業及其他非流動抵押品變現的可執行性、時間和方式也會影響最終的可收回金額，從而影響報告日期的擔保虧損撥備的金額。</p> <p>We have identified provisions of guarantee losses as a key audit matter because of the inherent uncertainty in management's exercise of judgement in determining the amount of provisions and because of its significance to the financial results and financial position of the Group.</p> <p>我們將擔保虧損撥備識別為一項關鍵審計事項，理由是管理層在釐定準備金的金額時運用判斷存在固有的不確定性，且其對 貴集團的財務業績及財務狀況有重大影響。</p>	<ul style="list-style-type: none"> evaluating assumptions adopted in management's calculation of provisions for guarantee losses by critically assessing input parameters involving subjective judgement, seeking collaborative evidence from external sources and comparing historical losses against the Group's other internal records and prior year records. We also assessed the emergence period by tracing the life-cycle of overdue accounts from the specific credit events to downgrading the accounts to non-performing loans and receivables and guarantees. Having considered the above, we performed re-calculations to assess the amount of provisions for guarantee losses; 評估管理層計算擔保虧損撥備時所用的假設，方式是辨證評估涉及主觀判斷的輸入參數，尋求外部協同證據，並將歷史損失與 貴集團其他內部記錄及上一年度的記錄進行對比。另外，通過跟蹤逾期賬戶從其信用事件發生到將其降級為不良貸款及應收款項和擔保的全週期，來評估衍化期。經考慮上述情形後，我們進行了重新測算，以評估擔保虧損撥備的金額；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
Provision of guarantee losses (Continued)	
擔保虧損撥備(續)	
	<ul style="list-style-type: none"> • assessing the financial position of the samples of financial guarantees selected by inspecting historical payment patterns, written decisions from law courts about the disposal of collaterals and other underlying information used in the risk control report, challenging the viability of the Group's recovery plans, evaluating the timing and means of realisation of collaterals and considering other sources of repayment asserted by management. We also assessed the consistency of management's application of key assumptions, evaluated any change in the bases and key assumptions and compared the data to our own data sources; • 通過檢查歷史支付方式、法院就出售抵押品發出的書面裁決及風控報告所用的其他相關資料，對所選取融資擔保樣本的財務狀況進行評估；對貴集團收款計劃的可行性提出質詢；評估變現抵押品的時機及方式以及考慮管理層主張的其他償還來源。我們亦評估管理層運用關鍵假設的一致性，評估基準及關鍵假設的任何變更並將該等數據與我們自身的數據來源進行比較； • evaluating the Group's internal policy for the valuation of collaterals and assessing the valuation of collaterals for the samples of financial guarantees selected by comparison with relevant available market information; and • 評估貴集團對若干抵押品進行估值的內部估值政策，並通過與相關可得市場資料相比較，評估所選取融資擔保樣本抵押品的估值；及 • assessing the completeness and accuracy of outstanding financial guarantees by inspecting contracts, on a sample basis. • 通過抽樣檢查合約，評估未到期融資擔保的完整性及準確性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
Impairment assessment of loans and interests receivables and trade and other receivables	
就應收貸款及利息以及應收賬款及其他應收款項的減值評估	
<p>Referring to notes 4, 25, 26 and 53 to the consolidated financial statements, as at 31 December 2018, the Group had loans and interests receivables and trade and other receivables amounting to HK\$113,952,000 and HK\$59,674,000 respectively. For the year ended 31 December 2018, the Group had recognised impairment losses of HK\$5,273,000 and HK\$2,021,000 on loans and interests receivables and trade and other receivables respectively.</p> <p>參閱綜合財務報表附註4、25、26、及53，於二零一八年十二月三十一日，貴集團分別有應收貸款及利息以及應收賬款及其他應收款項113,952,000港元及59,674,000港元。於截至二零一八年十二月三十一日止年度，貴集團分別就應收貸款及利息以及應收賬款及其他應收款項確認減值虧損5,273,000港元及2,021,000港元。</p> <p>The balances of impairment loss allowance for the receivables represent the management's best estimates at the reporting date of expected credit losses ("ECL") under the expected credit loss models as stipulated in Hong Kong Financial Reporting Standard 9: Financial Instruments.</p> <p>應收賬款減值虧損撥備結餘指管理層根據香港財務報告準則第9號：金融工具內訂明之預期信貸虧損（「預期信貸虧損」）模式對預期信貸虧損於報告日期之最佳估計。</p> <p>The Group assesses whether the credit risk of receivables have increased significantly since their initial recognition, and apply a three-stage model to calculate their ECL.</p> <p>貴集團估計應收賬款的信貸風險自首次確認以來是否有顯著增加，並採用三階段模式計算彼等之預期信貸虧損。</p>	<p>Our key procedures to address the matter included: 我們為處理該事項而採取的主要程序包括：</p> <ul style="list-style-type: none"> • Understanding and testing the design and operating effectiveness of key controls relating to the measurement of ECL; • 了解及檢測有關計量預期信貸虧損關鍵監控的設計及運作成效； • reviewing ageing analysis of the receivables prepared by management of the Company and discussing with the management of the Company whether the amounts are recoverable on a sample basis; • 抽樣審閱 貴公司管理層編製的應收貸款的賬齡分析，並與 貴公司管理層討論款項是否可收回； • examining the management's estimation on the ECL of individual balances on sample basis and the expected loss rate of each category groups and evaluating the basis and factors used in the estimation to the appropriateness of the management's identification of significant increase in credit risk, defaults and credit impaired receivables; • 檢查管理層通過抽樣的方式按就個別結餘之預期信貸虧損的估計以及各分類組別的預期虧損率以及評估用於估計管理層識別信貸風險、違約及信貸減值應收賬款顯著增加是否適當的依據及因素；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
Impairment assessment of loans and interests receivables and trade and other receivables (Continued)	
就應收貸款及利息以及應收賬款及其他應收款項的減值評估 (續)	
<p>The measurement models of ECL involves significant management judgements and assumptions, primarily including the following: 計量預期信貸虧損模式設計重大判斷及假設，主要包括下列各項：</p> <ul style="list-style-type: none"> - Criteria for determining whether or not there was a significant increase in credit risk, or a default or impairment loss was incurred; - 釐定信貸風險是否顯著增加，或是否發生違約或減值虧損的標準； - Economic indicators for forward-looking measurement, and application economic scenarios and weightings. - 用於前瞻性計量的經濟指標，以及應用經濟情景及加權。 <p>We have identified management's assessments of the ECL of loans receivables as a key audit matter because the amounts of the receivables are significant and the assessments required significant management judgement and assumption. 我們將管理層對應收貸款評估識別為一項關鍵審計事項，理由是應收款項的金額重大，且評估需要管理層作出重大判斷及假設。</p>	<ul style="list-style-type: none"> • recalculating the provision for ECL made by the management to assess the accuracy; • 重新計算管理層作出的預期信貸虧損撥備以評估準確性； • verifying the balance of the receivables by requesting and receiving confirmation on a sample basis; and • 透過抽樣要求及獲取確認核對應收賬款結餘；及 • checking subsequent settlements of trade and other receivables on a sample basis. • 抽樣檢查應收賬款及其他應收款項其後結算情況。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises 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 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 Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 of the Company 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信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對貴公司董事認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司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。

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 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承擔 的責任

我們的目標，是對綜合財務報表整體是否不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，並按照《百慕達公司法》第90條的規定僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致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這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，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。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於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。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們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.

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.

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

HLM CPA Limited

Certified Public Accountants

YIP YUEN NGA

Practising Certificate Number: P05908

Hong Kong

26 March 2019

恒健會計師行有限公司

執業會計師

葉婉雅

執業證書編號：P05908

香港

二零一九年三月二十六日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收入	5	152,595	130,652
Cost of sales	銷售成本		(56,703)	(62,969)
Gross profit	毛利		95,892	67,683
Other income, gains and losses	其他收入、收益及虧損	7	30,923	93,063
Administrative and other operating expenses	行政及其他經營開支		(115,836)	(99,797)
Finance costs	財務成本	8	(11,560)	(16,340)
Share based payments	以股份支付款項		(40,313)	(989)
Provision for financial guarantees	融資擔保撥備		(1,302)	–
Impairment losses, net of reversal	減值虧損·扣除撥回	9	(7,523)	(2,971)
Impairment loss on goodwill	商譽之減值虧損		(7,143)	(14,650)
(Loss) profit before taxation	除稅前(虧損)溢利		(56,862)	25,999
Income tax (expense) credit	所得稅(開支)抵免	10	(1,741)	43
(Loss) profit for the year	年內(虧損)溢利	11	(58,603)	26,042
Other comprehensive (expense) income, net of tax	其他全面(開支)收益, 扣除稅項			
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>其後不會重新分類至損益的項目:</i>			
Change in fair value of financial assets at fair value through other comprehensive income	透過其他全面收益按公平值列賬之金融資產公平值變動		(17,108)	–
<i>Item 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>			
Exchange differences on translation of foreign operations	因換算境外業務而產生的匯兌差額		(23,220)	14,091
Release of translation reserve upon disposal of subsidiaries	出售附屬公司後解除匯兌儲備		–	2
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動		–	(16,761)
Other comprehensive expense for the year	年內其他全面開支		(40,328)	(2,668)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額		(98,931)	23,374
(Loss) profit for the year attributable to:	以下人士應佔年內(虧損)溢利:			
Owners of the Company	本公司擁有人		(58,603)	26,020
Non-controlling interests	非控股權益		–	22
			(58,603)	26,042

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		NOTE 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total comprehensive (expense) income for the year attributable to:	以下人士應佔年內全面(開支)收益總額:			
Owners of the Company	本公司擁有人		(98,931)	23,352
Non-controlling interests	非控股權益		-	22
			(98,931)	23,374
			HK cents 港仙	HK cents 港仙
(Loss) earnings per share	每股(虧損)盈利	15		
Basic	基本		(0.85)	0.43
Diluted	攤薄		(0.85)	0.43

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	NOTES 附註			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	99,266	111,448
Prepaid lease payments	預付租賃款項	17	22,302	24,281
Goodwill	商譽	18	143,979	151,122
Intangible assets	無形資產	19	9,249	10,906
Interests in associates	於聯營公司的權益	21	–	–
Available-for-sale financial assets	可供出售金融資產		–	25,521
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平值列賬的金融資產	22	15,872	–
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	23	37,552	22,410
Contingent consideration receivables	應收或然代價	24	4,927	9,879
Deferred tax assets	遞延稅項資產	36	11,368	12,689
Deposits	按金	27	3,505	3,325
			348,020	371,581
Current assets	流動資產			
Loans and interests receivables	應收貸款及利息	25	113,952	189,891
Trade and other receivables	應收賬款及其他應收款項	26	59,674	34,877
Prepaid lease payments	預付租賃款項	17	719	759
Prepayments and deposits	預付款項及按金	27	65,485	46,888
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	23	40,143	–
Contingent consideration receivables	應收或然代價	24	8,759	–
Tax receivables	應收稅項		927	–
Cash held on behalf of clients	代客戶持有的現金	28	1,263	2,066
Restricted bank deposits	受限制銀行存款	29	2,136	9,064
Bank balances and cash	銀行結餘及現金	30	269,578	410,117
			562,636	693,662
Current liabilities	流動負債			
Trade payables, other payables and accruals	應付賬款、其他應付款項及應計費用	31	81,659	60,095
Contract liabilities	合約負債		96	–
Liabilities from financial guarantees	融資擔保負債	32	49,870	51,753
Deferred consideration	遞延代價	33	20,450	48,807
Borrowings	借貸	34	8,538	66,039
Tax payables	應付稅項		555	2,526
			161,168	229,220
Net current assets	流動資產淨值		401,468	464,442
Total assets less current liabilities	總資產減流動負債		749,488	836,023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Deferred consideration	遞延代價	33	5,175	22,486
Convertible notes	可換股票據	35	–	5,654
Borrowings	借貸	34	79,688	93,054
			84,863	121,194
Net assets	資產淨值		664,625	714,829
Capital and reserve	資本及儲備			
Share capital	股本	37	6,915	6,870
Reserves	儲備		657,710	707,959
Equity attributable to owners of the Company	本公司擁有人應佔權益		664,625	714,829
Non-controlling interests	非控股權益		–	–
Total equity	權益總計		664,625	714,829

The consolidated financial statements on pages 64 to 246 were approved and authorised for issue by the Board of Directors on 26 March 2019 and are signed on its behalf by:

載於第64頁至246頁之綜合財務報表乃經董事會於二零一九年三月二十六日批准及授權發行並由其代表簽署：

Mr. Liu Kequan

劉克泉先生

Director

董事

Mr. Yang Dayong

楊大勇先生

Director

董事

The accompanying notes are an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Share option reserve	Convertible notes equity reserve	Translation reserve	Revaluation reserve	Statutory reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
		股本	股份溢價	購股權儲備	可換股票據權益儲備	匯兌儲備	重估儲備	法定儲備	累計虧損	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note 50(a))	(Note 50(b))	(Note 50(c))	(Note 50(d))	(Note 50(e))	(Note 50(f))				
			(附註50(a))	(附註50(b))	(附註50(c))	(附註50(d))	(附註50(e))	(附註50(f))				
At 1 January 2017	於二零一七年一月一日	4,380	1,659,410	44,704	9,775	(29,253)	(110,583)	4,827	(1,162,033)	421,227	776	422,003
Profit for the year	年內溢利	-	-	-	-	-	-	-	26,020	26,020	22	26,042
Other comprehensive (expense) income	其他全面(開支)收益											
- Change in fair value of available-for-sale financial assets	-可供出售金融資產的公平值變動	-	-	-	-	-	(16,761)	-	-	(16,761)	-	(16,761)
- Exchange differences on translation of foreign operations	-因換算境外業務而產生的匯兌差額	-	-	-	-	14,088	-	-	-	14,088	3	14,091
- Release of translation reserve upon disposal of subsidiaries	-於出售附屬公司時解除匯兌儲備	-	-	-	-	5	-	-	-	5	(3)	2
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	14,093	(16,761)	-	26,020	23,352	22	23,374
Disposal of non-controlling interest relating to subsidiaries disposal of shares upon exercise of share options	與所出售附屬公司有關的出售非控股權益於行使購股權時發行股份	-	-	-	-	-	-	-	-	-	(798)	(798)
Issue of shares upon open offer	於公開發售時發行股份	202	67,672	(21,313)	-	-	-	-	-	46,561	-	46,561
Transaction costs attributable to open offer	於公開發售應佔交易成本	2,288	226,507	-	-	-	-	-	-	228,795	-	228,795
Recognition of equity-settled share based payments	確認以股權結算股份支付的款項	-	(6,095)	-	-	-	-	-	-	(6,095)	-	(6,095)
Share options lapsed during the year	年內已失效的購股權	-	-	989	-	-	-	-	-	989	-	989
		-	-	(435)	-	-	-	-	435	-	-	-
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	6,870	1,947,494	23,945	9,775	(15,160)	(127,344)	4,827	(1,135,578)	714,829	-	714,829
Loss for the year	年內虧損	-	-	-	-	-	-	-	(58,603)	(58,603)	-	(58,603)
Other comprehensive expense	其他全面開支											
- Change in fair value of financial assets at fair value through other comprehensive income	-透過其他全面收益按公平值列賬的金融資產公平值變動	-	-	-	-	-	(17,108)	-	-	(17,108)	-	(17,108)
- Exchange differences on translation of foreign operations	-因換算境外業務而產生的匯兌差額	-	-	-	-	(23,220)	-	-	-	(23,220)	-	(23,220)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	-	(23,220)	(17,108)	-	(58,603)	(98,931)	-	(98,931)
Issue of shares upon exercise of share options	於行使購股權時發行股份	13	3,581	(1,130)	-	-	-	-	-	2,464	-	2,464
Conversion of convertible notes	轉換可換股票據	32	15,693	-	(9,775)	-	-	-	-	5,950	-	5,950
Recognition of equity-settled share based payments	確認以股權結算股份支付的款項	-	-	40,313	-	-	-	-	-	40,313	-	40,313
Share options lapsed during the year	年內已失效的購股權	-	-	(22,619)	-	-	-	-	22,619	-	-	-
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	3,759	(3,759)	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	6,915	1,966,768	40,509	-	(38,380)	(144,452)	8,586	(1,175,321)	664,625	-	664,625

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating activities	經營活動		
(Loss) profit before taxation	除稅前(虧損)溢利	(56,862)	25,999
Adjustments for:	就下列項目作出之調整:		
Amortisation and depreciation	攤銷及折舊	13,273	12,676
Finance costs	財務成本	11,560	16,340
Fair value change on contingent consideration receivables	應收或然代價之公平值變動	(3,807)	10,988
De-recognition of deferred consideration	取消確認遞延代價	-	(67,901)
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的金融資產之公平值變動	(1,389)	(2,409)
Net gain on disposal of subsidiaries	出售附屬公司之淨收益	-	(945)
Interest income	利息收入	(17,221)	(10,154)
Loss on written off of property, plant and equipment	撤銷物業、廠房及設備之虧損	26	5
Net foreign exchange loss (gain)	匯兌虧損(收益)淨額	22	(582)
Share-based payment expenses	以股份支付款項開支	40,313	989
Investment income	投資收入	(1,841)	-
Impairment loss on amounts due from associates	應收聯營公司款項之減值虧損	9	11
Impairment loss on trade and other receivables	應收賬款及其他應收款項之減值虧損	2,021	2,971
Impairment loss on loans and interests receivables	應收貸款及利息之減值虧損	5,273	-
Impairment loss on deposits	按金之減值虧損	229	-
Impairment loss on goodwill	商譽之減值虧損	7,143	14,650
Other receivables written off	撤銷其他應收款項	1,888	-
Other payables written back	撤減其他應付款項	(1,486)	-
Provision for financial guarantees	提供融資擔保	1,302	-
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	453	2,638
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(30,643)	14,808
Decrease (increase) in loans and interests receivables	應收貸款及利息(增加)減少	64,029	(48,958)
Increase in prepayments and deposits	預付款項及按金增加	(57,901)	(26,075)
Increase (decrease) in trade payables, other payables and accruals	應付賬款、其他應付款項及應計費用增加(減少)	27,533	(46,761)
Decrease in cash held on behalf of clients	代客戶持有之現金減少	803	13,680
Decrease in contract liabilities	合約負債減少	(3,031)	-
Increase in amounts due from associates	應收聯營公司款項增加	(9)	(11)
(Decrease) increase in liabilities from financial guarantees	融資擔保產生之負債(減少)增加	(465)	371
Decrease in restricted bank deposits	受限制銀行按金減少	6,733	-
Cash generated from (used in) operations	經營活動所得(動用)之現金	7,502	(90,308)
Interest paid	已付利息	(9,491)	(7,272)
Income tax paid	已付所得稅	(3,935)	(2,552)
Income tax refund	所得稅退稅	-	1,938
Net cash used in operating activities	經營活動動用之現金淨額	(5,924)	(98,194)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Investing activities	投資活動		
Interest received	已收利息	15,486	9,889
Withdrawal of pledged bank deposits	提取已抵押銀行存款	–	28,833
Purchase of property, plant and equipment	購買物業、廠房及設備	(4,387)	(120)
Purchase of financial assets at fair value through other comprehensive income	購買透過其他全面收益按公平值列賬之金融資產	(7,574)	–
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產所得款項	–	17,001
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益的金融資產	(20,000)	(20,001)
Proceeds from sales and redemption of investments	銷售及贖回投資所得款項	1,841	–
Net cash outflow from acquisition of subsidiaries	收購附屬公司的現金流出淨額	–	(50,464)
Net cash inflow from disposal of subsidiaries	出售附屬公司的現金流入淨額	–	279
Settlement of deferred consideration	結付遞延代價	(50,000)	(30,000)
Net cash used in investing activities	投資活動所用現金淨額	(64,634)	(44,583)
Financing activities	融資活動		
Proceeds from borrowings	借貸所得款項	–	144,163
Repayment of borrowings	償還借貸	(65,280)	(108,122)
Proceeds from exercise of share options	行使購股權所得款項	2,464	46,561
Proceeds from open offer	公開發售所得款項	–	222,700
Net cash (used in) generated from financing activities	融資活動(所用)產生之現金淨額	(62,816)	305,302
Net (decrease) increase in cash and cash equivalents	現金及現金等值物(減少)增加淨額	(133,374)	162,525
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值物	410,117	240,969
Effect of foreign exchange rate changes	匯率變動的影響	(7,165)	6,623
Cash and cash equivalents at 31 December, represented by bank balances and cash	於十二月三十一日現金及現金等值物，即銀行結餘及現金	269,578	410,117
Analysis of the balances of cash and cash equivalents:	現金及現金等值物結餘分析：		
Bank balances and cash	銀行結餘及現金	269,578	410,117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the Company's registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is Suites 3001-11, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

The Group is principally engaged in investment holding, industrial property development, general trading of consumable goods, securities brokerage, insurance brokerage, asset management and loan financing operation including loan financing, financial guarantee services, loan referral and consultancy services.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

1. 一般資料

本公司於百慕達註冊成立為獲豁免有限公司，其股份在香港聯合交易所有限公司上市。本公司的註冊辦事處地址為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda，其香港主要營業地點為香港銅鑼灣勿地臣街1號時代廣場二座3001-11室。

本集團主要從事投資控股、工業用物業發展、消費品的一般貿易、證券經紀、保險經紀、資產管理，以及貸款融資業務（包括貸款融資、融資擔保服務、貸款轉介及諮詢服務）。

綜合財務報表以本公司的功能貨幣港元（「港元」）呈列。此外，若干於香港以外地區經營的集團實體的功能貨幣乃以集團實體經營所在主要經濟地區的貨幣列值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

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

The Group has applied for the first time in the current year the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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

Impairment losses on financial assets were reclassified from “other income, gains and losses” in 2017 to conform to current year’s presentation as a result of consequential changes made to HKAS 1 *Presentation of Financial Statements*. Impairment losses on financial assets that were previously classified as other losses are now presented separately in the consolidated statement of profit or loss and other comprehensive income.

2. 應用新訂及經修訂的香港財務報告準則（「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，本集團首次應用下列香港會計師公會（「香港會計師公會」）頒佈的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	來自客戶合約之收入及相關修訂
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號的修訂本	以股份為基礎的支付交易之分類及計量
香港財務報告準則第4號的修訂本	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號的修訂本	香港財務報告準則二零一四年至二零一六年週期年度改進部分
香港會計準則第40號的修訂本	轉讓投資物業

由於對香港會計準則第1號「財務報表的呈列」作出相應變動，於二零一七年金融資產的減值虧損自「其他收入、收益及虧損」重新分類以符合當前年度的呈列方式。先前分類為其他虧損的金融資產的減值虧損，現在單獨呈列於綜合損益及其他全面收益表中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

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.

2.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effects of initially applying this Standard recognised at the date of initial application, i.e. 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated loss and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

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於本年度及過往年度財務表現及狀況及／或該等綜合財務報表所載披露造成重大影響。

2.1 香港財務報告準則第15號來自客戶合約之收入

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號*收益*、香港會計準則第11號*建築合約*以及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累積影響已於首次應用當日（即二零一八年一月一日）確認。於首次應用日期的一切差異已於期初累計虧損確認，且並無重列比較資料。此外，根據香港財務報告準則第15號過渡條文，本集團已選擇僅就二零一八年一月一日未完成合約追溯應用準則。

因此，若干比較資料未必較根據香港會計準則第18號*收益*及香港會計準則第11號*建築合約*以及相關詮釋所編製的比較資料具比較性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

The Group recognises revenue from the following major sources:

- Warehouse storage income from operation of warehouse;
- Trading income from trading of consumable goods;
- Income from provision of financial guarantees, loan referral and consultancy services;
- Interest income from money lending business;
- Commission income from securities brokerage, underwriting and placement;
- Interest income from margin financing;
- Commission income from asset management; and
- Commission income from provision of insurance brokerage and agency services.

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in note 3.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的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15號來自客戶合約之收入（續）

本集團確認以下主要來源之收入：

- 經營倉庫之倉庫存放收入；
- 消費品貿易之貿易收入；
- 提供融資擔保、貸款轉介及諮詢服務之收入；
- 放債業務之利息收入；
- 證券經紀、包銷及配售之佣金收入；
- 保證金融資之利息收入；
- 資產管理之佣金收入；及
- 提供保險經紀及代理服務之佣金收入。

有關本集團的履約責任及導致應用香港財務報告準則第15號之資料載於附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15

The application of HKFRS 15 has no material impact on the Group’s accumulated losses at 1 January 2018. The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的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15號來自客戶合約之收入（續）

首次應用香港財務報告準則第15號所產生之影響概要

應用香港財務報告準則第15號並無對本集團於二零一八年一月一日之累計虧損造成重大影響。就於二零一八年一月一日於綜合財務狀況表確認的金額作出以下調整。不受有關變動影響的項目不包括在內。

		Amounts before adoption of HKFRS 15	Adjustment resulted from adoption of HKFRS 15	As reported
		未應用香港財務報告準則第15號之金額 HK\$'000 千港元	應用香港財務報告準則第15號所產生之調整 HK\$'000 千港元	所呈報 HK\$'000 千港元
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用	55,839	(3,175)	52,664
Contract liabilities	合約負債	–	3,175	3,175
Balance at beginning of the year	年初結餘	55,839	–	55,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following table summaries the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的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15號來自客戶合約之收入（續）

首次應用香港財務報告準則第15號所產生之影響概要（續）

下表概述應用香港財務報告準則第15號對本集團二零一八年十二月三十一日之綜合財務狀況表各受影響項目之影響。不受有關變動影響的項目不包括在內。

對綜合財務狀況表的影響

		Adjustment resulted from adoption of HKFRS 15 未應用 香港財務 報告準則 第15號 之金額 HK\$'000 千港元	As reported 所呈報 HK\$'000 千港元
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	79,953	79,857
Contract liabilities	合約負債	–	96
Balance at end of the year	年末結餘	79,953	79,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Impact on the consolidated statement of cash flows

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的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15號來自客戶合約之收入（續）

對綜合現金流量表的影響

		Adjustment Amounts before adoption of HKFRS 15 未應用 香港財務 報告準則 第15號 之金額 HK\$'000 千港元	resulted from adoption of HKFRS 15 應用香港 財務報告 準則第15號 所產生 之調整 HK\$'000 千港元	As reported 所呈報 HK\$'000 千港元
Operating activities	經營活動			
Increase in trade payables, other payables and accruals	應付賬款，其他應付款項 及應計費用增加	24,502	3,031	27,533
Decrease in contract liabilities	合約負債減少	-	(3,031)	(3,031)

2.2 HKFRS 9 Financial Instruments and related amendments

In the current year, the Group has applied HKFRS 9 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) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

2.2 香港財務報告準則第9號金融工具及相關修訂

於本年度，本集團已應用香港財務報告準則第9號及其他香港財務報告準則之有關相應修訂。香港財務報告準則第9號引入有關(1)金融資產及金融負債之分類及計量，(2)金融資產之預期信貸虧損（「預期信貸虧損」）及(3)一般對沖會計之新規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

2.2 HKFRS 9 Financial Instruments and related amendments (Continued)

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 the carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are 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”.

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39 except for the impact of ECL.

Summary of effects arising from initial application of HKFRS 9

(a) Available-for-sale (“AFS”) investments

From AFS equity investments to fair value through other comprehensive income (“FVTOCI”)

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.2 香港財務報告準則第9號金融工具及相關修訂（續）

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即就二零一八年一月一日（首次應用日期）尚未終止確認的工具追溯應用分類及計量的規定（包括預期信貸虧損模式項下的減值），且並無將該等規定應用於二零一八年一月一日已終止確認的工具。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值之間的差額於期初累計虧損及其他權益部分確認，不會重列比較資料。

因此，若干比較資料未必較根據香港會計準則第39號「金融工具：確認與計量」所編製的比較資料具比較性。

金融資產的分類及計量

因客戶合約而產生的應收賬款初步按香港財務報告準則第15號計量。

所有屬香港財務報告準則第9號範圍內之已確認金融資產其後均須按攤銷成本或公平值計量，包括根據香港會計準則第39號按成本扣除減值計量的無報價權益投資，惟預期信貸虧損的影響除外。

首次應用香港財務報告準則第9號所產生的影響概要

(a) 可供出售（「可供出售」）投資

自可供出售股本投資分類至按公平值計入其他全面收益（「按公平值計入其他全面收益」）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (Continued)

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

2.2 HKFRS 9 Financial Instruments and related amendments (Continued)

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

(a) Available-for-sale (“AFS”) investments (Continued)

The Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale. These investments are not held for trading and not expected to be sold in the foreseeable future.

(b) Financial assets at FVTPL and/or designated at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the portfolio of financial assets which is managed and its performance is evaluated on a fair value basis, as these financial assets are required to be measured at FVTPL under HKFRS 9.

The Group has reassessed its investments in equity securities classified as held for trading under HKAS 39 as if the Group had purchased these investments at the date of initial application.

There was no significant impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.2 香港財務報告準則第9號金融工具及相關修訂（續）

首次應用香港財務報告準則第9號所產生的影響概要（續）

(a) 可供出售（「可供出售」）投資（續）

本集團選擇在其他全面收益中呈報過往分類為可供出售的所有股本投資的公平值變動。該等投資不持作買賣，並預期在可預見的未來不會出售。

(b) 按公平值計入損益之金融資產及／或指定為按公平值計入損益

於首次應用日期，由於根據香港財務報告準則第9號，以公平值基準管理及評估其表現的金融資產組合須按公平值計入損益計量，本集團不再將該等金融資產指定為按公平值計入損益計量。

根據香港會計準則第39號，本集團已重新評估其分類為持作買賣之股本證券投資，猶如本集團於首次應用日期已購買該等投資。

應用香港財務報告準則第9號並不會對該等資產已確認之金額產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (Continued)

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

2.2 HKFRS 9 Financial Instruments and related amendments (Continued)

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

(c) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade and other receivables, loans and interests receivables and deposits. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively 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.

ECL for other financial assets at amortised cost, including cash held on behalf of clients, restricted bank deposits and bank balances and cash, are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. No impairment allowance was recognised at 1 January 2018.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.2 香港財務報告準則第9號金融工具及相關修訂（續）

首次應用香港財務報告準則第9號所產生的影響概要（續）

(c) 預期信貸虧損模式下的減值

本集團已應用香港財務報告準則第9號之簡化方法計量預期信貸虧損，即以全期預期信貸虧損模式應用於所有應收賬款及其他應收款項、應收貸款及利息以及按金中。該等資產之預期信貸虧損就有巨額結餘債務人而言個別進行評估及／或根據本集團過往信貸虧損經驗進行整體評估，並就債務人具體因素、整體經濟狀況及對報告日期之當前狀況以及未來狀況預測之評估進行調整。

其他按攤銷成本計量的金融資產（包括代客戶持有的現金、受限制銀行存款及銀行結餘及現金）的預期信貸虧損按十二個月預期信貸虧損（「十二個月預期信貸虧損」）基準進行評估，原因為信貸風險自首次確認以來並無顯著增加。

於二零一八年一月一日，本公司董事根據香港財務報告準則第9號的規定，使用毋須花費不必要成本或精力即可獲得合理及可靠資料審閱及評估本集團現有的金融資產是否存在減值。於二零一八年一月一日並無確認減值撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

2.2 HKFRS 9 Financial Instruments and related amendments (Continued)

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

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group’s financial assets as at 1 January 2018.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.2 香港財務報告準則第9號金融工具及相關修訂（續）

首次應用香港財務報告準則第9號所產生的影響概要（續）

下表及下文隨附附註闡述就本集團於二零一八年一月一日的各類金融資產而言根據香港會計準則第39號之原有計量分類以及根據香港財務報告準則第9號之新計量分類。

	Notes	Original classification under HKAS 39	New classification under HKFRS 9	Original carrying amount under HKAS 39 根據香港會計準則第39號之原有賬面值 HK\$'000 千港元	New carrying amount under HKFRS 9 根據香港財務報告準則第9號之新賬面值 HK\$'000 千港元
Equity securities	(a)	Available-for-sale	FVTOCI – equity instrument	25,521	25,521
股本證券		可供出售	按公平值計入其他全面收益—股本工具		
Unlisted investment fund	(b)	Designated as at FVTPL	Mandatorily at FVTPL	22,410	22,410
非上市投資基金		指定為按公平值計入損益	強制按公平值計入損益		
Contingent consideration receivables		FVTPL	FVTPL	9,879	9,879
應收或然代價		按公平值計入損益	按公平值計入損益		
Loans and interest receivables		Loans and receivables	Amortised cost	189,891	189,891
應收貸款及利息		貸款及應收款項	攤銷成本		
Trade and other receivables		Loans and receivables	Amortised cost	34,877	34,877
應收賬款及其他應收款項		貸款及應收款項	攤銷成本		
Deposits		Loans and receivables	Amortised cost	49,027	49,027
按金		貸款及應收款項	攤銷成本		
Cash held on behalf of clients		Loans and receivables	Amortised cost	2,066	2,066
代客戶持有的現金		貸款及應收款項	攤銷成本		
Restricted bank deposits		Loans and receivables	Amortised cost	9,064	9,064
受限制銀行存款		貸款及應收款項	攤銷成本		
Bank balances and cash		Loans and receivables	Amortised cost	410,117	410,117
銀行結餘及現金		貸款及應收款項	攤銷成本		
Total financial assets				752,852	752,852
金融資產總額					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

2.2 HKFRS 9 Financial Instruments and related amendments (Continued)

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

Notes

- (a) These equity securities represent investments that the Group intends to hold for long term strategic purposes. As permitted by HKFRS 9, the Group has designated these investments at the date of initial application as measured at fair value through other comprehensive income (“FVTOCI”). Unlike HKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- (b) Under HKAS 39, these equity securities were designated as at fair value through profit or loss (“FVTPL”) because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under HKFRS 9.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.2 香港財務報告準則第9號金融工具及相關修訂（續）

首次應用香港財務報告準則第9號所產生的影響概要（續）

附註

- (a) 該等股本證券指本集團擬就長期戰略用途而持有的投資。按香港財務報告準則第9號所容許，本集團已於首次應用日期指定該等投資按公平值計入其他全面收益（「按公平值計入其他全面收益」）之方式計量。與香港會計準則第39號不同，與該等投資有關的累計公平值儲備將不會重新分類至損益。
- (b) 根據香港會計準則第39號，該等股本證券乃指定按公平值計入損益（「按公平值計入損益」）計量，原因為彼等乃按公平值基準管理且其表現乃按此基準監察。根據香港財務報告準則第9號，該等資產已分類為強制按公平值計入損益計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

At the date of this report, the following new and amendments to HKFRSs are not yet effective. The Group has not early applied these new and amendments to HKFRSs.

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁵
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 ⁴
Amendments to HKAS 1 and HKAS 8	Definition of Material ²
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 2020.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective for annual periods beginning on or after a date to be determined.

⁵ 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.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

於本報告日期，以下新訂及經修訂之香港財務報告準則尚未生效。本集團並無提早應用該等新訂及經修訂之香港財務報告準則。

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 ³
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不确定性 ¹
香港財務報告準則第3號的修訂本	業務之定義 ⁵
香港財務報告準則第9號的修訂本	具有負補償之提前還款特性 ¹
香港財務報告準則第10號及香港會計準則第28號的修訂本	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港會計準則第1號及香港會計準則第8號的修訂本	重大性的定義 ²
香港會計準則第19號的修訂本	修訂、縮減或結算計劃 ¹
香港會計準則第28號的修訂本	於聯營公司及合營企業的長期權益 ¹
香港財務報告準則的修訂本	香港財務報告準則二零一五年至二零一七年週期之年度改進 ¹

¹ 於二零一九年一月一日或之後開始的年度期間生效。

² 於二零二零年一月一日或之後開始的年度期間生效。

³ 於二零二一年一月一日或之後開始的年度期間生效。

⁴ 於待定日期或之後開始的年度期間生效。

⁵ 就收購日期為於二零二零年一月一日或之後開始的首個年度期間開始或之後開始的業務合併及資產收購生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Except for the new HKFRS mentioned below, the directors of the Group 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.

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.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

除下文所述之新訂香港財務報告準則外，本集團董事預期應用所有其他新訂及經修訂香港財務報告準則於可見將來將不會對綜合財務報表造成重大影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號於生效起將取代香港會計準則第17號租賃及有關詮釋。

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情況外，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases (Continued)

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. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. 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.

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 non-cancellable operating lease commitments of HK\$29,037,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的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（續）

使用權資產初步按成本計量，隨後按成本（若干例外情況除外）減累計折舊及減值虧損計量，就租賃負債作出任何重新計量調整。租賃負債初步按當日未支付的租賃付款現值計量。隨後，租賃負債就（其中包括）利息及租賃付款以及租賃修改影響予以調整。就現金流量分類而言，本集團目前將經營租賃款項列作經營現金流量。應用香港財務報告準則第16號後，本集團將有關租賃負債的租賃付款分配至本金及利息部分，此將呈列為融資現金流量。

除部分亦適用於出租人的規定外，香港財務報告準則第16號基本沿用香港會計準則第17號的出租人會計規定，並要求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號要求廣泛的披露。

於二零一八年十二月三十一日，本集團有不可撤銷經營租賃承擔29,037,000港元。經初步評估，該等安排符合租賃的定義。應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應的負債，惟若該等租賃符合低價值或短期租賃則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases (Continued)

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

2. 應用新訂及經修訂的香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的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（續）

應用新規定可能導致上文所述的計量、呈列及披露變動。本集團擬選擇就將香港財務報告準則第16號應用於先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號釐定安排是否包含租賃而識別為租賃的合約使用實際權宜做法，且不將此準則應用於先前未應用香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號識別為租賃的合約。因此，本集團將不會重新評估前已存在的合約是否為或是否包含租賃。

3. 重大會計政策

遵例聲明

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定的適用披露資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Statement of preparation

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, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

For financial instruments which are transferred at fair value and a valuation technique that unobservable inputs to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

3. 重大會計政策 (續)

編製聲明

如下文載述的會計政策所說明，於各報告期末，綜合財務報表乃根據歷史成本基準編製，惟若干金融工具乃按公平值計量。

歷史成本一般根據為交換貨品及服務所給代價的公平值而釐定。

公平值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的那些特徵。在此等綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟香港財務報告準則第2號範圍內的以股份支付的交易、香港會計準則第17號範圍內的租賃交易，以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值）除外。

就按公平值轉撥的金融工具及採用不可觀察輸入數據計量後續期間公平值的估值技術而言，估值技術已經調整以便估值技術結果等於交易價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Statement of preparation (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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and entities (including structured entities) controlled by the Company. 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.

3. 重大會計政策 (續)

編製聲明 (續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察得出的輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

綜合賬目的基準

綜合財務報表包括本公司、其附屬公司及本公司所控制的實體（包括結構性實體）的財務報表。當本公司符合以下條件時，取得控制權：

- 可對投資對象行使權力；
- 自參與投資對象獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響其回報。

倘事實及情況表明以上所列控制權三個要素的一個或多個有所變動，本集團會重新評估其是否控制投資對象。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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. 重大會計政策 (續)

綜合賬目的基準 (續)

倘本集團於投資對象之投票權未能佔大多數，但只要投票權足以賦予本集團實際能力可單方面掌控投資對象之相關業務時，本集團即對投資對象擁有權力。在評估本集團於投資對象之投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，包括：

- 本集團持有投票權之程度相較其他投票權持有人所持投票權之程度及分散度；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 可顯示於需要作出決定時，本集團當前能否掌控相關業務之任何其他事實及情況（包括於過往股東大會上之投票方式）。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 重大會計政策 (續)

綜合賬目的基準 (續)

損益及其他全面收益之每個組成部分乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘亦然。

於必要時，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團之會計政策一致。

有關本集團成員公司之間交易的所有集團內公司間之資產及負債、權益、收入、支出及現金流量於綜合賬目時悉數對銷。

附屬公司非控股權益與本集團於其中的權益分開呈列，其代表於清盤時賦予其持有人按比例分佔相關附屬公司資產淨值之現時所有權權益。

本集團於現有附屬公司權益之變動

本集團於附屬公司的權益之變動並不導致本集團失去對附屬公司的控制權，並以權益交易入賬。本集團之權益及非控股權益相關組成部分之賬面值均予以調整，以反映彼等於附屬公司相關權益之變動，包括根據本集團與非控股權益的權益比例重新歸屬本集團與非控股權益間的有關儲備。

經調整之非控股權益金額與已支付或已收取代價之公平值間之任何差額乃直接於權益確認，並歸屬於本公司擁有人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Loss of control of subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amounts of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Company's Board of Directors as its chief operating decision maker.

3. 重大會計政策 (續)

綜合賬目的基準 (續)

失去對附屬公司的控制權

倘本集團失去對一間附屬公司的控制權，則取消確認該附屬公司的資產及負債以及非控股權益（如有）。(i) 所收取代價公平值及任何保留權益公平值的總額與(ii) 本公司擁有人應佔附屬公司之資產（包括商譽）及負債之賬面值之間的差額於損益內確認為收益或虧損。早前於其他全面收益確認的與該附屬公司相關的所有金額將會以猶如本集團已直接出售該附屬公司之相關資產或負債的方式入賬（即按適用香港財務報告準則所訂明／允許而重新分類至損益或轉撥至另一權益類別）。於失去控制權當日仍保留於前附屬公司的任何投資公平值，則根據香港會計準則第39號於其後入賬時視為初步確認的公平值，或（如適用）於聯營公司或合營企業的投資之初步確認成本。

分部資料呈報

營運分部按照向主要營運決策者提供的內部報告貫徹一致的方式報告。主要營運決策者為分配資源予實體之營運分部並評估其表現之人士或一組人士。本集團決定本公司之董事會為其主要營運決策者。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

3. 重大會計政策 (續)

業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原擁有人產生之負債及本集團為交換被收購方之控制權發行之股權於收購日之公平值總額。收購相關成本通常於產生時於損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份支付安排或本集團訂立以股份支付安排取代被收購方以股份支付安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號「以股份支付款項」計量（見下文會計政策）；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產（或出售組別）根據該項準則計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 重大會計政策 (續)

業務合併 (續)

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公平值(如有)的總和超出於收購日期所收購可識別資產及所承擔負債的淨額的部分計量。倘經過重新評估後，於收購日期所收購可識別資產及所承擔負債的淨額超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公平值(如有)的總和，則超出部分即時於損益賬內確認為議價收購收益。

屬現時擁有權權益且於清盤時使持有人有權按比例分佔實體資產淨值的非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別的非控股權益乃按公平值計量。

當本集團於業務合併時轉讓之代價包含因或然代價安排而產生之資產或負債時，或然代價將按收購日期之公平值計量，並計入業務合併時所轉讓代價之一部分。符合作為計量期間調整之或然代價之公平值變動，須以追溯方式進行調整，而商譽亦會作出相應調整。計量期間調整是指於「計量期間」(不得超出收購日期起計一年)取得於收購日期已存在之事實及情況相關之額外資料而產生之調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. 重大會計政策 (續)

業務合併 (續)

不符合作為計量期間調整之或然代價公平值變動之其後會計處理乃取決於或然代價如何分類。分類為權益之或然代價不會於其後報告日期重新計量，而其後結算於權益內入賬。分類為資產或負債之或然代價於其後呈報日期重新計量至公平值，而相應之收益或虧損於損益確認。

倘業務合併分階段完成，則本集團過往所持有被收購人之股權會重新計量至收購當日（即本集團取得控制權當日）之公平值，所產生之收益或虧損（如有）於損益內確認。倘出售於被收購方的權益，於收購日期前在被收購方的權益所產生的金額（先前已於其他全面收益中確認）會重新分類至損益（如此處理方法適用）。

倘業務合併之初步會計處理於合併發生之報告期末尚未完成，則本集團呈報未完成會計處理項目之臨時數額。該等臨時數額會於計量期間（見上文）內調整，或確認額外資產或負債，以反映所取得有關於收購當日已存在之相關事實與情況而若在該日已獲悉則可能影響所確認金額之新資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Change in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate.

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

3. 重大會計政策 (續)

於聯營公司的投資

聯營公司為本集團對其有重大影響力之實體。重大影響力指有權參與被投資公司之財務及營運政策決定，但非對該等政策擁有控制權。

聯營公司之業績與資產及負債乃按權益會計法列入此等綜合財務報表。根據權益法，於聯營公司的投資初步在綜合財務狀況表按成本確認，並於其後就確認本集團應佔該聯營公司之損益及其他全面收益而作出調整。聯營公司資產淨值（損益及其他全面收益除外）的變動不予列賬，除非有關變動導致本集團所持擁有權權益出現變動。當本集團應佔一間聯營公司虧損超出本集團佔該聯營公司之權益時（包括任何實際上構成本集團於聯營公司投資淨值其中部分之長遠權益），本集團會終止確認其應佔之進一步虧損。當本集團產生法定或推定責任或代表該聯營公司付款時，方會確認額外虧損。

於聯營公司的投資由被投資公司成為一間聯營公司之日起，以權益法入賬。在收購於聯營公司的投資時，投資成本超出本集團分佔被投資公司可識別資產及負債公平值淨值之部分會確認為商譽，並計入該投資之賬面值中。經重新評估後，本集團分佔可識別資產及負債之公平值淨值超出投資成本之部分，即時於收購投資之期間之損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

3. 重大會計政策 (續)

於聯營公司的投資 (續)

本集團評估是否有客觀證據證實於聯營公司的權益可能出現減值。於存有任何客觀證據時，該項投資之全部賬面值（包括商譽）會根據香港會計準則第36號「資產減值」以單一資產之方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本之較高者）與其賬面值。任何已確認之減值虧損構成該項投資之賬面值之一部分。有關減值虧損之任何撥回乃於該項投資之可收回金額其後增加之情況下根據香港會計準則第36號確認。

當本集團不再對聯營公司擁有重大影響力，其入賬列為出售投資對象的全部權益，所得收益或虧損在損益確認。倘本集團保留於前聯營公司之權益且保留權益屬香港財務報告準則第9號範圍內的金融資產，本集團按該日之公平值計量保留權益及公平值被視為其初始確認時的公平值。聯營公司的賬面值與任何保留權益的公平值與出售於聯營公司的相關權益的任何所得款項的差額乃在釐定出售聯營公司的收益或虧損時納入考慮。此外，本集團就於其他全面收益內有關該聯營公司先前確認的所有金額，按如同該聯營公司已直接出售相關資產或負債的相同基準進行入賬。因此，倘先前於其他全面收益內由該聯營公司確認的收益或虧損，會重新分類至出售相關資產或負債的損益，本集團於出售／部分出售相關聯營公司時，將有關收益或虧損由權益重新分類至損益（作為重新分類調整）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating unit in which the Group monitors goodwill).

The Group's policy for goodwill arising on the acquisition of an associate is described in "Investments in associates" above.

3. 重大會計政策 (續)

商譽

收購一項業務產生之商譽乃按於業務收購日期所確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言,商譽乃分配至預期從合併之協同效應中獲利之本集團各現金產生單位(或現金產生單位組別),而該單位(或單位組別)指就內部管理目的監控商譽且不大於經營分部的最低水平。

已獲分配至商譽之現金產生單位每年或當有跡象顯示單位可能出現減值時更頻繁測試減值。就於某一報告期間因收購而產生的商譽而言,獲分配至商譽的現金產生單位於該報告期末前進行減值測試。如現金產生單位可收回金額少於其賬面值,減值虧損首先獲分配以減少該單位獲分配之任何商譽之賬面值,其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產。商譽之任何減值虧損直接於損益中確認。就商譽確認之減值虧損於其後期間不予撥回。

若出售有關現金產生單位,商譽之應佔金額乃計入釐定出售收益或虧損(或本集團監控商譽之現金產生單位組別內的任何現金產生單位)。

本集團有關收購聯營公司產生的商譽之政策於上文「於聯營公司的投資」闡述。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transactions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

3. 重大會計政策 (續)

來自客戶合約之收入 (根據附註2之交易應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於完成履約責任時 (或就此) 確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指明確貨品或服務 (或一組貨品或服務) 或一系列大致相同的明確貨品或服務。

控制權會隨時間轉移，而倘滿足以下其中一項標準，則收益乃參照完全滿足相關履約責任的進度而隨時間確認：

- 於本集團履約時客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約行為創造及提升客戶於本集團履約時已控制的資產；或
- 本集團的履約行為並無創造對本集團而言有其他用途的資產，且本集團擁有就迄今為止已完成的履約部分獲付款的可強行執行權利。

否則，收益於客戶取得明確貨品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利 (尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即僅需待時間過去代價即須到期支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transactions in note 2) (Continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contractual liabilities are recognised as revenue when the Group performs under the contract.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

3. 重大會計政策 (續)

來自客戶合約之收入 (根據附註2之交易應用香港財務報告準則第15號後) (續)

合約負債指本集團因已自客戶收取代價 (或到期收取的代價)，而須向客戶轉讓商品或服務之責任。合約負債於本集團履行合約時確認為收入。

與合約有關之合約資產及合約負債列作以淨額基準呈列。

具有多項履約義務的合約

就載有超過一項履約義務的合約而言，本集團將交易價格按相對獨立的售價分配至各項履約義務。

與各項履約義務相關的具體貨品或服務的獨立售價乃於合約訂立時釐定。其為本集團將向客戶單獨出售承諾貨品或服務的價格。倘獨立售價不能直接獲得，本集團會使用適當的技術進行估計，以使最終分配至任何履約義務的最終交易價格反映本集團預期有權取得以換取向客戶轉讓承諾貨品或服務的代價金額。

收益確認 (於二零一八年一月一日前)

收益按已收或應收代價的公平值計量，並扣除估計客戶退貨、回扣及其他類似撥備。

收益於收益金額能可靠計量、於未來經濟利益可能流入本集團及於本集團各業務符合特定標準時確認，詳情載述如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (prior to 1 January 2018)

(Continued)

Warehouse storage income

Warehouse storage income is recognised when the storage services are rendered.

Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; and
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Securities brokerage income

Commission and brokerage income from securities and futures dealings, on a trade-date basis.

Insurance brokerage income

Insurance brokerage income and agency fee received or receivable is recognised as revenue when the underlying transaction has been completed.

3. 重大會計政策 (續)

收益確認 (於二零一八年一月一日前) (續)

倉庫存放收入

倉庫存放收入於提供存放服務時確認。

銷售貨品

銷售貨品的收益於貨品送抵且物權轉移時確認，即於達成所有下列條件時確認：

- 本集團已將貨品擁有權的重大風險及回報轉移予買方；及
- 本集團並無保留一般與擁有權有關的售出貨品持續管理權或實際控制權。

利息收入

利息收入乃以時間為基準按未償還本金及適用實際利率累計，而實際利率為將金融資產在預計年期的估計未來現金收入準確折現至該資產於初步確認時的賬面淨值之比率。

證券經紀收入

證券及期貨買賣的佣金和經紀收入按交易日基準確認。

保險經紀收入

已收或應收保險經紀收入及代理費於完成相關交易時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (prior to 1 January 2018)

(Continued)

Handling and settlement fee income

Handling charge and late charge revenues are recognised when services are provided.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established.

Consultancy service income

Consultancy service income is recognised when the service is provided.

Guarantee fee income

Income from financial guarantee is recognised over the contract period on a time apportionment basis.

Property, plant and equipment

Property, plant and equipment including leasehold improvement, buildings, warehouse held for provision of storage services, furniture, fixtures and equipment and motor vehicles 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 property, plant and equipment less their residual value 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 estimates accounted for on a prospective basis.

3. 重大會計政策 (續)

收益確認 (於二零一八年一月一日前) (續)

手續及結算費收入

手續費及逾期費用收益於提供服務時確認。

股息收入

股息收入於確定股東有權收取款項時確認。

諮詢服務收入

諮詢服務收入於提供服務時確認。

擔保費收入

融資擔保所得收入於合約期內按時間分配基準確認。

物業、廠房及設備

物業、廠房及設備 (包括租賃物業裝修、樓宇、為提供存放服務而持有的倉庫、傢具、裝置及汽車) 乃按成本減其後累計折舊及其後累計減值虧損 (如有) 於綜合財務狀況表內列賬。

物業、廠房及設備項目的折舊按直線法減其剩餘價值於其估計可使用年期內確認以撇銷成本減餘值。估計可使用年期、剩餘價值及折舊方法乃於每個報告期末檢討，任何估計變動的影響按其後確認基準入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

An item of property, 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 property, 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.

When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets held for sale".

Leases

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

3. 重大會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售時或當預期繼續使用該資產不會產生任何日後經濟利益時終止確認。物業、廠房及設備項目出售或報廢產生的任何損益，按出售所得款項與該資產賬面值間的差額釐定並於損益確認。

當物業、廠房及設備項目被分類為持作出售或當作為出售組別的一部分而被分類為持作出售時，如「持作出售的非流動資產」會計政策所進一步解釋，不再對其計提折舊並按香港財務報告準則第5號處理。

租賃

凡租賃的條款將擁有權所附帶的絕大部分風險及報酬轉移至承租人者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

本集團作為出租人

經營租賃的租金收入乃按相關租賃年期以直線法於損益中確認。於協商及安排經營租賃時引致的初步直接成本乃加至租賃資產的賬面值，並按租賃年期以直線法確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人

經營租賃付款乃按租賃年期以直線法確認為開支，惟倘有其他系統性基準更能反映租賃資產的經濟效益被消耗的時間模式則除外。經營租賃下的或然租金在產生當期作為開支確認。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠的總利益以直線法沖減租金開支確認，惟倘有其他系統性基準更能反映租賃資產的經濟效益被消耗的時間模式則除外。

持作自用的租賃土地

當租賃包括土地及樓宇部分，本集團根據評估各部分的擁有權所附帶的絕大部分風險與回報是否已轉移至本集團，將其分類為融資或經營租賃，除非肯定兩個部分均屬經營租賃，於此情況下，整份租約歸類為經營租賃。具體而言，最低租賃款項（包括任何一筆過預付款項）按於租約開始時佔於租賃土地部分及樓宇部分中的租賃權益相對公平值的比例，於土地與樓宇部分間分配。

在租賃款項能可靠分配的情況下，列賬為經營租賃的租賃土地權益於綜合財務狀況表中呈列為「預付租賃款項」，並按直線基準於租期內攤銷。在租賃款項未能於土地與樓宇部分間可靠分配的情況下，整份租約一般分類為融資租賃，並作為物業、廠房及設備列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange 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 on monetary items are recognised in profit or loss in the period in which they arise except for: exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

3. 重大會計政策 (續)

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣（外幣）進行的交易均按交易日期的適用匯率記賬。於報告期末，以外幣計值的貨幣項目均按該日的適用匯率重新換算。以外幣計值按公平值列賬的非貨幣項目，按釐定公平值當日適用的匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目不予重新換算。

貨幣項目的匯兌差額於產生期間於損益確認，惟以下各項除外：應收或應付海外業務而結算並無計劃亦不大可能發生（因此構成海外業務投資淨額之一部分）之貨幣項目之匯兌差額，該等匯兌差額初步於其他全面收益內確認，並於出售或部分出售本集團於聯營公司之權益時自權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外業務的資產及負債乃按於各報告期末的適用匯率換算為本集團的列賬貨幣（即港元），而收入及開支項目乃按該期間的平均匯率進行換算，除非匯率於該期間內出現大幅波動，於此情況下，則採用於交易當日的適用匯率。所產生的匯兌差額（如有）乃於其他全面收益確認及於權益內的匯兌儲備項下累計（倘適用，則歸屬於非控股權益）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 重大會計政策 (續)

外幣 (續)

於出售海外業務 (即出售本集團於海外業務的全部權益、或涉及失去對附屬公司 (包括海外業務) 的控制權之出售、或部分出售合營安排或聯營公司 (包括海外業務) 的權益 (當中的保留權益變為金融資產)) 時, 就本公司擁有人應佔該業務而於權益內累計的所有匯兌差額重新分類至損益。

此外, 倘部分出售附屬公司而並不會導致本集團失去對附屬公司的控制權, 按比例所佔的累計匯兌差額乃重新歸於非控股權益, 且並不於損益內確認。就所有其他部分出售 (即不會導致本集團失去重大影響力或共同控制權的聯營公司或合營安排的部分出售) 而言, 按比例所佔的累計匯兌差額乃重新歸類至損益內。

收購海外業務產生之已收購可識別資產商譽及公平值調整, 被視為該海外業務之資產及負債, 並按各報告期末適用之匯率換算。由此產生之匯兌差額於其他全面收益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 重大會計政策 (續)

無形資產 (商譽除外)

單獨收購之無形資產

單獨收購而具有有限可使用年期之無形資產，按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期之無形資產於估計可使用年期內以直線法確認攤銷。於各報告期末檢討估計可使用年期及攤銷方法，估計任何變動之影響按未來適用基準入賬。單獨收購而具無限可使用年期之無形資產，按成本減任何其後累計減值虧損列賬。

業務合併中收購的無形資產

業務合併中收購的無形資產與商譽分開確認，以及初步按其於收購日期的公平值確認（被視作其成本）。

於初步確認後，於業務合併中收購具有有限可使用年期之無形資產按與單獨收購的無形資產相同的基準呈報，以成本減累計攤銷及任何累計減值虧損呈報。此外，業務合併中收購具無限可使用年期之無形資產，按成本減任何其後累計減值虧損列賬。

無形資產於出售時或當預期使用或出售無形資產不會產生將來經濟利益時終止確認。終止確認無形資產所產生的盈虧按出售所得款項淨額及該資產賬面值的差額計量，並於終止確認該資產期間於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash generating unit) for which the estimates of future cash flows have not been adjusted.

3. 重大會計政策 (續)

有形及無形資產 (商譽除外) 減值

本集團於報告期末審閱其具限定使用年期的有形及無形資產的賬面值，以釐定有否任何跡象顯示該等資產蒙受減值虧損。如有任何該等跡象，則會估計相關資產的可收回金額，以釐定減值虧損 (如有) 的程度。

倘未能估計個別資產的可收回金額，則本集團估計該資產所屬的現金產生單位的可收回金額。在可確定合理、一致的分配基準情況下，公司資產亦分配至個別現金產生單位，否則將分配至可確定合理、一致的分配基準的最小現金產生單位。

具有無限可使用年期的無形資產及尚未可供使用的無形資產至少每年及於有跡象顯示其可能出現減值時進行減值測試。

可收回金額乃公平值扣除出售成本與使用價值的較高者。在評估使用價值時，估計未來現金流量將使用稅前折現率折算至其現值，有關折現率須反映目前資金時間值的市場估量及資產 (或現金產生單位) (並未調整對未來現金流量的估計) 的特定風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on tangible and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. 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.

3. 重大會計政策 (續)

有形及無形資產 (商譽除外) 減值 (續)

倘若估計資產 (或現金產生單位) 的可收回金額低於其賬面值, 則資產 (或現金產生單位) 的賬面值將調低至其可收回金額。於分配減值虧損時, 首先分配減值虧損以減少任何商譽的賬面值 (如適用), 然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本 (如可計量)、其使用價值 (如可計量) 及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損會即時於損益確認。

倘若減值虧損其後撥回, 則資產 (或現金產生單位) 的賬面值會上調至其經修訂估計可收回金額, 但經上調的賬面值不得超出倘若資產 (或現金產生單位) 於以往年度並無確認減值虧損時原已釐定的賬面值。減值虧損撥回即時於損益確認。

金融工具

倘集團實體成為工具合約條文的訂約方, 則確認金融資產及金融負債。所有常規方式的金融資產買賣均於交易日確認及終止確認。定期購買或出售的方式是需要於市場規則或慣例規定的期限內交付資產的金融資產買賣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss 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.

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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產及金融負債初步按公平值計量，惟自二零一八年一月一日起根據香港財務報告準則第15號初步計量的客戶合約產生的應收賬款除外。因收購或發行金融資產及金融負債（按公平值計入損益的金融資產及金融負債除外）而直接產生的交易成本，於初步確認時計入金融資產或金融負債（如適用）的公平值或自金融資產或金融負債（如適用）的公平值扣除。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本，即時在損益內確認。

實際利率法為計算金融資產或金融負債的攤銷成本以及於相關期間內分配利息收入及利息支出的方法。實際利率指在金融資產或金融負債的預計年期內或（如適用）較短期間內準確折算估計未來現金收入及支出（包括所有構成實際利率整體部分而支付或收取的費用及時點、交易成本及其他溢價或折扣）至初步確認時的賬面淨值的利率。

金融資產

金融資產的分類和其後計量（根據附註2的過渡應用香港財務報告準則第9號後）

滿足以下條件其後按攤銷成本計量的金融資產：

- 於一個業務模式內持有金融資產，而其目的是為了收取合約現金流量；及
- 合約條款引致於指定日期之現金流量僅為支付本金及未償還之本金利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

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 other comprehensive income 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.

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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

滿足以下條件其後按公平值計入其他全面收益的金融資產:

- 金融資產由目的為收取合約現金流量及出售的業務模式而持有; 及
- 合約條款引致於指定日期之現金流量僅為支付本金及未償還之本金利息。

所有其他金融資產其後按公平值計入損益計量, 惟倘該等權益投資並非持作買賣用途及收購方於香港財務報告準則第3號業務合併所適用之業務合併中確認的或然代價, 則本集團可於初始應用/初始確認金融資產之日不可撤銷地選擇於其他全面收益中呈列權益投資的後續公平值變動。

此外, 本集團可不可撤回地指定一項須按攤銷成本或按公平值計入其他全面收益計量之金融資產以按公平值計入損益計量, 前提為有關指定可消除或大幅減少會計錯配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

(i) 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 subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, 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 (see below). 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. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後按公平值計入其他全面收益的債務工具的利息收入乃使用實際利息法予以確認。就除購買或出現信貸減值外之金融工具而言，利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外 (見下文)。自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

(ii) Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 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 retained earnings.

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 "Other income, gains and losses" line item in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(ii) 指定按公平值計入其他全面收益之股本工具

於首次應用／初步確認日期，本集團可按個別工具基準作出不可撤回的選擇，指定股本工具之投資為按公平值計入其他全面收益類別。

按公平值計入其他全面收益之股本工具投資乃初步按公平值加交易成本計量。其後，股本工具投資按公平值計量，其公平值變動產生的收益及虧損於其他全面收益確認及於重估儲備內累計；無須作減值評估。累計收益或虧損將不重新分類至出售股本投資之損益，並將轉撥至保留盈利。

當本集團已收取股息的權利時，除非能清晰顯示股息是用作填補一部分投資成本，該等股本工具投資的股息於損益內確認。股息計入損益內「其他收入、收益及虧損」項目中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

(iii) 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 HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost (including loans and interest receivables, deposits, cash and cash equivalents and trade and other receivables); and
- financial guarantee contracts issued.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(iii) 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標準的金融資產乃按公平值計入損益的方式計量。

按公平值計入損益之金融資產按於各報告期末的公平值計量，而任何公平值收益或虧損於損益內確認。於損益內確認的淨收益或虧損不包括就金融資產所賺取的任何股息或利息，並計入其他「其他收益及虧損」項目內。

金融資產減值 (根據附註2的過渡應用香港財務報告準則第9號後)

本集團就根據香港財務報告準則第9號進行減值的金融資產。預期信貸虧損金額於各報告日期更新，以反映自初始確認以來之信貸風險變動。

本集團應用新預期信貸虧損模式予下列各項：

- 按攤銷成本計量的金融資產 (包括貸款、應收利息、按金、現金及現金等值項目及應收賬款及其他應收款項)；及
- 已作出的融資擔保合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with 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, 12-month ECL ("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. Assessments 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.

The Group always recognises lifetime ECL for trade receivables, other receivables and loans and interests receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively with internal credit ratings.

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

年期預期信貸虧損指於相關工具於預計年期內所有可能違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預計於報告日期後12個月內可能發生的違約事件產生的部分年期預期信貸虧損。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、一般經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

本集團一直就應收賬款、其他應收款項及應收貸款及利息確認年期預期信貸虧損。該等資產的預期信貸虧損乃就具重大結餘的債務人進行個別評估及/或採用具內部信貸評級進行整體評估。

就所有其他工具而言，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，則本集團確認年期預期信貸虧損。是否應以年期預期信貸虧損確認乃根據自初始確認以來發生違約的可能性或風險顯著上升而評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(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;
- 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;

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(i) 信貸風險顯著上升

於評估信貸風險是否自初始確認以來已顯著上升時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險。作出此評估時，本集團會考慮合理及可靠的定量及定質資料，包括過往經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部 (如有) 或內部信貸評級的實際或預期大幅惡化；
- 信貸風險的外界市場指標的大幅惡化，例如信貸息差大幅增加、債務人的信貸違約掉期價；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk (Continued)

- 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 90 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).

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(i) 信貸風險顯著上升 (續)

- 債務人經營業績的實際或預期大幅惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過90日時，信貸風險自初始確認以來已大幅增加，除非本集團有合理及可靠資料證明可予收回則當別論。

本集團定期監察用以識別信貸風險有否大幅上升的標準的成效，並且適時作出修訂，以確保該標準能夠於有關款額逾期前識別信貸風險大幅上升。

(ii) 違約的定義

就內部信貸風險管理而言，本集團認為違約乃於內部建立或外部來源獲取的資料顯示債務人不大可能向債權人（包括本集團）全額結清欠款時發生（並無考慮任何本集團持有的抵押品）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(ii) Definition of default (Continued)

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.

(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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(ii) 違約的定義 (續)

不論上述情況如何，當金融資產逾期超過90天時，本集團即認為已發生違約，除非本集團有合理及可靠資料證明應採用更寬鬆的違約標準。

(iii) 信貸減值的金融資產

當一件或多件對金融資產估計未來現金流量產生不利影響的違約事件發生時，該金融資產則出現信貸減值。

有關金融資產出現信貸減值的證據包括有關以下事項的可觀察數據：

- a) 發行人或借款人出現重大財政困難；
- b) 不履行債務或逾期支付等違約行為；
- c) 借款人的貸款人因有關借款人財務困難的經濟或合約原因，給予借款人在一般情況下不會考慮的優惠安排；
- d) 借款人可能破產或面臨財務重組；或
- e) 該金融資產的活躍市場因財務困難而消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(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, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. 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.

(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 estimated as 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.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, other receivables and loans and interests receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(iv) 撇銷政策

倘有資料顯示交易對手處於嚴重財務困難及無實際期望可收回欠款，本集團則撇銷該金融資產（例如於交易對手被清盤或進入破產程序時，或倘為應收賬款，金額逾期超過兩年時（以較早者為準））。金融資產撇銷仍受限於本集團收回欠款程序下的執行活動，且在適當情況下將參考法律意見。撇銷構成一項終止確認事項。任何其後收回的欠款於損益內確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量乃違約概率、違約虧損率（即違約造成虧損的幅度）及違約風險的函數。違約概率及違約虧損率根據經前瞻性資料調整的過往數據進行評估。預期信貸虧損的預估乃無偏概率加權平均金額，以各自發生違約的風險為權重確定。

一般而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量之間的差額估計，並按初始確認時釐定的實際利率貼現。

除透過虧損撥備賬確認相應調整的應收賬款、其他應收款項及應收貸款及利息外，本集團通過調整所有金融工具的賬面值於損益確認其減值收益或虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

Financial assets are mainly classified into following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 marketplace.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FVTPL or (iii) contingent consideration that may be received by an acquirer as part of a business combination.

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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前)

金融資產主要分類為以下具體類別：按公平值計入損益（「按公平值計入損益」）之金融資產、可供出售（「可供出售」）金融資產以及貸款及應收款項。分類視乎金融資產的性質及目的而定，並於初步確認時釐定。所有日常買賣金融資產按交易日基準確認及終止確認。日常買賣指須於市場規則或慣例訂立的時間內交收資產的金融資產買賣。

(i) 按公平值計入損益之金融資產

當金融資產為(i)持作買賣；或(ii)其獲指定為按公平值計入損益時；或(iii)收購方可能收取之或然代價（作為業務合併的一部份），金融資產分類為按公平值計入損益。

倘出現下列情況，金融資產被歸類為持作買賣：

- 購入金融資產主要是為於短期內出售；或
- 於初步確認時，其構成本集團合併管理之已識別金融工具組合之一部分及具有最近實際短期獲利模式；或
- 為未被指定及可有效作為對沖工具之衍生工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

(i) Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading (or contingent consideration that may be received by an acquirer as part of a business combination) may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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 the 'other gains and losses' line item. Fair value is determined in the manner described in note 54.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

(i) 按公平值計入損益之金融資產 (續)

金融資產 (持作買賣之金融資產或收購方收取作為業務合併之一部分之或然代價除外) 可於下列情況下於初步確認時指定為按公平值計入損益:

- 該指定消除或大幅減少可能會出現的計量或確認方面的一致性; 或
- 該金融資產構成一組金融資產或金融負債或金融資產及金融負債組合之一部分, 而根據本集團制定的風險管理或投資策略, 該項資產乃以公平值為基礎進行管理及評估績效, 且有關分組之資料乃按此基準向內部提供; 或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分, 而香港會計準則第39號允許將整個組合合約 (資產或負債) 指定為按公平值計入損益。

按公平值計入損益之金融資產按公平值列賬, 而重新計量產生之任何收益或虧損將在損益內確認。於損益確認之收益或虧損淨額不包括金融資產所賺取的任何股息或利息, 並計入「其他收益及虧損」項目內。公平值乃按附註54所述方式釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

(ii) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable are recognised in profit or loss. Dividends on AFS 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 AFS financial assets are recognised in other comprehensive income and accumulated under the heading of revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss.

AFS 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 each reporting period.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

(ii) 可供出售金融資產

可供出售金融資產為指定屬於可供出售或並無歸類為(a)貸款及應收款項、(b)持有至到期投資或(c)按公平值計入損益之金融資產的非衍生工具。

本集團所持有之被分類為可供出售金融資產之權益及債務證券於各報告期末按公平值計量，惟該等公平值無法可靠計量的無報價股本投資除外。與採用實際利率法計算之利息收入有關之可供出售債務工具之賬面值變動及匯率變動（倘適用）均於損益確認。可供出售股本工具之股息於本集團收取股息的權利確立時於損益確認。可供出售金融資產賬面值之其他變動乃於其他全面收益確認，並累計於投資重估儲備項下。當有關投資被出售或被釐定減值時，先前累計於投資重估儲備之累計收益或虧損乃重新分類至損益。

於活躍市場缺乏市場報價且公平值無法可靠計量的可供出售股本投資於各報告期末按成本扣除任何已識別減值虧損計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

(iii) 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 loans receivables, trade and other receivables, deposits, cash held on behalf of clients, restricted bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

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 AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類和其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

(iii) 貸款及應收款項

貸款及應收款項指並未於交投活躍之市場內報價而附帶固定或可釐定付款之非衍生金融資產。於初步確認後，貸款及應收賬款 (包括應收貸款、應收賬款及其他應收款項、按金、代客戶持有的現金、受限制銀行存款以及銀行結餘及現金) 使用實際利息法按攤銷成本減任何減值列賬。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項除外。

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前)

於各個報告期末金融資產 (按公平值計入損益之金融資產除外) 均進行減值跡象評估。當有客觀證據顯示初步確認金融資產後發生之一項或多項事件導致有關金融資產之估計未來現金流量受到影響，則金融資產被視為已減值。

就可供出售股本投資而言，證券公平值大幅或長期降至低於其成本被視為客觀減值證據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

The criteria that the Group uses to determine that there is objective evidence of an impairment include:

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

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

本集團用以釐定減值虧損的客觀減值憑證之標準包括：

- 發行人或交易對方出現嚴重財務困難；或
- 違反合約，如逾期或拖欠支付利息或本金；或
- 借款人將可能破產或進行其他財務重組；或
- 由於財務困難導致該金融資產的活躍市場消失；或
- 質押物價值下跌。

本集團首先對單項金額重大的金融資產是否存在減值的客觀證據進行個別評估，其後對單項金額不重大的金融資產是否存在發生減值的客觀證據進行個別或集體評估。如果本集團釐定沒有客觀證據表明進行個別評估的金融資產存在減值情況，無論其是否重大，本集團都將其包括在具有類似信用風險特徵的金融資產組別中，進行集體減值評估。個別進行評估減值並且已確認或繼續確認減值損失的資產，不再納入集體減值評估的範圍。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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 the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

就進行減值情況的集體評估而言，將根據信用風險特徵的相似性對金融資產進行分組（即按照本集團的分級程序，考慮抵押品類型、逾期狀況及其他相關因素而進行分級）。該等信用風險特徵通常可以反映債務人按照該等資產的合同條款償還所有到期金額的能力，與被評估資產的估計未來現金流是相關的。

本集團對一組金融資產的未來現金流進行減值集體評估測算時，以該組金融資產的合同現金流以及與該組金融資產具有類似信用風險特徵的資產的歷史損失經驗為基礎。為反映該組金融資產的當前狀況，以上歷史損失經驗將根據當前的可觀察數據進行調整，包括反映在歷史損失期間不存在的當前情況，以及剔除該等本期已不存在事項的影響。

對各資產組合的未來現金流變化的估計應反映相關的可觀察到的各期資料的變化並與該變化方向保持一致（如付款情況或體現減值可能性及程度的其他變化因素）。為減少預期損失和實際發生的損失之間的任何差異，本集團定期審閱估計未來現金流的理論和假設。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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 certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are 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 estimated future cash flows, discounted at the financial asset's 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, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

就若干金融資產類別，例如應收賬款及其他應收款項、被評估為非個別減值的資產而言，亦將按整體基準進行減值評估。應收賬款組合的客觀減值證據可包括本集團的過往收款經驗，組合內延遲還款至超逾平均信貸期的次數增加，以及與應收賬款逾期有關的全國或地方經濟狀況明顯改變。

就按攤銷成本列賬的金融資產而言，所確認的減值虧損數額為該資產的賬面值與按金融資產原先實際利率折現的估計未來現金流量的現值間之差額。

就按成本列賬的金融資產而言，所確認的減值虧損數額為該資產的賬面值與按類似金融資產現時市場回報率折現的估計未來現金流量的現值間之差額計量。有關減值虧損不會於其後期間撥回。

就所有金融資產而言，減值虧損會直接於金融資產的賬面值中作出扣減，其賬面值會透過撥備賬作出扣減。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回先前撇銷的金額計入撥備賬。撥備賬內的賬面值變動會於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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)

When an AFS 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.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was 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 AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

倘可供出售金融資產被認為出現減值，先前於其他全面收益確認的累計收益或虧損會重新分類至期內損益。

就按攤銷成本計量的金融資產而言，倘於往後期間減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該投資於撥回減值日期的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

就可供出售股本投資而言，先前於損益確認的減值虧損不會透過損益撥回。減值虧損後出現的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。就可供出售債務投資而言，倘投資公平值增加可客觀地與確認減值虧損後發生的事件有關，則減值虧損其後透過損益撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity instruments

Classification as debt or equity

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

終止確認金融資產

只有當收取資產現金流量的合約權利屆滿，或金融資產已轉讓且本集團已轉移資產擁有權的絕大部分風險及回報予另一實體時，本集團才會終止確認金融資產。倘本集團並無轉移亦無保留擁有權的絕大部分風險及回報並繼續控制已轉讓資產，本集團繼續按持續參與的程度將資產確認入賬並確認相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部分風險及回報，本集團繼續確認金融資產，並就已收取的所得款項確認一項已抵押借貸。

於終止確認按攤銷成本計量的金融資產時，該資產賬面值與已收及應收代價總和之差額於損益內確認。

應用香港財務報告準則第9號後，於終止確認本集團於初步確認時已選定的按公平值計入其他全面收益之股權工具投資時，先前於投資重估儲備累計的累計收益或虧損並未重新分類至損益，惟轉撥至累計虧損。

金融負債及股本工具

分類為債務或權益

集團實體發行的債務及股本工具乃根據合約安排的實際內容與金融負債及股本工具的定义分類為金融負債或權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including borrowings, deferred consideration, trade payables and other payables are subsequently measured at amortised cost, using the effective interest rate method.

Convertible notes

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

股本工具

股本工具乃證明於實體資產扣除其所有負債之剩餘權益之任何合約。一間集團實體發行之股本工具乃按已收取所得款項扣除直接發行成本確認。

購回本公司本身之股本工具直接於權益內確認及扣減。購買、出售、發行或註銷本公司本身之股本工具時不會於損益內確認收益或虧損。

金融負債

所有金融負債其後使用實際利率法按攤銷成本計量或按公平值計入損益。

按攤銷成本計量的金融負債

金融負債包括借貸、遞延代價、應付賬款及其他應付款項，其後使用實際利率法按攤銷成本計量。

可換股票據

本公司發行之複合工具(可換股票據)之組成部分乃根據合約安排之實際內容與金融負債及股本工具之定義分別分類為金融負債及權益。以定額現金或另一金融資產交換本公司本身定額數目之股本工具之方式結算之轉換權為股本工具。

於發行日期，負債部分之公平值乃採用當時類似非可換股工具之市場利率作出估算。有關金額乃採用實際利率法按攤銷成本基準入賬列作一項負債，直至於轉換時或工具到期日註銷為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible notes (Continued)

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

可換股票據 (續)

分類為權益之換股權乃透過自整體複合工具之公平值中扣減負債部分金額而釐定。其將於扣除所得稅影響後在權益內確認及入賬，且其後不可重新計量。此外，分類為權益之換股權將一直保留於權益內，直至該換股權獲行使，而在此情況下，於權益內確認之結餘將轉撥至股份溢價。倘換股權於可換股票據到期日仍未獲行使，於權益內確認之結餘將轉撥至保留盈利。換股權獲轉換或到期時將不會於損益內確認任何收益或虧損。

與發行可換股票據相關之交易成本乃按所得款項總額之分配比例分配至負債及權益部分。與權益部分相關之交易成本乃直接於權益列支。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股票據之期間採用實際利率法攤銷。

實際利率法

實際利率法乃計算金融負債的攤銷成本以及於相關期間分配利息開支的方法。實際利率乃於金融負債的預計年期或適用的較短期間內將估計未來現金付款（包括構成實際利率不可或缺部分的已付或已收費用及貼息、交易成本及其他溢價或折讓）準確折現至初步確認時的賬面淨值的利率。

利息開支按實際利息基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

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.

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Non-substantial modifications of financial liabilities (under HKFRS 9 since 1 January 2018)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

終止確認金融負債

本集團只有在責任獲免除、取消或屆滿時，方會終止確認金融負債。被終止確認的金融負債的賬面值與已付及應付代價之差額於損益內確認。

本集團將向貸款人轉換具有顯著不同條款的金融負債入賬為原金融負債的終止及新金融負債的確認。現有金融負債或其中部分條款的重大的修改（無論是否由於本集團的財務困難）入賬為原金融負債的終止及新金融負債的確認。

倘新條款項下現金流量的折現現值（包括任何已支付費用（經扣除已收取並使用原實際利率折現的任何費用））至少與原金融負債剩餘現金流量的折現現值存在至少10個百分點的差異，則本集團認為該等有關條款具有顯著差異。因此，債務工具的轉換或條款的修訂入賬為終止，而產生的任何成本或費用乃確認為終止時收益或虧損的一部分。倘有關差異少於10個百分點，有關轉換或修訂被視為非重大修訂。

金融負債的非重大變更（自二零一八年一月一日起根據香港財務報告準則第9號）

就並不導致終止確認的金融負債的非重大變更而言，相關金融負債的賬面值將會按照經修訂的合約現金流量的現值計算，並按照金融負債的初始實際利率貼現。交易成本或已產生的費用會調整為經修訂金融負債的賬面值，並在餘下期限內攤銷。金融負債賬面值的任何調整於變更日期在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Non-substantial modifications of financial liabilities (before application of HKFRS 9 on 1 January 2018)

For non-substantial modifications of financial liabilities that do not result in derecognition, at the point of modification, the carrying amount of the relevant financial liabilities is revised for directly attributable transaction costs and any consideration paid to or received from the counterparty. The effective interest rate is then adjusted to amortise the difference between the revised carrying amount and the expected cash flows over the life of the modified instrument.

Guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a guarantee, the contracted fee of the guarantee is initially recognised as deferred income within liabilities from guarantees. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The guarantee issued and not designated as at fair value through profit or loss is initially recognised at its fair value less transaction costs that are directly attributable to guarantees issued.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

金融負債的非重大變更 (於二零一八年一月一日採納香港財務報告準則第9號前)

就並不導致終止確認的金融負債的非重大變更而言，於變更時，相關金融負債之賬面值按直接應佔交易成本及已付或已收對手方之任何代價進行修訂。其後調整實際利率以攤銷經修訂賬面值及變更工具年期內之預期現金流量之差額。

已作出的擔保

融資擔保是指規定發出人 (即擔保人) 支付指定款項，以補償擔保的受益人 (「持有人」) 因某一特定債務人未能根據債務工具的條款償付到期債務而產生的損失的合約。

倘本集團作出擔保，擔保的已訂約費用會初步確認為擔保負債內的遞延收入。倘已就或應就作出擔保收取代價，則該代價會根據本集團適用於該類資產的政策進行確認。倘無已收或應收代價，則在初步確認任何遞延收入時在損益內確認為即時開支。

已作出但並無指定為按公平值計入損益的擔保初步按其公平值減已作出擔保直接應佔交易成本確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Guarantees issued (Continued)

Credit losses from financial guarantees issued (upon application of HKFRS 9)

Subsequent to initial recognition, the Company measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in “liabilities from financial guarantees” in respect of the guarantees.

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 2 apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

Credit losses from financial guarantees issued (before application of HKFRS 9 on 1 January 2018)

Provisions are recognised in accordance with the accounting policy on “Provisions, contingent liabilities and contingent assets” if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in deferred income in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

3. 重大會計政策 (續)

已作出的擔保 (續)

已作出融資擔保之信貸虧損 (應用香港財務報告準則第9號後)

於初步確認後，本集團按下列各項中較高者計量融資擔保合約：(i) 根據該政策釐定的預期信貸虧損撥備；及(ii) 初步確認金額減（如適用）已確認累計收入金額。

本集團監察特定債務人違約的風險，並當融資擔保的預期信貸虧損確定為高於擔保的「融資擔保負債」中的金額時確認撥備。

為釐定預期信貸虧損，本集團會考慮指定債務人自發出擔保以來的違約風險變動，並會計量12個月的預期信貸虧損，惟在指定債務人自發出擔保以來的違約風險大幅增加的情況下除外，在此情況下，則會計量整個存續期的預期信貸虧損。附註2所述的相同違約定義及信貸風險大幅增加的相同評估標準適用於此。

由於本集團僅須於根據獲擔保工具的條款指定債務人違約時作出付款，故預期信貸虧損乃按預期就補償持有人產生的信貸虧損而作出的付款，減本集團預期從擔保持有人、指定債務人或任何其他人士收取的任何款項估計。有關金額其後將使用現時的無風險利率貼現，並就現金流量的特定風險作出調整。

已作出融資擔保之信貸虧損 (於二零一八年一月一日應用香港財務報告準則第9號前)

倘(i) 擔保持有人可能根據擔保向本集團索償；及(ii) 對本集團提出的申索金額預期超越現時就擔保於遞延收入列賬的金額（即初步確認金額）減累計攤銷，則根據有關「撥備、或然負債及或然資產」之會計政策確認撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 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.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other 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.

3. 重大會計政策 (續)

稅項

所得稅開支為現行應繳稅項及遞延稅項的總額。

當期稅項

現行應繳稅項根據年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表內呈報的除稅前溢利兩者之差異乃由於前者並無計入其他年度的應課稅或可扣減收支項目，亦無計入毋須課稅或不可扣減的項目所致。本集團的當期稅項乃按報告期末已頒佈或實質上頒佈的稅率計算。

遞延稅項

遞延稅項乃就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間的暫時差異而確認。遞延稅項負債一般按所有應課稅的暫時差異予以確認。遞延稅項資產一般按可能會出現可用以抵銷可扣減的暫時差異之應課稅溢利而予以確認。倘若暫時差異乃由於商譽或初步確認（業務合併的情況下除外）不影響應課稅溢利或會計溢利的交易中的其他資產及負債而引致，則有關遞延資產及負債不予確認。此外，倘暫時差異乃由於初步確認商譽而引致，則並不確認遞延稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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 and interests 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.

Current and Deferred taxation for the year

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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 重大會計政策 (續)

稅項 (續)

遞延稅項 (續)

與附屬公司和聯營公司的投資及合資企業的權益相關的應課稅暫時差異確認為遞延稅項負債，惟若本集團能控制暫時差異的撥回且暫時差異於可預見將來很可能不會撥回的情況則除外。與該等投資及權益相關的可扣減暫時差異所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差異的益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值乃於報告期末進行檢討，並在不再可能有足夠應課稅溢利恢復全部或部分資產價值時作調減。

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用的稅率（以於報告期末已頒佈或實質上頒佈的稅率（及稅法）為基準）計算。

遞延稅項負債及資產的計量反映本集團於報告期末，預期將要收回或償還其資產及負債的賬面值的稅務後果。

本年度當期及遞延稅項

當期及遞延稅項於損益中確認，除非該等稅項與於其他全面收益或直接於權益中確認的項目有關，於此情況下，當期及遞延稅項亦分別於其他全面收益或直接於權益中確認。就因對業務合併進行初步會計處理而產生的當期稅項或遞延稅項而言，稅務影響乃計入業務合併的會計處理內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Share-based payments

Equity-settled share-based payment transactions

(i) Share options granted to employees

Equity-settled share-based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date.

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

3. 重大會計政策 (續)

退休福利成本

本集團根據強制性公積金計劃條例，為其所有合資格參與強制性公積金退休福利計劃（「強積金計劃」）的僱員提供一項定額供款之強積金計劃。所作出之供款乃根據僱員基本薪金之百分比計算，並於有關款項須根據強積金計劃之規則支付時於損益內扣除。強積金計劃之資產乃與本集團之資產分開，由獨立管理基金持有。根據強積金計劃之規則，本集團之僱主供款於向強積金計劃作出供款時全數歸僱員所有。

本集團於中國營運之附屬公司僱員須參加由當地市政府營辦之中央退休金計劃。該等附屬公司須按支付薪金之若干百分比向中央退休金計劃作出供款。有關供款於須根據中央退休金計劃之規則支付時於損益內扣除。

以股份支付款項

股權結算以股份支付之交易

(i) 授予僱員之購股權

向僱員及其他提供類似服務之人士作出股權結算以股份支付之款項按股本工具於授出日期之公平值計量。

就授出須待指定歸屬條件達成後方可歸屬之購股權而言，所得服務之公平值乃參考所授出購股權於授出日期之公平值而釐定並於歸屬期以直線法支銷，並相應增加權益（購股權儲備）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

(i) Share options granted to employees (Continued)

At the end of the reporting period, the Group revised its estimates of the number of equity instruments that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve be transferred to retained profits.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in the share option reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

(ii) Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

3. 重大會計政策 (續)

以股份支付款項 (續)

股權結算以股份支付之交易 (續)

(i) 授予僱員之購股權 (續)

於報告期末，本集團修訂預計最終歸屬之股本工具之估計數目。修訂原先估計之影響（如有）於損益確認，以使累計開支反映經修訂估計，並相應調整購股權儲備轉撥至保留溢利。

就於授出日期立即歸屬之購股權而言，所授出購股權之公平值立即於損益支銷。

於購股權獲行使時，先前於購股權儲備確認之款項將轉入股本及股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，則先前於購股權儲備確認之款項將轉撥至保留溢利。

(ii) 授予顧問之購股權

與僱員以外人士之股權結算以股份支付之交易，乃以所獲貨品或服務之公平值計量，倘該公平值未能可靠地估計，則將於實體獲得貨品或交易方提供服務當日以授出股本工具的公平值計量。已收取的貨品或服務的公平值乃確認為開支（除非貨品或服務合資格作為資產確認）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowing costs

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

Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (i).
 - (vii) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personal services to the Group or to the Group's parent.

3. 重大會計政策 (續)

借貸成本

所有其他借貸成本於其產生期間在損益中確認。

關連人士

- (a) 倘凡有人士符合以下情況，則該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員。
- (b) 某實體如符合下列任何條件，即與本集團有關連：
- (i) 該實體與本集團屬同一集團的成員（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 實體為另一實體的聯營公司或合營企業（或為另一實體所屬集團的成員的聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為就本集團僱員或本集團關連實體僱員之利益而設立的離職後福利計劃。倘本集團本身屬有關計劃，提供資助之僱主亦與本集團有關連。
 - (vi) 該實體受(i)段所界定人士控制或共同控制。
 - (vii) (i)(a)段所界定人士對該實體有重大影響力，或為該實體（或該實體母公司）的主要管理人員。
 - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Where it is not probable that an outflow of economic benefits will be required, of the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements, where necessary, when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3. 重大會計政策 (續)

關連人士 (續)

某人士的近親乃指於該人士與實體交易時預期可能影響該人士或受該人士影響的家庭成員。

撥備、或然負債及或然資產

若本集團須就過往事件而承擔現有法定或推定責任，及本集團有可能須履行該項責任，並對責任的金額可作出可靠估計時，則會確認撥備。

確認為撥備之金額為於報告期末履行現時責任所需代價之最佳估計，而估計乃經考慮圍繞責任之風險及不確定性而作出。倘撥備以估計履行現時責任之現金流量計量時，其賬面值為該等現金流量之現值（倘貨幣時間值之影響屬重大）。

如有關義務很可能不會導致經濟利益流出，或未能可靠地估計金額，則有關義務會披露為或然負債，除非流出之可能性很低。其存在僅由發生或不發生一項或多項未來事件而確定的可能義務，亦披露為或然負債，除非流出之可能性很低。

或然資產為因過往事件產生及其存在僅由發生或不發生一項或多項本集團無法全面控制之不確定未來事件而確定的可能資產。當經濟利益很可能流入時，或然資產不予確認，但於必要時在綜合財務報表附註作出披露。資產於實際確定經濟利益流入時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity at acquisition.

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 of the Company are required to make 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.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3. 重大會計政策 (續)

現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金，這些項目可隨時轉換為已知數額的現金且不涉及重大價值變動風險，並於購入後三個月內到期。

4. 重要會計判斷及估計不明朗因素的主要來源

於應用載於附註3的本集團會計政策時，本公司董事須對未能依循其他途徑取得的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及其他被認為相關的因素作出。實際結果可能有別於該等估計。

本集團持續檢討估計及相關假設。倘修訂會計估計僅影響某一期間，則於修訂有關估計的期間內確認修訂；倘修訂影響本期間及未來期間，則於作出修訂的期間及未來期間確認有關修訂。

應用本集團會計政策的重要判斷

以下為董事於應用本集團會計政策過程中所作出而對於綜合財務報表確認的金額具有最重大影響的重要判斷（涉及估計者除外（見下文））。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

Critical judgements in applying the Group's accounting policies (Continued)

Classification for warehouse for provision of storage services

The Group determines whether the warehouse in the People's Republic of China (the "PRC") should be classified as property, plant and equipment or an investment property. The warehouse is used to generate warehouse storage income that comprises warehouse rentals and income from the supply of warehouse logistics services. In making its judgement, the directors of the Company considered that income and cash flows from warehouse rentals and warehouse logistics services are interdependent and cannot be separated. In addition, the directors of the Company determined that the provision of warehouse logistics services is significant to the warehouse storage operation as a whole. For these reasons, the directors of the Company considered that the warehouse is classified as property, plant and equipment in accordance with HKAS 16 Property, Plant and Equipment.

Key sources of estimation uncertainty

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.

Depreciation and amortisation

The Group depreciates and amortises the property, plant and equipment, prepaid lease payments and intangible assets with finite useful life over their estimated useful life and after taking into account of their estimated residual values, using the straight line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment, prepaid lease payments and intangible assets with finite useful life. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

4. 重要會計判斷及估計不明朗因素的主要來源 (續)

應用本集團會計政策的重要判斷 (續)

提供存放服務的倉庫的分類

本集團釐定位於中華人民共和國(「中國」)的倉庫應否列為物業、廠房及設備或投資物業。該倉庫的使用產生倉庫存放收入，包括倉庫租金及提供倉庫物流服務所得收入。於作出其判斷時，本公司董事考慮來自倉庫租金及倉庫物流服務的收入和現金流量是否互相依賴及無法區分。此外，本公司董事認為提供倉庫物流服務對倉庫存放業務整體而言乃屬重大。基於此等原因，本公司董事認為按照香港會計準則第16號「物業、廠房及設備」，倉庫應列為物業、廠房及設備。

估計不明朗因素的主要來源

下列為有關未來的主要假設及於報告期末估計不明朗因素的其他主要來源(具有可能導致下個財政年度的資產及負債的賬面值出現大幅調整的重大風險)。

折舊及攤銷

本集團於物業、廠房及設備、預付租賃款項及具有有限使用年期的無形資產的估計使用年期內，經考慮其估計殘值後使用直線法對彼等計提折舊及攤銷。估計使用年期反映董事對本集團擬透過使用本集團物業、廠房及設備、預付租賃款項及具有有限使用年期的無形資產產生未來經濟利益的估計期間。殘值反映董事對倘資產成為殘舊及預期處於使用年期終結的狀況，本集團現時出售資產可得的估計金額(經扣除估計出售成本)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

Key sources of estimation uncertainty (Continued)

Impairment loss on interests in associates

The directors of the Company regularly review the recoverable amount of the associates (including its goodwill). Determining whether impairment is required involves the estimation of the value in use less costs of disposal of the associates to which exceed the carrying amount of the associates. The value in use calculation requires the Group to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2018 and 2017, the carrying amount of associates net of accumulated impairment loss of HK\$267,410,000, amounted to Nil.

Impairment loss on property, plant and equipment and prepaid lease payments

Property, plant and equipment mainly represented the Group's warehouse property. Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the fair value of the property, plant and equipment less costs to sell or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise.

The recoverable amount of warehouse has been determined based on a valuation carried out by an independent qualified professional valuer not connected with the Group, using the depreciated replacement cost approach. Besides, the directors of the Company also determined the recoverable amount of warehouse with the estimation of future expected cash flows from the warehouse and a suitable discount rate. The carrying amount of property, plant and equipment is HK\$99,266,000 (2017: HK\$111,448,000). The carrying amount of warehouse is HK\$92,416,000 (2017: HK\$102,527,000).

4. 重要會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

於聯營公司權益之減值虧損

本公司董事定期審閱聯營公司之可收回金額 (包括其商譽)。在釐定是否需要減值時，涉及估計聯營公司之使用價值減去出售成本是否超過聯營公司之賬面值。在計算使用價值時，本集團須估計預期將會產生的未來現金流量及計算現值之合適折現率。倘實際未來現金流量低於預期，則可能會產生重大減值虧損。於二零一八年及二零一七年十二月三十一日，聯營公司之賬面值 (已扣除累計減值虧損267,410,000港元) 為零。

物業、廠房及設備以及預付租賃款項的減值虧損

物業、廠房及設備主要指本集團的倉庫物業。倘有事件或情況變動顯示物業、廠房及設備的賬面值高於其可收回金額，則就該等資產進行減值檢討。可收回金額乃參考物業、廠房及設備的公平值減銷售成本或使用價值而釐定。減值虧損按資產賬面值與可收回金額之差額計量。倘可收回金額少於預期，則可能產生重大減值虧損。

倉庫的可收回金額已根據與本集團並無關連的獨立合資格專業估值師使用折舊重置成本法進行的估值而釐定。此外，本公司董事亦透過估計倉庫的未來預期現金流量及合適的折現率而釐定倉庫的可收回金額。物業、廠房及設備的賬面值為99,266,000港元 (二零一七年：111,448,000港元)。倉庫的賬面值為92,416,000港元 (二零一七年：102,527,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

Key sources of estimation uncertainty (Continued)

Impairment loss on property, plant and equipment and prepaid lease payments (Continued)

Prepaid lease payments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the fair value of the prepaid lease payments less costs to sell or the future expected cash flows. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise.

The recoverable amount of prepaid lease payments have been determined based on a valuation carried out by independent qualified professional valuers not connected with the Group, using comparable market price of similar prepaid lease payments on an open market value with the assumptions that the prepaid lease payments are sold in the market in its existing state. The carrying amount of prepaid lease payments is HK\$23,021,000 (2017: HK\$25,040,000).

The Group performed impairment assessment of the Group's property, plant and equipment and prepaid lease payments for the years ended 31 December 2018 and 2017, no impairment loss has been recognised for property, plant and equipment and prepaid lease payments.

Provision of ECL

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires significant judgment and estimation, in particular, the assessment of a significant increase in credit risk and credit-impaired financial assets as well as the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. Details of the key assumptions and inputs used are set out in note 53.

4. 重要會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

物業、廠房及設備以及預付租賃款項的減值虧損 (續)

倘有事件或情況變動顯示預付租賃款項的賬面值高於其可收回金額，則就該等資產進行減值檢討。可收回金額乃參考預付租賃款項的公平值減銷售成本或未來預期現金流量而釐定。減值虧損按資產賬面值與可收回金額之差額計量。倘可收回金額少於預期，則可能產生重大減值虧損。

預付租賃款項的可收回金額已根據與本集團並無關連的獨立合資格專業估值師使用類似預付租賃款項於公開市價的可資比較市場價格進行的估值而釐定，並假設預付租賃款項乃於其現況下在市場出售。預付租賃款項的賬面值為23,021,000港元（二零一七年：25,040,000港元）。

本集團對本集團截至二零一八年及二零一七年十二月三十一日止年度的物業、廠房及設備以及預付租賃款項進行減值評估，並無就物業、廠房及設備以及預付租賃款項確認減值虧損。

預期信貸虧損撥備

根據香港財務報告準則第9號對所有類別金融資產進行減值虧損計量須作出重大判斷及估計，特別是在釐定減值虧損時，評估信貸風險之大幅增加及信貸減值金融資產以及對未來現金流量及抵押價值之金額及發生時間的估計。該等估計受多項因素推動，當中有關變動可能導致須作出不同程度之撥備。於各報告日期，本集團將通過對報告日期至初步確認日期之間的預計年期內發生之違約風險進行比較，以評估自初步確認以來信貸風險有否顯著增加。本集團就此會考慮相關及無需付出額外成本或精力而可得之合理可靠資料，當中包括定量及定質資料以及前瞻性分析。有關主要假設及所用輸入數據的詳情載於附註53。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

Key sources of estimation uncertainty (Continued)

Impairment loss on goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. When the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2018, the carrying amount of goodwill is HK\$143,979,000 (2017: HK\$151,122,000), net of accumulated impairment loss of HK\$21,793,000 (2017: HK\$14,650,000).

Fair values of identifiable intangible assets arising from the business combination

The acquired identifiable assets and liabilities had to be measured at their respective fair values as at the date of acquisition. The difference between the cost of acquisition and the fair value of the Group's share of net assets so acquired should be recognised as goodwill at the end of the reporting period or recognised in the consolidated statement of profit or loss and other comprehensive income. In the absence of an active market for the business combination/acquisition transactions undertaken by the Group, in order to determine the fair values of assets acquired and liabilities assumed, the directors of the Company had made their estimates according to the valuation results produced by an independent professional valuer.

Fair value of contingent consideration receivables

The fair value of contingent consideration receivables of acquisition was determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions, including the discount rates, estimation of post-acquisition performance of the acquired subsidiaries and the probability of meeting each profit target. It is subsequently re-measured to fair value at the end of each reporting periods. Changes in assumption used could materially affect the fair value of the balances and as a result affect the Group's financial condition and results of operation.

4. 重要會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

商譽之減值虧損

釐定商譽是否減值須估計獲分配商譽之現金產生單位之使用價值。計算使用價值要求本集團對預期自現金產生單位產生之日後現金流量及計算現值之合適折現率作出估計。倘實際日後現金流量低於預期，則可能引致重大減值虧損。於二零一八年十二月三十一日，商譽之賬面值為143,979,000港元（二零一七年：151,122,000港元）（扣除累計減值虧損21,793,000港元（二零一七年：14,650,000港元））。

業務合併產生的可識別無形資產之公平值

所購入可識別資產及負債須按其各自於收購日期之公平值計量。收購成本與本集團應佔所收購資產淨額的公平值之差額於報告期末確認為商譽或在綜合損益及其他全面收益表確認。由於本集團所進行業務合併/收購交易並無活躍市場，為釐定所收購資產及所承擔負債的公平值，本公司董事已根據獨立專業估值師所提供估值結果作出估計。

應收或然代價之公平值

收購應收或然代價之公平值使用估值方法釐定。本集團利用其判斷選擇各種方法及作出假設，其中包括折現率、對所收購附屬公司於收購後之表現所作估計及達成各個溢利目標的或然率。其後於各報告期末重新計量至公平值。所採用假設之變動可能對結餘之公平值造成重大影響，因而影響本集團之財務狀況及經營業績。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

Key sources of estimation uncertainty (Continued)

Fair value of contingent consideration receivables (Continued)

The carrying amount of contingent consideration receivables as at 31 December 2018 was HK\$13,686,000 (2017: HK\$9,879,000).

Fair value measurement of other financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Impairment loss on intangible assets

The Group assesses whether there are any indicators of impairment for intangible assets. If any such indication exists, the recoverable amount of the asset or the cash generating unit to which it belongs is estimated to determine impairment losses on the assets. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amount, which would affect profit or loss in future years. The recoverable amounts are reviewed by the management at least at the end of each reporting period.

The carrying amount of intangible assets as at 31 December 2018 was HK\$9,249,000 (2017: HK\$10,906,000).

4. 重要會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

應收或然代價之公平值 (續)

於二零一八年十二月三十一日，應收或然代價之賬面值為13,686,000港元（二零一七年：9,879,000港元）。

其他金融工具之公平值計量

倘於綜合財務狀況表入賬的金融資產及金融負債無法按活躍市場的報價計量公平值，其公平值使用估值方法（包括折現現金流量模型）計量。該等模型的輸入值乃盡可能從可觀察市場取得，但倘無法從可觀察市場取得，則於釐定公平值時須作出一定程度的判斷。判斷包括考慮輸入值，如流動性風險、信貸風險及波幅。

無形資產之減值虧損

本集團評估無形資產有否出現任何減值跡象。倘存在任何有關跡象，便會估計資產或其所屬現金產生單位的可收回金額，以釐定資產之減值虧損。事實及情況的變動或會導致修訂是否存在減值跡象的結論及重新估計可收回金額，此舉將影響未來年度的溢利或虧損。管理層至少會於各報告期末審閱可收回金額。

於二零一八年十二月三十一日，無形資產之賬面值為9,249,000港元（二零一七年：10,906,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

Key sources of estimation uncertainty (Continued)

Share-based payments

The Group recognises share-based payments expense on options granted. Share-based payments expense is based on the estimated fair value of each option at its grant date, the estimation of which requires the directors to make assumptions about future volatility of the Group's stock price, future interest rates and the timing with respect to exercise of the options. The effects of a change in one or more of these variables could result in a materially different fair value.

Provision of guarantee losses

The Group makes reasonable estimate on expenses required to fulfil the relevant obligations of guarantee contracts when the Group computes the provisions of guarantee losses. Such estimation is made based on the available information as at the end of each reporting period and is determined by the Group's practical experience, default history of the business, taking into consideration of industry information and market data. It is possible that the practical experience and default history is not indicative of future loss on the guarantees issued. Any increase or decrease in the provision would affect profit or loss in future years.

Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4. 重要會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

以股份支付之款項

本集團就授出的購股權確認以股份支付款項之開支。以股份支付款項之開支乃根據各購股權於其授出日期的估計公平值計算，董事須就該估計對有關本集團股價的日後波幅、未來利率及有關行使購股權的時間作出假設。一項或以上該等變數的變動所帶來的影響可能令公平值出現重大差異。

擔保虧損撥備

本集團於計算擔保虧損撥備時，為履行擔保合約的相關責任所需開支作出合理估計。該估計乃基於各報告期末所獲得的資料及本集團的實際經驗、業務違約記錄作出，經計及行業資料及市場數據。實際經驗及違約記錄可能不可用作未來已發出擔保虧損的指標。撥備的任何增減會影響未來年度的損益。

所得稅

本集團須於多個司法權區繳納所得稅。於釐定不同司法權區所得稅撥備時，須作出重大判斷。若干交易和計算所涉及之最終稅項釐定並不確定。本集團根據對是否須繳納額外稅項之估計就預期稅項審計項目確認負債。倘此等事項之最終稅項結果與最初記錄之金額不同，該等差額將影響作出此等釐定期間之當期所得稅和遞延所得稅資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

Key sources of estimation uncertainty (Continued)

Deferred taxes

The directors of the Company exercise full control over the dividend policy of subsidiaries in the PRC. In the opinion of the directors of the Company, it is not probable that dividends would be declared by the PRC Subsidiaries in the foreseeable future. Accordingly, the Group did not provide additional deferred tax in 2018 related to the unremitted earnings of the PRC subsidiaries that are subject to withholding taxes once distributed.

5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of goods	60,043	64,182
Warehouse storage income	13,342	6,518
Income from loan financing business		
– Loan referral and consultancy services fee	56,731	37,900
– Interest income from loans receivables	5,529	2,811
– Guarantee fee income from financial guarantees	7,762	410
Income from securities brokerage business		
– Interest income from margin financing	332	560
– Commission income from securities dealing	378	2,273
– Commission income from underwriting	–	603
Commission income from insurance brokerage	8,007	14,072
Commission income from asset management	471	1,323
	152,595	130,652

4. 重要會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

遞延稅項

本公司董事對中國附屬公司之股息政策具有充分控制權。本公司董事認為，中國附屬公司不大可能於可見未來宣派股息。因此，於二零一八年本集團並無就中國附屬公司於分派時須繳納預扣稅的未匯出盈利計提額外遞延稅項。

5. 收入

本集團於年內的收入分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION

The Group's operations are organised into securities brokerage, asset management, insurance brokerage, loan financing, industrial property development business and general trading. Information reported to the chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group is organised into the following reportable and operating segments:

- Industrial property development segment represents the operation of warehouse in the People's Republic of China (the "PRC").
- General trading segment includes trading of consumable goods in the PRC.
- Loan financing segment represents the provision of financial guarantee, loan financing, loan referral and consultancy services in Hong Kong and the PRC.
- Securities brokerage segment represents the operation of securities brokerage, margin financing, underwriting and placements in Hong Kong.
- Asset management segment engages in the provision of asset management services in Hong Kong.
- Insurance brokerage segment represents the provision of the insurance brokerage and agency services in Hong Kong.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

6. 分部資料

本集團的業務分為證券經紀、資產管理、保險經紀、貸款融資、工業用物業發展業務及一般貿易。向主要營運決策者（「主要營運決策者」）呈報以供分配資源及評估分部表現的資料按該基準編製。本集團可分為以下可呈報及經營分部：

- 工業用物業發展分部指在中華人民共和國（「中國」）經營倉庫。
- 一般貿易分部包括在中國的消費品貿易。
- 貸款融資分部指在香港及中國提供融資擔保、貸款融資、貸款轉介及諮詢服務。
- 證券經紀分部指在香港經營證券經紀、保證金融資、包銷及配售。
- 資產管理分部指在香港提供資產管理服務。
- 保險經紀分部指在香港提供保險經紀及代理服務。

分部收入及業績

以下為本集團按可呈報分部劃分的收入及業績分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2018

		Industrial property development 工業用 物業發展 HK\$'000 千港元	General trading 一般貿易 HK\$'000 千港元	Loan financing 貸款融資 HK\$'000 千港元	Securities brokerage 證券經紀 HK\$'000 千港元	Asset management 資產管理 HK\$'000 千港元	Insurance brokerage 保險經紀 HK\$'000 千港元	Total 總計 HK\$'000 千港元
SEGMENT REVENUE	分部收入							
Recognised at a point in time	於某一時點確認	-	60,043	56,731	378	471	8,007	125,630
Recognised over time	隨時間確認	13,342	-	13,291	332	-	-	26,965
		13,342	60,043	70,022	710	471	8,007	152,595
SEGMENT RESULTS	分部業績	(6,925)	4,255	54,605	(2,287)	(5,405)	(435)	43,808
Unallocated corporate income	未分配企業收入							187
Unallocated corporate expenses	未分配企業開支							(47,660)
Unallocated finance costs	未分配財務成本							(4,628)
Fair value change on contingent consideration receivables	應收或然代價公平值變動							3,807
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的金融資產之公平值變動							(4,858)
Impairment loss on amount due from associates	應收聯營公司款項之減值虧損							(9)
Impairment loss on goodwill	商譽之減值虧損							(7,143)
Share-based payment expenses	以股份支付款項開支							(40,313)
Loss on written off of property, plant and equipment	撇銷物業、廠房及設備之虧損							(8)
Other receivables written off	撇銷其他應收款項							(590)
Other payables written back	撥回其他應付款項							545
Loss before tax	除稅前虧損							(56,862)
Income tax expenses	所得稅開支							(1,741)
Loss for the year	本年度虧損							(58,603)

6. 分部資料(續)

分部收入及業績(續)

截至二零一八年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2017

		Industrial property development 工業用 物業發展	General trading 一般貿易	Loan financing 貸款融資	Securities brokerage 證券經紀	Asset management 資產管理	Insurance brokerage 保險經紀	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
SEGMENT REVENUE	分部收入							
Recognised at a point in time	於某一時點確認	-	64,182	37,900	2,876	1,323	14,072	120,353
Recognised over time	隨時間確認	6,518	-	3,221	560	-	-	10,299
		6,518	64,182	41,121	3,436	1,323	14,072	130,652
SEGMENT RESULTS	分部業績	(11,905)	1,605	27,755	(545)	(704)	(6)	16,200
Unallocated corporate income	未分配企業收入							1,854
Unallocated corporate expenses	未分配企業開支							(48,070)
Unallocated finance costs	未分配財務成本							(6,497)
Compensation received	已收補償金額							20,297
De-recognition of deferred consideration	取消確認遞延代價							67,901
Fair value change on contingent consideration receivables	應收或然代價之公平值變動							(10,988)
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的金融資產之公平值變動							2,409
Net gain on disposal of subsidiaries	出售附屬公司之淨收益							945
Share-based payment expenses	以股份支付款項開支							(989)
Impairment loss on goodwill	商譽之減值虧損							(14,650)
Impairment loss on other receivables	應收款項之減值虧損							(2,402)
Impairment loss on amounts due from associates	應收聯營公司款項之減值虧損							(11)
Profit before tax	除稅前溢利							25,999
Income tax credit	所得稅抵免							43
Profit for the year	本年度溢利							26,042

All of the segment revenue reported above is from external customers

上文所呈報的所有分部收入均來自外來客戶。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 31 December 2018

6. 分部資料(續)

分部資產與負債

以下是本集團資產及負債按可呈報分部劃分的分析。

於二零一八年十二月三十一日

		Industrial property development 工業用 物業發展 HK\$'000 千港元	General trading 一般貿易 HK\$'000 千港元	Loan financing 貸款融資 HK\$'000 千港元	Securities brokerage 證券經紀 HK\$'000 千港元	Asset management 資產管理 HK\$'000 千港元	Insurance brokerage 保險經紀 HK\$'000 千港元	Total 總計 HK\$'000 千港元
ASSETS	資產							
Segment assets	分部資產	142,297	40,292	476,090	15,839	2,539	2,769	679,826
Unallocated bank balances and cash	未分配銀行結餘及現金							11,090
Unallocated property, plant and equipment	未分配物業、廠房及設備							5,277
Unallocated other receivables, prepayments and deposits	未分配其他應收款項、預付款項及按金							4,754
Unallocated goodwill	未分配商譽							143,979
Unallocated financial assets at fair value through other comprehensive income	未分配可供出售金融資產							14,492
Unallocated financial assets at fair value through profit or loss	未分配透過損益按公平值列賬的金融資產							37,552
Unallocated contingent consideration receivables	未分配應收或然代價							13,686
Consolidated total assets	綜合資產總額							910,656
LIABILITIES	負債							
Segment liabilities	分部負債	90,419	22	124,501	1,418	40	443	216,843
Unallocated other payables	未分配其他應付款項							3,563
Unallocated deferred consideration	未分配遞延代價							25,625
Consolidated total liabilities	綜合負債總額							246,031

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2017

6. 分部資料(續)

分部資產與負債(續)

於二零一七年十二月三十一日

		Industrial property development 工業用 物業發展 HK\$'000 千港元	General trading 一般貿易 HK\$'000 千港元	Loan financing 貸款融資 HK\$'000 千港元	Securities brokerage 證券經紀 HK\$'000 千港元	Asset management 資產管理 HK\$'000 千港元	Insurance brokerage 保險經紀 HK\$'000 千港元	Total 總計 HK\$'000 千港元
ASSETS	資產							
Segment assets	分部資產	175,091	25,591	537,678	19,136	5,578	5,784	768,858
Unallocated bank balances and cash	未分配銀行結餘及現金							78,012
Unallocated property, plant and equipment	未分配物業、廠房及設備							7,686
Unallocated other receivables, prepayments and deposits	未分配其他應收款項、 預付款項及按金							6,697
Unallocated goodwill	未分配商譽							151,122
Unallocated available-for-sale financial assets	未分配可供出售金融資產							20,579
Unallocated financial assets at fair value through profit or loss	未分配透過損益按公平值 列賬的金融資產							22,410
Unallocated contingent consideration receivables	未分配應收或然代價							9,879
Consolidated total assets	綜合資產總額							1,065,243
LIABILITIES	負債							
Segment liabilities	分部負債	100,812	-	163,972	3,915	15	426	269,140
Unallocated other payables	未分配其他應付款項							4,327
Unallocated convertible notes	未分配可換股票據							5,654
Unallocated deferred consideration	未分配遞延代價							71,293
Consolidated total liabilities	綜合負債總額							350,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Other information

For the year ended 31 December 2018

		Industrial property development 工業用 物業發展	General trading 一般貿易	Loan financing 貸款融資	Securities brokerage 證券經紀	Asset management 資產管理	Insurance brokerage 保險經紀	Unallocated 未分配	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Information included in segment results/segment assets:	計入分部業績/ 分部資產的資料:								
Amortisation and depreciation	攤銷及折舊	8,280	-	2,252	56	18	23	13,273	
Bank interest income	銀行利息收入	(18)	(673)	(716)	(27)	-	(1)	(1,486)	
Entrusted loan interest income	委托貸款利息收入	-	-	(850)	-	-	-	(850)	
Other loan interest income	其他貸款利息收入	-	-	(14,885)	-	-	-	(14,885)	
Investment income from National Debt Reverse Repurchase products	來自國債逆回購產品之 投資收入	-	-	(1,465)	-	-	-	(1,465)	
Investment income from financial assets at fair value through profit or loss	按公平值計入損益的金融 資產之投資收入	-	-	(376)	-	-	-	(376)	
Finance costs	財務成本	6,072	-	860	-	-	-	11,560	
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的金融 資產之公平值變動	-	-	(6,247)	-	-	-	(1,389)	
Fair value change on contingent consideration receivables	應收或然代價公平值變動	-	-	-	-	-	(3,807)	(3,807)	
Loss on written off of property, plant and equipment	撇銷物業、廠房及 設備之虧損	-	-	18	-	-	8	26	
Impairment loss	減值虧損	-	-	7,512	11	-	-	7,523	
Other receivables written off	撇銷其他應收款項	-	-	1,298	-	-	590	1,888	
Other payables written back	撥回其他應付款項	-	-	(941)	-	-	(545)	(1,486)	

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Industrial property development 工業用 物業發展	General trading 一般貿易	Loan financing 貸款融資	Securities brokerage 證券經紀	Asset management 資產管理	Insurance brokerage 保險經紀	Unallocated 未分配	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Information included in segment results/segment assets:	計入分部業績/ 分部資產的資料:								
Amortisation and depreciation	攤銷及折舊	8,510	-	1,356	16	7	23	12,676	
Finance costs	財務成本	6,247	-	3,597	-	-	-	16,340	
Loss on disposal and written off of property, plant and equipment	出售及撇銷物業、廠房及 設備之虧損	-	-	5	-	-	-	5	
Impairment loss on trade and other receivables	應收賬款及其他應收款項的 減值虧損	-	-	569	-	-	-	2,971	
Bank interest income	銀行利息收入	(548)	(62)	(243)	(122)	-	(1)	(2,032)	
Other loan interest income	其他貸款利息收入	-	-	(8,122)	-	-	-	(8,122)	
Impairment loss on amount due from associates	應收聯營公司款項的減值虧損	-	-	-	-	-	11	11	
Fair value change on contingent consideration receivables	應收或然代價的公平值變動	-	-	-	-	-	-	10,988	
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的金融 資產之公平值變動	-	-	-	-	-	-	(2,409)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue from external customers based on the locations of operations and information about its non-current assets other than deferred tax assets by geographical location of the assets are detailed below:

		Revenue from external customers 來自外來客戶的收入		Non-current assets 非流動資產	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	12,130	21,642	210,452	222,705
PRC	中國	140,465	109,010	126,200	136,187
		152,595	130,652	336,652	358,892

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A ¹	客戶 A ¹	17,928	46,915
Customer B ¹	客戶 B ¹	N/A 不適用 ³	17,295
Customer C ²	客戶 C ²	N/A 不適用 ³	13,918

¹ Revenue from general trading.

² Revenue from financial consultancy service.

³ The corresponding revenue did not contribute over 10% of total revenue of the Group.

6. 分部資料(續)

地區資料

本集團於香港及中國經營業務。

以下為本集團根據經營地區來自外來客戶的收入及按資產所在地區劃分的非流動資產(遞延稅項資產除外)之資料:

有關主要客戶的資料

於有關年度來自佔本集團總收入10%以上的客戶之收入如下:

¹ 來自一般貿易的收入。

² 來自金融諮詢服務的收入。

³ 相關收入並無佔本集團總收入10%以上。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

7. OTHER INCOME, GAINS AND LOSSES

7. 其他收入、收益及虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Compensation received (Note a)	已收補償金額(附註a)	-	20,297
De-recognition of deferred consideration (Note b)	取消確認遞延代價(附註b)	-	67,901
Fair value change on contingent consideration receivables	應收或然代價之公平值變動	3,807	(10,988)
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的 金融資產之公平值變動	1,389	2,409
Net gain on disposal of subsidiaries	出售附屬公司之淨收益	-	945
Handling fee income	手續費收入	55	267
Impairment loss on amounts due from associates	應收聯營公司款項之 減值虧損	(9)	(11)
Bank interest income	銀行利息收入	1,486	2,032
Entrusted loan interest income	委托貸款利息收入	850	-
Other loans interest income	其他貸款利息收入	14,885	8,122
Investment income from financial asset at fair value through profit or loss	按公平值計入損益的 金融資產之投資收入	376	-
Investment income from National Debt Reverse Repurchase products	來自國債逆回購產品之 投資收入	1,465	-
Loss on written off of property, plant and equipment	撇銷物業、廠房及 設備之虧損	(26)	(5)
Net foreign exchange (loss) gain	匯兌(虧損)收益淨額	(22)	582
Other receivables written off	撇銷其他應收款項	(1,888)	-
Other payables written back	撥回其他應付款項	1,486	-
Service fee income	服務費收入	2,192	-
Management service income	管理服務收入	3,857	-
Sundry income	雜項收入	1,020	1,512
		30,923	93,063

Notes:

(a) Compensation received represented the compensation received from the vendor in respect of the acquisition of 45% of issued capital of Intraday Financial Information Service Limited ("Intraday") according to the terms of Sales and Purchase Agreement dated 15 April 2015 as Intraday was not able to achieve the Performance Target as specified in the Sales and Purchase Agreement.

附註：

(a) 已收補償金額指根據日期為二零一五年四月十五日之買賣協議之條款，就收購當天金融信息服務有限公司(「當天金融」)之45%已發行股本而因當天金融未能達到買賣協議所規定之業績目標已收賣方之補償金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

7. OTHER INCOME, GAINS AND LOSSES

(Continued)

Notes: (Continued)

- (b) According to the audited consolidated financial statements of Oriental Credit Holdings Limited and its subsidiaries ("Oriental Credit Group") for the year ended 31 December 2016 issued on 20 March 2017, the Oriental Credit Group made a loss for the financial year ended 31 December 2016. Based on the terms of the sales and purchase agreement for the acquisition, the deferred consideration ceased to become payable and, accordingly, the Group derecognised the deferred consideration at the carrying amount of HK\$67,901,000 and it was recognised as other income in the profit or loss for the year.

7. 其他收入、收益及虧損(續)

附註：(續)

- (b) 根據於二零一七年三月二十日刊發之東方信貸控股有限公司及其附屬公司(「東方信貸集團」)截至二零一六年十二月三十一日止年度之經審核綜合財務報表，東方信貸集團於截至二零一六年十二月三十一日止財政年度錄得虧損。根據有關收購之買賣協議之條款，毋須再支付遞延代價，因此，本集團已取消確認賬面值為67,901,000港元之遞延代價及其已於年內損益中確認為其他收入。

8. FINANCE COSTS

8. 財務成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Effective interest on convertible notes	可換股票據實際利息	296	584
Imputed interest on deferred consideration	遞延代價的估算利息	4,332	5,912
Interest on bank loans	銀行貸款利息	6,072	6,247
Interest on other loans	其他貸款利息	860	3,597
		11,560	16,340

9. IMPAIRMENT LOSSES, NET OF REVERSAL

9. 減值虧損，扣除撥回

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Impairment losses recognised on:	已確認下列各項之減值虧損：		
– Trade receivables and other receivables	– 應收賬款及其他應收款項	2,021	2,971
– Loans and interests receivables	– 應收貸款及利息	5,273	–
– Other deposits	– 其他按金	229	–
		7,523	2,971

Details of impairment assessment for the year ended 31 December 2018 are set out in note 53.

截至二零一八年十二月三十一日止年度之減值評估詳情載於附註53。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

10. INCOME TAX EXPENSE (CREDIT)

10. 所得稅開支 (抵免)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax:	當期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	858	3,732
Under (over) provision in prior years:	過往年度撥備不足 (超額撥備)：		
PRC Enterprise Income Tax	中國企業所得稅	193	(3,775)
Deferred tax:	遞延稅項：		
Current year	當前年度	690	-
		1,741	(43)

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the years ended 31 December 2018 and 2017. No provision for Hong Kong Profits Tax has been made as its subsidiaries in Hong Kong have no estimated assessable profits for the years ended 31 December 2018 and 2017.

PRC Enterprise Income Tax ("EIT") is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiaries of the Company with certain tax concession, based on existing legislation, interpretation and practice in respect thereof.

Under the Law of the PRC on Enterprises Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group's PRC subsidiaries is 25% for both years.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Policies for Xinjiang Uygur Autonomous Region and Xinjiang Kashgar Autonomous Region (《財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知》) promulgated by the State Council on 29 November 2011, if a corporate enterprise is newly established within calendar years 2010 to 2020 in two specific regions with business fallen in the scope of the Catalogue of Preferred Enterprise Income Tax for Key Encouraged Industries in Poor Areas of Xinjiang (《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》), the corporate enterprise can enjoy a preferential treatment (i.e., 5-year exemption) from the first year when the entity begins to generate revenue. Two subsidiaries incorporated in Khorgos are exempted from income tax upon an approval by the State Taxation Bureau of the Xinjiang Uygur Autonomous Region in 2017 and 2018.

於截至二零一八年及二零一七年十二月三十一日止年度，香港利得稅按估計應課稅溢利以16.5% (二零一七年：16.5%) 計算。由於其香港附屬公司於截至二零一八年及二零一七年十二月三十一日止年度內並無估計應課稅溢利，故並無作出香港利得稅撥備。

中國企業所得稅 (「企業所得稅」) 乃按照其現行法例、詮釋及慣例根據本公司享有若干稅務優惠之中國附屬公司所賺取的估計應課稅收入按適用稅率計算。

根據中國企業所得稅法 (「企業所得稅法」) 及企業所得稅法實施條例，本集團中國附屬公司於兩個年度之適用中國企業所得稅稅率為25%。

根據國務院於二零一一年十一月二十九日頒佈的《財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知》，倘公司企業於兩個特定地區於歷年二零一零年至二零二零年新近成立，且業務屬《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》範圍，則公司企業可於實體開始產生收入的第一年起享有5年免稅優惠。於霍爾果斯註冊成立的兩間附屬公司分別於二零一七年及二零一八年獲新疆維吾爾自治區國稅局批准，獲豁免繳納所得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

10. INCOME TAX EXPENSE (CREDIT) (Continued)

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

10. 所得稅開支（抵免）（續）

本年度所得稅開支可與綜合損益及其他全面收益表內的除稅前（虧損）溢利對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss) profit before taxation	除稅前（虧損）溢利	(56,862)	25,999
Tax at the domestic income tax rate of 25% (2017: 25%)	按國內所得稅稅率25% （二零一七年：25%） 計算的稅項	(14,216)	6,500
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	19,711	9,282
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(9,461)	(15,836)
Under (over) provision in prior years	過往年度撥備不足（超額撥備）	193	(3,775)
Tax effect of unrecognised temporary differences	未確認暫時差異的稅務影響	(16)	(13)
Tax effect of tax losses not recognised as deferred tax asset	未確認為遞延稅項資產之 稅項虧損的稅務影響	9,843	9,641
Tax effect of tax exemption granted	授出稅項豁免的稅務影響	(13,130)	(3,119)
Utilisation of tax losses previously not recognised	動用過往未確認的稅項虧損	(253)	(1,830)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運的 附屬公司不同稅率的影響	9,070	(893)
Income tax expense (credit) for the year	年內所得稅開支（抵免）	1,741	(43)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

11.(LOSS) PROFIT FOR THE YEAR

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

11.年內(虧損)溢利

年內(虧損)溢利已扣除下列項目：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amortisation of prepaid lease payments	預付租賃款項的攤銷	750	729
Amortisation of intangible assets (included in administrative and other operating expense)	無形資產攤銷 (計入行政及 其他營運開支)	1,165	1,132
Auditor's remuneration	核數師酬金		
– audit services	– 核數服務	1,100	1,000
– other services	– 其他服務	800	1,130
Cost of inventories recognised as expenses	確認為開支的存貨成本	56,702	62,939
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	11,358	10,815
Legal and professional fees	法律及專業費用	3,048	4,631
Rent and rates	租金及差餉	15,096	12,641
Staff costs including directors' emoluments	員工成本(包括董事酬金)	50,626	32,951

12.DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2018, nor has any dividend been proposed since the end of the reporting period (2017: HK\$Nil).

12.股息

於二零一八年概無向本公司普通股東派付或建議派付股息，自報告期末起亦無建議派付任何股息(二零一七年：零港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

13. BENEFITS AND INTERESTS OF DIRECTORS
(DISCLOSURES REQUIRED BY SECTION
383 OF THE HONG KONG COMPANIES
ORDINANCE (CAP. 622), COMPANIES
(DISCLOSURE OF INFORMATION ABOUT
BENEFITS OF DIRECTORS) REGULATION (CAP.
622G) AND HK LISTING RULES)

(a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2018

13. 董事利益及權益 (香港公司
條例 (第622章) 第383條、公司
(披露董事利益資料) 規例 (第
622G章) 及香港上市規則規定的
披露)

(a) 董事及行政總裁酬金

根據適用上市規則及香港公司條例披露的董事及行政總裁年內酬金如下：

截至二零一八年十二月三十一日止年度

		Fees	Salaries, allowance and other benefits	Discretionary bonus	Contribution to retirement benefits schemes	Total emoluments
		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	酬金總額
		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
Executive directors	執行董事					
Mr. LIU Kequan, Chairman (Note a)	劉克泉先生 (主席) (附註a)	-	3,600	300	18	3,918
Mr. YANG Dayong, Chief Executive Officer (Note b)	楊大勇先生 (行政總裁) (附註b)	-	676	-	4	680
Mr. ZHANG Peidong	張沛東先生	-	720	-	18	738
		-	4,996	300	40	5,336
Independent non-executive directors	獨立非執行董事					
Mr. KWAN Kei Chor	關基楚先生	360	-	-	-	360
Mr. ZHOU Liangyu	周梁宇先生	360	-	-	-	360
Dr. LYU Ziang	呂子昂博士	360	-	-	-	360
Dr. RUI Mingjie (Note c)	芮明杰博士 (附註c)	156	-	-	-	156
		1,236	-	-	-	1,236
Total emoluments	酬金總額	1,236	4,996	300	40	6,572

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

13. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2017

13. 董事利益及權益 (香港公司 條例 (第622章) 第383條、公司 (披露董事利益資料) 規例 (第 622G章) 及香港上市規則規定的 披露) (續)

(a) 董事及行政總裁酬金 (續)

截至二零一七年十二月三十一日止年
度

		Fees	Salaries, allowance and other benefits	Discretionary bonus	Contribution to retirement benefits schemes	Total emoluments
		袍金	薪金、津貼及 其他福利	酌情花紅	退休福利計劃 供款	酬金總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors	執行董事					
Mr. LIU Kequan, Chief Executive Officer (Note a)	劉克泉先生 (行政總裁) (附註a)	-	3,600	175	18	3,793
Mr. ZHANG Peidong	張沛東先生	-	720	-	18	738
		-	4,320	175	36	4,531
Independent non-executive directors	獨立非執行董事					
Mr. JIN Bingrong (Note d)	金炳榮先生 (附註d)	118	-	-	-	118
Mr. KWAN Kei Chor	關基楚先生	360	-	-	-	360
Dr. RUI Mingjie	芮明杰博士	360	-	-	-	360
Mr. ZHOU Liangyu	周梁宇先生	360	-	-	-	360
Dr. LYU Ziang	呂子昂博士	360	-	-	-	360
		1,558	-	-	-	1,558
Total emoluments	酬金總額	1,558	4,320	175	36	6,089

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

13. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Notes:

- (a) Mr. LIU Kequan ceased to act as the chief executive officer with effect on 8 June 2018.
- (b) Mr. YANG Dayong was appointed as an executive director of the Company and the chief executive officer with effect on 8 June 2018.
- (c) Dr. RUI Mingjie retired as an independent non-executive director of the Company with effect on 6 June 2018.
- (d) Mr. JIN Bingrong retired as an independent non-executive director of the Company with effect on 28 April 2017.

No director waived any emoluments in the years ended 31 December 2018 and 2017. No incentive payment for joining the Group was paid or payable to any directors during the years ended 31 December 2018 and 2017.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group during the years ended 31 December 2018 and 2017.

13. 董事利益及權益 (香港公司 條例 (第622章) 第383條、公司 (披露董事利益資料) 規例 (第 622G章) 及香港上市規則規定的 披露) (續)

(a) 董事及行政總裁酬金 (續)

附註:

- (a) 劉克泉先生自二零一八年六月八日起不再擔任行政總裁。
- (b) 楊大勇先生自二零一八年六月八日起獲委任為本公司執行董事及行政總裁。
- (c) 芮明杰博士自二零一八年六月六日起退任本公司獨立非執行董事。
- (d) 金炳榮先生自二零一七年四月二十八日起退任本公司獨立非執行董事。

截至二零一八年及二零一七年十二月三十一日止年度，概無董事放棄任何酬金。於截至二零一八年及二零一七年十二月三十一日止年度內，概無向任何董事支付或應付任何款項，作為加入本集團之獎勵。

上列執行董事酬金乃主要就彼等於截至二零一八年及二零一七年十二月三十一日止年度提供有關管理本公司及本集團事務的服務而支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

13. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

The non-executive directors' emoluments shown above were mainly for their services as directors of the Company or its subsidiaries during the years ended 31 December 2018 and 2017.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company or its subsidiaries during the years ended 31 December 2018 and 2017.

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2017: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2017: Nil).

13. 董事利益及權益 (香港公司 條例 (第622章) 第383條、公司 (披露董事利益資料) 規例 (第 622G章) 及香港上市規則規定的 披露) (續)

(a) 董事及行政總裁酬金 (續)

上列非執行董事酬金乃主要就彼等於截至二零一八年及二零一七年十二月三十一日止年度擔任本公司或其附屬公司董事的服務而支付。

上列獨立非執行董事酬金乃主要就彼等於截至二零一八年及二零一七年十二月三十一日止年度擔任本公司或其附屬公司董事的服務而支付。

(b) 董事退休福利

年內，概無董事已收取或將收取任何退休福利 (二零一七年：無)。

(c) 董事終止僱傭福利

年內，概無董事已收取或將收取任何終止僱傭福利 (二零一七年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

13. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2018, the Company did not pay consideration to any third parties for making available directors' services (2017: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporates and connected entities with such directors

During the year ended 31 December 2018, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2017: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

13. 董事利益及權益 (香港公司 條例 (第622章) 第383條、公司 (披露董事利益資料) 規例 (第 622G章) 及香港上市規則規定 的披露) (續)

(d) 就作出董事服務向第三方提供的代價

截至二零一八年十二月三十一日止年度，本公司概無就作出董事服務向任何第三方支付代價 (二零一七年：無)。

(e) 有關以董事、受控制法人團體及該等董事的關連實體為受益人的貸款、準貸款及其他交易的資料

截至二零一八年十二月三十一日止年度，概無有關以董事、受控制法人團體及該等董事的關連實體為受益人的貸款、準貸款及其他交易安排 (二零一七年：無)。

(f) 董事於交易、安排或合約中的重大權益

本公司概無就其業務訂立本公司為其中訂約方及本公司董事直接或間接擁有重大權益而於年終或年內任何時間仍然存續的重大交易、安排及合約 (二零一七年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one director (2017: one director), details of whose remuneration are set out in note 13 above. Details of the remuneration for the year of the remaining four (2017: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	8,100	5,898
Contributions to retirement benefit scheme	退休福利計劃供款	72	63
Share-based payment expenses	以股份支付款項開支	2,907	-
		11,079	5,961

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

		2018 二零一八年 No. of employees 僱員人數	2017 二零一七年 No. of employees 僱員人數
HK\$ nil to HK\$1,000,000	零港元至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	2	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	-	-
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	2	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	-	-
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	-	-
		4	4

14. 五名最高薪僱員

年內本集團五名最高薪僱員當中有一名(二零一七年:一名)為董事,其酬金詳情載於上文附註13。餘下四名(二零一七年:四名)並非本公司董事及行政總裁的最高薪僱員於年內的酬金詳情如下:

以下載列並非本公司董事的最高薪僱員人數及彼等的薪酬範圍:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

15.(LOSS) EARNINGS PER SHARE

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

15.每股(虧損)盈利

本公司擁有人應佔每股基本及攤薄(虧損)盈利乃按下列數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss) earnings	(虧損)盈利		
(Loss) earnings for the year attributable to owners of the Company for the purpose of basic (loss) earnings per share	就每股基本(虧損)盈利而言的本公司擁有人應佔年內(虧損)盈利	(58,603)	26,020
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響：		
Interest on convertible notes (net of tax)	可換股票據利息(扣除稅項)	-	-
(Loss) earnings for the purpose of diluted (loss) earnings per share	就每股攤薄(虧損)盈利而言的(虧損)盈利	(58,603)	26,020
		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	就每股基本(虧損)盈利而言的普通股加權平均數目	6,894,750	6,097,717
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響：		
- Share options	- 購股權	-	24,324
- Convertible notes	- 可換股票據	-	-
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	就每股攤薄(虧損)盈利而言的普通股加權平均數目	6,894,750	6,122,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

15. (LOSS) EARNINGS PER SHARE (Continued)

The calculation of basic (loss) earnings per share is based on the (loss) profit attributable to owners of the Company, and the weighted average number of shares approximately 6,894,750,000 ordinary shares (2017: 6,097,717,000) in issue.

Diluted loss per share for the year ended 31 December 2018 did not assume the exercise of the share options during the year since the exercise would have an anti-dilutive effect. No adjustment was made in calculating diluted loss per share for the year ended 31 December 2018 as conversion of convertible notes would result in a decrease in loss per share. Accordingly, the diluted loss per share is same as the basic earnings per share.

The Company has dilutive potential ordinary shares on exercise of share options for the year ended 31 December 2017 and adjustment was made in calculating diluted earnings per share. No adjustment was made in calculating diluted earnings per share for the year ended 31 December 2017 as conversion of convertible notes would result in an increase in earnings per share.

15. 每股(虧損)盈利(續)

每股基本(虧損)盈利乃根據本公司擁有人應佔(虧損)溢利及已發行普通股的加權平均數目約6,894,750,000股(二零一七年: 6,097,717,000股)計算。

由於行使購股權將具反攤薄效應，截至二零一八年十二月三十一日止年度之每股攤薄虧損並無假設年內行使購股權，並由於兌換可換股票據將導致每股虧損減少，計算截至二零一八年十二月三十一日止年度之每股攤薄虧損時並無作出調整。因此，每股攤薄虧損與每股基本盈利相同。

於截至二零一七年十二月三十一日止年度，本公司有因行使購股權而產生的具潛在攤薄影響的普通股並於計算每股攤薄盈利時已作出調整。於計算截至二零一七年十二月三十一日止年度的每股攤薄盈利時並無作出調整，原因為轉換可換股票據會導致每股盈利增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold improvement	Warehouse	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃物業裝修	倉庫	傢俬、裝置及設備	汽車	總額
		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
Cost	成本					
At 1 January 2017	於二零一七年一月一日	10,771	150,567	3,885	2,872	168,095
Acquired on acquisition of subsidiaries	收購附屬公司時收購	-	-	820	471	1,291
Additions	添置	-	-	120	-	120
Derecognised on disposal of subsidiaries	出售附屬公司時終止確認	-	-	(208)	-	(208)
Written off	撇銷	(472)	-	(670)	-	(1,142)
Exchange realignment	匯兌調整	-	11,326	77	96	11,499
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	10,299	161,893	4,024	3,439	179,655
Additions	添置	198	3,276	343	570	4,387
Written off	撇銷	-	-	(98)	(350)	(448)
Exchange realignment	匯兌調整	-	(8,534)	(84)	(98)	(8,716)
At 31 December 2018	於二零一八年十二月三十一日	10,497	156,635	4,185	3,561	174,878
Depreciation and impairment	折舊及減值					
At 1 January 2017	於二零一七年一月一日	2,776	47,684	2,681	1,038	54,179
Acquired on acquisition of subsidiaries	收購附屬公司時收購	-	-	431	42	473
Provided for the year	本年度撥備	2,060	7,775	454	526	10,815
Eliminated on disposals of subsidiaries	出售附屬公司時撇銷	-	-	(162)	-	(162)
Written off	撇銷	(472)	-	(665)	-	(1,137)
Exchange realignment	匯兌調整	-	3,907	56	76	4,039
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	4,364	59,366	2,795	1,682	68,207
Provided for the year	本年度撥備	2,065	8,271	434	588	11,358
Written off	撇銷	-	-	(90)	(332)	(422)
Exchange realignment	匯兌調整	-	(3,418)	(59)	(54)	(3,531)
At 31 December 2018	於二零一八年十二月三十一日	6,429	64,219	3,080	1,884	75,612
Carrying amounts	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	4,068	92,416	1,105	1,677	99,266
At 31 December 2017	於二零一七年十二月三十一日	5,935	102,527	1,229	1,757	111,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the shorter of remaining unexpired terms of the leases and 20%
Warehouse	5%
Furniture, fixtures and equipment	10%-33%
Motor vehicles	20%-33%

The warehouse are situated on land in the PRC held under a medium-term to long-term land use right.

17. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments are amortised and charged to the profit or loss in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

16. 物業、廠房及設備 (續)

上述物業、廠房及設備項目使用下列年率按直線基準計算折舊：

租賃物業裝修	按租約剩餘年期及20% (以較短者為準)
倉庫	5%
傢俬、裝置及設備	10%-33%
汽車	20%-33%

倉庫位於中國土地上，根據中期至長期土地使用權持有。

17. 預付租賃款項

本集團的預付租賃款項按直線基準於租期內在綜合損益及其他全面收益表中的損益內攤銷及扣除。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost	成本		
Balance at beginning of the year	年初結餘	34,145	31,756
Exchange realignment	匯兌調整	(1,771)	2,389
Balance at end of the year	年末結餘	32,374	34,145
Accumulated amortisation	累計攤銷		
Balance at beginning of the year	年初結餘	9,105	7,762
Amortisation for the year	年內攤銷	750	729
Exchange realignment	匯兌調整	(502)	614
Balance at end of the year	年末結餘	9,353	9,105
Carrying amounts	賬面值		
Balance at end of the year	年末結餘	23,021	25,040
Analysed for reporting purposes as:	就報告而言分析如下：		
Current assets	流動資產	719	759
Non-current assets	非流動資產	22,302	24,281
		23,021	25,040

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

18. GOODWILL

18. 商譽

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost			
Balance at beginning of the year	成本 年初結餘	165,772	123,612
Arising on acquisition of subsidiaries	收購附屬公司而產生	-	42,160
Balance at end of the year	年末結餘	165,772	165,772
Accumulated impairment losses			
Balance at beginning of the year	累計減值虧損 年初結餘	14,650	-
Impairment loss recognised for the year	年內已確認減值虧損	7,143	14,650
Balance at end of the year	年末結餘	21,793	14,650
Carrying amounts			
Balance at end of the year	賬面值 年末結餘	143,979	151,122

Particulars regarding impairment testing on goodwill are disclosed in note 20.

有關商譽減值測試的詳情於附註20披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

19. INTANGIBLE ASSETS

19. 無形資產

		Trading right	Information integration platform	Total
		交易權	信息集成 平台	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost	成本			
At 1 January 2017	於二零一七年一月一日	500	10,800	11,300
Exchange realignment	匯兌調整	-	812	812
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	500	11,612	12,112
Exchange realignment	匯兌調整	-	(602)	(602)
At 31 December 2018	於二零一八年 十二月三十一日	500	11,010	11,510
Amortisation and impairment	攤銷及減值			
At 1 January 2017	於二零一七年一月一日	-	26	26
Provided for the year	年內撥備	-	1,132	1,132
Exchange realignment	匯兌調整	-	48	48
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	-	1,206	1,206
Provided for the year	年內撥備	-	1,165	1,165
Exchange realignment	匯兌調整	-	(110)	(110)
At 31 December 2018	於二零一八年 十二月三十一日	-	2,261	2,261
Carrying amounts	賬面值			
At 31 December 2018	於二零一八年 十二月三十一日	500	8,749	9,249
At 31 December 2017	於二零一七年 十二月三十一日	500	10,406	10,906

The trading right are retained for stock trading and stockbroking activities. The trading right have been considered to have indefinite lives because they are expected to contribute to the net cash flows of the Group indefinitely, and are not amortised. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed in note 20.

交易權保留作股票買賣及股票經紀業務。由於交易權因其預期對本集團之現金流量淨額之貢獻並無限期而被視為有無限年期，故並無攤銷。然而，其將每年接受減值測試，以及於可能出現減值跡象時進行測試。減值測試詳情載於附註20。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

19. INTANGIBLE ASSETS (Continued)

Information integration platform provides all the foundational building blocks of trusted information, including data integration, data warehousing, master data management, big data and information monitoring. The right of using information integration platform is capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over their estimated useful lives of 10 years.

20. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

For the purpose of impairment testing, goodwill and the trading right with indefinite useful life set out in notes 18 and 19 have been allocated to five individual cash generating units (CGUs), comprising one subsidiary in the insurance brokerage segment ("Insurance Brokerage CGU"), one subsidiary in the security brokerage segment ("Security Brokerage CGU"), two subsidiaries in the asset management segment ("Asset Management CGU") and the subsidiaries in the financing referral operation ("Financing Referral CGU") and the subsidiaries in the financing guarantee operation ("Financial Guarantee CGU"). The carrying amounts of goodwill (net of accumulated impairment losses) as at 31 December 2018 and 2017 allocated to these units are as follows:

		Goodwill 商譽		Trading right 交易權	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Insurance Brokerage CGU	保險經紀現金產生單位	1,537	2,140	-	-
Security Brokerage CGU	證券經紀現金產生單位	-	6,522	500	500
Assets Management CGU	資產管理現金產生單位	7,990	8,008	-	-
Financing Referral CGU	融資轉介現金產生單位	100,282	100,282	-	-
Financial Guarantee CGU	融資擔保現金產生單位	34,170	34,170	-	-
Total	總計	143,979	151,122	500	500

19. 無形資產 (續)

信息集成平台提供所有獲信任信息基本建模，包括數據集成、數據倉庫、主數據管理、大數據及信息監控。使用信息集成平台的權利按為購入指定軟件而產生成本之基準進行資本化。該等成本於其10年估計可使用年期進行攤銷。

20. 商譽及具有無限可使用年期的無形資產的減值測試

就減值測試而言，附註18及19所載商譽及具無限可使用年期之交易權已分配至五項個別現金產生單位（「現金產生單位」），包括保險經紀分部的一間附屬公司（「保險經紀現金產生單位」）、證券經紀分部的一間附屬公司（「證券經紀現金產生單位」）、資產管理分部的兩間附屬公司（「資產管理現金產生單位」）、融資轉介分部的附屬公司（「融資轉介現金產生單位」）及融資擔保業務的附屬公司（「融資擔保現金產生單位」）。於二零一八年及二零一七年十二月三十一日分配至該等單位的商譽（扣除累計減值虧損）賬面值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

20. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE (Continued)

During the year ended 31 December 2018, with reference to the professional valuation performed by the independent valuer, the management of the Group has determined that an impairment loss of HK\$7,143,000 (2017: HK\$14,650,000) in relation to goodwill allocated to the groups of CGUs. There were no material changes in the methodology and sources of market data applied in the valuation for 2018 and 2017. After reviewing the performance of Securities Brokerage CGU, Asset Management CGU and Insurance Brokerage CGU in 2018, the management of the Group revised downwards on cash flow forecasts of Securities Brokerage CGU, Asset Management CGU and Insurance Brokerage CGU.

The recoverable amount of each CGU is determined based on a value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by the management.

Assumptions were used in the value-in-use calculation of the CGUs for the year ended 31 December 2018 and 31 December 2017. Their major underlying assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill are summarised below:

Discount rate per annum – the discount rate used are before tax and reflect specific risks relating to the respective industries.

Budgeted revenue and budgeted gross margins – management determined budgeted gross margin based on past performance and its expectations for the development of the market.

Insurance Brokerage CGU

The recoverable amount of the Insurance Brokerage CGU was determined based on a value in use calculation with the assistance of the independent professional qualified valuers not connected with the Group. The calculation used cash flow projections based on financial budgets approved by management covering a three-year period, and at a discount rate of 19.39% (2017: 20.24%). Cash flows after the three-year period were extrapolated using 3% (2017: 3%) growth rate in considering the economic condition of the market.

20. 商譽及具有無限可使用年期的無形資產的減值測試 (續)

截至二零一八年十二月三十一日止年度，經參考獨立估值師進行的專業估值，本集團管理層已釐定有關分配至現金產生單位組別之商譽的減值虧損7,143,000港元（二零一七年：14,650,000港元）。於二零一八年及二零一七年估值中所應用之方法及市場數據來源並無重大變動。於二零一八年審閱證券經紀現金產生單位、資產管理現金產生單位及保險經紀現金產生單位的業績後，本集團管理層下調證券經紀現金產生單位、資產管理現金產生單位及保險經紀現金產生單位的現金流量預測。

各現金產生單位的可收回金額乃根據使用價值計算釐定。有關計算中使用基於經管理層批准的財務預算的現金流量預測。

截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度現金產生單位使用價值計算中已使用若干假設。管理層進行商譽減值測試時所採用的現金流量預測作出的有關關鍵假設概述如下：

年折現率—所使用的折現率為除稅前折現率，並反映與相關行業有關的特定風險。

預算收益及預算毛利率—管理層根據過往表現及對市場發展的預期釐定預算毛利率。

保險經紀現金產生單位

保險經紀現金產生單位的可收回金額乃根據使用價值計算，在與本集團並無關連的獨立專業合資格估值師協助下釐定。有關計算中使用基於經管理層批准涵蓋三年期間的財務預算中的現金流量預測並採用19.39%（二零一七年：20.24%）的折現率。三年期間後的現金流量乃考慮市場經濟狀況，使用3%（二零一七年：3%）的增長率推算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

20. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE (Continued)

Insurance Brokerage CGU (Continued)

For the year ended 31 December 2018, impairment loss of HK\$603,000 (2017: HK\$191,000) has been provided in relation to Insurance Brokerage CGU as the recoverable amount of this CGU was reduced to HK\$1,537,000 at the end of the reporting period. The impairment loss arose as a result of the less than satisfactory past and expected performance of the Insurance Brokerage CGU.

Security Brokerage CGU

The recoverable amount of the Security Brokerage CGU was determined based on a value in use calculation with the assistance of the independent professional qualified valuers not connected with the Group. The calculation used cash flow projections based on financial budgets approved by management covering a three-year period, and at a discount rate of 14.33% (2017: 18.11%). Cash flows after the three-year period were extrapolated using 3% (2017: 3%) growth rate in considering the economic condition of the market.

For the year ended 31 December 2018, impairment loss of HK\$6,522,000 (2017: HK\$7,978,000) has been provided in relation to Securities Brokerage CGU as the recoverable amount of this CGU was reduced to HK\$Nil at the end of the reporting period. The impairment loss arose as a result of the less than satisfactory past and expected performance of the Securities Brokerage CGU.

Assets Management CGU

The recoverable amounts of the Assets Management CGU were determined based on a value in use calculation with the assistance of the independent professional qualified valuers not connected with the Group. The calculation used cash flow projections based on financial budgets approved by management covering a three-year period, and at a discount rate of 16.66% (2017: 18.58%) and 16.16% (2017: 18.72%). Cash flows after the three-year period were extrapolated using 3% (2017: 3%) growth rate in considering the economic condition of the market.

20. 商譽及具有無限可使用年期的無形資產的減值測試 (續)

保險經紀現金產生單位 (續)

截至二零一八年十二月三十一日止年度，已就保險經紀現金產生單位計提減值虧損603,000港元(二零一七年：191,000港元)，此乃由於該現金產生單位於報告期末的可收回金額減少至1,537,000港元。產生減值虧損乃由於保險經紀現金產生單位的過往及預期業績不盡人意。

證券經紀現金產生單位

證券經紀現金產生單位的可收回金額乃根據使用價值計算，在與本集團並無關連的獨立專業合資格估值師協助下釐定。有關計算中使用基於經管理層批准涵蓋三年期間的財務預算中的現金流量預測並採用14.33% (二零一七年：18.11%)的折現率。三年期間後的現金流量乃考慮市場經濟狀況，使用3% (二零一七年：3%)的增長率推算。

截至二零一八年十二月三十一日止年度，已就證券經紀現金產生單位計提減值虧損6,522,000港元(二零一七年：7,978,000港元)，此乃由於該現金產生單位於報告期末的可收回金額減少至零港元。產生減值虧損乃由於證券經紀現金產生單位的過往及預期業績不盡人意。

資產管理現金產生單位

資產管理現金產生單位的可收回金額乃根據使用價值計算，在與本集團並無關連的獨立專業合資格估值師協助下釐定。有關計算中使用基於經管理層批准涵蓋三年期間的財務預算中的現金流量預測並採用16.66% (二零一七年：18.58%)及16.16% (二零一七年：18.72%)的折現率。三年期間後的現金流量乃考慮市場經濟狀況，使用3% (二零一七年：3%)的增長率推算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

20. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE (Continued)

Assets Management CGU (Continued)

For the year ended 31 December 2018, impairment loss of HK\$18,000 (2017: HK\$6,482,000) has been provided in relation to Assets Management CGU as the recoverable amount of this CGU was reduced to HK\$7,990,000 at the end of the reporting period. The impairment loss arose as a result of the less than satisfactory past and expected performance of the Assets Management CGU.

Financing Referral CGU

The recoverable amount of the Financing Referral CGU was determined with the assistance of the independent professional qualified valuers not connected with the Group. The calculation used cash flow projections based on financial budgets approved by management covering a three-year period, and at a discount rate of 17.02% (2017: 18.13%). Cash flows after the three-year period were extrapolated using 3% (2017: 3%) growth rate in considering the economic condition of the market.

The recoverable amount of the Financing Referral CGU estimated from the cash flow forecast exceeds the carrying amounts. Accordingly, no impairment loss on goodwill of Financing Referral CGU has been recognised in profit or loss.

Financial Guarantee CGU

The recoverable amount of the Financial Guarantee CGU was determined with the assistance of the independent professional qualified valuers not connected with the Group. The calculation used cash flow projections based on financial budgets approved by management covering a three-year period, and at a discount rate of 20.19% (2017: 17.68%). Cash flows after the three-year period were extrapolated using 3% (2017: 3%) growth rate in considering the economic condition of the market.

The recoverable amount of the Financial Guarantee CGU estimated from the cash flow forecast exceeds the carrying amount. Accordingly, no impairment loss on goodwill of Financial Guarantee CGU has been recognised in profit or loss.

20. 商譽及具有無限可使用年期的無形資產的減值測試 (續)

資產管理現金產生單位 (續)

截至二零一八年十二月三十一日止年度，已就資產管理現金產生單位計提減值虧損18,000港元(二零一七年：6,482,000港元)，此乃由於該現金產生單位於報告期末的可收回金額減少至7,990,000港元。產生減值虧損乃由於資產管理現金產生單位的過往及預期業績不盡人意。

融資轉介現金產生單位

融資轉介現金產生單位的可收回金額乃在與本集團並無關連的獨立專業合資格估值師協助下釐定。有關計算中使用基於經管理層批准涵蓋三年期間的財務預算中的現金流量預測並採用17.02% (二零一七年：18.13%)的折現率。三年期間後的現金流量乃考慮市場經濟狀況，使用3% (二零一七年：3%)的增長率推算。

自現金流量預測中所估計的融資轉介現金產生單位的可收回金額超過賬面值。因此，融資轉介現金產生單位的商譽減值虧損並無於損益中確認。

融資擔保現金產生單位

融資擔保現金產生單位的可收回金額乃在與本集團並無關連的獨立專業合資格估值師協助下釐定。有關計算中使用基於經管理層批准涵蓋三年期間的財務預算中的現金流量預測並採用20.19% (二零一七年：17.68%)的折現率。三年期間後的現金流量乃考慮市場經濟狀況，使用3% (二零一七年：3%)的增長率推算。

自現金流量預測中所估計的融資擔保現金產生單位的可收回金額超過賬面值。因此，融資擔保現金產生單位的商譽減值虧損並無於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

21. INTERESTS IN ASSOCIATES

21. 於聯營公司的權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of investment in associates – unlisted	於聯營公司投資的成本－非上市	306,346	306,346
Accumulated share of post-acquisition loss and other comprehensive expense	累計應佔收購後虧損及其他全面開支	(38,936)	(38,936)
Less: impairment loss	減：減值虧損	(267,410)	(267,410)
		-	-

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market price is not available:

下表僅列出均為所有非上市公司實體且並無市價之聯營公司的資料：

Name 名稱	Place of incorporation and operation 註冊成立及營業地點	Proportion of nominal ownership interest attributable to the Company 本公司應佔所有權益比例		Principal activities 主要業務
		2018 二零一八年	2017 二零一七年	
Intraday Financial Information Service Limited ("Intraday Financial") (Note a) 當天金融信息服務有限公司 ("當天金融") (附註a)	British Virgin Islands ("BVI") 英屬處女群島 ("英屬處女群島")	45%	45%	Investment holding 投資控股

Note:

附註：

(a) The recoverable amount of the investment in Intraday Group has been determined based on a value-in-use calculation. To determine the recoverable amount of Intraday Financial, the Group used pre-tax cash flow projection based on the financial budget approved by management covering a five-year period.

(a) 當天集團投資之可收回金額乃根據使用價值計算釐定。為釐定當天金融之可收回金額，本集團採用根據管理層批准之五年期財務預算釐定的稅前現金流量預測。

In previous year, interest on Intraday Financial was fully impaired and the Group has already shared the losses of the Intraday Financial to the extent of the Group's interest in the associates. The Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of Intraday Group for the current year and cumulatively were HK\$4,000 (2017: HK\$151,000) and HK\$155,000 (2017: HK\$151,000) respectively. Considering that there is no specific plan to revamp the business of Intraday Financial, the directors of the Company are of the view that no reversal of the allowance for impairment should be made.

於過往年度，於當天金融之權益全面減值及本集團分佔當天金融之虧損已達其於聯營公司的權益。本集團並無義務繼續承擔虧損。本集團本年度未確認的分佔當天集團虧損金額累計分別為4,000港元（二零一七年：151,000港元）及155,000港元（二零一七年：151,000港元）。考慮到並無特定計劃改進當天金融之業務，本公司董事認為不應撥回減值撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

22. 透過其他全面收益按公平值列賬的金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed investments:	上市投資：		
– Equity securities listed in Hong Kong	– 香港上市的股本證券	14,492	20,579
– Equity securities listed in the PRC	– 中國上市的股本證券	1,380	4,942
		15,872	25,521

The movement in the fair value of equity securities are as follows:

股本證券之公平值變動載列如下：

		HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日	–
Effect arising from initial application of HKFRS 9	首次應用香港財務報告準則第9號所產生的影響	25,521
At 1 January 2018 as restated	於二零一八年一月一日（經重列）	25,521
Addition	添置	7,574
Recognised in other comprehensive expenses	於其他全面開支確認	(17,108)
Exchange realignment	匯兌調整	(115)
At 31 December 2018	於二零一八年十二月三十一日	15,872

It represents the Group's investments in listed equity securities. All the listed equity securities are stated at fair values which have been determined by reference to closing prices quoted in the active markets. The Group does not intend to dispose of these investments in the near future.

其指本集團於上市股本證券之投資。所有上市股本證券均按公平值列賬，而公平值乃經參考於活躍市場所報之收市價而釐定。本集團無意於短期內出售該等投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

23. 按公平值計入損益的金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted investment funds	非上市投資基金	77,695	22,410
Analysed for reporting purposes as:	就呈報目的分析為：		
Current assets	流動資產	40,143	—
Non-current assets	非流動資產	37,552	22,410
		77,695	22,410

The balance of HK\$37,552,000 (2017:HK\$22,410,000) represents the unlisted investment fund which primary objectives are to provide absolute returns through pursuing different strategies, investing primarily in equity and equity related instruments of companies listed in Hong Kong and PRC. The fair value of the unlisted investment fund was made with reference to the prices quoted by the fund administrator which reflect the net assets value of the fund.

In December 2017, the deposit of HK\$36,021,000 (equivalent to RMB30,000,000) was paid by the Group to subscribe a privately-offered fund.

該結餘為37,552,000港元(二零一七年：22,410,000港元)，指主要目的為透過制定不同策略提供絕對回報的非上市投資基金，主要投資於香港及中國上市公司之股本及股本相關工具。該等非上市投資基金之公平值乃經參考基金管理人報價而釐定，並反映基金的資產淨值。

於二零一七年十二月，本集團支付按金36,021,000港元(相當於人民幣30,000,000元)以認購一隻私募基金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

In January 2018, the privately-offered fund was established. As at 31 December 2018, the balance of HK\$40,143,000 (2017:HK\$Nil) represents the unlisted investment fund which is privately-offered to subscriber in PRC. The fair value of the privately-offered unlisted investment fund was determined by independent valuer. The fund is primarily an investment in 20% equity interest in registered capital of an unlisted company incorporated in PRC which is engaged in property development project.

During the year ended 31 December 2018, unrealised gain of HK\$1,389,000 arising from fair value changes in unlisted investment funds were recognised in profit or loss.

24. CONTINGENT CONSIDERATION RECEIVABLES

The balance represents the contingent consideration receivables in relation to the acquisition of Access China Group Limited ("Access China") and its subsidiaries ("Access China Group") and of Sino Wealth Investment Co., Limited ("Sino Wealth") and its subsidiaries ("Sino Wealth Group"), pursuant to the related sale and purchase agreements. The amounts are classified as financial assets at fair value through profit or loss and measured at fair value.

23. 按公平值計入損益的金融資產 (續)

私募基金於二零一八年一月成立。於二零一八年十二月三十一日，該結餘為40,143,000港元(二零一七年：零港元)，指於中國向認購人以私募認購形式提供的非上市投資基金。私募非上市投資基金之公平值乃由獨立估值師釐定。該基金主要投資於從事物業開發項目的於中國註冊成立的非上市公司註冊資本的20%股權。

截至二零一八年十二月三十一日止年度，因非上市投資基金公平值變動而產生之未變現收益1,389,000港元已於損益內確認。

24. 應收或然代價

該結餘指有關根據相關買賣協議收購 Access China Group Limited (「Access China」) 及其附屬公司 (「Access China 集團」) 以及 Sino Wealth Investment Co., Limited (「Sino Wealth」) 及其附屬公司 (「Sino Wealth 集團」) 之應收或然代價。該金額分類為按公平值計入損益的金融資產及按公平值計量。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	9,879	15,102
Acquisition of subsidiaries (Note 38(a))	收購附屬公司(附註38(a))	-	5,765
Fair value change recognised in profit or loss	於損益確認的公平值變動	3,807	(10,988)
At 31 December	於十二月三十一日	13,686	9,879
Analysed for reporting purposes as:	就呈報目的分析為：		
Current assets	流動資產	8,759	-
Non-current assets	非流動資產	4,927	9,879
		13,686	9,879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

24. CONTINGENT CONSIDERATION RECEIVABLES

(Continued)

In relation to acquisition of Access China Group

Pursuant to the conditional sale and purchase agreement dated 14 December 2016 and supplemental agreement dated 2 February 2017 ("Acquisition Agreements A"), the vendor guarantees to the Company that Beijing Xinnouwei, an indirect wholly-owned subsidiary of Access China, and its subsidiaries shall attain certain performance targets (the "Guaranteed Profits") for the years ended 31 December 2016, 2017 and 2018 respectively.

If the Guaranteed Profits could not be met, the Company shall have the right to deduct the compensation from the respective cash considerations payable to the Vendor for financial years ended 31 December 2016, 2017 and 2018 (i.e. 2016: HK\$30,000,000, 2017: HK\$20,000,000 and 2018: HK\$10,000,000). Should the cash considerations payable to the Vendor be insufficient to cover the compensation, the Company shall have the right to sell all or part of the Consideration Shares under escrow, the net proceeds from which shall be equal to the shortfall of the compensation, to the independent third parties, in the securities market.

For avoidance of doubt, should the Beijing Xinnouwei and its subsidiaries record an actual consolidated loss for any of the financial years ended 31 December 2016, 2017 and 2018, the amount shall be deemed as Nil.

On the date of acquisition, the fair value of the contingent consideration receivable was estimated to be approximately HK\$15,889,000, representing Guaranteed Profits made by the vendor in accordance with the terms of Acquisition Agreements A. The fair value was arrived at based on discounted cash flow of Access China Group's forecast financial budgets used to capture the present value of the expected future economic benefits that will flow into the group by applying probability-weighted average of achieving the required benchmark, using discount rate ranging from 14.44% to 16.48%. The valuation was performed by an independent qualified professional valuer not connected to the Group. The management discussed with the valuer on the valuation assumptions and valuation results.

24. 應收或然代價(續)

有關收購 Access China 集團

根據日期為二零一六年十二月十四日之有條件買賣協議及日期為二零一七年二月二日之補充協議(「收購協議A」)，賣方向本公司保證北京信諾微(Access China之間接全資附屬公司)及其附屬公司將分別於截至二零一六年、二零一七年及二零一八年十二月三十一日止年度達成若干業績目標(「溢利保證」)。

倘未能符合保證溢利，本公司有權從截至二零一六年、二零一七年及二零一八年十二月三十一日止財政年度應付予賣方的相關現金代價(即二零一六年：30,000,000港元；二零一七年：20,000,000港元及二零一八年：10,000,000港元)中扣除補償金額。倘應付予賣方的現金代價不足以支付補償金額，本公司有權於證券市場向獨立第三方出售經託管的全部或部分代價股份，其所得款項淨額須相等於補償金額的短缺額。

為免生疑問，倘北京信諾微及其附屬公司於截至二零一六年、二零一七年及二零一八年十二月三十一日止任何財政年度錄得實際綜合虧損，則有關金額將視為零。

於收購日期，應收或然代價之公平值估計約為15,889,000港元，即賣方根據收購協議A條款作出之溢利保證。有關公平值乃根據Access China集團預測財務預算之折現現金流量(透過應用達致規定標準之可能性加權平均數，採用介乎14.44%至16.48%之折現率以取得將流入本集團之預期未來經濟利益之現值)而計算得出。估值由與本集團無關連之獨立合資格專業估值師進行。管理層與估計師討論估值假設及估值結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

24. CONTINGENT CONSIDERATION RECEIVABLES

(Continued)

In relation to acquisition of Access China Group

(Continued)

As at 31 December 2018, the fair value of the contingent consideration receivable was estimated to be approximately HK\$2,683,000 (31 December 2017: HK\$4,078,000), representing Guaranteed Profits made by the vendor in accordance with the terms of Acquisition Agreements A. The fair value was arrived at based on discounted cashflow of Access China Group's forecast financial budgets used to capture the present value of the expected future economic benefits that will flow into the group by applying probability-weighted average of achieving the required benchmark, using discount rates 21.34% (2017: ranging from 13.11% to 13.27%). The valuation was performed by an independent qualified professional valuer not connected to the Group. The management discussed with valuer on the valuation assumptions and valuation results.

In relation to acquisition of Sino Wealth Group

Pursuant to the conditional sales and purchase agreement dated 28 July 2017 ("Acquisition Agreement S"), the Vendor and Vendor Guarantor guarantee to the indirectly wholly-owned subsidiary of the Company that Beijing An Jia Shi Hang Financing Guarantee Company Limited ("AJSH"), an indirectly wholly-owned subsidiary of Sino Wealth, shall attain certain performance targets (the "Guaranteed Profits") for the years ended/ending 31 December 2017, 2018 and 2019 respectively.

If the Guaranteed Profits could not be met, the Company shall have the right to deduct the compensation from the respective cash considerations payable to the Vendor for financial years ended/ending 31 December 2017, 2018 and 2019 (i.e. 2017: HK\$30,000,000, 2018: HK\$11,000,000 and 2019: HK\$6,000,000). Should the cash considerations payable to the Vendor be insufficient to cover the compensation, the Vendor shall compensate the amount of difference in cash.

24. 應收或然代價 (續)

有關收購 Access China 集團 (續)

於二零一八年十二月三十一日，應收或然代價之公平值估計約為2,683,000港元(二零一七年十二月三十一日：4,078,000港元)，即賣方根據收購協議A條款作出之溢利保證。有關公平值乃根據 Access China 集團預測財務預算之折現現金流量(透過應用達致規定標準之可能性加權平均數，採用21.34%(二零一七年：介乎13.11%至13.27%)之折現率以取得將流入本集團之預期未來經濟利益之現值)而計算得出。估值由與本集團無關連之獨立合資格專業估值師進行。管理層與估計師討論估值假設及估值結果。

有關收購 Sino Wealth 集團

根據日期為二零一七年七月二十八日之有條件買賣協議(「收購協議S」)，賣方及賣方擔保人向本公司間接全資附屬公司擔保，Sino Wealth之間接全資附屬公司北京安家世行融資擔保有限公司(「安家世行」)將分別於截至二零一七年、二零一八年及二零一九年十二月三十一日止年度達成若干業績目標(「溢利保證」)。

倘未能符合保證溢利，本公司有權從截至二零一七年、二零一八年及二零一九年十二月三十一日止財政年度應付予賣方的相關現金代價(即二零一七年：30,000,000港元；二零一八年：11,000,000港元及二零一九年：6,000,000港元)中扣除補償金額。倘應付予賣方的現金代價不足以支付補償金額，賣方將以現金賠償差額款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

24. CONTINGENT CONSIDERATION RECEIVABLES

(Continued)

In relation to acquisition of Sino Wealth Group

(Continued)

On the date of acquisition, the fair value of the contingent consideration receivable was estimated to be approximately HK\$5,765,000, representing Guaranteed Profits made by the vendor in accordance with the terms of Acquisition Agreement S. The fair value was arrived at based on discounted cashflow of Sino Wealth Group's forecast financial budgets used to capture the present value of the expected future economic benefits that will flow into the Group by applying probability-weighted average of achieving the required benchmark, using discount rate ranging from 12.65% to 13.23%. The valuation was performed by an independent qualified professional valuer not connected to the Group. The management discussed with the valuer on the valuation assumptions and valuation results.

As at 31 December 2018, the fair value of the contingent consideration receivable was estimated to be approximately HK\$11,003,000 (31 December 2017: HK\$5,801,000), representing Guaranteed Profits made by the vendor in accordance with the terms of Acquisition Agreement S. The fair value was arrived at based on discounted cashflow of Sino Wealth Group's forecast financial budgets used to capture the present value of the expected future economic benefits that will flow into the Group by applying probability-weighted average of achieving the required benchmark, using discount rates ranging from 20.55% to 20.60% (2017: 11.62% to 12.02%). The valuation was performed by an independent qualified professional valuer not connected to the Group. The management discussed with valuer on the valuation assumptions and valuation results.

24. 應收或然代價 (續)

有關收購 Sino Wealth 集團 (續)

於收購日期，應收或然代價之公平值估計約為5,765,000港元，即賣方根據收購協議S條款作出之溢利保證。有關公平值乃根據Sino Wealth集團預測財務預算之折現現金流量（透過應用達致規定標準之可能性加權平均數，採用介乎12.65%至13.23%之折現率以取得將流入本集團之預期未來經濟利益之現值）而計算得出。估值由與本集團無關連之獨立合資格專業估值師進行。管理層與估計師討論估值假設及估值結果。

於二零一八年十二月三十一日，應收或然代價之公平值估計約為11,003,000港元（二零一七年十二月三十一日：5,801,000港元），即賣方根據收購協議S條款作出之溢利保證。有關公平值乃根據Sino Wealth集團預測財務預算之折現現金流量（透過應用達致規定標準之可能性加權平均數，採用介乎20.55%至20.60%（二零一七年：11.62%至12.02%）之折現率以取得將流入本集團之預期未來經濟利益之現值）而計算得出。估值由與本集團無關連之獨立合資格專業估值師進行。管理層與估計師討論估值假設及估值結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

25. LOANS AND INTERESTS RECEIVABLES

25. 應收貸款及利息

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Entrusted loan (Note a)	委託貸款 (附註a)	10,245	–
Mortgage loan (Note b)	按揭貸款 (附註b)	9,500	81,580
Factoring loan receivables with recourse (Note c)	附追索權的應收保理貸款 (附註c)	41,512	41,656
Other loans (Note d)	其他貸款 (附註d)	57,968	129,075
		119,225	252,311
Less: impairment allowance	減: 減值撥備	(5,273)	(62,420)
		113,952	189,891

Notes:

- (a) For entrusted loan to customer, it represented loans from the Group to customers through the bank in the PRC. The customer will repay the loan to the bank and then the bank will return the principal and accrued interest to the Group. While the bank exercises supervision over and receives repayment from the borrower, the bank does not assume any risk of default in repayment by the borrower. The maturity date is within 12 months and the Group has a sole discretion to approve the renewal of loan for another one year. As at 31 December 2018, entrusted loan bore interest at fixed rates at 12% per annum and secured by the pledge of collaterals and personal guarantee.
- (b) For mortgage loans, they represented the loans arise from the money lending business in Hong Kong, which are denominated in Hong Kong dollars, bear interest at rates from 16% to 18% (2017: 16% to 18%) per annum and secured by the pledge of collaterals and personal guarantee.

附註:

- (a) 授予客戶的委託貸款指本集團透過中國銀行向客戶提供的貸款。客戶將向銀行償還貸款，屆時銀行將向本集團退還本金及應計利息。銀行於對借款人進行監控及收取還款時，不會承擔借款人還款的任何違約風險。到期日為12個月內，且本集團有全權酌情權批准貸款續期一年。於二零一八年十二月三十一日，委託貸款按固定年利率12%計息，並由抵押品質押及個人擔保作抵押。
- (b) 按揭貸款指香港放債業務產生之貸款，以港元計值，按年利率介乎16%至18%（二零一七年：16%至18%）計息，並由抵押品質押及個人擔保作抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

25. LOANS AND INTERESTS RECEIVABLES

(Continued)

Notes: (Continued)

- (c) For factoring loan with recourse, the Group granted factoring loans receivables to an independent third party, which the independent third parties have a portfolio of the receivables from providing loan to the underlying customers. According to the factoring agreements signed between the independent third party and the Group, the legal title of the receivables of the underlying customers were transferred to the Group and the independent third party are responsible for the management of the underlying customer receivables, including the collection of receivables from the underlying customers. Also, such receivable is guaranteed by the independent third party and repayable by instalment based on the terms of the factoring agreement. In the event of default of repayment by the underlying customers, the Group has the right to request independent third party to repurchase the outstanding receivables of the underlying customers plus accrued interest. The independent third party is obliged to repay to the Group upon their collection of money from the underlying customers, and the Group expects to realise such amounts by collecting the repayments from the independent third party. The effective interest rates of the factoring loans receivables at 6.6% per annum as at 31 December 2018 and 2017.
- (d) Other loans receivables to independent third parties, amounted to HK\$32,770,000 (2017: Nil), are secured, which are dominated in RMB and bear interest rate ranging from 6% to 18% (2017: 7% to 18%) per annum. Other loans receivables to independent third parties, amounted to HK\$25,198,000 (2017: HK\$129,075,000), are unsecured, which are dominated in RMB and bear interest rate ranging from 6% to 15% (2017: 7% to 18%) per annum.

Before granting loans, the Group uses internal credit assessment process to assess the potential borrower's credit quality and defines its credit limits granted to the borrowers. The credit limits attributed to the borrowers are reviewed by the management regularly.

25. 應收貸款及利息 (續)

附註：(續)

- (c) 附追索權的應收保理貸款指本集團向獨立第三方授出之應收保理貸款，而獨立第三方就向有關客戶提供貸款而擁有應收款項組合。根據獨立第三方與本集團簽訂之保理協議，有關客戶之應收款項法定所有權已轉讓予本集團且獨立第三方負責管理有關客戶應收款項，包括自有關客戶收回應收款項。此外，有關應收款項由獨立第三方作擔保並根據保理協議條款分期償還。倘有關客戶延遲還款，本集團有關要求獨立第三方購回有關客戶之未償還應收款項連同有關應計利息。獨立第三方有責任於收回有關客戶款項時償還予本集團，而本集團預期透過收回獨立第三方還款而將該等款項變現。於二零一八年及二零一七年十二月三十一日，應收保理貸款之實際年利率為6.6%。
- (d) 為數32,770,000港元(二零一七年：零)之應收獨立第三方之其他貸款屬有抵押，以人民幣計值並按年利率介乎6%至18%(二零一七年：7%至18%)計息。為數25,198,000港元(二零一七年：129,075,000港元)之應收獨立第三方之其他貸款屬無抵押，以人民幣計值並按年利率介乎6%至15%(二零一七年：7%至18%)計息。

於授出貸款前，本集團使用內部信貸評估流程以評估潛在借款人之信貸質素並釐定其授予借款人之信貸額度。管理層定期審閱授予借款人之信貸額度。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

25. LOANS AND INTERESTS RECEIVABLES

(Continued)

The Group has a policy for assessing the impairment on the loan receivables on an individual basis. The assessment also includes evaluation of collectability and on management's judgment, including the current creditworthiness, collateral and past collection history of each borrower.

In determining the recoverability of the loan receivables, the Group considers any change in the credit quality of the loan receivables from the date of credit was initially granted up to the reporting date. This includes assessing the credit history of the borrowers, such as financial difficulties or default in payments, and current market conditions. Besides, the Group considers that the amounts are considered recoverable given the fair values of the pledged collateral or guarantees received are sufficient to cover the entire balance on individual basis.

An ageing analysis of the loans and interests receivables that are individually not considered to be impaired as at the end of the reporting period, based on the payment due date, is as follows:

25. 應收貸款及利息 (續)

本集團訂有政策按個別基準評估應收貸款之減值。評估亦包括評估可收回性及管理層判斷，包括各借款人之當前信用、抵押品及過往收款記錄。

於釐定應收貸款之可收回性時，本集團會考慮應收貸款信貸質素自初次授出信貸日期直至報告日期出現的任何變動。這包括評估借款人之信貸歷史（如財務困難或拖欠付款）及當前市況。此外，鑒於已抵押抵押品或已收擔保之公平值足以按個別基準涵蓋所有結餘，故本集團認為有關款項可收回。

於報告期末按付款到期日並不被視為個別減值的應收貸款及利息的賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor individually impaired	並無逾期亦無個別減值	103,390	181,461
Less than 1 month past due	逾期不足1個月	9,761	8,430
1 to 3 months past due	逾期1至3個月	-	-
3 to 6 months past due	逾期3至6個月	801	-
6 months to less than 1 year past due	逾期6個月至不足1年	-	-
		113,952	189,891

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

25. LOANS AND INTERESTS RECEIVABLES

(Continued)

Loans receivables that were neither past due nor individually impaired relate to a number of diversified borrowers for whom there was no recent history of default.

In respect of the loans which have been past due for less than one month, the amounts mainly represent occasional delay in repayment and are not indication of significant deterioration of credit quality of these loans.

The movements in impairment allowance of loans and interests receivables are as follows:

25. 應收貸款及利息 (續)

並無逾期亦無個別減值的應收貸款與多名最近並無拖欠記錄的不同借款人有關。

有關逾期少於一個月之貸款乃主要由於偶爾延遲還款所導致，並不表示該等貸款之信貸質素顯著惡化。

應收貸款及利息的減值撥備變動如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	62,420	62,420
Amounts recognised during the year	年內已確認金額	5,273	-
Amount written off during the year as uncollectible	年內撇銷為不可收回之款項	(62,420)	-
Balance at end of the year	年末結餘	5,273	62,420

The amount written off during the year as uncollectible related to the borrower who was wound up in loan financing business in Hong Kong, thus, the loans and interests receivables were not expected to be recoverable.

年內撇銷為不可收回之款項與已於香港貸款融資業務中清盤的借款人有關，因此，預期無法收回有關應收貸款及利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

26. TRADE AND OTHER RECEIVABLES

26. 應收賬款及其他應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables from:	下列產生之應收賬款：		
Business of dealing in securities: (Note a)	證券交易業務：(附註a)		
– Cash clients	– 現金客戶	11	483
– Margin clients	– 保證金客戶	5,519	5,900
– Clearing houses and brokers	– 結算所及經紀	125	–
Loan referral and consultancy services (Note b)	貸款轉介及諮詢服務(附註b)	33,810	3,724
Financial guarantee services (Note c)	融資擔保服務(附註c)	1,376	35
Insurance brokerage business (Note d)	保險經紀業務(附註d)	131	471
Asset management business (Note e)	資產管理業務(附註e)	103	1,281
		41,075	11,894
Less: Impairment allowance	減：減值撥備	(2,007)	(405)
		39,068	11,489
Other receivables	其他應收款項	20,751	27,487
Less: Impairment allowance	減：減值撥備	(145)	(4,099)
		20,606	23,388
Total trade and other receivables	應收賬款及其他應收款項總額	59,674	34,877

Notes:

- (a) For the trade receivables from cash clients, it normally takes two days to settle after trade date of securities transactions. These outstanding unsettled trades due from clients are reported as trade receivables from clients.

Trade receivables from margin clients net of impairment allowance amounting to HK\$5,508,000 as at 31 December 2018 (31 December 2017: HK\$5,900,000) are secured by clients' pledged securities with fair value of HK\$39,827,000 (31 December 2017: HK\$9,196,000). Management has assessed the market value of the pledged securities of each individual customer who has margin shortfall as at the year end.

Trade receivables from margin clients arising from the securities brokerage business are repayable on demand subsequent to settlement date.

附註：

- (a) 就現金客戶之應收賬款而言，一般於證券交易交易日後兩日結算。該等源自尚未結算買賣之應收客戶款項列為應收客戶賬款。

於二零一八年十二月三十一日，5,508,000港元（二零一七年十二月三十一日：5,900,000港元）之扣除減值撥備應收保證金客戶賬款乃以公平值為39,827,000港元（二零一七年十二月三十一日：9,196,000港元）之客戶已抵押證券作抵押。管理層已評估每名個別保證金不足客戶所抵押證券於年末之市值。

證券經紀業務產生之應收保證金客戶賬款須於結算日後按的要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

26. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (b) The normal settlement terms of trade receivables from loan referral and consultancy services are within 30 days upon the contractual obligation is performed.
- (c) The normal settlement terms of trade receivables from financial guarantee services are mainly within 60 to 90 days upon contractual obligation is performed.
- (d) The normal settlement terms of trade receivables from product issuers arising from the provision of insurance brokerage services are mainly within 45 to 60 days upon the execution of the insurance policies and/or receipt of statements from product issuers.
- (e) Credit terms with customers of asset management are within 30 days or a credit period mutually agreed between the contracting parties.

No ageing analysis of margin loans is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

An ageing analysis of the remaining balance of trade receivables net of impairment loss as at the end of the reporting period, based on the trade date, is as follows:

26. 應收賬款及其他應收款項 (續)

附註：(續)

- (b) 應收貸款轉介及諮詢服務賬款之一般結算期限為履行合約責任後30日內。
- (c) 應收融資擔保服務賬款之一般結算期限主要為履行合約責任後60至90日內。
- (d) 提供保險經紀服務產生之應收產品發行人賬款之一般結算期限主要為簽立保單及/或收到產品發行人之結算單後45至60日內。
- (e) 給予資產管理客戶之信貸期為30日內或訂約方相互協定之信貸期。

由於本公司董事認為，鑒於保證金貸款業務之性質，賬齡分析並無帶來額外價值，因此並無披露其賬齡分析。

應收賬款餘額(扣除減值虧損)於報告期末根據交易日期之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	14,238	3,277
31 – 60 days	31至60日	5,481	797
61 – 90 days	61至90日	6,017	958
Over 90 days	90日以上	7,824	557
		33,560	5,589

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

26. TRADE AND OTHER RECEIVABLES (Continued)

An ageing analysis of the remaining balance of trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	並無逾期亦無減值	14,700	4,471
Less than 1 month past due	逾期不足1個月	5,395	1,051
1 to 3 months past due	逾期1至3個月	7,353	1
3 to 6 months past due	逾期3至6個月	5,980	11
6 months to less than 1 year past due	逾期6個月至不足1年	132	55
		33,560	5,589

The Group has not fully provided for all trade receivables over 90 days because historical experience indicated that such receivables would be recovered.

The movements in impairment loss on trade receivables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	405	377
Amounts recognised during the year	年內確認的金額	2,007	-
Amounts written off during the year as uncollectible	年內撇銷為不可收回之款項	(384)	-
Exchange realignment	匯兌調整	(21)	28
Balance at end of the year	年末結餘	2,007	405

26. 應收賬款及其他應收款項 (續)

並不被視為個別或共同減值的應收賬款餘額的賬齡分析如下：

本集團尚未就超過90日的所有應收賬款悉數計提撥備，此乃因為過往經驗表明有關應收賬款將予以收回。

應收賬款減值虧損的變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

26. TRADE AND OTHER RECEIVABLES (Continued)

The movements in impairment loss on other receivables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	4,099	1,049
Amounts recognised during the year	年內確認的金額	14	2,971
Amounts written off during the year as uncollectible	年內撇銷為不可收回之款項	(3,756)	-
Exchange realignment	匯兌調整	(212)	79
Balance at end of the year	年末結餘	145	4,099

26. 應收賬款及其他應收款項 (續)

其他應收款項減值虧損的變動如下：

27. PREPAYMENTS AND DEPOSITS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Prepayments	預付款項	2,349	1,186
Rental and utilities deposits	租金及公用設施按金	4,143	4,252
Statutory deposits	法定按金	255	280
Other deposits (Note)	其他按金 (附註)	62,472	44,495
		69,219	50,213
Less: Impairment allowance	減：減值撥備	(229)	-
Total prepayments and deposits	預付款項及按金總額	68,990	50,213
Analysed for reporting purposes as:	就報告而言分析如下：		
Current assets	流動資產	65,485	46,888
Non-current assets	非流動資產	3,505	3,325
		68,990	50,213

27. 預付款項及按金

Note:

As at 31 December 2018, other deposits mainly consists of deposits paid to co-operators in relation to guarantee business of HK\$62,366,206 (31 December 2017: HK\$7,770,972). As at 31 December 2017, cash deposit of HK\$36,021,000 paid to an asset manager's account was included in the balance of other deposits.

附註：

於二零一八年十二月三十一日，其他按金主要包括與已付予擔保業務有關的合作方按金62,366,206港元（二零一七年十二月三十一日：7,770,972港元）。於二零一七年十二月三十一日，其他按金結餘包括支付予資產經理賬戶的現金按金36,021,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

28. CASH HELD ON BEHALF OF CLIENTS

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers under the current assets section of the consolidated statement of financial position and recognised the corresponding accounts payable to respective clients on the grounds that one is liable for any loss or misappropriation of clients' monies as stipulated under the Hong Kong Securities and Futures Ordinance ("SFO"). The Group is not allowed to use the clients' monies to settle its own obligations under the SFO.

29. RESTRICTED BANK DEPOSITS

Restricted bank deposits represented the received guarantee business pledged customer deposits with tripartite custodian agreement among online lending platform, guarantee customer and the Group. For the purpose of the consolidated cash flow statement, the Group's restricted bank deposits with banks have been excluded from cash and cash equivalents.

30. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from nil to 1.55% (31 December 2017: nil to 1.67%) per annum.

28. 代客戶持有的現金

本集團於持牌銀行開設獨立信託賬戶，以持有客戶於日常業務過程中產生之款項。本集團已將該等客戶款項分類為綜合財務狀況表之流動資產項下之代客戶持有之現金，並根據證券及期貨條例（「證券及期貨條例」）之規定，其須就客戶款項之任何損失或挪用負上責任之基礎而確認為應付予相關客戶之相關賬款。根據證券及期貨條例，本集團不可動用客戶款項以償還其自身債務。

29. 受限制銀行存款

受限制銀行存款指已收擔保業務按線上借貸平台、擔保客戶與本集團訂立的三方託管協議抵押的客戶存款。就綜合現金流量表而言，本集團的受限制銀行存款已自現金及現金等值物中扣除。

30. 銀行結餘及現金

銀行結餘按介乎零至1.55厘（二零一七年十二月三十一日：零至1.67厘）的市場年利率計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

31. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

31. 應付賬款、其他應付款項及應計費用

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables from:	下列產生之應付賬款：		
Business of dealing in securities: (Note a)	證券交易業務：(附註a)		
– Cash clients	– 現金客戶	712	467
– Margin clients	– 保證金客戶	654	1,589
– Clearing house	– 結算所	–	1,777
Insurance brokerage business (Note b)	保險經紀業務(附註b)	436	423
Total trade payables	應付賬款總額	1,802	4,256
Accrued expenses	應計費用	3,767	8,758
Deposits received (Note c)	已收取按金(附註c)	58,741	23,226
Receipts in advance	預收款項	–	3,175
Other payables	其他應付款項	17,349	20,680
Total other payables and accruals	其他應付款項及應計費用總額	79,857	55,839
Total trade payables, other payables and accruals	應付賬款、其他應付款項及應計費用總額	81,659	60,095

Notes:

(a) Trade payables to securities brokerage clients represent the monies received from and repayable to brokerage clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not currently have an enforceable right to offset these payables with the deposits placed.

The majority of the trade payables balance are repayable on demand except for certain balances relating to margin deposits received from clients for their trading activities under the normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

The settlement terms of trade payables, except for margin clients, arising from the securities brokerage business are two days after trade date.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business.

附註：

(a) 應付證券經紀客戶賬款指就於進行受規管活動過程中已收及代客戶持有之信託及獨立銀行結餘已收經紀客戶及應付經紀客戶的款項。然而，本集團現時並無可強制執行權利以存置存款抵銷該等應付賬款。

大多數應付賬款結餘須按要求償還，惟與於日常業務過程中就交易活動已收客戶的保證金存款有關的若干結餘除外。僅超過規定保證金存款之金額須按要求償還。

證券經紀業務產生之應付賬款(保證金客戶除外)之結算期限為交易日後兩日。

由於本公司董事認為，鑒於業務性質，賬齡分析並無帶來額外價值，故並無披露賬齡分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

31. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

Notes: (Continued)

- (b) Trade payables to consultants arising from provision of insurance brokerage service, are generally settled within 30 days to 120 days upon receipt of payments from product issuers by the Group.

An ageing analysis of trade payables from insurance brokerage business at the end of reporting period is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	285	320
31 – 60 days	31至60日	120	101
61 – 90 days	61至90日	17	2
Over 90 days	90日以上	14	–
		436	423

- (c) Included in deposit received, amounts of HK\$36,540,000 (2017: HK\$7,995,000) were received from customers as collateral security for the financial guarantees issued by the Group. These deposits will be refunded to the customers upon expiry of the corresponding guarantee contracts. According to the contract, these deposits are expected to be settled within one year.

31. 應付賬款、其他應付款項及應計費用 (續)

附註：(續)

- (b) 本集團一般於收到產品發行人付款後30日至120日內結算提供保險經紀服務產生之應付顧問賬款。

於報告期末保險經紀業務應付賬款的賬齡分析如下：

- (c) 已收按金中，36,540,000港元(二零一七年：7,995,000港元)乃本集團向客戶收取作為本集團發出的融資擔保的抵押。該等按金將於相應擔保合約屆滿後退還予客戶。根據合約，該等按金預期將於一年內結付。

32. LIABILITIES FROM FINANCIAL GUARANTEES

32. 融資擔保負債

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred income	遞延收入	714	524
Provision for guarantee losses	擔保虧損撥備	49,156	51,229
		49,870	51,753

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

32. LIABILITIES FROM FINANCIAL GUARANTEES

(Continued)

Movement analysis of provision for guarantee losses:

32. 融資擔保負債 (續)

擔保虧損撥備分析變動：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	51,229	-
Arising on acquisition of subsidiaries	收購附屬公司時產生	-	50,325
Amount recognised during the year	年內確認之金額	1,302	-
Written back for the year	年內撥回	(692)	(2)
Exchange realignment	匯兌調整	(2,683)	906
At 31 December	於十二月三十一日	49,156	51,229

33. DEFERRED CONSIDERATION

33. 遞延代價

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Balance at beginning of the year	於年初之結餘	71,293	120,878
Acquisition of subsidiaries	收購附屬公司	-	42,404
De-recognition	取消確認	-	(67,901)
Settlement	償還	(50,000)	(30,000)
Imputed interest	估算利息	4,332	5,912
Balance at end of the year	於年末之結餘	25,625	71,293
Analysed for reporting purpose as:	就報告而言分析如下：		
Non-current liabilities	非流動負債	5,175	22,486
Current liabilities	流動負債	20,450	48,807
		25,625	71,293

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

33. DEFERRED CONSIDERATION (Continued)

As at 31 December 2018, included in deferred consideration is cash consideration in relation to the acquisition of Access China Group and of Sino Wealth Group with carrying amounts of HK\$9,709,000 (31 December 2017: HK\$29,919,000) and HK\$15,916,000 (31 December 2017: HK\$41,374,000) respectively.

Cash consideration relating to acquisition of Sino Wealth Group

On 20 October 2017, the Group had completed the acquisition of Sino Wealth Group (note 38(a)). During the year, partial deferred cash consideration of HK\$30,000,000 was settled by cash. Partial of consideration would be satisfied in manner as to HK\$11,000,000 and HK\$6,000,000 respectively shall be settled in cash within five business days after issue of audited financial statements for the year ended/ending 31 December 2018 and 2019, subject to adjustment.

The fair value of the deferred cash consideration at the date of completion on 20 October 2017 was HK\$42,404,000, which was determined by an independent valuer. The effective interest rates used in the calculation of the fair value ranging from 12.05% to 13.10%.

Imputed interest expenses on the deferred cash consideration are calculated using the effective interest method by applying the effective interest rates ranging from 12.05% to 13.10% per annum, the imputed interest expenses of HK\$2,482,000 (2017: HK\$1,030,000) was debited to the profit or loss of the Group for the year.

Cash consideration relating to acquisition of Access China Group

On 22 December 2016, the Group had completed the acquisition of Access China Group. During the year, partial deferred cash consideration of HK\$20,000,000 was settled by cash. Remaining consideration will be satisfied in manner as to HK\$10,000,000 shall be settled in cash upon next business day after issue of audited financial statements for the year ended 31 December 2018, subject to adjustment.

33. 遞延代價 (續)

於二零一八年十二月三十一日，計入遞延代價的款項指有關收購 Access China 集團及 Sino Wealth 集團分別賬面值為 9,709,000 港元（二零一七年十二月三十一日：29,919,000 港元）及 15,916,000 港元（二零一七年十二月三十一日：41,374,000 港元）之現金代價。

有關收購 Sino Wealth 集團之現金代價

於二零一七年十月二十日，本集團已完成收購 Sino Wealth 集團（附註 38(a)）。於本年度內，部份遞延現金代價 30,000,000 港元已以現金方式償付。部分代價將以分別於截至二零一八年及二零一九年十二月三十一日止年度的經審核財務報表刊發後五個營業日內（可予調整）以現金償付 11,000,000 港元及 6,000,000 港元的方式支付。

於二零一七年十月二十日完成日期，遞延現金代價之公平值為 42,404,000 港元，該公平值乃由獨立估值師釐定。計算公平值所用之實際利率介乎 12.05% 至 13.10%。

遞延現金代價之估算利息開支乃採用實際利率法計算，應用之實際年利率介乎 12.05% 至 13.10%，估算利息開支 2,482,000 港元（二零一七年：1,030,000 港元）已計入本年度本集團之損益內。

有關收購 Access China 集團之現金代價

於二零一六年十二月二十二日，本集團已完成收購 Access China 集團。於本年度，本集團以現金方式償付 20,000,000 港元遞延現金部分代價。餘下代價 10,000,000 港元於截至二零一八年十二月三十一日止年度的經審核財務報表刊發後下一個營業日以現金償付，可予調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

33. DEFERRED CONSIDERATION (Continued)

Cash consideration relating to acquisition of Access China Group (Continued)

The fair value of the deferred cash consideration at the date of completion on 22 December 2016 was HK\$53,238,000, which was determined by an independent valuer. The effective interest rates used in the calculation of the fair value was ranging from 14.27% to 15.79%.

Imputed interest expenses on the deferred cash consideration are calculated using the effective interest method by applying the effective interest rates ranging from 14.27% to 15.79% per annum, the imputed interest expenses of HK\$1,850,000 (2017: HK\$4,427,000) was debited to the profit or loss of the Group for the year.

Cash consideration relating to acquisition of Oriental Credit Group

On 21 January 2015, the Group had completed the acquisition of Oriental Credit Group. Part of consideration would be satisfied by the Company in the issuance of convertible notes in three tranches. Part of deferred consideration was settled by issuance of 2014 Convertible Note and 2015 Convertible Note on 3 June 2015 and 15 March 2016 respectively.

Imputed interest expenses on the deferred convertible notes consideration are calculated using the effective interest method by applying an effective interest of 10.14% per annum, the imputed interest expenses of HK\$455,000 was debited to the profit or loss of the Group for the year.

Due to the matters stated in note 7(b), the remaining deferred convertible notes consideration at a carrying amount of HK\$67,901,000 was de-recognised for the year ended 31 December 2017.

33. 遞延代價 (續)

有關收購Access China集團之現金代價 (續)

於完成日期二零一六年十二月二十二日，遞延現金代價之公平值為53,238,000港元，該公平值乃由獨立估值師釐定。計算公平值所用之實際利率介乎14.27%至15.79%。

遞延現金代價之估算利息開支乃採用實際利率法計算，應用之實際年利率介乎14.27%至15.79%，估算利息開支1,850,000港元（二零一七年：4,427,000港元）已計入本年度本集團之損益內。

有關收購東方信貸集團之現金代價

於二零一五年一月二十一日，本集團已完成收購東方信貸集團。本公司已透過分三批發行可換股票據償付部分代價。部分遞延可換股票據代價已透過分別於二零一五年六月三日及二零一六年三月十五日發行二零一四年可換股票據及二零一五年可換股票據予以償還。

遞延可換股票據之估算利息開支乃採用實際利率法計算，應用之實際年利率為10.14%，估算利息開支455,000港元已計入本年度本集團之損益內。

由於附註7(b)所述事項，截至二零一七年十二月三十一日止年度，已取消確認賬面值為67,901,000港元之遞延可換股票據代價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

34. BORROWINGS

34. 借貸

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank loans (Note a)	銀行貸款 (附註a)	88,226	99,058
Other loans (Note b)	其他貸款 (附註b)	–	60,035
		88,226	159,093
Secured	有抵押	88,226	99,058
Unsecured	無抵押	–	60,035
		88,226	159,093
Carrying amounts repayable:	應於下列期間償還的賬面值：		
Within one year	一年內	8,538	66,039
More than one year, but not exceeding two years	一年以上但兩年以內	11,384	9,005
More than two years, but not more than five years	兩年以上但五年以內	36,998	36,021
More than five years	五年以上	31,306	48,028
		88,226	159,093
Less: Amounts shown under current liabilities	減：於流動負債列示之金額	(8,538)	(66,039)
		79,688	93,054

Notes:

- (a) Bank loans were secured by the pledge of Group's assets as set out in note 44. The loans carry effective interest at fixed rates of 6.37% (2017: 6.37%) per annum.
- (b) As at 31 December 2017, the interest-bearing other loans bear interests at fixed interest rates ranging from 8.8% to 10% and are unsecured, repayable within 12 months and are carried at amortised cost.

附註：

- (a) 銀行貸款由附註44所載本集團資產質押作押。該等貸款以6.37厘（二零一七年：6.37厘）的固定年利率為實際利率計息。
- (b) 於二零一七年十二月三十一日，計息其他貸款按8.8厘至10厘的固定年利率計息，並且為無抵押、須於12個月內償還及按攤銷成本列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

35. CONVERTIBLE NOTES

Pursuant to the sales and purchase agreement and supplementary agreements for the acquisition of Oriental Credit Group, 2014 Convertible Note and 2015 Convertible Note with principal amounts of HK\$85,401,768 and HK\$42,000,000 at conversion price of HK\$0.24 (after adjustment of share subdivision on 23 December 2015) were issued to the vendors of the Oriental Credit Group on 3 June 2015 and 15 March 2016 respectively. It entitled the noteholders to convert them into ordinary shares of the Company at any time after the date of issuance of 2015 Convertible Note and ending on the 21st business day before the maturity date, which is on the fifth anniversary of the respective dates of issuance of 2014 Convertible Note and 2015 Convertible Note. If the convertible notes have not been converted, they will be redeemed on maturity date at the entire principal amount.

The Convertible Notes contains two components, liability and equity components. The equity component represents the value of the conversion option, which is credited directly to equity as convertible notes reserve of the Company and the Group. The liability component of the convertible notes is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The effective interest rate of the liability component is ranging from 9.98% to 12.89% per annum.

35. 可換股票據

根據收購東方信貸集團之買賣協議及補充協議，本金額為85,401,768港元之二零一四年可換股票據及本金額為42,000,000港元之二零一五年可換股票據已分別於二零一五年六月三日及二零一六年三月十五日發行予東方信貸集團之賣方，轉換價為0.24港元（經二零一五年十二月二十三日的股份拆細調整）。其賦予票據持有人權利於發行二零一五年可換股票據當日至到期日前第21個營業日（即二零一四年可換股票據及二零一五年可換股票據各自發行日期第五週年當日）止任何時間將其轉換為本公司普通股。倘有關可換股票據並無獲轉換，其將於到期日按全部本金額獲贖回。

可換股票據包含兩個部分，負債及權益部分。權益部分指換股權之價值，直接於權益入賬為本公司及本集團之可換股票據儲備。可換股票據之負債部分按攤銷成本基準入賬為非流動負債，直至獲轉換或贖回時註銷為止。負債部分之實際年利率介乎9.98厘至12.89厘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

35. CONVERTIBLE NOTES (Continued)

The carrying amounts of above-mentioned convertible notes recognised at the end of the reporting period were calculated as follows:

35. 可換股票據 (續)

上述於報告期末確認之可換股票據之賬面值計算以下：

		2014 Convertible Note 二零一四年 可換股票據 HK\$'000 千港元	2015 Convertible Note 二零一五年 可換股票據 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Equity component	權益部分			
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日	6,072	3,703	9,775
Conversion during the year	年內轉換	(6,072)	(3,703)	(9,775)
At 31 December 2018	於二零一八年十二月三十一日	-	-	-
Liability component	負債部分			
At 1 January 2017	於二零一七年一月一日	3,604	1,466	5,070
Effective interest expenses	實際利息開支	385	199	584
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	3,989	1,665	5,654
Effective interest expenses	實際利息開支	196	100	296
Conversion during the year	年內轉換	(4,185)	(1,765)	(5,950)
At 31 December 2018	於二零一八年十二月三十一日	-	-	-
Principal amount, at end of the year	於年末之本金額	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

36. DEFERRED TAXATION

36. 遞延稅項

		Provision for financial guarantees 融資擔保撥備 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	-
Credited to profit or loss for the year	於年內損益中計入	12,456
Exchange realignment	匯兌調整	233
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	12,689
Charged to profit or loss for the year	於年內損益中扣除	(690)
Exchange realignment	匯兌調整	(631)
At 31 December 2018	於二零一八年十二月三十一日	11,368

At the end of the reporting period, the Group has unused tax losses of HK\$415,925,000 (31 December 2017: HK\$386,446,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$122,823,000 (31 December 2017: HK\$146,674,000) that will expire in one to five years. Other losses may be carried forward indefinitely.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries and associates established in the PRC in respect of earnings generated from 1 January 2008.

於報告期末，本集團有未動用稅項虧損415,925,000港元（二零一七年十二月三十一日：386,446,000港元）可用作抵銷未來溢利。由於難以預測未來溢利來源，故並無就未動用稅項虧損確認遞延稅項資產。未確認稅項虧損包括將於一至五年內屆滿之虧損122,823,000港元（二零一七年十二月三十一日：146,674,000港元）。其他虧損可無限期結轉。

根據中國企業所得稅法，在中國成立之外資企業向外國投資者宣派之股息須徵收10%預扣稅。該規定由二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後之盈利。倘中國與外國投資者的司法管轄區訂有稅務條約，則可採用較低之預扣稅率。就本集團而言，適用稅率為5%或10%。因此，本集團須為於中國成立的附屬公司及聯營公司就二零零八年一月一日起產生之盈利分派股息而繳納預扣稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

36. DEFERRED TAXATION (Continued)

As at 31 December 2018, the aggregate amount of temporary differences associated with undistributed profits of subsidiaries in PRC for which deferred taxation liabilities in relation to withholding tax have not been recognised was HK\$7,752,000 (2017: HK\$3,164,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing for reversal of the related temporary differences and it is probable that such temporary differences will not be reversed in the foreseeable future.

36. 遞延稅項 (續)

於二零一八年十二月三十一日，與中國附屬公司未分配溢利有關的暫時差異（概無就此確認有關預扣稅的遞延稅項負債）總額7,752,000港元（二零一七年：3,164,000港元）。概無就該等差異確認遞延稅項負債，此乃由於本集團正控制撥回有關暫時差異的時間及該等暫時差異可能不會於可見未來撥回。

37. SHARE CAPITAL

37. 股本

		Number of shares 股份數目 '000 千股	Nominal amount 面額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.001 each	每股面值0.001港元的普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月 三十一日、二零一八年 一月一日及二零一八年 十二月三十一日	2,109,890,000	2,109,890
Preference shares of HK\$0.001 each	每股面值0.001港元的優先股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月 三十一日、二零一八年 一月一日及二零一八年 十二月三十一日	110,000	110
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.001 each	每股面值0.001港元的普通股		
At 1 January 2017	於二零一七年一月一日	4,380,214	4,380
Exercise of share options (Note a)	行使購股權（附註a）	201,896	202
Issue of shares upon open offer (Note b)	於公開發售時發行股份 （附註b）	2,287,947	2,288
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	6,870,057	6,870
Exercise of share options (Note c)	行使購股權（附註c）	13,170	13
Conversion of convertible notes (Note d)	轉換可換股票據（附註d）	31,850	32
At 31 December 2018	於二零一八年十二月三十一日	6,915,077	6,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

37.SHARE CAPITAL (Continued)

Notes:

- (a) On 9 February and 6 March 2017, upon the exercise of the share options at an exercise price of HK\$0.232 per share, the Company allotted and issued 195,680,000 new shares of HK\$0.001 each.

On 14 November 2017, upon the exercise of the share options at an exercise price of HK\$0.187 per share (after adjusted upon open offer), the Company allotted and issued 6,215,753 new shares of HK\$0.001 each.

- (b) On 21 June 2017, the Company allotted and issued 2,287,947,142 new shares of HK\$0.001 each at a subscription price of HK\$0.100 per share upon completion of the open offer.

- (c) On 17 May and 19 June 2018, upon the exercise of the share options at an exercise price of HK\$0.187 per share, the Company allotted and issued 11,670,000 new shares of HK\$0.001 each.

On 19 June 2018, upon the exercise of the share options at an exercise price of HK\$0.188 per share, the Company allotted and issued 1,500,000 new shares of HK\$0.001 each.

- (d) On 15 June 2018, upon the exercise of the conversion rights attached to the 2014 Convertible Note and 2015 Convertible Note in an aggregate principal amount of HK\$7,644,106 at the conversion price of HK\$0.24 per share, the Company allotted and issued 31,850,442 shares in aggregate to the noteholders.

38.ACQUISITION OF SUBSIDIARIES

(a) Acquisition of the Sino Wealth Group

On 20 October 2017, a direct wholly-own subsidiary of the Company (the "Purchaser") had completed the acquisition of Sino Wealth Investment Co., Limited ("Sino Wealth") and its subsidiaries ("Sino Wealth Group"). Sino Wealth Group is principally engaged in provision of credit-based financial guarantees and related loan arrangement and consultancy services in the PRC. It had obtained a license issued from Beijing Municipal Bureau of Financial Work to provide financial guarantee to individuals and non-state-owned small to medium sized enterprises.

Pursuant to the sales and purchase agreement (as supplemented by supplemental letters dated 24 August 2017 and 13 September 2017) dated 28 July 2017, the assets to be acquired by the Purchaser are the entire issued share capital of Sino Wealth and shareholder's loan owing by Sino Wealth Group to the vendor at the date of acquisition.

37.股本(續)

附註:

- (a) 於二零一七年二月九日及三月六日，於按行使價每股0.232港元行使購股權後，本公司配發及發行195,680,000股每股面值0.001港元之新股份。

於二零一七年十一月十四日，本公司因購股權按每股0.187港元之行使價（於公開發售後經調整）獲行使而配發及發行6,215,753股每股面值0.001港元之新股份。

- (b) 於二零一七年六月二十一日，本公司於公開發售完成後按認購價每股0.100港元配發及發行2,287,947,142股每股面值0.001港元之新股份。

- (c) 於二零一八年五月十七日及六月十九日，本公司因購股權按每股0.187港元之行使價獲行使而配發及發行11,670,000股每股面值0.001港元之新股份。

於二零一八年六月十九日，本公司因購股權按每股0.188港元之行使價獲行使而配發及發行1,500,000股每股面值0.001港元之新股份。

- (d) 於二零一八年六月十五日，因本金總額為7,644,106港元之二零一四年可換股票據及二零一五年可換股票據所附帶之轉換權按轉換價每股0.24港元獲行使，本公司向票據持有人配發及發行合共31,850,442股股份。

38.收購附屬公司

(a) 收購Sino Wealth集團

於二零一七年十月二十日，本公司一間直接全資附屬公司（「買方」）已完成收購Sino Wealth Investment Co., Limited（「Sino Wealth」）及其附屬公司（「Sino Wealth集團」）。Sino Wealth集團主要於中國從事提供基於信貸的融資擔保及相關貸款安排及諮詢服務。其已獲得北京市金融工作局頒發的牌照為個人及非國有中小企業提供融資擔保。

根據日期為二零一七年七月二十八日之買賣協議（經日期為二零一七年八月二十四日及二零一七年九月十三日之補充函件補充），買方將收購之資產指Sino Wealth之全部已發行股本及Sino Wealth集團於收購日期結欠賣方之股東貸款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisition of the Sino Wealth Group (Continued)

The aggregate consideration is HK\$300,000,000 (subject to adjustment), which should be satisfied by Purchaser in cash. HK\$253,000,000 of cash consideration was paid. The remaining cash considerations of HK\$30,000,000, HK\$11,000,000 (the "Second Instalment") and HK\$6,000,000 (the "Third Instalment") are paid and payable within five business days after the issue of audited consolidated financial statements of the Sino Wealth Group for the years ended 31 December 2017 and 2018, year ending 31 December 2019 respectively.

In addition, as part of the acquisition, if the actual audited net profit after tax of Beijing An Jia Shi Hang Financing Guarantee Company Limited ("AJSH") for years ended 31 December 2017 and 2018, year ending 31 December 2019 (the "Actual Profit"), is less than RMB10,000,000, RMB20,000,000 and RMB30,000,000 respectively (the "Target Profit"), the vendor will compensate the Purchaser for the shortfall for an amount equivalent to the difference between the Target Profit and the Actual Profit multiplied by 1.2 times.

In such event, the Company shall have the right to deduct the shortfall from the respective cash considerations payable to the vendor for years ended 31 December 2017 and 2018, year ending 31 December 2019 (i.e. 2017: HK\$30,000,000, 2018: HK\$11,000,000 and 2019: HK\$6,000,000).

If the Second Instalment and the Third Instalment are not sufficient to offset the 2018 Shortfall and the 2019 Shortfall respectively, the vendor shall compensate the amount of difference in cash, in HK\$ equivalent to the amount of RMB or the Purchaser has the right to deduct the amount of difference from the assets pledged to the Purchaser under the guarantee letter signed by the vendor guarantor.

Further details are set out in the Company's announcement dated 28 July 2017, 24 August 2017, 13 September 2017 and 20 October 2017 and circular dated 15 September 2017.

38. 收購附屬公司 (續)

(a) 收購 Sino Wealth 集團 (續)

總代價為300,000,000港元(可予調整),須由買方以現金結付。現金代價253,000,000港元已獲支付。剩餘現金代價30,000,000港元、11,000,000港元(「第二期付款」)及6,000,000港元(「第三期付款」)須分別於Sino Wealth集團刊發截至二零一七年及二零一八年十二月三十一日止年度以及截至二零一九年十二月三十一日止年度之經審核綜合財務報表後五個營業日內支付。

此外,作為收購事項的一部分,倘北京安家世行融資擔保有限公司(「安家世行」)截至二零一七年及二零一八年十二月三十一日止年度、截至二零一九年十二月三十一日止年度的實際經審核除稅後純利(「實際溢利」)分別低於人民幣10,000,000元、人民幣20,000,000元及人民幣30,000,000元(「目標溢利」),賣方將向買方賠償不足之數,金額相當於目標溢利與實際溢利之差數再乘以1.2倍。

在此情況下,本公司有權從截至二零一七年及二零一八年十二月三十一日止年度、截至二零一九年十二月三十一日止年度應付予賣方的相關現金代價(即二零一七年:30,000,000港元;二零一八年:11,000,000港元及二零一九年:6,000,000港元)中扣除不足部分。

若第二期付款及第三期付款不足以抵銷二零一八年不足部分及二零一九年不足部分,賣方應以等價於人民幣金額的港元現金補足短缺部分,或買方有權從根據賣方擔保人簽訂之保證書抵押予買方的資產中扣除短缺部分。

進一步詳情載於本公司日期為二零一七年七月二十八日、二零一七年八月二十四日、二零一七年九月十三日及二零一七年十月二十日之公佈及日期為二零一七年九月十五日之通函。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. ACQUISITION OF SUBSIDIARIES (Continued)

38. 收購附屬公司 (續)

(a) Acquisition of the Sino Wealth Group (Continued)

(a) 收購Sino Wealth集團 (續)

The following table summarises the consideration paid/payable for the acquisition of Sino Wealth Group, and the fair value of identified assets acquired and liabilities assumed at the acquisition date:

下表概述收購Sino Wealth集團之已付／應付代價，以及於收購日期已收購可識別資產和已承擔負債的公平值：

		HK\$'000 千港元
Non-current assets	非流動資產	
Property, plant and equipment	物業、廠房及設備	776
Deferred tax asset	遞延稅項資產	12,456
Current assets	流動資產	
Trade receivables	應收賬款	1,661
Loan and interest receivables	應收貸款及利息	96,221
Other receivables, deposits and prepayment	其他應收款項、按金及預付款項	32,955
Amount due from related parties	應收關連方款項	1,591
Restricted bank deposits	受限制銀行存款	8,866
Bank and cash balances	銀行及現金結餘	175,287
Current liabilities	流動負債	
Accruals and other payables	應計費用及其他應付款項	(21,521)
Amount due to the shareholders	應付股東款項	(238,610)
Liabilities from financial guarantees	融資擔保負債	(50,432)
Tax payables	應付稅項	(2,391)
Net identifiable assets acquired at fair value	以公平值計量之已收購可識別資產淨額	16,859
Shareholders' loan assigned to the Group	轉撥予本集團之股東貸款	238,610
Goodwill arising from the acquisition	收購事項產生之商譽	34,170
Total fair value consideration	公平值代價總額	289,639
Consideration satisfied by:	代價支付方式：	
Cash paid	已付現金	220,000
Cash payable	應付現金	33,000
Deferred consideration	遞延代價	42,404
Less: Contingent consideration receivables	減：應收或然代價	(5,765)
		289,639
Net cash outflow arising on acquisition:	收購事項產生的現金流出淨額：	
Cash consideration paid	已付現金代價	220,000
Less: Cash and cash equivalent acquired of	減：收購的現金及現金等值物	(175,287)
		44,713

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisition of the Sino Wealth Group (Continued)

The directors of the Company have engaged an independent valuer to determine the fair value of the net tangible assets and intangible assets of Sino Wealth Group, in accordance with HKFRS 13.

Goodwill arising from the acquisition represents the excess of the fair value of the considerations to be paid/payable by the Group over the fair value of net asset acquired.

(b) Acquisition of the licensed corporation

Pursuant to the conditional sales and purchase agreement dated 7 March 2017, a direct wholly-owned subsidiary of the Company has conditionally agreed to acquire the entire issued share capital of Ulmus Creek Holdings Limited ("Ulmus") for a total cash consideration of the sum of HK\$8,000,000.

A direct wholly-owned subsidiary of Ulmus is a corporation licensed and approved by the Securities and Futures Commission ("SFC") to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance ("SFO") in Hong Kong.

38. 收購附屬公司 (續)

(a) 收購 Sino Wealth 集團 (續)

本公司董事已委聘獨立估值師按照香港財務報告準則第13號釐定 Sino Wealth 集團有形資產及無形資產淨額之公平值。

收購事項產生之商譽指本集團已付／應付之代價的公平值高於已收購資產淨值的公平值之部分。

(b) 收購持牌法團

根據日期為二零一七年三月七日的有條件買賣協議，本公司一間直接全資附屬公司已有條件地同意以總現金代價8,000,000港元收購 Ulmus Creek Holdings Limited (「Ulmus」) 之全部已發行股本。

Ulmus 的一間直接全資附屬公司為獲證券及期貨事務監察委員會 (「證監會」) 發牌及批准可於香港進行證券及期貨條例 (「證券及期貨條例」) 下第4類受規管活動 (就證券提供意見) 及第9類受規管活動 (提供資產管理) 的法團。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. ACQUISITION OF SUBSIDIARIES (Continued)

38. 收購附屬公司 (續)

(b) Acquisition of the licensed corporation (Continued)

The acquisition was completed on 20 July 2017. The following table summarises the consideration paid and payable for the acquisition, and the identified assets acquired and liabilities assumed, at fair value on 20 July 2017:

(b) 收購持牌法團 (續)

收購事項已於二零一七年七月二十日完成。下表概述收購事項之已付及應付代價，按二零一七年七月二十日的公平值計算的已收購已識別資產及所承擔負債：

		HK\$'000 千港元
Non-current assets	非流動資產	
Property, plant and equipment	物業、廠房及設備	42
Current assets	流動資產	
Trade receivables	應收賬款	93
Other receivables, deposits and prepayment	其他應收款項、按金及預付款項	95
Bank and cash balances	銀行及現金結餘	249
Current liabilities	流動負債	
Accruals and other payables	應計費用及其他應付款項	(452)
Amount due to a director	應付一名董事款項	(17)
Amount due to the shareholders	應付股東款項	(1,492)
Net identifiable liabilities assumed at fair value	以公平值計量之所承擔可識別負債淨額	(1,482)
Shareholders' loan assigned to the Group	轉撥予本集團之股東貸款	1,492
Goodwill arising from the acquisition	收購事項產生之商譽	7,990
Total fair value consideration	公平值代價總額	8,000
Consideration satisfied by:	代價支付方式：	
Cash paid	已付現金	6,000
Cash payable	應付現金	2,000
		8,000
Net cash outflow arising on acquisition:	收購事項產生的現金流出淨額：	
Cash consideration paid	已付現金代價	6,000
Less: Cash and cash equivalent acquired of	減：收購的現金及現金等值物	(249)
		5,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. ACQUISITION OF SUBSIDIARIES (Continued)

(b) Acquisition of the licensed corporation (Continued)

The directors of the Company have engaged an independent valuer to determine the fair value of the net tangible assets and intangible assets of Ulmus and its subsidiary, in accordance with HKFRS 13.

Goodwill arising from the acquisition represents the excess of the fair value of the considerations to be paid/payable by the Group over the fair value of net liabilities assumed.

39. DISPOSAL OF SUBSIDIARIES

- (a) On 28 December 2017, the Company disposed of its entire issued shares of the Everstate Investment Limited and its subsidiary which in turn has 25% shareholding interest in Shanghai Rongyu to an independent third party at cash consideration of HK\$50,000.

Analysis of assets and liabilities as at the date of disposal are as follows:

		HK\$'000 千港元
Other payable	其他應付款項	(2)
Net liability disposal of	出售的負債淨額	(2)

Gain on disposal of subsidiaries:

		HK\$'000 千港元
Cash consideration received	已收現金代價	50
Net liability disposal of	出售的負債淨額	2
Gain on disposal	出售收益	52

38. 收購附屬公司 (續)

(b) 收購持牌法團 (續)

本公司董事已委聘獨立估值師按照香港財務報告準則第13號釐定Ulmus及其附屬公司之有形資產及無形資產淨額之公平值。

收購事項產生之商譽指本集團已付/應付之代價的公平值高於已承擔負債淨額的公平值之部分。

39. 出售附屬公司

- (a) 於二零一七年十二月二十八日，本公司按現金代價50,000港元向一名獨立第三方出售其於Everstate Investment Limited及其附屬公司的全部已發行股份，而Everstate Investment Limited持有上海融鈺之25%股權。

於出售日期的資產及負債分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. DISPOSAL OF SUBSIDIARIES (Continued)

(a) (Continued)

Net cash inflow arising on disposal:

		HK\$'000 千港元
Cash consideration received	已收現金代價	50
Less: Bank balance and cash disposal of	減：出售的銀行結餘及現金	-
		50

(b) On 29 October 2017, the Group completed the disposal of 60% interest in an indirectly-owned subsidiary, Liaoning Nuoli Investments Limited, for a consideration of HK\$246,372 (equivalent to RMB210,000).

Analysis of assets and liabilities as at the date of disposal are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	41
Other receivables and prepayment	其他應收款項以及預付款項	253
Bank balances and cash	銀行結餘及現金	19
Other payables and accruals	其他應付款項及應計費用	(138)
Tax payable	應付稅項	(28)
Net assets disposal of	出售的淨資產	147

Gain on disposal of a subsidiary:

		HK\$'000 千港元
Cash consideration received	已收現金代價	246
Net assets disposed of	出售的淨資產	(147)
Non-controlling interests	非控股權益	883
Cumulative exchange differences in respect of net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	因失去附屬公司控制權而將附屬公司的淨資產由權益重新分類至損益之累計匯兌差額	(9)
Gain on disposal	出售收益	973

39. 出售附屬公司 (續)

(a) (續)

出售附屬公司產生的現金流入淨額：

	HK\$'000 千港元
已收現金代價	50
減：出售的銀行結餘及現金	-
	50

(b) 於二零一七年十月二十九日，本集團完成按代價246,372港元（相等於人民幣210,000元）出售於一間間接附屬公司遼寧諾立投資有限公司之60%權益。

於出售日期的資產及負債分析如下：

	HK\$'000 千港元
物業、廠房及設備	41
其他應收款項以及預付款項	253
銀行結餘及現金	19
其他應付款項及應計費用	(138)
應付稅項	(28)
出售的淨資產	147

出售附屬公司的收益：

	HK\$'000 千港元
已收現金代價	246
出售的淨資產	(147)
非控股權益	883
因失去附屬公司控制權而將附屬公司的淨資產由權益重新分類至損益之累計匯兌差額	(9)
出售收益	973

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. DISPOSAL OF SUBSIDIARIES (Continued)

(b) (Continued)

Net cash inflow arising on disposal:

		HK\$'000 千港元
Cash consideration received	已收現金代價	246
Less: Bank balances and cash disposed of	減：出售的銀行結餘及現金	(19)
		227

(c) On 4 September 2017, the Group completed the disposal of 60% interest in an indirectly-owned subsidiary, Xian Nuoli Asset Management Limited, for a consideration of HK\$14,389 (equivalent to RMB12,000).

Analysis of assets and liabilities as at the date of disposal are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	5
Bank balances and cash	銀行結餘及現金	12
Net assets disposed of	出售的淨資產	17

Loss on disposal of a subsidiary:

		HK\$'000 千港元
Cash consideration received	已收現金代價	14
Net assets disposed of	出售的淨資產	(17)
Non-controlling interests	非控股權益	(82)
Cumulative exchange differences in respect of net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	因失去附屬公司控制權而將附屬公司的淨資產由權益重新分類至損益之累計匯兌差額	5
Loss on disposal	出售虧損	(80)

39. 出售附屬公司 (續)

(b) (續)

出售事項產生的現金流入淨額：

		HK\$'000 千港元
已收現金代價		246
減：出售的銀行結餘及現金		(19)
		227

(c) 於二零一七年九月四日，本集團完成按代價14,389港元（相等於人民幣12,000元）出售於一間間接附屬公司西安諾立資產管理有限公司之60%權益。

於出售日期的資產及負債分析如下：

		HK\$'000 千港元
物業、廠房及設備		5
銀行結餘及現金		12
出售的淨資產		17

出售附屬公司的虧損：

		HK\$'000 千港元
已收現金代價		14
出售的淨資產		(17)
非控股權益		(82)
因失去附屬公司控制權而將附屬公司的淨資產由權益重新分類至損益之累計匯兌差額		5
出售虧損		(80)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. DISPOSAL OF SUBSIDIARIES (Continued)

(c) (Continued)

Net cash inflow arising on disposal:

		HK\$'000 千港元
Cash consideration received	已收現金代價	14
Less: Bank balances and cash disposed of	減：出售的銀行結餘及現金	(12)
		2

40. SHARE OPTIONS SCHEME

In 2011, the Company adopted a share option scheme ("2011 Share Option Scheme"), which will expire on 19 June 2021, for the purpose of providing incentives or reward to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any invested entity. Under the 2011 Share Option Scheme, the directors of the Company may grant options to any employees (including any executive directors), non-executive directors, suppliers of goods or services and customers of the Group; and any persons or entities that provide research, development or other technological support to the Group.

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option by payment from the participant of HK\$1.00. An option may be exercised in accordance with the terms of the 2011 Share Option Scheme at any time during a period to be determined and notified by the Board to each grantee, save that such period shall end in any event not later than ten years from the date of grant of the option and subject to the provisions for early termination thereof.

39. 出售附屬公司 (續)

(c) (續)

出售事項產生的現金流入淨額：

		HK\$'000 千港元
		14
		(12)
		2

40. 購股權計劃

本公司於二零一一年採納一項購股權計劃（「二零一一年購股權計劃」），該計劃將於二零二一年六月十九日屆滿，目的是提供獎勵或獎賞予合資格參與人士，以獎勵彼等對本集團作出的貢獻及／或讓本集團可招募及挽留優秀僱員及吸引對本集團及任何投資實體屬寶貴的人力資源。根據二零一一年購股權計劃，本公司董事可向任何僱員（包括任何執行董事）、非執行董事、貨品或服務供應商及本集團客戶，以及為本集團提供研究、開發或其他技術支援的任何人士或實體授出購股權。

參與人士可於授出購股權要約日期起計28日內藉支付1.00港元而接納購股權。各承授人可於董事會釐定及通知的期間內的任何時間，按照二零一一年購股權計劃的條款行使購股權，惟任何情況下該期間將於購股權授出日期起計屆滿十年之前結束，並且須受其提前終止條文所規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. SHARE OPTIONS SCHEME (Continued)

The subscription price for shares under the 2011 Share Option Scheme will be a price to be determined by the Board, but may not be less than the highest of (i) the closing price of the shares as stated on the Stock Exchange's daily quotations sheets on the date of grant of the particular option; (ii) the average closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of the grant of the particular option; or (iii) the nominal value of a share.

The total number of shares which may be issued upon exercise of all options to be granted under the 2011 Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the total number of shares in issue as at the adoption date. Besides, the maximum number of shares which may be issued upon exercise of all outstanding options granted under the 2011 Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2011 Share Option Scheme and any other share option scheme of the Group to each participant in any 12-month period shall not exceed 1% of the total number of shares in issue for the time being.

As at 31 December 2018, the number of shares in respect of options granted and remained outstanding under the 2011 Share Option Scheme was 451,080,000 (2017: 184,791,862), representing 6.52% (2017: 2.69%) of the issued shares of the Company. As at the date of this annual report, the number of shares available for issue under the 2011 Share Option Scheme is 1,135,271,917 (2017: 641,262,454), representing approximately 16.40% (2017: 9.33%) of the issued shares of the Company.

40. 購股權計劃 (續)

二零一一年購股權計劃項下的股份認購價將為董事會釐定的價格，惟不可低於下列各項的最高者：(i) 聯交所每日報價表所示股份於授出特定購股權當日的收市價；(ii) 股份於緊接授出特定購股權當日前五個交易日在聯交所的平均收市價；或(iii) 股份面值。

因根據二零一一年購股權計劃及本集團任何其他計劃將予授出的所有購股權獲行使而可予發行的股份總數，合共不得超過採納日期已發行股份總數的10%。此外，因根據二零一一年購股權計劃及本集團任何其他購股權計劃所授出的所有尚未行使購股權獲行使而可予發行的股份最高數目，合共不得超過不時已發行股份總數的30%。於任何12個月期間內，因根據二零一一年購股權計劃及本集團任何其他購股權計劃所授出的購股權獲行使而已發行及可能須發行予每名參與人士的股份總數，不得超過當時已發行股份總數的1%。

於二零一八年十二月三十一日，根據二零一一年購股權計劃已授出且尚未行使的購股權涉及股份數目為451,080,000股（二零一七年：184,791,862股），佔本公司已發行股份的6.52%（二零一七年：2.69%）。於本年報日期，二零一一年購股權計劃項下可供發行的股份數目為1,135,271,917股（二零一七年：641,262,454股），佔本公司已發行股份的約16.40%（二零一七年：9.33%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40.SHARE OPTIONS SCHEME (Continued)

Movements of the Company's share options held by employees and consultants during the year ended 31 December 2018 are set out below:

40.購股權計劃(續)

截至二零一八年十二月三十一日止年度，僱員及顧問所持有本公司購股權的變動載列如下：

Category of participants	Number of share options 購股權數目				As at 31 December 2018 於二零一八年 十二月 三十一日	Exercise period 行使期	Exercise price HK\$ 行使價 港元
	As at 1 January 2018 於二零一八年 一月一日	Granted 已授出	Exercised 已行使	Lapsed 已失效			
Category I: Employees 類別I: 僱員							
20.11.2015 二零一五年十一月二十日	37,294,520	-	-	(37,294,520)	-	Note (a) 附註(a)	0.740
28.12.2016 二零一六年十二月二十八日	106,712,054	-	(18,670,000)	(88,042,054)	-	28.12.2016-27.12.2018 二零一六年十二月二十八日至 二零一八年十二月二十七日 Note (b) 附註(b)	0.187
20.3.2018 二零一八年三月二十日	-	121,500,000	(1,500,000)	(5,000,000)	115,000,000	20.3.2018-19.3.2021 二零一八年三月二十日至 二零二一年三月十九日 Note (c) 附註(c)	0.188
Category II: Consultants 類別II: 顧問							
28.12.2016 二零一六年十二月二十八日	40,785,288	-	(2,000,000)	(38,785,288)	-	28.12.2016-27.12.2018 二零一六年十二月二十八日至 二零一八年十二月二十七日 Note (b) 附註(b)	0.187
20.3.2018 二零一八年三月二十日	-	336,080,000	-	-	336,080,000	20.3.2018-19.3.2021 二零一八年三月二十日至 二零二一年三月十九日 Note (c) 附註(c)	0.188
Total 總計	184,791,862	457,580,000	(22,170,000)	(169,121,862)	451,080,000		
Weighted average exercise price 加權平均行使價	0.299	0.188	0.187	0.309	0.188		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40.SHARE OPTIONS SCHEME (Continued)

Movements of the Company's share options held by employees and consultants during the year ended 31 December 2017 are set out below:

40.購股權計劃(續)

截至二零一七年十二月三十一日止年度，僱員及顧問所持有本公司購股權的變動載列如下：

Category of participants	As at 1 January 2017	Granted	Adjustment for open offer at 21 June 2017 於二零一七年六月二十一日進行公開發售調整	Number of share options 購股權數目		As at 31 December 2017	Exercise period	Exercise price HK\$ 行使價 港元
				Lapsed	Exercised			
Category I: Employees 類別I: 僱員								
20.11.2015 二零一五年十一月二十日	30,000,000	-	7,294,520	-	-	37,294,520	Note (a) 附註(a)	0.740
28.12.2016 二零一六年十二月二十八日	91,580,000	(1,640,000)	21,868,972	(5,096,918)	-	106,712,054	28.12.2016-27.12.2018 二零一六年十二月二十八日至二零一八年十二月二十七日 Note (b) 附註(b)	0.187
Category II: Consultants 類別II: 顧問								
28.12.2016 二零一六年十二月二十八日	231,848,000	(194,040,000)	9,193,041	-	(6,215,753)	40,785,288	28.12.2016-27.12.2018 二零一六年十二月二十八日至二零一八年十二月二十七日 Note (b) 附註(b)	0.187
Total 總計	353,428,000	(195,680,000)	38,356,533	(5,096,918)	(6,215,753)	184,791,862		
Weighted average exercise price 加權平均行使價	0.290	0.232	0.292	0.187	0.187	0.299		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. SHARE OPTIONS SCHEME (Continued)

Notes:

- (a) On 20 November 2015, the Company granted a total of 18,000,000 share options under the Scheme to employees of the Group. The validity period of the options is 30 months from the date of grant of the options, i.e. from 20 November 2015 to 19 May 2018. The options will entitle the grantees to subscribe for a total of 18,000,000 new shares of HK\$0.005 each at an exercise price of HK\$4.59 per share.

The share options are divided into 3 tranches exercisable from (i) the expiry date of the Put Option period as stated in the second supplemental agreement dated 8 January 2016, (ii) 20 November 2016, and (iii) 20 May 2017 respectively to 19 May 2018.

As a result of the share subdivision which was effective on 28 December 2015, the exercise price per share and number of outstanding share options granted on 20 November 2015 were adjusted from HK\$4.59 to HK\$0.92 and from 18,000,000 to 90,000,000 respectively.

Pursuant to the terms of the Share Option Scheme, the exercise price and remaining number of options were adjusted from HK\$0.92 to HK\$0.74 and from 30,000,000 to 37,294,520 for the effects of the open offer of the Company completed on 21 June 2017.

- (b) On 28 December 2016, the Company granted a total of 323,428,000 share options under the 2011 Share Option Scheme to employees and consultants of the Group. The validity period of the options is 24 months from the date of grant of the options, i.e. from 28 December 2016 to 27 December 2018. The options will entitle the grantees to subscribe for a total of 323,428,000 new shares of HK\$0.001 each at an exercise price of HK\$0.232 per share.

Pursuant to the terms of the Share Option Scheme, the exercise price and remaining number of options were adjusted from HK\$0.232 to HK\$0.187 and from 127,748,000 to 158,810,013 for the effects of the open offer of the Company completed on 21 June 2017.

9,000,000 share options were exercised in December 2018 but such shares were allotted in January 2019.

40. 購股權計劃 (續)

附註：

- (a) 於二零一五年十一月二十日，本公司根據計劃向本集團僱員授出合共18,000,000份購股權。購股權之有效期為自購股權授出日期起計30個月（即二零一五年十一月二十日至二零一八年五月十九日）。購股權將賦予承授人權利以行使價每股4.59港元認購合共18,000,000股每股面值0.005港元之新股份。

購股權分為三批，於下列日期起至二零一八年五月十九日止期間可予行使：(i) 日期為二零一六年一月八日的第二份補充協議內所列認沽期權期限屆滿之日，(ii) 二零一六年十一月二十日，及(iii) 二零一七年五月二十日。

股份拆細於二零一五年十二月二十八日生效後，於二零一五年十一月二十日授出的尚未行使購股權的每股行使價及涉及數目分別由4.59港元調整為0.92港元及由18,000,000份調整為90,000,000份。

根據購股權計劃的條款，購股權的行使價及涉及剩餘數目已分別就本公司於二零一七年六月二十一日完成之公開發售的影響由0.92港元調整為0.74港元及由30,000,000份調整為37,294,520份。

- (b) 於二零一六年十二月二十八日，本公司根據二零一一年購股權計劃向本集團僱員及顧問授出合共323,428,000份購股權。購股權之有效期為自購股權授出日期起計24個月（即二零一六年十二月二十八日至二零一八年十二月二十七日）。購股權將賦予承授人權利以行使價每股0.232港元認購合共323,428,000股每股面值0.001港元之新股份。

根據購股權計劃的條款，購股權的行使價及涉及剩餘數目已分別就本公司於二零一七年六月二十一日完成之公開發售的影響由0.232港元調整為0.187港元及由127,748,000份調整為158,810,013份。

9,000,000份購股權於二零一八年十二月獲行使惟有關股份於二零一九年一月獲分配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. SHARE OPTIONS SCHEME (Continued)

Notes: (Continued)

- (c) On 20 March 2018, the Company granted a total of 457,580,000 share options under the 2011 Share Option Scheme to employees and consultants of the Group. The validity period of the options is 36 months from the date of grant of the options, i.e. from 20 March 2018 to 19 March 2021. The options will entitle the grantees to subscribe for a total of 457,580,000 new shares of HK\$0.001 each at an exercise price of HK\$0.188 per share.

The closing price of the Company's shares immediately before 20 March 2018, the date of grant was HK\$0.187.

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$0.240 on 17 May 2018 and HK\$0.213 on 19 June 2018.

The fair value of equity-settled share options granted was estimated as at the date of grant, using a Binomial model, taking into account the terms and conditions upon which the options were granted and the following the inputs to the model used:

Grant date	授出日期	20 March 2018 二零一八年 三月二十日	28 December 2016 二零一六年 十二月 二十八日	20 November 2015 二零一五年 十一月 二十日
Fair value (HK\$)	公平值(港元)	0.09	0.11	1.89
Exercise price (HK\$)	行使價(港元)	0.188	0.232	4.59
Share price at the date of grant (HK\$)	於授出日期的股價(港元)	0.187	0.232	4.59
Dividend yield (%)	股息收益率(%)	–	–	–
Expected volatility (%)	預期波幅(%)	78.10	91.79	70.58
Risk-free interest rate (%)	無風險利率(%)	1.627	1.244	0.626
Expected life of options (years)	預期購股權年期(年)	3.000	2.000	2.497

40. 購股權計劃(續)

附註：(續)

- (c) 於二零一八年三月二十日，本公司根據二零一一年購股權計劃向本集團僱員及顧問授出合共457,580,000份購股權。購股權之有效期為自購股權授出日期起計36個月(即二零一八年三月二十日至二零二一年三月十九日)。購股權將賦予承授人權利以按行使價每股0.188港元認購合共457,580,000股每股面值0.001港元之新股份。

本公司股份於緊接二零一八年三月二十日(即授出日期)的收市價為0.187港元。

本公司股份緊接購股權獲行使日期前的加權平均收市價為於二零一八年五月十七日的0.240港元及於二零一八年六月十九日的0.213港元。

授出的以股權結算的購股權之公平值乃於授出日期採用二項式期權定價模型估計，並已計及授出購股權所依據的條款及條件。下表載列模型所採用的輸入數據：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. SHARE OPTIONS SCHEME (Continued)

The expected life of the options is based on the contractual life and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of the share options granted during the year ended 31 December 2018 was HK\$40,313,000. The fair value per option granted was HK\$0.09. The Group recognised a share option expense of HK\$40,313,000 during the year ended 31 December 2018.

40. 購股權計劃 (續)

購股權預期年期乃根據合約年期釐定，未必為可能出現的行使模式指標。預期波幅反映歷史波幅為未來走勢指標的假設，其未必為實際結果。

於截至二零一八年十二月三十一日止年度，已授出的購股權公平值為40,313,000港元。每份已授出購股權的公平值為0.09港元。於截至二零一八年十二月三十一日止年度，本集團確認購股權開支40,313,000港元。

41. OPERATING LEASES

The Group as lessee

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Minimum lease payments paid under operating leases in respect of office properties during the year	年內根據經營租約就辦公室物業支付的最低租賃款項	14,175	11,918

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	13,118	6,367
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	15,919	19
		29,037	6,386

Operating lease payments represent rentals payable by the Group for certain of its office properties in Hong Kong and the PRC. Leases are negotiated for an average term of one to three years.

於報告期末，本集團根據不可撤銷經營租約於下列到期日須支付的未來最低租賃款項之承擔如下：

經營租賃款項指本集團就其在香港及中國的若干辦公室物業應付的租金。租約議定平均為期一至三年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

41. OPERATING LEASES (Continued)

The Group as lessor

At the end of the reporting period, the Group had contracted with customers for the following future minimum payments for storage facilities.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	11,455	3,311
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	3,849	–
		15,304	3,311

Warehouse storage income earned during the year was HK\$13,342,000 (2017: HK\$6,518,000).

42. CAPITAL COMMITMENTS

As at 31 December 2017 and 2018, the Group and the Company did not have any significant capital commitments.

43. RETIREMENT BENEFITS SCHEMES

The Group is required to participate in a defined contribution scheme, the MPF Scheme, in respect of its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Both the Group and its employees contribute 5% of the relevant payroll costs to the MPF Scheme. The maximum contribution for each employee is limited to HK\$18,000 (2017: HK\$18,000) per annum.

The employees of PRC subsidiaries are members of defined contribution plans organised by PRC municipal and provincial government authorities in the PRC. The PRC subsidiaries are required to make monthly contributions to these plans at a fixed percentage of the employee's basic salary. The only obligation of the Group with respect to the retirement benefit scheme in the PRC is to make the required contributions under the scheme. The local government authority is responsible for the entire pension obligations payable to retired employees.

Contributions to the retirement benefit schemes for the year amounted to HK\$1,489,000 (2017: HK\$1,121,000).

41. 經營租約(續)

本集團作為出租人

於報告期末，本集團已就倉庫存放設施的下列未來最低款項與客戶訂立合約。

年內賺取的倉庫存放收入為13,342,000港元(二零一七年: 6,518,000港元)。

42. 資本承擔

於二零一七年及二零一八年十二月三十一日，本集團及本公司並無任何重大資本承擔。

43. 退休福利計劃

本集團須為其香港僱員參與定額供款計劃，即強積金計劃。強積金計劃的資產與本集團的資產分開並於由受託人控制的基金持有。本集團與其僱員均須按有關薪酬成本的5%向強積金計劃作出供款。每名僱員最高供款限額為每年18,000港元(二零一七年: 18,000港元)。

中國附屬公司的僱員為中國各省市政府機關營辦的定額供款計劃的成員。中國附屬公司須每月按僱員基本薪金的固定百分比向該等計劃供款。本集團就中國退休福利計劃的唯一責任為根據該計劃作出規定的供款。地方政府機關負責向退休僱員支付全部退休金。

本年度退休福利計劃的供款為1,489,000港元(二零一七年: 1,121,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

44. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	92,416	102,527
Prepaid lease payments	預付租賃款項	23,021	25,040
		115,437	127,567

44. 資產抵押

已就本集團獲授之一般銀行信貸而作出抵押之資產賬面值如下：

45. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets or liabilities as at 31 December 2018 and 2017.

45. 或然資產及負債

於二零一八年及二零一七年十二月三十一日，本集團並無重大或然資產或負債。

46. RELATED PARTIES TRANSACTIONS

During the year, the Group had certain transactions with related parties. Details of these transactions for the year ended 31 December 2018 and 2017 are as follows:

Transactions with related parties

46. 關連人士交易

年內，本集團與關連人士進行若干交易。截至二零一八年及二零一七年十二月三十一日止年度該等交易之詳情如下：

與關連人士之交易

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Brokerage commission income (Note a)	經紀佣金收入(附註a)	-	383
Consultancy fee income (Note b)	顧問費收入(附註b)	-	4,849
Interest income (Note c)	利息收入(附註c)	-	559

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

46. RELATED PARTIES TRANSACTIONS (Continued)

Notes:

- The Group received commission income from a former director of a subsidiary for providing securities brokerage services.
- The Group received consultancy fee income from a former non-controlling shareholder of a subsidiary of the Group for providing consultancy services.
- The Group received interest income from a former non-controlling shareholder of a subsidiary of the Group for the loan granted.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year is approximately HK\$9,997,000 (2017: approximately HK\$8,237,000) as disclosed in notes 13 and 14.

46. 關連人士交易 (續)

附註：

- 本集團就提供證券經紀服務向一間附屬公司之一名前任董事收取佣金收入。
- 本集團就提供諮詢服務向本集團一間附屬公司之一名前非控股股東收取顧問費收入。
- 本集團就授出貸款向本集團一間附屬公司之一名前非控股股東收取利息收入。

主要管理人員的報酬

誠如附註13及14所披露，董事及其他主要管理層成員於年內的薪酬約為9,997,000港元（二零一七年：約8,237,000港元）。

47. SUBSIDIARIES

47. 附屬公司

Name 名稱	Place of incorporation and operation 註冊成立及營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股本/註冊資本	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本面值/ 註冊資本面值比例		Principal activities 主要業務		
			2018 二零一八年	2017 二零一七年	Directly 直接	Indirectly 間接	Directly 直接
Delight Link Enterprises Limited	Hong Kong	Ordinary HK\$2	100%	–	100%	–	Provision of administrative services to group companies
欣喜企業有限公司	香港	普通股本2港元					向集團公司提供行政服務
Spring Chance Limited	BVI	Ordinary US\$1	100%	–	100%	–	Investment holding
泉運有限公司	英屬處女群島	普通股本1美元					投資控股
太倉基創倉儲有限公司 (transliterated as Taicang Keycharm Storage Company Limited*)	PRC	Registered capital RMB80,000,000	–	100%	–	100%	Industrial property development
太倉基創倉儲有限公司	中國	註冊資本人民幣80,000,000元					工業用物業發展

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47. SUBSIDIARIES (Continued)

47. 附屬公司 (續)

Name 名稱	Place of incorporation and operation 註冊成立及 營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股／註冊資本	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本面值／ 註冊資本面值比例		Principal activities 主要業務		
			2018 二零一八年		2017 二零一七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
太倉灝朴貿易有限公司 (transliterated as Taicang Haopu Trading Company Limited [#])	PRC	Registered capital RMB5,000,000	-	100%	-	100%	Trading of goods
太倉灝朴貿易有限公司	中國	註冊資本人民幣 5,000,000元					貨品貿易
Greater China Financing Limited	HK	Ordinary HK\$1	-	100%	-	100%	Provision of money lending
大中華融資有限公司	香港	普通股本1港元					提供借貸
Greater China Wealth & Risk Management Limited	HK	Ordinary HK\$2,000,000	-	100%	-	100%	Provision of insurance brokerage services
大中華產險管理有限公司	香港	普通股本 2,000,000港元					提供保險經紀服務
Greater China Securities Limited (Formerly known as Prominence Financials Limited)	HK	Ordinary HK\$18,000,000	-	100%	-	100%	Provision of securities brokerage services
大中華證券有限公司 (前稱耀竣金融有限公司)	香港	普通股本 18,000,000港元					提供證券經紀服務
Greater China Asset Management (HK) Limited (Formerly known as Prominence Asset Management Limited)	HK	Ordinary HK\$1,000,000	-	100%	-	100%	Provision of assets management services
大中華資產管理(香港) 有限公司(前稱耀竣 資產管理有限公司)	香港	普通股本 1,000,000港元					提供資產管理服務
北京信諾微資產管理 有限公司 (transliterated as Beijing Xin Nuo Wei Assets Management Limited [#])	PRC	Registered capital RMB100,000,000	-	100%	-	100%	Provision of loan referral and consulting services
北京信諾微資產管理 有限公司	中國	註冊資本人民幣 100,000,000元					提供貸款轉介及諮詢 服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47. SUBSIDIARIES (Continued)

47. 附屬公司 (續)

Name 名稱	Place of incorporation and operation 註冊成立及 營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股／註冊資本	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本面值／ 註冊資本面值比例		Principal activities 主要業務		
			2018 二零一八年		2017 二零一七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Spruce Light Asset Management Company Limited	HK	Ordinary HK\$5,000,000	-	100%	-	100%	Provision of assets management services
雲映資產管理有限公司	香港	普通股本 5,000,000港元					提供資產管理服務
北京安家世行融資 擔保有限公司 (transliterated as Beijing An Jia Shi Hang Financing Guarantee Company Limited*)	PRC	Registered capital RMB220,000,000	-	100%	-	100%	Provision of financial guarantees and consulting services
北京安家世行融資 擔保有限公司	中國	註冊資本人民幣 220,000,000元					提供融資擔保及諮詢 服務
上海家諾投資顧問 有限公司 (transliterated as Shanghai Jia Nuo Investment Company Limited *)	PRC	Registered capital RMB10,000,000	-	100%	-	100%	Provision of consulting services
上海家諾投資顧問 有限公司	中國	註冊資本人民幣 10,000,000元					提供諮詢服務
深圳信諾微商業保理 有限公司 (transliterated as Shenzhen Xin Nuo Wei Commercial Factoring Company Limited *)	PRC	Registered capital RMB50,000,000	-	100%	-	100%	Provision of commercial factoring services
深圳信諾微商業保理 有限公司	中國	註冊資本人民幣 50,000,000元					提供商業保理服務
霍爾果斯諾立企業諮詢服 務有限公司 (transliterated as Khorgas Nuo Li Enterprises Consultation Service Company Limited *)	PRC	Registered capital RMB1,000,000	-	100%	-	100%	Provision of consulting services
霍爾果斯諾立企業諮詢 服務有限公司	中國	註冊資本人民幣 1,000,000元					提供諮詢服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47. SUBSIDIARIES (Continued)

47. 附屬公司 (續)

Name 名稱	Place of incorporation and operation 註冊成立及 營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股本/註冊資本	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本面值/ 註冊資本面值比例		Principal activities 主要業務		
			2018 二零一八年		2017 二零一七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
霍爾果斯安家世行企業 諮詢服務有限公司 (transliterated as Khorgas An Jia Shi Hang Enterprises Consultation service Company Limited #)	PRC	Registered capital RMB1,000,000	-	100%	-	100%	Provision of consulting services
霍爾果斯安家世行企業 諮詢服務有限公司	中國	註冊資本人民幣 1,000,000元					提供諮詢服務
深圳溢力諮詢有限公司 (transliterated as Shenzhen Yi Li Consultation Company Limited #)	PRC	Registered capital RMB100,000	-	100%	-	-	Provision of consulting services
深圳溢力諮詢有限公司	中國	註冊資本人民幣 100,000元					提供諮詢服務
上海微鏈商業保理 有限公司 (transliterated as Shanghai Wei Lian Commercial Factoring Company Limited #)	PRC	Registered capital HK\$120,000,000	-	100%	-	100%	Provision of consulting services
上海微鏈商業保理 有限公司	中國	註冊資本港元 120,000,000元					提供諮詢服務

The English transliteration of Chinese name is included in this report for reference only and should not be regarded as its official English name.

中文名稱的英文字譯僅為供參考而載入本報告，不應視為其正式英文名稱。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47. SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the financial year.

48. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM/TO SUBSIDIARIES

The Company

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	376,602	376,602
Less: impairment loss recognised	減：已確認減值虧損	(279,739)	(279,739)
		96,863	96,863
Amounts due from subsidiaries	應收附屬公司款項	1,097,669	1,070,985
Less: impairment loss recognised	減：已確認減值虧損	(622,482)	(608,580)
		475,187	462,405
Amounts due to subsidiaries	應付附屬公司款項	1,715	1,715

Amounts due from/to subsidiaries are unsecured, interest-free and are repayable on demand.

47. 附屬公司 (續)

上表列出董事認為主要影響本集團業績或資產的本公司附屬公司。董事認為，列出其他附屬公司的詳情會使篇幅過於冗長。

於財政年度末，概無附屬公司已發行任何債務證券。

48. 於附屬公司的權益／應收／應付附屬公司款項

本公司

應收／應付附屬公司款項為無抵押、免息及須應要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

49. FINANCIAL INFORMATION OF THE COMPANY

49. 本公司的財務資料

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司的權益	96,863	96,863
Interests in associates	於聯營公司的權益	–	–
Contingent consideration receivable	應收或然代價	–	4,078
		96,863	100,941
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	475,187	462,405
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	983	474
Contingent consideration receivable	應收或然代價	2,683	–
Bank balances and cash	銀行結餘及現金	2,993	69,605
		481,846	532,484
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	3,488	1,544
Deferred consideration	遞延代價	9,709	19,475
Amounts due to subsidiaries	應付附屬公司款項	1,715	1,715
		14,912	22,734
Net current assets	流動資產淨值	466,934	509,750
Total assets less current liabilities	總資產減流動負債	563,797	610,691
Non-current liabilities	非流動負債		
Convertible notes	可換股票據	–	5,654
Deferred consideration	遞延代價	–	8,385
		–	14,039
Net assets	資產淨值	563,797	596,652
Capital and reserve	資本及儲備		
Share capital	股本	6,915	6,870
Share premium	股份溢價	1,966,768	1,947,494
Contributed surplus	實繳盈餘	64,379	64,379
Convertible notes equity reserve	可換股票據權益儲備	–	9,775
Share option reserve	購股權儲備	40,509	23,945
Accumulated losses	累計虧損	(1,514,774)	(1,455,811)
Total equity	權益總計	563,797	596,652

The financial statements were approved and authorised for issue by the Board of Directors on 26 March 2019 and are signed on its behalf by:

財務報表乃經董事會於二零一九年三月二十六日批准及授權刊發，並由以下人士代表董事會簽署：

Mr. Liu Kequan
劉克泉
Director
董事

Mr. Yang Dayong
楊大勇
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

50. RESERVES

(a) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value. The application of the share premium accounts is governed by the Bermuda Companies Act 1981 and the New Bye-Laws of the Company.

(b) Share option reserve

Share options reserve represents the portion of the grant date fair value of the unexercised share options of the Company.

(c) Convertible notes equity reserve

The convertible notes equity reserve represents the equity component (conversion right) of convertible notes issued by the Company. Items included in convertible notes equity reserve will not be reclassified to profit or loss.

(d) Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

(e) Revaluation reserve

The revaluation reserve represents cumulative net change in the fair value of financial assets at FVTOCI that have been recognised in other comprehensive income. Prior to 1 January 2018, this reserve included the cumulative net change in the fair value of available-for-sale financial assets held at the end of reporting period in accordance with HKAS 39. The amounts have been reclassified to accumulated losses when those financial assets are disposed of.

50. 儲備

(a) 股份溢價

股份溢價指因按超過股份面值之價格發行股份所產生之溢價。股份溢價賬之應用受百慕達一九八一年公司法及本公司的新公司細則規管。

(b) 購股權儲備

購股權儲備指本公司尚未行使購股權的授出日期公平值部分。

(c) 可換股票據權益儲備

可換股票據權益儲備指本公司已發行可換股票據的權益部分（轉換權）。計入可換股票據權益儲備的項目不會重新分類至損益。

(d) 匯兌儲備

將本集團海外業務資產淨值由其功能貨幣換算為本集團呈列貨幣的有關匯兌差額直接於其他全面收益確認及於匯兌儲備累計。於匯兌儲備累計的有關匯兌差額於出售海外業務時重新分類至損益。

(e) 重估儲備

重估儲備指於其他全面收益確認按公平值計入其他全面收益之金融資產公平值之累計變動淨額。根據香港會計準則第39號，於二零一八年一月一日前，該儲備包括於報告期末所持有可供出售金融資產公平值之累計變動淨額。當出售該等金融資產時，其金額便會重新分類至累計虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

50. RESERVES (Continued)

(f) Statutory reserve

The statutory reserve, which is non-distributable, is appropriated from the profit after taxation of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

In accordance with the relevant laws and regulations in the PRC and Articles of Association of the subsidiaries and associates incorporated in the PRC comprising the Group, it is required to appropriate 10% of the annual statutory net profits of the PRC the subsidiaries and associates, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing the net profit. When the balance of the statutory surplus reserve fund reaches 50% of the share capital of the PRC subsidiaries and associates, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of share capital.

50. 儲備(續)

(f) 法定儲備

法定儲備(為不可分派)乃根據中國適用法律及法規從本集團中國附屬公司的除稅後溢利轉撥。

根據中國相關法律及法規及於中國註冊成立之本集團旗下附屬公司及聯營公司之組織章程細則,中國附屬公司及聯營公司在根據中國會計準則對銷往年任何虧損後及分派純利前須轉撥其每年中國法定純利的約10%至法定盈餘公積金。當法定盈餘公積金結餘達到中國附屬公司及聯營公司股本的50%時,股東可自行決定是否繼續轉撥任何款項。法定盈餘公積金可用於對銷過往年度虧損(如有),亦可透過向股東按彼等現有持股比例發行新股份或提高彼等現時所持股份面值轉換為股本,惟於有關發行後法定盈餘公積金的餘額不可少於股本的25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

51. 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.

		Borrowings 借貸 (Note 34) (附註34) HK\$'000 千港元	Convertible notes 可換股票據 (Note 35) (附註35) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	113,066	5,070	118,136
Financing cash flows	融資現金流量	36,041	–	36,041
Foreign exchange translation	外匯換算	9,986	–	9,986
Amortisation of discount on convertible notes	可換股票據貼現之攤銷	–	584	584
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	159,093	5,654	164,747
Financing cash flows	融資現金流量	(65,280)	–	(65,280)
Foreign exchange translation	外匯換算	(5,587)	–	(5,587)
Conversion	轉換	–	(5,950)	(5,950)
Amortisation of discount on convertible notes	可換股票據貼現之攤銷	–	296	296
At 31 December 2018	於二零一八年十二月三十一日	88,226	–	88,226

52. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group will balance its overall capital structure through new share issues or bank borrowings. The Group's overall strategy remains unchanged throughout the years.

51. 融資活動產生之負債對賬

下表詳列本集團融資活動產生之負債變動詳情，包括現金及非現金變動。融資活動產生之負債為現金流量已或未來現金流量將於本集團綜合現金流量表分類為融資活動所得現金流量的負債。

52. 資本風險管理

本集團管理資本的目標為保障本集團持續經營的能力，以為股權持有人提供回報並使其他持份者獲益，同時維持最佳的資本結構以降低資本成本。為維持或調整資本結構，本集團將通過發行新股份或銀行借貸平衡其整體資本架構。多年來，本集團的整體策略維持不變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

52. CAPITAL RISK MANAGEMENT (Continued)

The Group is subject to externally imposed capital requirements for (i) a subsidiary registered under the Insurance Companies Ordinance of Hong Kong (the "ICO") which are subject to the relevant minimum capital requirement; and (ii) three subsidiaries which are regulated entities under the SFO and subject to the relevant minimum paid-up share capital and minimum liquid capital requirements under the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). Management closely monitors, on a daily basis, the capital level of these entities to ensure compliance with the minimum capital requirements under the SF(FR)R and ICO.

Particularly for the financial guarantee operation, the Group monitors regularly the residual balance of outstanding guarantees for single customers and multiples of the total outstanding guarantees in relation to net assets and paid-in capital of the subsidiary in the Group engaging in guarantee business, so as to keep the capital risk within an acceptable limit. The decision to manage the net assets and paid-in capital of the subsidiary in the Group to meet the needs of developing guarantee business rests with the directors.

The Group has no other material exposure to capital requirements externally imposed with regard to the Group other than described above.

During the year ended 31 December 2018, the Group's strategy remained unchanged. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by equity attributable to owners of the Company.

The management considers the gearing ratio at the year ended date is as follows:

52. 資本風險管理 (續)

本集團須遵守以下外部施加的資本規定：(i) 根據香港保險公司條例（「保險公司條例」）註冊的一間附屬公司須遵守相關最低資本規定；及(ii) 屬證券及期貨條例項下受規管實體的三間附屬公司須遵守證券及期貨（財政資源）規則（「證券及期貨（財政資源）規則」）下的相關最低繳足股本及最低流動資金規定。管理層每日密切監察該等實體的資金水平，以確保符合證券及期貨（財政資源）規則及保險公司條例下的最低資金規定。

尤其就融資擔保業務而言，本集團定期監察單一客戶的未到期擔保餘額及有關本集團從事擔保業務的附屬公司資產淨值及已繳足資本的未到期擔保總額的倍數，從而將資本風險控制在可接受的範圍內。管理本集團附屬公司的淨資產及已繳足資本以滿足發展擔保業務的需求的決定取決於董事。

除上文所述者外，本集團並無其他有關本集團的外部施加資本規定的重大風險。

截至二零一八年十二月三十一日止年度，本集團的策略並無變動。本集團根據資本負債比率監控資本。該比率乃按借貸總額除以本公司擁有人應佔權益計算。

管理層認為於年結日的資本負債比率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total borrowings	借貸總額	88,226	159,093
Equity attributable to owners of the Company	本公司擁有人應佔權益	664,625	714,829
Gearing ratio	資本負債比率	13%	22%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

2018

Financial assets

		Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTOCI	Total
		按公平值計入損益之金融資產 HK\$'000 千港元	按攤銷成本列賬的金融資產 HK\$'000 千港元	按公平值計入其他全面收益之金融資產 HK\$'000 千港元	總計 HK\$'000 千港元
Equity investments designated at FVOCI	指定為按公平值計入其他全面收益之股權投資	-	-	15,872	15,872
Contingent consideration receivables	應收或然代價	13,686	-	-	13,686
Unlisted investment funds	非上市投資基金	77,695	-	-	77,695
Loans and interests receivables	應收貸款及利息	-	113,952	-	113,952
Trade and other receivables	應收賬款及其他應收款項	-	59,674	-	59,674
Deposits	按金	-	66,641	-	66,641
Cash held on behalf of clients	代客戶持有的現金	-	1,263	-	1,263
Restricted bank deposits	受限制銀行存款	-	2,136	-	2,136
Bank balances and cash	銀行結餘及現金	-	269,578	-	269,578
		91,381	513,244	15,872	620,497

Financial liabilities

		Financial liabilities at amortised cost
		按攤銷成本列賬的金融負債 HK\$'000 千港元
- Trade and other payables	- 應付賬款及其他應付款項	77,902
- Borrowings	- 借貸	88,226
- Deferred consideration	- 遞延代價	25,625
		191,753

53. 金融工具

(a) 金融工具分類

二零一八年

金融資產

金融負債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

53. 金融工具 (續)

(a) Categories of financial instruments (Continued)

(a) 金融工具分類 (續)

2017

二零一七年

Financial assets

金融資產

		Financial assets at FVTPL 按公平值計入損益之金融資產 HK\$'000 千港元	Loans and receivables 貸款及應收款項 HK\$'000 千港元	Available-for-sale financial assets 可供出售金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale equity investments	可供出售股權投資	-	-	25,521	25,521
Contingent consideration receivables	應收或然代價	9,879	-	-	9,879
Unlisted investment funds	非上市投資基金	22,410	-	-	22,410
Loans and interests receivables	應收貸款及利息	-	189,891	-	189,891
Trade and other receivables	應收賬款及其他應收款項	-	34,877	-	34,877
Deposits	按金	-	49,027	-	49,027
Cash held on behalf of clients	代客戶持有的現金	-	2,066	-	2,066
Restricted bank deposits	受限制銀行存款	-	9,064	-	9,064
Bank balances and cash	銀行結餘及現金	-	410,117	-	410,117
		32,289	695,042	25,521	752,852

Financial liabilities

金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 HK\$'000 千港元
- Trade and other payables	- 應付賬款及其他應付款項	45,443
- Borrowings	- 借貸	159,093
- Deferred consideration	- 遞延代價	71,293
- Convertible notes	- 可換股票據	5,654
		281,483

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits. The Group regularly reviews its risk management policies and procedures to reflect changes in markets and products.

The Group's major financial instruments include financial assets at FVTOCI, contingent consideration receivables, unlisted investment funds, loans and interests receivables, contingent consideration receivables, trade and other receivables, deposits, cash held on behalf of clients, restricted bank deposits, bank balances and cash, trade payables, other payables, borrowings, deferred considerations and convertible notes. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and equity price risk), credit risk and liquidity 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.

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.

The Group has entered into financial guarantee contracts in which it has guaranteed the lenders the repayment of loans entered into by customers of the Group. The Group has the obligation to compensate lenders for the losses they would suffer if customers fail to repay.

53. 金融工具 (續)

(b) 金融風險管理目標及政策

本集團之業務承擔多項財務風險且該等業務涉及分析、評估、承擔及管理不同程度的風險或風險組合。承擔風險乃金融業務的核心，而經營風險為業務中不可避免之結果。因此本集團致力實現於風險及回報之間的適當平衡，並盡量降低對本集團財務表現之潛在不利影響。

本集團制定風險管理政策以識別及分析有關風險、設定適當風險上限及控制措施，以及監察風險並維持在上限以內。本集團定期檢討其風險管理政策及程序以反映市場及產品變化。

本集團的主要金融工具包括按公平值計入其他全面收益之金融資產、應收或然代價、非上市投資基金、應收貸款及利息、應收或然代價、應收賬款及其他應收款項、按金、代客戶持有之現金、受限制銀行存款、銀行結餘及現金、應付賬款、其他應付款項、借貸、遞延代價及可換股票據。該等金融工具的詳情於相關附註披露。與該等金融工具相關的風險包括市場風險（貨幣風險、利率風險及股價風險）、信貸風險及流動資金風險。減輕該等風險的政策載於下文。管理層管理及監察該等風險以確保及時和有效地實施適當的措施。

信貸風險及減值評估

於二零一八年十二月三十一日，本集團所承擔由於對手方未能履行責任而導致本集團產生財務虧損之最大信貸風險乃來自有關已確認金融資產之賬面值（於綜合財務狀況表呈列）。

本集團已訂立融資擔保合約，該等合約向貸款方擔保本集團客戶會償還所訂立的貸款。倘客戶未能還款，本集團有責任賠償貸款方所蒙受的損失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group has taken measures to identify credit risks arising from financial guarantees issued. The Group manages credit risk at every stage along the approval process, including pre-transaction, in-transaction and post-transaction monitoring processes. The Group conducts due diligence and evaluates customers by internal credit assessment system during the pre-approval process. Financial guarantees issuance is subject to approval of the management.

During the post-transaction monitoring process, the Group conducts on-site inspection and ongoing post transaction reviews focusing on various aspects, including but not limited to customers' product markets, operating income, assets and liabilities, cash flows from operating activities to detect potential risks. The Group takes proactive preventive actions based on the risk analysis and design contingency plans accordingly.

When a certain number of customers undertake the same business activities, stay in the same geographical locations, or bear similar economic features for their industries, their ability to fulfill contracts will be affected by the same economic changes. Concentration of credit risk reflects the sensitivity of the Group's operating results to specific industries or geographical locations. As the Group mainly operates its financial guarantee businesses in the PRC, there exists a certain level of geographical concentration risk for its guarantee portfolios in that it might be affected by changes in the PRC economic conditions.

The maximum exposure to credit risk in respect of the financial guarantees issued and outstanding amounted to HK\$560,434,000 as at 31 December 2018 (2017: HK\$419,175,000).

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團已採取措施識別已發行融資擔保所產生的信貸風險。本集團管理審批流程各個階段的信貸風險，該等審批流程包括交易前、交易中及交易後的監察過程。本集團於審批前流程會進行盡職調查並透過內部信貸評估系統評估客戶。發放融資擔保須經管理層批准。

於交易後監察流程中，本集團進行實地視察並針對多個方面進行持續的交易後檢討，包括但不限於客戶產品市場、營運收入、資產及負債、營運活動的現金流量至識別潛在風險等方面。本集團根據風險分析採取預先防範行動並進而設計應急預案。

當若干名客戶從事相同的業務活動、處於相同的地理位置或具備彼等行業的類似經濟特徵時，其履約能力將受同一經濟變化影響。信貸風險集中程度反映為本集團對特定行業或地理位置的營運業績的敏感性。由於本集團主要於中國經營其融資擔保業務，由於其擔保組合可能受到中國經濟狀況變動影響，故存在一定程度的地理位置集中風險。

於二零一八年十二月三十一日，有關已發行及未償還融資擔保的最高信貸風險為560,434,000港元（二零一七年：419,175,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

In order to minimise the credit risk, the management of the Group has a credit policy in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts on an ongoing basis. The Group only extends credit to customers based on careful evaluation of the customers' financial conditions and credit history. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) at the end of the reporting period to ensure that adequate impairment losses are made. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Credit evaluations are performed on customers requiring credit terms. These evaluations focus on the customer's past history of making payments and current abilities to pay and take into account information specific to the customer as well as to the economic environment.

The Group has concentration of credit risk as 55% (31 December 2017: 48%) and 99% (31 December 2017: 96%) of trade receivables were due from the Group's largest customer and the five largest customers respectively within the insurance brokerage business. These five largest customers of respective business segments have good historical repayment records and low default rates. Management performs periodic evaluations to ensure the Group's exposure to bad debts is not significant.

The Group has a concentration of credit risk as 35% and 71% (31 December 2017: 39% from largest customer and 100% from five largest customers) of loans and interests receivables from loan financing business was due from the Group's largest customer and the five largest customers as at 31 December 2018. The Group has concentration of credit risk to the largest securities margin client's exposure representing 73% of total loans to margin clients as at 31 December 2018. The management is of the view that the allowance made is adequate taking into account the historical experience in the collection of loans and interest receivables from these largest customers.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

為將信貸風險減至最低，本集團的管理層已就釐定信貸額、審批信貸及其他監察程序而制定一項信貸政策，確保持續地追討逾期債項的跟進行動。本集團僅會在審慎評估客戶之財政狀況及信貸紀錄後提高客戶之信貸額。此外，本集團於報告期末應用香港財務報告準則第9號根據預期信貸虧損模式（二零一七年：產生虧損模式）進行減值評估，確保產生足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大幅減低。

要求信貸期的客戶均需進行信貸評估。該等評估注重客戶的過往付款記錄及目前的付款能力，並會考慮客戶本身的賬戶資料及經濟環境。

本集團保險經紀業務的信貸風險頗為集中，原因是應收賬款中分別55%（二零一七年十二月三十一日：48%）及99%（二零一七年十二月三十一日：96%）為應收本集團最大客戶及五大客戶的款項。各相關業務分部的該等五大客戶過往的還款記錄良好及拖欠率偏低。管理層定期進行評估，以確保本集團承擔之壞賬並不重大。

於二零一八年十二月三十一日，本集團貸款融資業務的信貸風險頗為集中，原因是應收貸款及利息中35%及71%為應收本集團最大客戶及五大客戶的款項（二零一七年十二月三十一日：最大客戶佔39%及五大客戶佔100%）。於二零一八年十二月三十一日，本集團的信貸風險集中於最大證券保證金客戶，佔向保證金客戶貸款總額的73%。管理層認為，考慮到過往向該等最大客戶收回應收貸款及利息的經驗，已作出足夠撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The credit risk on trade receivables from clearing houses and brokers is considered as insignificant taking into account the good market reputations and high credit ratings of the counterparties.

The credit risk on cash held on behalf of clients, restricted bank deposits and bank balances is limited because the counterparties are reputable banks located in Hong Kong and the PRC.

Impairment assessment policies

The Group's policy requires the review of individual outstanding amounts regularly depending on individual circumstances or market condition.

Upon adoption of HKFRS 9, the management is responsible in developing and maintaining the processes for measuring ECL, the impairment requirements under HKFRS 9. The Group applies simplified approach to measure ECL on trade receivables (except for secured margin loans); and general approach to measure ECL on secured margin loans and other financial assets classified at amortised cost. Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime ECL. Under the general approach, financial assets migrate through the following three stages based on the change in credit risk since initial recognition: Stage 1: 12-month ECL, Stage 2: Lifetime ECL – not credit-impaired and Stage 3: Lifetime ECL – credit-impaired.

For such financial assets classified as Stages 1 and 2, the management assesses loss allowances using the risk parameter modelling approach that incorporates key parameters, including PD, LGD and EAD. For credit-impaired financial assets classified as Stage 3, the management assesses the credit loss allowances by estimating the future cash flows expected to arise from the financial assets.

Financial guarantees carry similar credit risk to loans and the Company takes a similar approach on risk management.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

考慮到對手方良好的市場聲譽及高信貸評級，結算所及經紀的應收賬款的信貸風險被視為微乎其微。

代客戶持有之現金、受限制銀行存款及銀行結餘之信貸風險有限，因為對手方是位於香港及中國信譽良好之銀行。

減值評估政策

本集團的政策要求根據個別情況或市場狀況定期審閱個別未償還款項。

於採納香港財務報告準則第9號後，管理層負責制定及維持根據香港財務報告準則第9號項下的減值要求進行預期信貸虧損計量的程序。本集團應用簡化方法計量應收賬款（有抵押保證金貸款除外）的預期信貸虧損；及應用一般方法計量有抵押保證金貸款及其他分類為按攤銷成本列賬的金融資產的預期信貸虧損。按照簡化方法，本集團按相等於全期預期信貸虧損的金額計量虧損撥備。按照一般方法，金融資產乃基於初始確認後的信貸風險變動劃分為下列三個階段：第1階段：12個月預期信貸虧損、第2階段：全期預期信貸虧損－未發生信貸減值及第3階段：全期預期信貸虧損－已發生信貸減值。

就分類為第1階段及第2階段的金融資產而言，管理層使用風險參數建模方法評估虧損撥備，該方法採用多項關鍵參數，包括違約概率、違約虧損率及違約風險敞口。就分類為第3階段的已發生信貸減值金融資產而言，管理層透過估計金融資產預期將產生的未來現金流量來評估信貸虧損撥備。

融資擔保與貸款具有類似的信貸風險及本公司於風險管理方面採取類似方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Measurement of ECL

The Group conducted an assessment of ECL according to forward-looking information and used complex models and assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and customer's creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group adopts judgement, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards such as:

(i) Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each reporting date. While determining whether the credit risk has significantly increased since initial recognition or not, our Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, credit rating grade, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

計量預期信貸虧損

本集團結合前瞻性資料進行了預期信貸虧損評估，其預期信貸虧損的計量中使用了複雜的模型及大量的假設。該等模型及假設涉及未來的宏觀經濟情況及客戶的信用狀況（例如，客戶違約的可能性及相應虧損）。本集團於根據會計準則要求計量預期信貸虧損的過程中使用判斷、假設及估計，例如：

(i) 判斷信貸風險顯著增加的標準

本集團於各報告日期評估相關金融工具的信貸風險自初始確認後是否已顯著增加。於確定信貸風險自初始確認後是否已顯著增加時，本集團會考慮無需付出不必要的成本或努力即可獲得的合理且有依據的資料，包括基於本集團歷史數據的定性及定量分析、信貸評級以及前瞻性資料。本集團以單項金融工具或者具有相似信貸風險特徵的金融工具組合為基礎，透過比較金融工具於報告日期發生違約的風險與於初始確認日期發生違約的風險，確定金融工具預計存續期內發生違約風險的變化情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Measurement of ECL (Continued)

(i) Criteria for judging significant increases in credit risk (Continued)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

- Quantitative criteria: At the reporting date, the increase in remaining lifetime probability of default is considered significant comparing with the one at initial recognition.
- Qualitative criteria: Significant adverse change in debtor's operation or financial status.

For loans to margin clients and loans receivables, the number of days past due and loan-to-collateral value were used to estimate significant increase in credit risk. Other financial assets at amortised cost use number of days past due as determinant of credit risk.

(ii) Definition of credit-impaired financial asset

The standard adopted by the Group to determine whether a credit impairment occurs under HKFRS 9 is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of debtor occurred, the following factors are mainly considered:

- Internal rating of the debtor indicating default or near-default;
- Significant financial difficulty of the issuer or the customer;

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

計量預期信貸虧損 (續)

(i) 判斷信貸風險顯著增加的標準 (續)

當符合以下一個或多個定量、定性標準或上限標準時，本集團認為金融工具的信貸風險已發生顯著增加：

- 定量標準：於報告日期，剩餘存續期違約概率相比初始確認時的增加幅度被認為屬顯著。
- 定性標準：債務人的經營或財務情況出現重大不利變化。

就保證金客戶貸款及應收貸款而言，使用逾期天數及貸款與抵押品價值比來估計信貸風險是否顯著增加。其他按攤銷成本計量的金融資產使用逾期天數作為信貸風險的釐定因素。

(ii) 已發生信貸減值金融資產的定義

本集團在根據香港財務報告準則第9號確定是否發生信貸減值時採用的標準，與內部針對相關金融工具的信貸風險管理目標保持一致，同時考慮定量及定性標準。本集團評估債務人是否發生信貸減值時，主要考慮以下因素：

- 對債務人的內部評級顯示已違約或接近違約；
- 發行方或客戶發生重大財務困難；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Measurement of ECL (Continued)

(ii) Definition of credit-impaired financial asset (Continued)

- The debtor leaves any of the receivables of the Group overdue for more than 90 days;
- It is becoming probable that the customer will enter bankruptcy or other financial restructuring;
- The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

(iii) Parameters of ECL measurement

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Group measures the impairment loss for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of ECL include probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). The Group takes into account the quantitative analysis of historical statistics (such as internal rating grade, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. For loans to margin clients and loans receivable, the Group estimates PD by the internal credit ratings. For other financial assets at amortised cost the PD is adjusted based on the credit rating of comparable companies operating in similar businesses.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

計量預期信貸虧損 (續)

(ii) 已發生信貸減值金融資產的定義 (續)

- 債務人對本集團的任何應收款項逾期超過90天；
- 客戶很可能破產或進行其他財務重組；
- 金融資產發生信貸減值有可能是多個事件的共同作用所致，未必是單一個事件所致。

(iii) 計量預期信貸虧損的參數

根據信貸風險是否發生顯著增加以及是否已發生資產減值，本集團對不同的資產分別以12個月或全期預期信貸虧損計量減值虧損。預期信貸虧損的關鍵計量參數包括違約概率（「違約概率」）、違約虧損率（「違約虧損率」）及違約風險敞口（「違約風險敞口」）。本集團考慮歷史統計數據（如內部評級、擔保方式及抵押品類別、還款方式等）的定量分析以及前瞻性資料，建立違約概率、違約虧損率及違約風險敞口模型。

- 違約概率是指債務人在未來12個月或在整個剩餘存續期，無法履行其償付義務的可能性。就保證金客戶貸款及應收貸款而言，本集團以內部信貸評級估計違約概率。就其他按攤銷成本計量的金融資產而言，違約概率乃透過對經營類似業務的可資比較公司的信貸評級作出調整而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Measurement of ECL (Continued)

(iii) Parameters of ECL measurement (Continued)

- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, past default experience and the realisation of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;
- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

(iv) Forward-looking information

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

計量預期信貸虧損 (續)

(iii) 計量預期信貸虧損的參數 (續)

- 違約虧損率是指本集團對違約風險敞口導致的虧損程度作出的預期。根據交易對手的類型、追索的方式及優先級、過往違約經驗及抵質押物變現的不同，違約虧損率也有所不同。違約虧損率為違約發生時風險敞口所導致虧損的百分比，以未來12個月內或整個剩餘存續期為基準進行計算；
- 違約風險敞口是指在未來12個月或在整個剩餘存續期內，在違約發生時本集團應被償付的金額。

(iv) 前瞻性資料

信貸風險顯著增加的評估及預期信貸虧損的計算均涉及前瞻性資料。本集團透過進行歷史數據分析，識別出影響信貸風險及預期信貸虧損的關鍵經濟指標。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

The Group is not exposed to significant foreign currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity. The management is of the opinion that the Group's exposure to foreign currency risk is minimal. Accordingly, no foreign exchange risk sensitivity analysis is presented. The significant balance carried in the translation reserve account is occasioned by the translation of the financial statements of the Group's subsidiaries into the presentation currency of the consolidated financial statements of the Group at each reporting date.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings and loans receivables. The Group is also exposed to cash flow interest rate risk in relation to receivables from variable-rate cash and margin clients, restricted bank deposits and bank balances.

The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk and cash flow interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險

(i) 貨幣風險

由於本集團大部分貨幣資產及貨幣負債均以個別集團實體之功能貨幣計值，因此並無承受重大外幣風險。管理層認為，本集團之外幣風險微乎其微。因此並無呈列匯兌風險敏感度分析。匯兌儲備賬內呈列之重大結餘乃由於各報告日期將本集團附屬公司之財務報表換算為本集團綜合財務報表之呈列貨幣所產生。

(ii) 利率風險

本集團就定息借貸及應收貸款而承擔公平值利率風險。本集團亦就可變利率現金及保證金客戶的應收款項、受限制銀行存款及銀行結餘而承擔現金流量利率風險。

本集團目前並無使用任何衍生工具合約對沖其承擔的公平值利率風險及現金流量利率風險。然而，管理層將於必要時考慮對沖重大利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative financial instruments at the end of the reporting period. The analysis is prepared assuming that the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2017: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates. If interest rates had been 100 basis points (2017: 100 basis points) higher/lower and all other variables were held constant, the net effect of Group's post-tax loss for the year ended 31 December 2018 would decrease/increase by HK\$2,326,000 (post-tax profit for the year ended 31 December 2017: increase/decrease by HK\$3,569,000).

(iii) Equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities which are classified as financial assets at FVTOCI. The fair value of these financial instruments will be affected either positively or negatively, amongst others, by the changes in the closing market prices of the relevant listed equity securities. The Group's listed investments are listed on the Stock Exchange of Hong Kong and in PRC. Listed investments held in the portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The management manages this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析

下文的敏感度分析乃基於非衍生金融工具於報告期末承擔的利率風險而釐定。分析乃假設於報告期末尚未清償的金融工具於整個年度尚未清償而編製。向主要管理層人員內部報告利率風險時使用100基點(二零一七年: 100基點)的上升或下降, 此為管理層對利率合理可能變動的評估。倘利率上升/下降100基點(二零一七年: 100基點), 而所有其他變數維持不變, 則本集團於截至二零一八年十二月三十一日止年度的除稅後虧損的淨影響將減少/增加2,326,000港元(截至二零一七年十二月三十一日止年度的除稅後溢利: 增加/減少3,569,000港元)。

(iii) 股價風險

本集團投資於列為透過其他全面收益按公平值列賬之金融資產的上市股本證券, 因而承受股價風險。該等金融工具的公平值將因為(其中包括)相關上市股本證券收市價之變動而受到正面或負面影響。本集團之上市投資於香港聯交所及中國上市。於組合中持有之上市投資乃基於其長遠增長潛力而選擇及定期留意其相對於預期之表現。管理層透過維持風險與回報各異的投資組合以管理該項風險, 並會於有需要時候考慮對沖所承擔的風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Equity price risk (Continued)

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period. If the prices of the respective equity instruments had been 10% (2017: 10%) higher/lower, and held other variables constant, the other component of equity of the Group would increase/decrease by HK\$1,587,000 (2017: HK\$2,552,000), as a result of changes in the fair value of listed equity securities.

The sensitivity analysis has been determined by assuming that the price change had occurred at the reporting date and has been applied to the Group's investments at that date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, and to ensure compliance with FRR. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and credit facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's policy is to regularly monitors the current and expected liquidity requirements and its compliance with lending covenants regularly to ensure sufficient working capital are maintained and adequate committed lines of funding from reputable financial institutions meet its liquidity requirement.

53. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(iii) 股價風險 (續)

敏感度分析

敏感度分析乃根據於報告期末承擔的股價風險而釐定。倘相關股本工具的價格上升/下跌10% (二零一七年: 10%) 及其他變數保持不變, 本集團權益的其他部分將由於上市股本證券之公平值變動而增加/減少1,587,000港元 (二零一七年: 2,552,000港元)。

敏感度分析乃假設於報告日期出現價格變動而釐定, 並已應用至本集團於該日之投資。管理層認為, 由於報告期末之風險並不反映年內之風險, 因此該敏感度分析無法代表固有的價格風險。

流動資金風險

本集團內個別經營實體負責各自之現金管理, 包括籌措貸款以應付預期現金需要, 並確保符合財政資源規則。於管理流動資金風險時, 本集團監察及維持現金及現金等值物以及信貸融資額度於管理層認為充足的水平, 以撥付本集團的營運資金及減低現金流量波動的影響。

本集團之政策是定期監察現時及預期流動資金需求及是否已遵守借款契據的規定, 從而確保維持充裕之營運資金及從信譽良好之金融機構獲得充裕之資金來源, 以應付其流動資金需求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

53. FINANCIAL INSTRUMENTS (Continued)

53. 金融工具 (續)

(b) Financial risk management objectives and policies (Continued)

(b) 金融風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

下表按於報告日期合約到期日的剩餘期限將本集團的非衍生金融負債歸類為相關到期組別進行分析。下表披露的金額為合約未折現現金流量。

Liquidity table

流動資金表

As at 31 December 2018

於二零一八年十二月三十一日

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	More than 1 year	Total undiscounted cash flows	Carrying amounts at 31.12.2018
	加權平均實際利率	少於一個月 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一年以上 HK\$'000 千港元	未折現金 流量總額 HK\$'000 千港元	於二零一八年 十二月三十一日 之賬面值 HK\$'000 千港元
Non-derivative financial liabilities 非衍生金融負債							
Trade and other payables 應付賬款及其他應付款項	-	20,692	48,253	8,957	-	77,902	77,902
Borrowings – fixed rate 借貸 – 定息	6.37%	468	937	12,662	104,344	118,411	88,226
Deferred consideration – non-interest bearing 遞延代價 – 不計息	-	-	-	20,450	5,175	25,625	25,625
		21,160	49,190	42,069	109,519	221,938	191,753
Guarantees issued 已作出的擔保							
Maximum amount guaranteed 最高擔保限額	-	51,253	139,871	369,310	-	560,434	560,434

As at 31 December 2017

於二零一七年十二月三十一日

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	More than 1 year	Total undiscounted cash flows	Carrying amounts at 31.12.2017
	加權平均實際利率	少於一個月 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一年以上 HK\$'000 千港元	未折現金 流量總額 HK\$'000 千港元	於二零一七年 十二月三十一日 之賬面值 HK\$'000 千港元
Non-derivative financial liabilities 非衍生金融負債							
Trade and other payables 應付賬款及其他應付款項	-	24,396	8,098	12,949	-	45,443	45,443
Borrowings – fixed rate 借貸 – 定息	7.38%	12,533	1,052	62,460	128,429	204,474	159,093
Convertible notes – non-interest bearing 可換股票據 – 不計息	-	-	-	-	5,654	5,654	5,654
Deferred consideration – non-interest bearing 遞延代價 – 不計息	-	-	-	48,807	22,486	71,293	71,293
		36,929	9,150	124,216	156,569	326,864	281,483
Guarantees issued 已作出的擔保							
Maximum amount guaranteed 最高擔保限額	-	146,912	229,100	43,163	-	419,175	419,175

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

54. FAIR VALUE MEASUREMENT

(i) Fair values of 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 and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 31 December 2018

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets	金融資產				
Financial assets at fair value through other comprehensive income:	透過其他全面收益按公平值列賬之金融資產：				
- Listed equity securities (Note a)	- 上市股本證券(附註a)	15,872	-	-	15,872
Financial assets at fair value through profit or loss:	按公平值計入損益之金融資產：				
- Contingent consideration receivables (Note b)	- 應收或然代價(附註b)	-	-	13,686	13,686
- Unlisted investment fund (Note c)	- 非上市投資基金(附註c)	-	37,552	40,143	77,695
Total	總計	15,872	37,552	53,829	107,253

During the years ended 31 December 2018 and 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes:

- (a) The valuation techniques and key inputs used of the listed equity securities, classified as the available-for-sale financial assets at FVTOCI, for Level 1 fair value measurement are quoted bid prices in an active market.

54. 公平值計量

(i) 以經常性基準按公平值計量的金融資產的公平值

本集團部分金融資產於各報告期末按公平值計量。下表提供如何釐定該等金融資產及金融負債之公平值的資料(尤其是採用的估值技術及輸入數據)。

於二零一八年十二月三十一日的公平值等級

截至二零一八年及二零一七年十二月三十一日止年度，並無於第一級與第二級間轉移，亦無轉入或轉出第三級。本集團之政策為於其所發生之報告期末確認公平值等級間之轉移。

附註：

- (a) 就第一級公平值計量而言，列為透過其他全面收益按公平值列賬之可供出售金融資產之上市股本證券所用估值技術及主要輸入數據為活躍市場的買入報價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

54. FAIR VALUE MEASUREMENT (Continued)

(i) Fair values of financial assets that are measured at fair value on a recurring basis (Continued)

Notes: (Continued)

- (b) The fair value of the contingent consideration receivables are based on the valuations performed by an independent professional valuer, using a Monte Carlo simulation, which are reviewed by and approved by the directors of the Company.

As the Guaranteed Profits relating to the acquisition of Access China Group and Sino Wealth Group covers a period of more than one year, there are more interactions to be assessed for the results. Monte Carlo simulation is therefore adopted as the simulation produces distribution of possible outcome values. By assuming probability distributions, variables can have different probabilities of different outcomes occurring. Probability distributions are a much more realistic way of describing uncertainty in variables of the result.

A decrease in the probability of fulfillment of Guaranteed Profits would result in a decrease in the fair value measurement of contingent consideration receivables and a decrease in discount rate would result in an increase in the fair value measurement of contingent consideration receivables, and vice versa.

The variables and assumptions used in computing the fair value of the contingent consideration receivables are based on the management's best estimates. The value of the contingent consideration receivables varies with different variables of certain subjective assumptions.

The key inputs used of contingent consideration receivables in relation to acquisition of Access China Group for the Level 3 fair value measurement at the end of reporting period are as follows:

Significant unobservable inputs	2018 Range	2017 Range
Volatility	N/A	36.91%
Discount rate	21.34%	13.11%-13.27%
Time to settlement date (in year)	0.19	0.19-1.19

54. 公平值計量 (續)

(i) 以經常性基準按公平值計量的金融資產的公平值 (續)

附註：(續)

- (b) 應收或然代價的公平值乃根據獨立專業估值師採用蒙特卡羅模擬法進行的估值而定，並由本公司董事審閱及核准。

由於有關收購 Access China 集團及 Sino Wealth 集團之溢利保證涵蓋逾一年期間，故須評估更多交易以達致結果。蒙特卡羅模擬法因可提供可能得出數值之分佈而獲採納。透過假設概率分佈，變數可出現產生不同結果之概率。概率分佈提供較實際方法說明結果變數之不確定。

達致溢利保證的可能性降低將導致應收或然代價的公平值計量減少及貼現率降低將導致應收或然代價的公平值計量增加，反之亦然。

計算應收或然代價公平值所用變數和假設乃基於管理層之最佳估計。應收或然代價之數值隨若干主觀假設之不同變數而變化。

於報告期末，就第三級公平值計量而言有關收購 Access China 集團的應收或然代價所用主要輸入數據如下：

主要不可觀察輸入數據	二零一八年範圍	二零一七年範圍
波幅	不適用	36.91%
折現率	21.34%	13.11%-13.27%
償付日期尚餘時間 (按年)	0.19	0.19-1.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

54. FAIR VALUE MEASUREMENT (Continued)

(i) Fair values of financial assets that are measured at fair value on a recurring basis (Continued)

Notes: (Continued)

(b) (Continued)

The key inputs of contingent consideration receivable in relation to acquisition of Sino Wealth Group for the Level 3 fair value measurement at the end of reporting period are as follows:

Significant unobservable inputs	2018 Range	2017 Range
Volatility	43.52%	35.64%
Discount rate	20.55%-20.60%	11.62%-12.02%
Time to settlement date (in year)	0.18-1.18	0.18-2.18

Due to the variety of basis of determination used in profit forecast, it is not practicable to provide any meaningful sensitivity in relation to the critical assumptions concerning future profitability of acquired business and the potential impact on the fair value changes on contingent consideration receivables at the end of reporting period.

(c) The fair value of unlisted investment fund of HK\$37,552,000 is determined based on the net asset value with reference to the prices of underlying investment portfolio quoted by fund administrator.

The fair value of unlisted investment fund of HK\$40,143,000 is based on the valuation performed by an independent professional valuer, using a Discounted Cash Flow method, which are reviewed by and approved by the directors of the Company.

An increase in discount rate would result in a decrease in fair value measurement of unlisted investment fund, and vice versa.

The significant unobservable input in relation to the privately offered fund in PRC for the level 3 fair value measurement at the end of reporting period are discount rate at 14.67%.

54. 公平值計量 (續)

(i) 以經常性基準按公平值計量的金融資產的公平值 (續)

附註：(續)

(b) (續)

於報告期末，就第三級公平值計量而言有關收購Sino Wealth集團的應收或然代價所用主要輸入數據如下：

主要不可觀察輸入數據	二零一八年範圍	二零一七年範圍
波幅	43.52%	35.64%
折現率	20.55%-20.60%	11.62%-12.02%
償付日期尚餘時間 (按年)	0.18-1.18	0.18-2.18

由於用於溢利預測的釐定基礎各有不同，故不大可能於報告期末就有關已收購業務之未來盈利能力及應收或然代價公平值變動之潛在影響的重大假設而作出任何具意義的敏感度分析。

(c) 非上市投資基金的公平值37,552,000港元乃經參考基金管理人提交的相關投資組合報價後根據資產淨值釐定。

非上市投資基金的公平值40,143,000港元乃根據獨立專業估值師使用折現現金流量法進行並經本公司董事審閱及批准的估值釐定。

折現率上升將導致非上市投資基金的公平值計量出現減少，反之亦然。

於報告期末，就第三級公平值計量而言有關中國私募基金的重大不可觀察輸入數據為折現率14.67%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

54. FAIR VALUE MEASUREMENT (Continued)

54. 公平值計量 (續)

(ii) Reconciliation of Level 3 fair value measurements

(ii) 第三級公平值計量之對賬

		Financial assets through profit or loss: 透過損益列賬之 金融資產:		Available-for-sale financial assets: 可供出售 金融資產:	Total 總計 HK\$'000 千港元
		- Unlisted investment fund - 非上市 投資基金 HK\$'000 千港元	- Contingent considerations - 或然代價 HK\$'000 千港元	- Wealth management products - 財富管理產品 HK\$'000 千港元	
At 1 January 2017	於二零一七年一月一日	-	15,102	16,751	31,853
Arising in acquisition of subsidiaries (Note 38(a))	因收購附屬公司產生 (附註38(a))	-	5,765	-	5,765
Disposal	出售	-	-	(17,001)	(17,001)
Change in fair value recognised in profit or loss during the year	年內於損益確認的公平值變動	-	(10,988)	-	(10,988)
Exchange realignment	匯兌調整	-	-	250	250
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	-	9,879	-	9,879
Addition	添置	35,607	-	-	35,607
Change in fair value recognised in profit or loss during the year	年內於損益確認的公平值變動	6,247	3,807	-	10,054
Exchange realignment	匯兌調整	(1,711)	-	-	(1,711)
At 31 December 2018	於二零一八年十二月三十一日	40,143	13,686	-	53,829

(iii) Fair value of financial assets and liabilities carried at other than fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost are not material different from their fair value as at 31 December 2018 and 2017.

(iii) 並非以公平值列賬的金融資產及負債之公平值

本公司董事認為，按攤銷成本列賬之金融資產及金融負債的賬面值與其於二零一八年及二零一七年十二月三十一日的公平值並無重大差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

55. POTENTIAL LITIGATION

The financing guarantee subsidiary of the Group has commenced a litigation as the plaintiff against a P2P platform in Beijing, PRC. The matter is related to the guarantee deposit paid to and withheld by a P2P platform in the course of business of financial guarantee business. The hearing commenced in March 2019 and no judicial decision has been promulgated up to the date of this report, the Board of Directors believes that there is no significant financial impact for the Group.

56. EVENTS AFTER THE REPORTING PERIOD

There is no significant event affecting the Company that have occurred since the end of the reporting period.

55. 潛在訴訟

本集團的融資擔保附屬公司已以原告的身份於中國北京針對一家P2P平台提出訴訟，該訴訟與於融資擔保業務的業務過程中支付予該P2P平台及代扣保證金有關。審訊已於二零一九年三月開始，而直至本報告日期尚未作出任何司法判決，董事會認為對本集團並無重大財務影響。

56. 報告期後事項

自報告期間結束以來並無發生影響本公司的重大事項。

FINANCIAL SUMMARY

財務概要

		Year ended 31.12.2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31.12.2017 截至 二零一七年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31.12.2016 截至 二零一六年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31.12.2015 截至 二零一五年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31.12.2014 截至 二零一四年 十二月三十一日 止年度 HK\$'000 千港元
RESULTS	業績					
Continuing operations	持續經營業務					
Revenue	收入	152,595	130,652	75,175	115,956	55,133
Cost of sales	銷售成本	(56,703)	(62,969)	(35,636)	-	(42,090)
Gross profit	毛利	95,892	67,683	39,539	115,956	13,043
Other income, gains and losses	其他收入、收益及虧損	(18,215)	89,103	(218,969)	121,549	4,098
Administrative and other operating expenses	行政及其他經營開支	(115,836)	(99,797)	(82,187)	(83,304)	(31,391)
Finance costs	財務成本	(11,560)	(16,340)	(15,200)	(29,398)	(13,365)
Share of (loss) profit of associates	應佔聯營公司(虧損)溢利	-	-	(98,410)	9,324	-
Impairment loss on goodwill	商譽之減值虧損	(7,143)	(14,650)	-	-	-
Impairment loss on interests in associates	於聯營公司權益之減值虧損	-	-	(267,410)	-	-
Net loss on de-consolidation of subsidiaries	取消綜合入賬附屬公司之虧損淨額	-	-	(324,478)	-	-
(Loss) profit before tax	除稅前(虧損)溢利	(56,862)	25,999	(967,115)	134,127	(27,615)
Income tax (expenses) credit	所得稅(開支)抵免	(1,741)	43	(3,435)	(17,997)	8,221
(Loss) profit for the year	年內(虧損)溢利	(58,603)	26,042	(970,550)	116,130	(19,394)
Attributable to:	以下人士應佔:					
Owners of the Company	本公司擁有人	(58,603)	26,020	(970,550)	116,130	(19,575)
Non-controlling interests	非控股權益	-	22	-	-	181
		(58,603)	26,042	(970,550)	116,130	(19,394)

FINANCIAL SUMMARY

財務概要

		31.12.2018 二零一八年 十二月三十一日 HK\$'000 千港元	31.12.2017 二零一七年 十二月三十一日 HK\$'000 千港元	31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元	31.12.2014 二零一四年 十二月三十一日 HK\$'000 千港元
ASSETS AND LIABILITIES	資產與負債					
Total assets	總資產	910,656	1,065,243	706,346	1,670,266	309,660
Total liabilities	總負債	(246,031)	(350,414)	(284,343)	(508,521)	(200,195)
Non-controlling interests	非控股權益	-	-	(776)	-	-
Equity attributable to owners of the Company	本公司擁有人應佔權益	664,625	714,829	421,227	1,161,745	109,465



大中華金融控股有限公司

GREATER CHINA FINANCIAL HOLDINGS LIMITED