



VC GROUP
滙盈集團

Value Convergence Holdings Limited
滙盈控股有限公司

A Hong Kong listed company with stock code: 821
香港上市公司股票代號：821
www.vcgroup.com.hk

Delivering Value
Through Excellence

卓越滙聚財富

Annual Report **2018** 年報



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CORPORATE INFORMATION**公司資料****Executive Directors**

Mr. FU Yiu Man, Peter (*Chairman*)
 Mr. TIN Ka Pak, Timmy
 Mr. LIN Hoi Kwong, Aristo
 Mr. XIE Jintai
 Mr. ZHANG Min
 Ms. LU Mengjia

Independent Non-executive Directors

Mr. WONG Chung Kin, Quentin
 Mr. WONG Kam Choi, Kerry, ^{MH}
 Mr. SIU Miu Man, Simon
 Mr. CHIANG Ho Wai

Executive Committee

Mr. FU Yiu Man, Peter (*Chairman*)
 Mr. TIN Ka Pak, Timmy
 Mr. LIN Hoi Kwong, Aristo
 Ms. LU Mengjia
 Mr. LAI Yick Fung[△]

Audit Committee

Mr. WONG Chung Kin, Quentin (*Chairman*)
 Mr. WONG Kam Choi, Kerry, ^{MH}
 Mr. SIU Miu Man, Simon
 Mr. CHIANG Ho Wai

Remuneration Committee

Mr. WONG Kam Choi, Kerry, ^{MH} (*Chairman*)
 Mr. WONG Chung Kin, Quentin
 Mr. SIU Miu Man, Simon
 Mr. CHIANG Ho Wai

Nomination Committee

Mr. SIU Miu Man, Simon (*Chairman*)
 Mr. WONG Chung Kin, Quentin
 Mr. WONG Kam Choi, Kerry, ^{MH}
 Mr. CHIANG Ho Wai

[△] Non-voting co-opted member

執行董事

符耀文先生 (*主席*)
 田家柏先生
 連海江先生
 謝錦泰先生
 張民先生
 陸夢嘉女士

獨立非執行董事

黃松堅先生
 黃錦財先生, ^{MH}
 蕭妙文先生
 蔣浩瑋先生

執行委員會

符耀文先生 (*主席*)
 田家柏先生
 連海江先生
 陸夢嘉女士
 賴益豐先生[△]

審核委員會

黃松堅先生 (*主席*)
 黃錦財先生, ^{MH}
 蕭妙文先生
 蔣浩瑋先生

薪酬委員會

黃錦財先生, ^{MH} (*主席*)
 黃松堅先生
 蕭妙文先生
 蔣浩瑋先生

提名委員會

蕭妙文先生 (*主席*)
 黃松堅先生
 黃錦財先生, ^{MH}
 蔣浩瑋先生

[△] 無投票權成員

滙盈控股有限公司

CORPORATE INFORMATION
公司資料**Authorised Representatives**

Mr. TIN Ka Pak, Timmy
Mr. LAI Yick Fung

授權代表

田家柏先生
賴益豐先生

Company Secretary

Mr. LAI Yick Fung

公司秘書

賴益豐先生

Registered Office/Principal Place of Business

6th Floor, Centre Point
181-185 Gloucester Road
Wanchai, Hong Kong

註冊辦事處／主要營業地點

香港灣仔
告士打道181-185號
中怡商業大廈6樓

Auditor

SHINEWING (HK) CPA Limited

核數師

信永中和(香港)會計師事務所有限公司

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited

主要往來銀行

渣打銀行(香港)有限公司
恒生銀行有限公司
中國銀行(香港)有限公司

Share Registrar and Transfer Office

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

股份過戶登記處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心22樓

Stock Code

The Stock Exchange of Hong Kong Limited: 821

股份代號

香港聯合交易所有限公司：821

Company Website

<http://www.vcgroup.com.hk>

公司網站

<http://www.vcgroup.com.hk>



CHAIRMAN'S STATEMENT 主席報告書

The local stock market has been turbulent in 2018 against the backdrop of trade conflict between China and the United States as well as the rise in U.S. benchmark interest rates. Global investors are wary of the economic outlook given the above uncertainties and some recent economic figures appear to confirm the slowdown of the Chinese economy. Investors turned pessimistic and started sell-off during the fourth quarter of 2018. Average daily turnover also shrank noticeably amid the sluggish market.

However, the ongoing development of the Hong Kong stock market infrastructure helped a great deal in boosting market activity. For instance, the listing reforms implemented since the second quarter of 2018 has set stage for welcoming a more diverse group of companies to list in Hong Kong. Amount of IPO funds raised in 2018 was the most since 2010 and Hong Kong successfully returned to the top of the world's IPO fundraising table. The expansion of quota for Mainland-HK

在中美貿易糾紛以及美國調高基準利率的環境下，二零一八年本地股市經歷了一場猛烈動盪。此等不穩因素加上近期已有經濟數據顯示中國經濟暫定放緩，均令環球投資者對經濟前景憂心忡忡。投資者情緒開始悲觀，並於二零一八年第四季開始拋售。在呆滯市場下，每日平均成交額亦明顯收縮。

幸而，香港股市基礎持續發展，有助大幅推動市場活動。舉例而言，於二零一八年第二季推行之上市改革，為更多元化的公司來香港上市搭建好平台。二零一八年首次公開發售之集資額乃自二零一零年以來最高，而香港更重返全球首次公開發售集資額榜首。滬深港股票市場交易互聯互通機制加大配額亦有助加強二零一八年國內與國際投資者之間

CHAIRMAN'S STATEMENT
主席報告書

Stock Connects has also enhanced fund flows between mainland and international investors throughout 2018. According to market statistics published by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), yearly equity turnover surged to all time high during the year.

Although the financial-oriented business makes the Group particularly sensitive to fluctuating economic conditions and investors' sentiments, our fundamental strategy is firmly anchored and our core focus remains on developing and fortifying the Group's core businesses in (i) provision of financing services including brokerage and financing services, corporate finance and other advisory services, and asset management; and (ii) proprietary trading. The Group's business strategies continue to include enlarging the Group's revenue base through fostering its core businesses, and tapping into new emerging markets with expanded business initiatives. Indeed, the Group is committed to achieving long-term and balanced growth on the basis of solid financial capability and a pragmatic operating strategy, which help capitalizing on any growth opportunities and thereon enhance our shareholders' value.

During the year of 2018, the Group's financial position has strengthened, in which the Company successfully raised net cash proceeds of approximately HK\$72.6 million through top-up placing of existing shares and issuing new shares to independent parties. The increase in financial resources not only helps the Company to expand the existing core businesses, but also provides flexibility for future business developments when opportunities arise.

的資金流動。根據香港聯合交易所有限公司(「聯交所」)公佈之市場統計數據，本年度之全年股份成交金額已達致歷來新高。

儘管本集團之金融業務性質使其對經濟狀況及投資者情緒之轉變尤其敏感，惟本集團始終堅守其基本策略，全力集中於發展及加強核心業務，包括(i)提供經紀及融資服務、企業融資及其他顧問服務，以及資產管理業務等金融服務；及(ii)自營買賣業務。本集團之業務策略繼續包括壯大核心業務從而擴闊收益基礎，以及擴大業務企劃藉以拓展新興市場。事實上，憑藉穩固的財政實力及務實的經營策略，本集團銳意達致長遠而平衡的增長，掌握一切增長機遇，從而為股東提升價值。

於二零一八年，本集團之財政狀況亦有所加強，本公司成功藉著向獨立人士以先舊後新方式配售現有股份及發行新股份而籌集得約72,600,000港元之現金所得款項淨額。財政資源增加不僅有助本公司擴展現有核心業務，同時亦使本公司在機遇出現時可更靈活地發展業務。

CHAIRMAN'S STATEMENT**主席報告書**

Looking ahead, operating environment of the Group remains complicated facing macroeconomic and political uncertainties. The progress of the Sino-US trade deal and the monetary policies of central banks could weigh on investment sentiment in 2019. Nevertheless, our strategies remain unchanged - enlarge our revenue base by strengthening the existing core businesses, tap into new emerging markets with expanded business initiatives and explore business opportunities in the PRC. The Group will devote increased resources to business diversification and acquisition when opportunities arise, with the view to strengthening our all-round business position in Hong Kong and beyond.

In closing, on behalf of my fellow Directors, I wish to express our sincere appreciation and wholehearted gratitude to the management team and all staff of the Group for their professional dedication, hard work, commitment and contributions throughout the year. I would also like to extend our sincere thanks to our shareholders and stakeholders for their confidence and continuous support to the Group throughout the year. We will continue to put efforts in creating greater value for our shareholders and investors.

Fu Yiu Man, Peter

Chairman & Executive Director

Hong Kong

28 March 2019

前瞻未來，在宏觀經濟與政治局勢不明朗下，本集團之經營環境仍複雜多變。二零一九年中美貿易談判進程以及各國央行貨幣政策均可能打擊投資情緒。儘管如此，本集團之策略始終不變－壯大現有核心業務從而擴闊收益基礎、擴大業務企劃藉以拓展新興市場，以及開拓中國市場的商機。本集團將投放更多資源以於機遇出現時尋求業務多元化發展及業務收購，藉以鞏固本集團於香港及其他地區全方位的地位。

最後，本人謹代表各董事向管理層與本集團各同事過去一年之卓越表現、努力及竭誠奉獻深表衷心謝意。本人亦感謝各位股東與其他有關人士過去一年一直支持本集團並投以信心一票。我們會繼續努力，矢志為各股東及投資者創造更大價值。

主席兼執行董事

符耀文

香港

二零一九年三月二十八日

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析**MANAGEMENT
DISCUSSION
AND ANALYSIS**
管理層討論及分析

VC Group is an established financial services group committed to delivering premier financial services and products that fulfill various investment and wealth management needs of clients in the Greater China region. The Group's expertise includes (i) provision of financial services comprising securities, futures and options brokering and dealing, financing services, corporate finance and other advisory services, and asset management; and (ii) proprietary trading.

BUSINESS REVIEW

Hong Kong continues to be an international financial hub and serves as a gateway to mainland China for foreign investors. China has paid various efforts to open up to the global world both financially and economically and international investors are also aware of the progress the related authorities have made. This could definitely benefit Hong Kong in a great extent. For instance, global benchmark company MSCI Inc has added A-shares to their emerging market index with the first phase effective in June 2018. Active and passive funds influx

滙盈集團為擁有穩固基礎的金融服務集團，致力提供優質的金融服務及產品，以滿足大中華地區客戶在投資及財富管理方面的不同需要。本集團的專業領域涵蓋(i)提供證券、期貨及期權經紀及交易業務、融資服務、企業融資及其他顧問服務，以及資產管理業務等金融服務；及(ii)自營買賣業務。

業務回顧

香港仍然是國際金融中心，並擔綱著海外投資者進入中國大陸之入口的角色。中國已在各方面努力務求在金融及經濟上對外開放，而國際投資者亦已對當局的工作進度多加注意。香港肯定能從中獲益不淺。舉例而言，環球指數公司MSCI明晟已將A股納入其新興市場指數，第一階段已於二零一八年六月實施。主動及被動資金紛紛湧入A股，亦造就H股市場活動活躍。這從二零一八年本港市場

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

to A-shares occurs, which also boosts the activity of the H-share market. This was reflected by the record high turnover volume of the local bourse in 2018. The average daily turnover for 2018 was HK\$107.4 billion, an increase of 22% when compared with HK\$88.2 billion for same period last year.

Fund raising was also hot during the period. Newly listed companies in 2018 rose 25% to 218 compared with 174 for the same period last year while total funds raised through IPOs surged 123% to nearly HK\$287 billion compared with HK\$129 billion in 2017.

Investment sentiment has been dampened since second half of 2018 mainly due to the escalating trade tensions between China and the United States and the normalization of U.S. benchmark interest rates. Investors were worried about a full-blown trade war together with higher interest costs could hit global economic growth. Hong Kong stock market was inevitably struck and the Hang Seng Index (the "HSI") lost 13.6% to close at 25,845 at the end of 2018.

As a financial services provider, the business performance of the Group is inevitably impacted by both the macro environment and local market conditions. Nevertheless, the Group always thrived on its solid financial standing and its various investment services and products offered to our clients. All of these consolidated the Group as a competitive player in the financial industry. While the financial-oriented business makes the Group particularly sensitive to fluctuating economic conditions and investors' sentiments, our fundamental strategy is firmly anchored and our core focus remains on developing and fortifying the Group's core businesses in provision of financial services including (i) securities, futures and options brokering and dealing, and financing services (including local and overseas securities

成交金額錄得歷史新高即可見一斑。二零一八年每日平均成交額達1,074億港元，較去年同期之882億港元增長22%。

期內之集資活動亦充滿生氣。二零一八年新上市公司由去年同期之174家增加25%至218家，而首次公開發售集資總額更由二零一七年之1,290億港元飆升123%至近2,870億港元。

投資氣氛由二零一八年下半年開始黯淡，主要是受中美貿易局勢緊張升級以及美國基準利率正常化所影響。投資者憂慮爆發全面貿易戰及利息成本增加會打擊全球經濟增長。香港股市未能獨善其身，恆生指數（「恆指」）於二零一八年最後一日收報25,845點，全年下跌13.6%。

作為金融服務供應商，本集團之業務表現難免受宏觀環境及本地市況所影響。儘管如此，本集團仍然憑藉雄厚的財政實力以及為客戶所提供各式各樣的投資服務及產品，讓本集團成為業內具競爭力的一份子。本集團之金融業務性質使其對經濟狀況及投資者情緒之轉變尤其敏感，而本集團始終堅守其基本策略，全力集中於發展及加強提供金融服務方面之核心業務，包括(i)證券、期貨及期權經紀及交易，以及融資服務業務（包括本地及海外證券交易、期貨及期權買賣、衍生工具及其他結構性產品買賣、配售及包銷、保證金融資以及放債等）；(ii)提供企業融資及其他顧問服務（包括合併與收購及為客戶

MANAGEMENT DISCUSSION AND ANALYSIS

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dealing, futures and options trading, derivatives and other structured products trading, placement and underwriting, margin financing and money lending, etc.); (ii) corporate finance and other advisory services (including mergers and acquisitions and company secretarial services to clients, etc.); and (iii) asset management; and proprietary trading. Indeed, the Group is committed to achieving long-term and balanced growth on the basis of solid financial capability and a pragmatic operating strategy, which help capitalizing on any growth opportunities and thereon enhance our shareholders' value.

Establishment of a joint venture securities company in Guangxi

In July 2016, the Company announced that VC Brokerage Limited ("VC Brokerage"), an indirectly wholly owned subsidiary of the Company, entered into a joint venture agreement (the "Joint Venture Agreement") with three independent third parties to establish a joint venture securities company in Guangxi, the PRC (the "PRC JV Company"). Subject to the approval by China Securities Regulatory Commission (the "CSRC"), the PRC JV Company is expected to be a full-licensed securities company permitted to provide securities brokerage, trading and investment advisory, underwriting, sponsorship and asset management services in the PRC. Pursuant to the Joint Venture Agreement, VC Brokerage will contribute RMB445 million (equivalent to approximately HK\$503 million), representing 44.5% shareholding in the PRC JV Company.

提供公司秘書服務等)；及(iii)資產管理；及自營買賣業務。事實上，憑藉穩固的財政實力及務實的經營策略，本集團銳意達致長遠而平衡的增長，掌握一切增長機遇，從而為股東提升價值。

於廣西成立一間合營證券公司

於二零一六年七月，本公司宣佈本公司之間接全資附屬公司滙盈證券有限公司(「滙盈證券」)與三名獨立第三方訂立一份合營協議(「合營協議」)，於中國廣西省成立一間合營證券公司(「中國合營公司」)。待中國證券監督管理委員會(「中證監」)發出批文後，預期中國合營公司將為全牌照證券公司，獲允許於中國提供證券經紀、交易及投資顧問、包銷、保薦及資產管理服務。根據合營協議，滙盈證券將出資其中人民幣445,000,000元(相當於約503,000,000港元)，佔中國合營公司股權之44.5%。

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The Company will finance the investment in the PRC JV Company by placing of convertible bonds in the aggregate principal amount of up to HK\$850 million (the “Convertible Bonds”) at an initial conversion price of HK\$0.65 each pursuant to a placing agreement entered into at the same time. The aggregate net proceeds from placing of the Convertible Bonds will be approximately HK\$829 million, which is intended to use for capital contribution to the PRC JV Company and the remaining balance is intended to use for expanding the Group’s existing businesses and other possible investments in the future, when opportunities arise.

In June 2018, the Company was informed by Guangxi Financial Investment Group Company Limited (廣西金融投資集團有限公司) (“Guangxi Jintou”), who is responsible for liaising with CSRC for the formation of the PRC JV Company, partners of the PRC JV Company would be changed. Guangxi Railway Investment Group Co., Ltd. (廣西鐵路投資集團有限公司) (“Guangxi Railway”) will replace Guangxi Hande Group Company Limited (廣西瀚德集團有限公司) and Beijing Heyuan Finance Equity Investment Centre (limited partnership) (北京合源融金股權投資中心(有限合夥)) as a new partner of the PRC JV Company. The amount of capital contribution and shareholding of VC Brokerage in the PRC JV Company remains unchanged.

本公司將藉配售總本金額最多達850,000,000港元之可換股債券(「可換股債券」)以為於中國合營公司之投資提供資金，可換股債券乃根據一份同時訂立之配售協議配售，初步換股價為每股0.65港元。配售可換股債券之所得款項淨額將合共約為829,000,000港元，擬用於支付中國合營公司出資，另餘額擬用作擴展本集團之現有業務，以及於未來機會出現時用於其他潛在投資。

於二零一八年六月，負責就成立中國合營公司與中證監聯絡之廣西金融投資集團有限公司(「廣西金投」)告知本公司，中國合營公司之合營夥伴將有所更改。廣西鐵路投資集團有限公司(「廣西鐵路」)將取代廣西瀚德集團有限公司及北京合源融金股權投資中心(有限合夥)成為中國合營公司新的合營夥伴。滙盈證券之出資金額及於中國合營公司之股權將維持不變。

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As further informed by Guangxi Jintou in September 2018, Guangxi Communications Investment Group Co., Ltd. (廣西交通投資集團有限公司) will replace Guangxi Railway become one of the joint venture partners of the PRC JV Company. The amount of capital contribution and shareholding of VC Brokerage in the PRC JV Company still remains unchanged.

As at the date of this Annual Report, the Company and VC Brokerage have not yet obtained the approval and authorisation from the CSRC for establishment of the PRC JV Company. Details of the transaction please refer to the Company's announcements dated 24 July 2016, 20 September 2016, 26 October 2016, 18 November 2016, 17 January 2017, 29 March 2017, 28 June 2017, 20 September 2017, 12 October 2017, 12 January 2018, 27 March 2018, 27 June 2018, 20 July 2018, 28 August 2018, 6 September 2018, 28 November 2018 and 21 February 2019; and the Company's circulars dated 26 September 2016, 27 February 2017, 22 September 2017, 23 February 2018, 3 August 2018 and 31 January 2019.

誠如廣西金投於二零一八年九月所進一步告知，廣西交通投資集團有限公司將取代廣西鐵路成為中國合營公司之其中一名合營夥伴。滙盈證券之出資金額及於中國合營公司之股權仍然維持不變。

於本年報日期，本公司及滙盈證券尚未就成立中國合營公司取得中證監批准及授權。有關交易之詳情請參閱本公司日期為二零一六年七月二十四日、二零一六年九月二十日、二零一六年十月二十六日、二零一六年十一月十八日、二零一七年一月十七日、二零一七年三月二十九日、二零一七年六月二十八日、二零一七年九月二十日、二零一七年十月十二日、二零一八年一月十二日、二零一八年三月二十七日、二零一八年六月二十七日、二零一八年七月二十日、二零一八年八月二十八日、二零一八年九月六日、二零一八年十一月二十八日及二零一九年二月二十一日之公佈；以及本公司日期為二零一六年九月二十六日、二零一七年二月二十七日、二零一七年九月二十二日、二零一八年二月二十三日、二零一八年八月三日及二零一九年一月三十一日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Formation of joint venture company to act as a sponsor to a limited partnership fund

On 22 September 2017, the Company entered into a legally binding memorandum of understanding (the "2017 MOU") with an independent third party (the "Party") in relation to the proposed formation of a joint venture company (the "JV Company") to act as a sponsor to a limited partnership fund (the "Fund") which will focus on infrastructure projects (the "Proposed Joint Venture"). The 2017 MOU is subject to the parties entering into formal agreements to set out the definitive terms of the Proposed Joint Venture. The Company shall have the right to acquire no less than 5% of the entire issued share capital of the JV Company. The initial cost required for the setting up of the JV Company and the Fund (the "Organisation Expenses") shall be borne equally between the Company and the Party, provided that in any event, the Company's provision of the initial cost shall be limited to HK\$7.5 million. As at 31 December 2018, the Company paid an amount of HK\$5 million for the Organisation Expenses. Details of the transaction had been disclosed in the Company's announcements dated 22 September 2017, 5 January 2018, 27 June 2018 and 28 December 2018.

Acquisition of convertible bonds issued by China Fortune Financial Group Limited

On 18 October 2017, the Company entered into a sale and purchase agreement with Pacific Alliance Limited ("PAL") as vendor, pursuant to which the Company agreed to purchase, and PAL agreed to sell, the 3-year two per cent. unsecured redeemable convertible bonds in the principal amount of HK\$153,585,000 issued by China Fortune Financial Group Limited ("China Fortune", Stock Code: 290) on 30 March 2017 (the "China Fortune Convertible Bonds") for an aggregate consideration of HK\$400,000,000 (the "Acquisition"). The consideration of HK\$40,000,000 will be satisfied in cash and the balance of the consideration of HK\$360,000,000 will be satisfied by way of issue of the convertible bonds by the Company (the "VC Convertible Bonds") at the completion date of the Acquisition.

成立一間合營企業以出任有限合夥基金之保薦人

於二零一七年九月二十二日，本公司與一名獨立第三方（「該方」）訂立一份具有法律約束力之諒解備忘錄（「二零一七年備忘錄」），內容有關建議成立一間合營企業（「合營公司」）以出任一個將專注於基建項目之有限合夥基金（「該基金」）之保薦人（「建議合資」）。二零一七年備忘錄須待訂約各方訂立載列建議合資之確切條款之正式協議後，方可作實。本公司將有權收購合營公司全部已發行股本不少於5%。成立合營公司及該基金初步所需之資金（「開辦費」）將由本公司與該方平均分擔，惟無論如何本公司之初步出資將以7,500,000港元為限。於二零一八年十二月三十一日，本公司已就開辦費支付5,000,000港元。有關交易之詳情於本公司日期為二零一七年九月二十二日、二零一八年一月五日、二零一八年六月二十七日及二零一八年十二月二十八日之公佈披露。

收購中國富強金融集團有限公司所發行之可換股債券

於二零一七年十月十八日，本公司與Pacific Alliance Limited（「PAL」，作為賣方）訂立一份買賣協議，據此，本公司同意購買、而PAL同意出售中國富強金融集團有限公司（「中國富強」，股票代號：290）於二零一七年三月三十日發行本金額為153,585,000港元之三年期2厘息無抵押可贖回可換股債券（「中國富強可換股債券」），所涉及之總代價為400,000,000港元（「收購事項」）。當中40,000,000港元之代價將以現金支付，其餘360,000,000港元之代價則將以本公司於收購事項完成日期發行之可換股債券（「滙盈可換股債券」）之方式支付。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

The China Fortune Convertible Bonds are convertible into 2,559,750,000 conversion shares at the initial conversion price of HK\$0.06 per conversion share (subject to adjustments), which representing approximately 26.54% of the enlarged issued share capital of China Fortune as at 8 January 2018, being the date of completion of the Acquisition. The VC Convertible Bonds is a 3-year zero interest unsecured redeemable convertible bonds in the principal amount of HK\$360,000,000, which are convertible into 288,000,000 conversion shares at the initial conversion price of HK\$1.25 per conversion share (subject to adjustments), which representing approximately 26.60% of the enlarged issued share capital of the Company as at the date of completion. As at 31 December 2018, the convertible bonds in the principal amount of HK\$15,000,000 was still outstanding.

One of the Group's principal businesses is proprietary trading including the trading of equity securities. Taking an optimistic view of the prospect of the financial services industry in Hong Kong and the PRC, the Group intends to hold the China Fortune Convertible Bonds for trading purposes with a view to achieve capital gains through disposal of the China Fortune Convertible Bonds or the conversion shares of the China Fortune Convertible Bonds. The Acquisition had been approved by the shareholders of the Company during the extraordinary general meeting held on 27 December 2017 and completed on 8 January 2018. Details of the Acquisition had been disclosed in the Company's announcements dated 18 October 2017, 27 December 2017 and 8 January 2018; and the Company's circular dated 7 December 2017.

中國富強可換股債券可按初步換股價每股換股股份0.06港元(可予調整)兌換為2,559,750,000股換股股份,相當於二零一八年一月八日(即收購事項之完成日期)經擴大之中國富強已發行股本約26.54%。滙盈可換股債券為一項本金額為360,000,000港元之三年期零票息無抵押可贖回可換股債券,其可按初步換股價每股換股股份1.25港元(可予調整)兌換為288,000,000股換股股份,相當於完成日期經擴大之本公司已發行股本約26.60%。於二零一八年十二月三十一日,可換股債券中尚有本金額15,000,000港元為尚未償還。

本集團其中一項主要業務為自營買賣業務,包括股本證券買賣。本集團對香港及中國金融服務業之前景感到樂觀,並擬持有中國富強可換股債券作買賣用途,以透過出售中國富強可換股債券或中國富強可換股債券之換股股份獲得資本收益。收購事項已於二零一七年十二月二十七日舉行之股東特別大會上獲本公司股東批准並於二零一八年一月八日完成。有關收購事項之詳情於本公司日期為二零一七年十月十八日、二零一七年十二月二十七日及二零一八年一月八日之公佈;以及本公司日期為二零一七年十二月七日之通函披露。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Acquisition of 18% of the entire issued share capital of Hackett Enterprises Limited

On 8 March 2018, Apex Treasure International Limited, the Company's indirect wholly owned subsidiary, entered into a sale and purchase agreement with CVP Financial Group Limited ("CVP Financial") as vendor pursuant to which the Company intends to acquire and CVP Financial intends to sell 18% of the entire issued share capital of Hackett Enterprises Limited ("Hackett Enterprises") at a consideration of HK\$160,000,000. Hackett Enterprises and its subsidiaries are principally engaged in the provision of loan financing and financial consultancy services in the PRC and the provision of money lending services in Hong Kong. The consideration will be settled by issue of a 3-year two per cent. unsecured convertible bonds by the Company in the principal amount of HK\$160,000,000, which are convertible into 123,076,923 conversion shares at an initial conversion price of HK\$1.3 per conversion share (subject to adjustments). The transaction had been approved by the shareholders of the Company during the extraordinary general meeting held on 3 May 2018 and completed on 8 June 2018. Details of the transaction had been disclosed in the Company's announcements dated 16 January 2018, 8 March 2018 and 8 June 2018; and the Company's circular dated 16 April 2018. As at 31 December 2018, the aforesaid convertible bonds in the principal amount of HK\$18,000,000 was still outstanding.

收購Hackett Enterprises Limited全部已發行股本之18%

於二零一八年三月八日，本公司之間接全資附屬公司Apex Treasure International Limited與遠見金融集團有限公司（「遠見金融」，作為賣方）訂立一份買賣協議，據此，本公司有意購買、而遠見金融有意出售Hackett Enterprises Limited（「Hackett Enterprises」）全部已發行股本之18%，所涉及之代價為160,000,000港元。Hackett Enterprises及其附屬公司主要從事於中國提供貸款融資及金融顧問服務，以及於香港提供放債服務。代價將以本公司發行本金額為160,000,000港元之三年期2厘息無抵押可換股債券之方式支付，該等可換股債券可按初步換股價每股換股股份1.3港元（可予調整）兌換為123,076,923股換股股份。有關交易已於二零一八年五月三日舉行之股東特別大會上獲本公司股東批准並於二零一八年六月八日完成。有關交易之詳情於本公司日期為二零一八年一月十六日、二零一八年三月八日及二零一八年六月八日之公佈；以及本公司日期為二零一八年四月十六日之通函披露。於二零一八年十二月三十一日，上述可換股債券中尚有本金額18,000,000港元為尚未償還。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析**Acquisition of 49% of the entire issued share capital of BTCC Pool Limited**

On 24 June 2018, Initial Honour Limited (“Initial Honour”), the Company’s indirect wholly owned subsidiary, entered into the non-legally binding memorandum of understanding (the “2018 MOU”) with Mr. Chong Wing Chuen, Vincent (the “Vendor”) in relation to the proposed acquisition of 49% of the entire issued capital of BTCC Pool Limited (“BTCC”). BTCC, through its subsidiaries, is principally engaged in the provision of multi-cryptocurrencies mining pool to which miners can connect through servers located worldwide to implement encrypted communications. The consideration for the proposed acquisition shall be HK\$147,000,000 and is expected to be satisfied by Initial Honour by a combination of cash and consideration shares of the Company at the issue price of HK\$1.5 per consideration share. As long stop date of the 2018 MOU has passed, the proposed acquisition would not proceed. Details of the 2018 MOU had been disclosed in the Company’s announcement dated 24 June 2018.

Top-up placing and subscription of new shares of the Company under general mandate

On 26 June 2018, the Company entered into the placing and subscription agreement with Shenwan Hongyuan Securities (H.K.) Limited (the “Placing Agent”) and Mr. Chung Chi Shing, Eric (“Mr. Chung”) whereby (i) Mr. Chung agreed to appoint the Placing Agent and the Placing Agent has agreed to act as agent of Mr. Chung and use its best endeavour to procure not less than six places for up to 60,000,000 shares of the Company at HK\$1.45 per placing shares; and (ii) Mr. Chung has agreed to subscribe for up to 60,000,000 shares of the Company at HK\$1.45 per subscription share.

收購BTCC Pool Limited全部已發行股本之49%

於二零一八年六月二十四日，本公司之間接全資附屬公司Initial Honour Limited（「Initial Honour」）與莊永全先生（「賣方」）訂立一份無法律約束力之諒解備忘錄（「二零一八年備忘錄」），內容有關建議收購BTCC Pool Limited（「BTCC」）全部已發行股本之49%。BTCC透過其附屬公司主要從事提供多種加密貨幣礦池，挖掘者可通過連接置於全球的伺服器進行加密通訊。建議收購事項之代價將為147,000,000港元，預期將由Initial Honour以現金加本公司之代價股份支付，代價股份之發行價為每股1.5港元。由於二零一八年備忘錄之最後截止日期已過，因此建議收購事項將不會繼續進行。有關二零一八年備忘錄之詳情於本公司日期為二零一八年六月二十四日之公佈披露。

以先舊後新方式配售股份及根據一般授權認購本公司新股份

於二零一八年六月二十六日，本公司與申萬宏源證券（香港）有限公司（「配售代理」）及鍾志成先生（「鍾先生」）訂立一份配售及認購協議，據此(i)鍾先生同意委任配售代理而配售代理亦同意擔任鍾先生之代理，並盡其最大努力促使不少於六名承配人，以每股配售股份1.45港元認購最多60,000,000股本公司股份；及(ii)鍾先生同意以每股認購股份1.45港元認購最多60,000,000股本公司股份。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The completion of the placing took place on 29 June 2018 and a total of 50,904,000 shares of the Company (the "Sale Shares") were successfully placed to not less than six places at the HK\$1.45 per Sale Share. All the conditions of the subscription as set out in the placing and subscription agreement have been fulfilled and completion of the subscription took place on 10 July 2018 whereby a total of 50,904,000 shares of the Company (the "Subscription Shares") were allotted and issued to Mr. Chung at HK\$1.45 per Subscription Share.

The net proceeds from the placing is approximately HK\$72.6 million after deduction of commission and other related expenses of the placing from the gross proceeds of approximately HK\$73.8 million. The Company intends to use the net proceeds from the placing for (i) general working capital of the Group; (ii) expanding the Group's proprietary trading, brokerage and financing and corporate finance businesses; and (iii) possible investment(s) in the future when opportunities arise. Details of the top-up placing and subscription had been disclosed in the Company's announcements dated 26 June 2018 and 10 July 2018.

配售事項已於二零一八年六月二十九日完成，已成功按每股本公司股份（「待售股份」）1.45港元向不少於六名承配人配售合共50,904,000股待售股份。至於配售及認購協議所載認購事項之所有條件亦均已達成，認購事項已於二零一八年七月十日完成，據此已按每股本公司股份（「認購股份」）1.45港元向鍾先生配發及發行合共50,904,000股認購股份。

配售事項之所得款項總額約為73,800,000港元，而扣除佣金及配售事項之相關開支後配售事項之所得款項淨額約為72,600,000港元。本公司擬將配售事項之所得款項淨額用作(i)本集團之一般營運資金；(ii)擴展本集團之自營買賣、經紀及融資以及企業融資業務；及(iii)未來出現機會時的可能投資。有關先舊後新配售事項及認購事項之詳情於本公司日期為二零一八年六月二十六日及二零一八年七月十日之公佈披露。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析**Acquisition of the entire issued equity interest in and the sale loan of Bright Element Investments Limited**

On 29 June 2018, VC Global Investments Limited, the Company's indirect wholly owned subsidiary, entered into an agreement with Mr. Ting Pang Wan Raymond ("Mr. Ting") in relation to the acquisition of the entire issued equity interest in Bright Element Investments Limited ("Bright Element") and all obligations, liabilities and debts owing by Bright Element to Mr. Ting on or at any time prior to the completion of the said acquisition. The total consideration for the acquisition is HK\$257,200,000, which shall be settled by the Company to issue the convertible bonds in the principal amount of HK\$257,200,000 to Mr. Ting on the completion date of the acquisition. The convertible bonds are convertible into 205,760,000 conversion shares at an initial conversion price of HK\$1.25 per conversion share (subject to adjustments). Shareholders' approval was obtained at the extraordinary general meeting held on 15 October 2018. As certain conditions precedent of the acquisition under the agreement has not been fulfilled in full (or waived) on or before the extended long stop date falling on 31 January 2019, the agreement has lapsed and the acquisition would not proceed. Details of the transaction had been disclosed in the Company's announcements dated 29 June 2018, 15 October 2018, 31 October 2018, 30 November 2018, 31 December 2018 and 31 January 2019; and the Company's circular dated 26 September 2018.

收購Bright Element Investments Limited全部已發行股本權益及待售貸款

於二零一八年六月二十九日，本公司之間接全資附屬公司VC Global Investments Limited與丁鵬雲先生（「丁先生」）訂立一份協議，內容有關收購Bright Element Investments Limited（「Bright Element」）全部已發行股本權益以及Bright Element於上述收購事項完成時或之前任何時間結欠丁先生之所有責任、負債及債項。收購事項之總代價為257,200,000港元，將由本公司於收購事項完成日期向丁先生發行本金額257,200,000港元之可換股債券支付。可換股債券可按初步換股價每股換股股份1.25港元（可予調整）兌換為205,760,000股換股股份。收購事項已於二零一八年十月十五日舉行之股東特別大會上經股東批准。由於相關協議項下收購事項之若干先決條件未能於經延後最後截止日期（即二零一九年一月三十一日）或之前悉數達成（或獲豁免），因此相關協議已告失效，而收購事項將不會繼續進行。有關交易之詳情於本公司日期為二零一八年六月二十九日、二零一八年十月十五日、二零一八年十月三十一日、二零一八年十一月三十日、二零一八年十二月三十一日及二零一九年一月三十一日之公佈；以及本公司日期為二零一八年九月二十六日之通函披露。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Acquisition of 30% of the entire issued capital of Telebox Technology Holdings Limited

On 24 August 2018, Initial Honour entered into a sale and purchase agreement with Honour Century Global Limited (“Honour Century”) whereas the Initial Honour shall acquire from Honour Century 30% of the entire issued capital of Telebox Technology Holdings Limited (“TTHL”). TTHL, through its subsidiary, is principally engaged in the business of (i) operation of social media platform; (ii) operation of cryptocurrency trading platform; and (iii) provision of digital wallet for custody and transfer of cryptocurrencies. The consideration for the acquisition shall be HK\$10,000,000 in cash. The acquisition was completed on 28 August 2018.

Details of the Group’s business performance of each operating segment for the year ended 31 December 2018, together with the comparative figures of the corresponding period in 2017, are given in the section “FINANCIAL REVIEW” below.

OUTLOOK

Looking forward, uncertainties persist which could cloud the economic outlook. The Sino-U.S. trade dispute hasn’t been resolved though negotiations have been at work for quite some time. The pace of interest rate normalization has also triggered worries on economic growth which also contributes to the stock market rout in the fourth quarter of 2018.

After the widespread bearish views, investment sentiment has improved slightly in recent months. The decision for the US government to postpone the tariff hike on Chinese imports together with the ongoing negotiations has ignited hopes for a trade deal. On the other hand, the Federal Reserve stated that it would be patient in its future rate hikes and is willing to adjust the size of its balance-sheet runoff if needed, slightly alleviating worries about pushing up rates too fast that could lead to economic recession. Last but not the least, market believes Chinese government is taking measures to stimulate the economy. Nevertheless, investors are reminded to follow the market closely and avoid taking excessive risks.

收購Telebox Technology Holdings Limited全部已發行股本之30%

於二零一八年八月二十四日，Initial Honour 與Honour Century Global Limited（「Honour Century」）訂立一份買賣協議，據此Initial Honour將向Honour Century收購Telebox Technology Holdings Limited（「TTHL」）全部已發行股本之30%。TTHL透過其附屬公司主要從事(i)經營社交媒體平台；(ii)經營加密貨幣交易平台；及(iii)提供數碼錢包託管及轉讓加密貨幣等業務。收購事項之代價為現金10,000,000港元。收購事項已於二零一八年八月二十八日完成。

有關本集團各經營分部於截至二零一八年十二月三十一日止年度之業務表現連同二零一七年同期之比較數字，敬請參閱下列之「財務回顧」部分。

展望

前瞻未來，不明朗因素仍使經濟前景陰晴不定。儘管中美已進行談判一段時間，但貿易糾紛尚未解決。而利率正常化步伐亦令市場對經濟增長的憂慮加劇，加重股市於二零一八年第四季的跌幅。

過去數月對大市普遍看漲，投資氣氛亦稍見改善。美國政府決定延遲對中國進口貨品加徵關稅，雙方並進一步展開磋商，重燃達成貿易協議的希望。另一方面，聯邦儲備局表明會對未來加息保持耐性，並願意於有需要時調整縮表計劃，稍稍紓緩加息步伐太快導致經濟衰退的憂慮。再者，市場相信中國政府正採取措施刺激經濟。儘管如此，投資者應密切觀察市場動態，切忌承擔過大風險。

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Fortunately, Hong Kong is expected to continue benefitting from the open up of mainland China. The financial infrastructure enhancement has also attracted activities of international investors. The expansion of daily quota of Shanghai/Shenzhen-Hong Kong stock connects widens the gate for capital flow between mainland and international investors. In the meanwhile, MSCI Inc's decision to add A-shares to its emerging market index should attract international funds, either active or passive, for asset allocation. Weightings of A-shares will gradually increase in coming phases. The Group could benefit from the anticipated increase in the Northbound trading volume in the long run.

In addition, the listing reforms of the Stock Exchange including the weighted voting rights and special treatment of growth tech and biotech sectors enhanced the competitiveness as a listing venue. Two companies adopting weighted voting rights and four biotech companies were successfully listed in 2018. The Group believes that the reforms would enhance the competitiveness as a listing venue and we could seize more fund raising businesses within the more vibrant capital market.

Our business strategies continue to include enlarging our revenue base through fostering our core businesses, and tapping into new emerging markets with expanded business initiatives. While applying our excellent operational capabilities to serve our clients, the Group will devote increased resources to business diversification and acquisition when opportunities arise, with the view to strengthening our all-round business position in Hong Kong and beyond. The Group will continue to explore the business opportunities in the PRC market. At the same time, the Group also keeps a firm grasp on the business opportunities with comparably positive growth and return in the local financial market and more resources will then be devoted.

幸而，預期香港可持續從中國大陸開放中受惠。金融市場基礎提升亦有助吸引國際投資者。調高滬深港股票市場交易互聯互通機制的每日配額，使內地與國際投資者資金流動的水閘大開。此外，MSCI明晟將A股納入其新興市場指數的決定，定然能吸引主動及被動國際資金進行資產分配。日後A股的比重勢將逐步增加。本集團將從預期長遠北向交易量增加中受惠。

此外，聯交所上市改革，包括同股不同權以及對高增長科技及生物科技行業的特別處理，均有助提升聯交所作為上市地的競爭力。於二零一八年已有兩家同股不同權公司及四家生物科技公司成功上市。本集團相信，改革有助提升上市地的競爭力，而集團亦可在更蓬勃的資本市場上掌握更多集資業務。

本集團之業務策略繼續包括壯大核心業務從而擴闊收益基礎，以及擴大業務企劃藉以拓展新興市場。本集團將繼續以卓越的營運能力為客戶提供專業服務，同時投放更多資源以於機遇出現時尋求業務多元化發展及業務收購，藉以鞏固本集團於香港及其他地區全方位的地位。本集團將不斷開拓中國市場的商機。與此同時，本集團亦於本地金融市場捉緊能帶來可觀增長及回報之機遇，而屆時亦將投放更多資源。

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LONG-TERM BUSINESS STRATEGY

The Group's core businesses remain competitive with a focus on provision of financial services and proprietary trading.

Throughout 2018, the Group did not make any significant changes to its business strategy. Despite market volatility, the Group safeguarded its competitive edge due to a number of factors: clients established over the years, diverse premium services that cater to clients' needs, competitive fees and a proactive and professional team that is dedicated to innovation and exploration of new markets to drive greater business returns for the investors and shareholders.

FINANCIAL REVIEW

For the year ended 31 December 2018, the Group's consolidated revenue was approximately HK\$50.5 million, which decreased by about 6% as compared with the same period in 2017. The Group recorded a consolidated loss attributable to shareholders amounted to approximately HK\$486.3 million for the year ended 31 December 2018 against a loss of approximately HK\$67.5 million for the same period in 2017, representing an increase of about 6 times.

The increase in the Group's consolidated loss attributable to shareholders in 2018 was mainly attributable to (i) increase in recognition of net realised and unrealised loss on financial assets held for trading of approximately HK\$137.1 million as compared with the net loss of only approximately HK\$10.8 million for the same period last year; (ii) share-based payment expense of approximately HK\$31.3 million incurred pursuant share options by the Company granted in January 2018; (iii) increase in recognition of impairment loss on certain accounts receivable of approximately HK\$8.3 million as compared with approximately HK\$0.5 million for the same period last year; (iv) imputed interest in convertible bonds issued by the Company in January 2018 and June 2018 of approximately HK\$21.2 million; and (v) loss on acquisition of and unrealised loss on fair value change in convertible bonds issued by China Fortune Financial Group Limited acquired by the Company in January 2018 of approximately HK\$47.4 million and approximately HK\$163.2 million, respectively.

長遠業務策略

本集團之核心業務仍甚具競爭力，集中於提供金融服務及自營買賣業務。

於二零一八年，本集團之業務策略並無任何重大變動。在市場波動下，本集團仍能憑藉以下因素而維持競爭優勢：多年來累積的客戶；服務卓越而多元化，切合客戶需要；收費具競爭力；以及擁有一隊主動而專業的團隊，敢於創新及開拓新市場，以為投資者及股東爭取更大回報。

財務回顧

截至二零一八年十二月三十一日止年度，本集團之綜合收益約為50,500,000港元，較二零一七年同期下跌約6%。本集團於截至二零一八年十二月三十一日止年度錄得股東應佔綜合虧損約486,300,000港元，而二零一七年同期則錄得虧損約67,500,000港元，增幅約為6倍。

本集團於二零一八年之股東應佔綜合虧損增加主要原因是(i)就持作買賣金融資產確認之已變現及未變現虧損淨額達到約137,100,000港元，而去年同期則僅有約10,800,000港元虧損淨額；(ii)根據本公司於二零一八年一月授出之購股權而產生以股份為基礎付款開支約31,300,000港元；(iii)就若干應收賬款確認之減值虧損由去年同期約500,000港元增加至約8,300,000港元；(iv)本公司於二零一八年一月及二零一八年六月發行之可換股債券之推定利息約為21,200,000港元；及(v)本公司於二零一八年一月收購中國富強金融集團有限公司發行之可換股債券產生虧損約47,400,000港元，以及該等可換股債券公平值變動產生未變現虧損約163,200,000港元。

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To facilitate the review, the Group's revenue and segment information shown in Notes 5 and 6 to the consolidated financial statements is reproduced below after some re-arrangements:

為便於省覽，謹將綜合財務報表附註5及6之本集團收益及分部資料重新整理轉載如下：

Revenue Analysis

收益分析

		2018 二零一八年		2017 二零一七年		Increase (decrease) 增加 (減少) %
		Proportion of total revenue 佔總收益 比例		Proportion of total revenue 佔總收益 比例		
		HK\$'000 千港元	%	HK\$'000 千港元	%	
Revenue from:	來自以下各項 之收益：					
Brokerage and Financing	經紀及融資業務	36,721	73%	46,721	87%	(21%)
Brokerage commission and other related fees	經紀佣金及其 他相關費用	18,185	36%	21,388	40%	(15%)
Underwriting, sub- underwriting, placing and sub-placing commission	包銷、分包 銷、配售及 分配售佣金	360	1%	311	1%	16%
Interest income from brokerage clients	來自經紀業務 客戶之利息 收入	9,234	18%	11,835	22%	(22%)
Interest income from money lending clients	來自放債業務 客戶之利息 收入	7,942	16%	7,549	14%	5%
Other fees	其他費用	1,000	2%	5,638	10%	(82%)
Corporate Finance and Other Advisory Services	企業融資及其他 顧問服務業務	13,753	27%	6,865	13%	100%
Asset Management	資產管理業務	-	-	-	-	-
Proprietary Trading	自營買賣業務	-	-	99	0%	(100%)
Total revenue	總收益	50,474	100%	53,685	100%	(6%)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Segment Analysis		分部分析	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Segment results:	分部業績：		
Brokerage and Financing	經紀及融資業務	4,572	9,981
Corporate Finance and Other Advisory Services	企業融資及其他顧問服務業務	(2,208)	(5,115)
Asset Management	資產管理業務	(1,539)	(1,799)
Proprietary Trading	自營買賣業務	(146,369)	(23,956)
Group segment loss	集團分部虧損	(145,544)	(20,889)
Loss on acquisition of financial assets at fair value through profit or loss	收購按公平值列賬及在損益賬處理之財務資產之虧損	(47,436)	–
Fair value change on financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之財務資產之公平值變動	(177,657)	–
Fair value change on financial assets designated as at fair value through profit or loss	指定為按公平值列賬及在損益賬處理之財務資產之公平值變動	–	14,855
Compensation income arising from profit guarantee	來自溢利保證之補償收入	–	978
Unallocated administrative costs	未分配行政成本	(115,327)	(61,722)
Share of loss of an associate	分佔一間聯營公司之虧損	(11)	–
Loss before taxation	除稅前虧損	(485,975)	(66,778)
Income tax expenses	所得稅開支	(341)	(698)
Loss for the year attributable to shareholders of the Company	本公司股東應佔年度虧損	(486,316)	(67,476)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Brokerage and Financing

During the year ended 31 December 2018, the Company, through its indirect wholly owned subsidiaries, namely, VC Brokerage and VC Futures Limited, provides securities, futures and options brokering and dealing, margin financing, and placing and underwriting services. It also through another indirect wholly owned subsidiary, VC Finance Limited (“VC Finance”), provides money lending services. For the year ended 31 December 2018, the brokerage and financing businesses recorded total revenue of approximately HK\$36.7 million as compared with approximately HK\$46.7 million for the same period last year, representing a decrease of about 21%, and accounted for about 73% of the Group’s total revenue.

The Group’s one of the major revenue streams, namely, brokerage commission and other related fees from dealing in securities, futures and options contracts for the year ended 31 December 2018 amounted to approximately HK\$18.2 million, which was about 15% lower than that of 2017 of approximately HK\$21.4 million, and accounted for about 36% of the Group’s total revenue. The Group’s brokerage transactions registered reduction throughout 2018 with average daily trading turnover decreasing by about 17% as compared to that of 2017. Together with other fees, mainly the handling and consultancy fees of approximately HK\$1.0 million for the year ended 31 December 2018 as compared to approximately HK\$5.6 million in 2017, the revenue from these brokerage businesses recorded a decrease of about 29% as compared with the same period last year.

經紀及融資業務

截至二零一八年十二月三十一日止年度，本公司透過其間接全資附屬公司，即滙盈證券及滙盈期貨有限公司提供證券、期貨及期權經紀及買賣服務、保證金融資服務，以及配售及包銷服務。本公司亦透過其另一間間接全資附屬公司滙盈財務有限公司（「滙盈財務」）提供放債服務。截至二零一八年十二月三十一日止年度，經紀及融資業務錄得約36,700,000港元之總收益，而去年同期則約為46,700,000港元，下跌約21%，而此收益佔本集團總收益約73%。

本集團之其中一項主要收益來源，即買賣證券、期貨及期權合約之經紀佣金收入與其他相關費用於截至二零一八年十二月三十一日止年度約為18,200,000港元，較二零一七年約21,400,000港元下跌約15%，而此收益佔本集團總收益約36%。本集團之經紀交易於二零一八年全年有所倒退，每日平均成交額比二零一七年減少約17%。再加上截至二零一八年十二月三十一日止年度約1,000,000港元主要為手續費及顧問費等其他費用（相比二零一七年約為5,600,000港元），此等經紀業務之收益較去年同期減少約29%。

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Meanwhile, the Group's total interest income from financing for the year ended 31 December 2018 decreased by about 11% to approximately HK\$17.2 million from approximately HK\$19.4 million for the same period last year, and accounted for about 34% of the Group's total revenue. The revenue included the interest income derived from both the brokerage business and the money lending business. Among these, the Group's interest income from our brokerage clients recorded approximately HK\$9.2 million for the year ended 31 December 2018, representing a drop of about 22% as compared to approximately HK\$11.8 million for the same period last year. The drop was mainly attributable to the decrease of average loan portfolio of our brokerage clients by about 31% for the year ended 31 December 2018 as compared with the same period last year.

As mentioned above, the Group also provides money lending services to our clients. This aims at broadening our revenue base and also offering our clients with more financial flexibility to meet their personal and business needs. The Group's interest income generated from the money lending services was approximately HK\$8.0 million for the year ended 31 December 2018, representing an increase of about 5% as compared to approximately HK\$7.6 million for the same period last year. The increase was mainly contributed by a slight increase of average loan portfolio of the money lending business in 2018 as compared with the same period last year.

此外，截至二零一八年十二月三十一日止年度，本集團之融資業務利息收入總額由去年同期約19,400,000港元下跌約11%至約17,200,000港元，而此收益佔本集團總收益約34%。收益包括經紀業務及放債業務產生之利息收入。該等利息收入當中，本集團來自經紀業務客戶之利息收入於截至二零一八年十二月三十一日止年度錄得約9,200,000港元，較去年同期約11,800,000港元減少約22%。收入減少主要乃由於本集團於截至二零一八年十二月三十一日止年度向經紀業務客戶提供之平均貸款組合與去年同期相比減少約31%。

一如前述，本集團亦向客戶提供放債服務，此乃旨在擴闊集團收益基礎，同時為客戶在財政上帶來更大的靈活性，以滿足彼等之個人及業務需要。本集團於截至二零一八年十二月三十一日止年度提供放債服務所產生之利息收入約為8,000,000港元，較去年同期約7,600,000港元增加約5%。此利息收入增加主要有賴於二零一八年放債業務之平均貸款組合較去年同期輕微上升。

MANAGEMENT DISCUSSION AND ANALYSIS
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The Group has put efforts on implementing our credit control policies and procedures to review our clients' creditworthiness and credit limits from time to time so as to minimize our credit risk exposure. The Group's credit control policies and procedures are principally based on the doubtful unsecured exposure having assessed the fair value of the clients' collaterals held, the evaluation of collectability and aging analysis of the client accounts. As the local economy continued to be dampened during the year ended 31 December 2018, together with the implementation of Hong Kong Financial Reporting Standard 9 "Financial Instruments", the Group is prudent in provision of the financing services. For the year ended 31 December 2018, there was an additional impairment loss of approximately HK\$8.3 million on client receivables from the brokerage and financing businesses (2017: HK\$0.5 million) accordingly. The Group has taken the effort and all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans, resulting in certain previously impaired client receivables of approximately HK\$5.5 million collected during the year and a corresponding impairment loss of approximately HK\$5.3 million reversed in the financial statements. Details of the impairment loss on the client receivables had been disclosed in Note 22 to the consolidated financial statements.

Meanwhile, the Group offers placing and underwriting services to our clients, and acts as placing agent and underwriter for Hong Kong listed companies' fund raising activities. For the year ended 31 December 2018, the Group's placing and underwriting commission was approximately HK\$0.4 million as compared with approximately HK\$0.3 million for the same period last year. The Group will continue to put efforts to capture the opportunities towards the local initial public offerings and other fund raising exercises.

本集團致力實施信貸監控政策及程序，以不時檢討客戶的信貸質素及信貸額，藉以將集團的信貸風險減至最低。本集團之信貸監控政策及程序乃主要以無抵押呆賬風險為基礎，並經評估本集團所持有客戶抵押品之公平值、評定客戶賬項之可收回成數以及賬齡分析。由於本港經濟於截至二零一八年十二月三十一日止年度持續走下坡，再加上實施香港財務報告準則第9號「金融票據」，因此本集團在提供融資服務方面將採取更為審慎的態度。截至二零一八年十二月三十一日止年度，應收經紀及融資業務客戶款項額外錄得約8,300,000港元之減值虧損（二零一七年：500,000港元）。本集團已盡力並向相關客戶採取一切必要法律行動以跟進償付未償還貸款，因此於本年度收回若干先期已減值之應收客戶款項約5,500,000港元，並於財務報表中撥回約5,300,000港元之相關減值虧損。有關應收客戶款項減值虧損之詳情於綜合財務報表附註22披露。

此外，本集團為客戶提供配售及包銷服務，並為多家香港上市公司出任集資活動之配售代理及包銷商。於截至二零一八年十二月三十一日止年度，本集團錄得之配售及包銷佣金約為400,000港元，而去年同期則約為300,000港元。本集團將繼續投放資源以掌握本港首次公開發售及其他集資活動所展現之機遇。

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Overall, the brokerage and financing businesses generated an operating profit after tax of approximately HK\$3.7 million for the year ended 31 December 2018 as compared with a profit of approximately HK\$9.7 million for the same period last year. The deterioration in operating performance in 2018 was mainly due to the increase in recognition of impairment loss on the client receivables of approximately HK\$8.3 million in 2018 as compared to only of approximately HK\$0.5 million for that of 2017.

Corporate Finance and Other Advisory Services

The Company through its indirect wholly owned subsidiary, VC Capital Limited ("VC Capital"), provides corporate finance advisory services to its clients. In 2018, VC Capital was appointed as the financial adviser of several Hong Kong listed companies for a number of corporate transactions.

Further, from the fourth quarter of 2017, the Company through its indirect wholly owned subsidiary, VC Corporate Services Limited, provides corporate services, including company secretarial services, registered office and business services, etc., to listed and private companies. The expansion of the Group's advisory services has proved to broaden our revenue and clients' base.

For the year ended 31 December 2018, the Company's corporate finance and other advisory services recorded revenue and operating loss after tax of approximately HK\$13.8 million and HK\$2.2 million as compared with approximately HK\$6.9 million and HK\$5.1 million for the same period last year, respectively.

整體而言，經紀及融資業務於截至二零一八年十二月三十一日止年度錄得約3,700,000港元之除稅後經營溢利，而去年同期則錄得溢利約9,700,000港元。二零一八年之經營表現倒退主要乃由於二零一八年就應收客戶款項確認之減值虧損增加至約8,300,000港元，反觀二零一七年則僅有約500,000港元。

企業融資及其他顧問服務業務

本公司透過其間接全資附屬公司滙盈融資有限公司（「滙盈融資」）向其客戶提供企業融資顧問服務。於二零一八年，滙盈融資獲香港多家上市公司委聘為多宗企業交易之財務顧問。

此外，自二零一七年第四季起，本公司透過其間接全資附屬公司滙盈秘書服務有限公司為上市及私人公司提供企業服務，包括公司秘書服務、註冊辦事處及商業服務等。擴展本集團之顧問服務已證明能擴大集團之收益及客戶基礎。

截至二零一八年十二月三十一日止年度，本公司之企業融資及其他顧問服務業務分別錄得收益約13,800,000港元及除稅後經營虧損約2,200,000港元，至於去年同期則分別約為6,900,000港元及5,100,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析**Asset Management**

For the year ended 31 December 2018, the Company's asset management business, through its indirect wholly owned subsidiary, VC Asset Management Limited, recorded an operating loss after tax of approximately HK\$1.5 million as compared with a loss of approximately HK\$1.8 million for the same period last year, which mainly included the general operating expenses such as staff costs and professional costs.

The Group continues to pursue new business opportunities and resources to develop its asset management business so as to enhance our products and services offerings to cater for the diverse and growing needs of our clients. In the past few years, the local capital market was volatile and full of uncertainties, which made the development of our asset management business still difficult. Nevertheless, the Group has continued to put efforts in approaching the potential clients so as to gain understanding of their needs, establish long-term business relationship with them and finally provide the personalized investment and wealth management services which can create greater value to them.

資產管理業務

截至二零一八年十二月三十一日止年度，本公司透過其間接全資附屬公司滙盈資產管理有限公司經營之資產管理業務錄得約1,500,000港元之除稅後經營虧損，至於去年同期則錄得虧損約1,800,000港元，主要包括員工成本及專業費用等一般經營開支。

本集團繼續積極尋求有助拓展資產管理業務之新商機及資源，藉以提升本集團所提供之產品及服務水平，以迎合客戶漸趨多元化及與日俱增之需求。過去數年，本港資本市場一直波動且充滿變數，令集團的資產管理業務發展更添困難。儘管如此，本集團仍繼續努力接洽潛在客戶，藉以了解彼等之需要、建立長期業務關係，最終向彼等提供切合個人需要之投資及財富管理服務，為彼等創造更大價值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Proprietary Trading

As at 31 December 2018, the Group held equity securities listed in Hong Kong of approximately HK\$240.3 million (31 December 2017: HK\$272.7 million) as financial assets held for trading, which was stated at market value. The fair value of these listed equity securities represents about 21% of the Group's total assets as at 31 December 2018 (31 December 2017: 32%). This segment did not provide positive result to the Group due to the downturn of the Hong Kong capital market during the year but signs of recovery were obvious during the first quarter of 2019 following the bounce back in global markets.

The Group invests mainly through purchases in the secondary market. The management follows strictly the internal securities investment policy and seeks the approval from the Board, when necessary, so as to enhance the financial returns to the shareholders and limit the risk exposure associated therewith. During the year ended 31 December 2018, there was net additional purchase in securities investment of approximately HK\$107.5 million (2017: HK\$25.6 million).

For the year ended 31 December 2018, the Group did not record revenue from the proprietary trading business (2017: HK\$0.1 million, which was mainly the dividend income received on the trading investments). Meanwhile, the Group recognised a net loss of approximately HK\$137.1 million (including a realised gain of approximately HK\$2.8 million and an unrealised loss of approximately HK\$139.9 million) on the trading investments for the year ended 31 December 2018 as compared with a net loss of approximately HK\$10.8 million (including a realised loss of approximately HK\$0.7 million and an unrealised loss of approximately HK\$10.1 million) for the same period in 2017.

自營買賣業務

於二零一八年十二月三十一日，本集團持有於香港上市之股本證券（屬持作買賣財務資產）約240,300,000港元（二零一七年十二月三十一日：272,700,000港元），乃按市值列賬。該等上市股本證券於二零一八年十二月三十一日之公平值約佔本集團總資產之21%（二零一七年十二月三十一日：32%）。由於香港資本市場於本年度下滑，故此分部未能為本集團帶來正面業績，幸而隨著全球市場反彈，於二零一九年第一季度已呈現明顯復蘇跡象。

本集團主要藉著於第二市場購買而作出投資。管理層嚴格遵守內部證券投資政策，並會於有需要時先提請董事會批准，務求提升股東財務回報的同時亦限制其相關風險。於截至二零一八年十二月三十一日止年度，證券投資之淨購貨額約為107,500,000港元（二零一七年：25,600,000港元）。

於截至二零一八年十二月三十一日止年度，本集團自營買賣業務並無錄得任何收益（二零一七年：100,000港元，主要為收取持作買賣投資之股息收入）。此外，本集團於截至二零一八年十二月三十一日止年度就持作買賣投資確認虧損淨額約137,100,000港元（包括已變現收益約2,800,000港元及未變現虧損約139,900,000港元），而於二零一七年同期則錄得虧損淨額約10,800,000港元（包括已變現虧損約700,000港元及未變現虧損約10,100,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Below is an analysis of the financial assets held for trading held by the Group as at 31 December 2018:

本集團於二零一八年十二月三十一日持作買賣之財務資產分析如下：

Industries	行業	Market value as at 31 December 2018	Percentage to the Group's total assets	Unrealised loss for the year ended 31 December 2018
		於二零一八年 十二月 三十一日 之市值 HK\$'000 千港元	佔本集團 總資產 百分比	二零一八年 十二月三十一日 止年度之 未變現虧損 HK\$'000 千港元
Energy	能源	75,989	6.7%	61,505
Information technology	資訊科技	58,219	5.1%	3,350
Consumer goods and services	消費品及服務	42,170	3.7%	35,904
Properties and construction	地產及建築	24,086	2.1%	4,524
Materials	原材料	16,115	1.4%	8,262
Financials	金融	12,453	1.1%	11,905
Industrials	工業	11,250	1.0%	14,511
		240,282	21.1%	139,961

Though the portfolio's performance for the year ended 31 December 2018 was not satisfactory which was also in line with the market, it could possibly turn around in year 2019 following the removal of uncertainties scattered around by global economic incidents such as Sino-US trade war and Brexit.

儘管截至二零一八年十二月三十一日止年度之投資組合表現跟隨大市走勢而未如理想，但隨著中美貿易戰及英國脫歐等環球經濟事件遺留的不穩定因素逐漸消退，期望二零一九年有機會扭轉劣勢。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Overall, the Group's proprietary trading business recorded an operating loss after tax of approximately HK\$146.1 million for the year ended 31 December 2018 as compared with a loss of approximately HK\$24.3 million for the same period last year.

Loss on acquisition of financial assets at fair value through profit or loss

As mentioned in the section "BUSINESS REVIEW" above, the Company had acquired the China Fortune Convertible Bonds in a principal amount of HK\$153,585,000 at initial conversion price of HK\$0.06 each for an aggregate consideration of HK\$400 million on 8 January 2018. The consideration was satisfied in cash of HK\$40 million and by issue of the VC Convertible Bonds in the principal amount of HK\$360 million at initial conversion price of HK\$1.25 each. According to the valuation reports prepared by an independent professional valuer, the fair values of the China Fortune Convertible Bonds and the put option as at 8 January 2018 were approximately HK\$439.2 million and HK\$28 million respectively and the fair value of the VC Convertible Bonds as at 8 January 2018 was approximately HK\$474.7 million. As such, the Group recognised a loss on acquisition of the China Fortune Convertible Bonds of approximately HK\$47.4 million in profit or loss represented the difference between the aggregate fair value of the China Fortune Convertible Bonds and the put option and the aggregate of cash consideration and fair value of the VC Convertible Bonds on 8 January 2018.

整體而言，本集團之自營買賣業務於截至二零一八年十二月三十一日止年度錄得約146,100,000港元之除稅後經營虧損，至於去年同期則為虧損約24,300,000港元。

收購按公平值列賬及在損益賬處理之財務資產之虧損

誠如上文「業務回顧」一節所述，本公司於二零一八年一月八日收購本金額為153,585,000港元之中國富強可換股債券（初步換股價每股換股股份0.06港元），所涉及之總代價為400,000,000港元。代價以40,000,000港元現金以及發行本金額為360,000,000港元之滙盈可換股債券（初步換股價每股換股股份1.25港元）之方式支付。根據獨立專業估值師編製之估值報告，中國富強可換股債券及認沽期權之公平值於二零一八年一月八日分別約為439,200,000港元及28,000,000港元，而滙盈可換股債券之公平值於二零一八年一月八日約為474,700,000港元。因此，本集團就收購中國富強可換股債券於損益賬確認約47,400,000港元虧損，即於二零一八年一月八日中國富強可換股債券及認沽期權總公平值與現金代價及滙盈可換股債券公平值總和之差額。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析**Financial assets at fair value through profit or loss/
financial assets designated as at fair value through
profit or loss***China Fortune Financial Group Limited*

The China Fortune Convertible Bonds were measured at fair value with the fair value change recognised in profit or loss. As at 31 December 2018, the fair values of the China Fortune Convertible Bonds and the put option were approximately HK\$224.6 million and HK\$79.5 million respectively in accordance with a valuation report prepared by an independent professional valuer. For the year ended 31 December 2018, the Group recognised the decrease in the fair value of the China Fortune Convertible Bonds of approximately HK\$214.6 million and the increase in fair value of the put option of approximately HK\$51.5 million.

IBO Technology Company Limited

Century Race Investments Limited ("Century Race"), an indirect wholly owned subsidiary of the Company, acquired 10.5% equity interest of IBO Technology Company Limited ("IBO Tech") at a cash consideration of HK\$35 million in 2016. On 28 December 2017, IBO Tech (stock code: 2708) has been listed on the Main Board of the Stock Exchange and the Company's shareholding in IBO Tech was then diluted to 7.875% as at 31 December 2017. Century Race has undertaken not to dispose of or otherwise encumber any of its interest in IBO Tech up to the date falling on the expiration of six months of the listing (both days inclusive).

**按公平值列賬及在損益賬處理之財務資產
／指定為按公平值列賬及在損益賬處
理之財務資產***中國富強金融集團有限公司*

中國富強可換股債券乃按公平值計量，公平值變動於損益賬確認。根據獨立專業估值師編製之估值報告，於二零一八年十二月三十一日，中國富強可換股債券及認沽期權之公平值分別約為224,600,000港元及79,500,000港元。截至二零一八年十二月三十一日止年度，本集團確認中國富強可換股債券公平值減少約214,600,000港元及認沽期權公平值增加約51,500,000港元。

艾伯科技股份有限公司

本公司之間接全資附屬公司Century Race Investments Limited (「Century Race」)於二零一六年按35,000,000港元之現金代價收購艾伯科技股份有限公司 (「艾伯科技」)之10.5%股本權益。於二零一七年十二月二十八日，艾伯科技於聯交所主板上市 (股份代號：2708)，而本公司所持之艾伯科技股權其後攤薄至於二零一七年十二月三十一日之7.875%。Century Race已承諾不會於直至上市起計六個月之期屆滿當日 (首尾兩日包括在內)出售其於艾伯科技之任何權益或以其他方式對其任何權益加設產權負擔。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The fair value of the Group's investment in IBO Tech as at 28 June 2018, being the date falling on six months after its listing, was approximately HK\$48.8 million (31 December 2017: HK\$63.3 million). As such, there was a decrease in the fair value of approximately HK\$14.5 million and included in the Group's fair value change on financial assets at fair value through profit or loss for the year ended 31 December 2018 against an increase in fair value of approximately HK\$14.9 million and included in the Group's fair value change on financial assets designated as at fair value through profit or loss in 2017. On 29 June 2018, this investment was reclassified and grouped under financial assets at fair value through profit or loss.

Further, Century Race was guaranteed that IBO Tech's net profit after tax for the year ended 31 March 2017 shall not be less than RMB37.5 million (the "Guaranteed Amount"). In the event that IBO Tech's net profit after tax falls below the Guaranteed Amount, the sellers of IBO Tech (the "Sellers") shall compensate Century Race by proportion to the percentage of shareholding interest in cash. Based on the audited financial information of IBO Tech for the year ended 31 March 2017, it was noted that IBO Tech's audited net profit after tax was less than RMB37.5 million and was unable to meet its profit guarantee for the year ended 31 March 2017. As such, compensation in cash for an amount of approximately RMB846,000 (equivalent to approximately HK\$978,000) by the Sellers to Century Race was required and recognised as compensation income arising from profit guarantee and included in the Group's other gains and losses in 2017. Besides, upon the listing of IBO Tech, all the rights granted by the Sellers to Century Race have been terminated and ceased to be effective.

本集團於艾伯科技之投資於二零一八年六月二十八日(即其上市後六個月當日)之公平值約為48,800,000港元(二零一七年十二月三十一日: 63,300,000港元)。因此, 於截至二零一八年十二月三十一日止年度錄得公平值減少約14,500,000港元, 計入本集團按公平值列賬及在損益賬處理之財務資產之公平值變動, 至於二零一七年則為公平值增加約14,900,000港元, 計入本集團指定為按公平值列賬及在損益賬處理之財務資產之公平值變動。於二零一八年六月二十九日, 此投資已重新分類並計入按公平值列賬及在損益賬處理之財務資產。

此外, Century Race獲保證艾伯科技於截至二零一七年三月三十一日止年度之除稅後純利不少於人民幣37,500,000元(「保證金額」)。倘若艾伯科技之除稅後純利跌至低於保證金額, 則艾伯科技之賣方(「賣方」)須按持股比例以現金向Century Race作出補償。根據艾伯科技截至二零一七年三月三十一日止年度之經審核財務資料, 可注意到艾伯科技之經審核除稅後純利低於人民幣37,500,000元, 未能符合截至二零一七年三月三十一日止年度之溢利保證。因此, 賣方須向Century Race作出現金補償約人民幣846,000元(相當於約978,000港元), 而有關補償已於二零一七年確認為自溢利保證產生之補償收入並於本集團其他收益及虧損中入賬。此外, 賣方向Century Race授出之所有權利已於艾伯科技上市後終止及不再有效。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析**Unallocated administrative costs**

For the year ended 31 December 2018, the unallocated administrative costs amounted to approximately HK\$115.3 million as compared with approximately HK\$61.7 million for the same period last year, which mainly included the unallocated corporate operating expenses. The increase in the unallocated administrative costs of approximately HK\$53.6 million in 2018 was mainly attributable to (i) the equity-settled share option expense of approximately HK\$31 million pursuant to the share options granted in January 2018; and (ii) the effective interest expense of approximately HK\$21.2 million incurred for the convertible bonds issued by the company in 2018.

Income tax expenses

For the year ended 31 December 2018, the Group recognised an income tax expense of approximately HK\$341,000 (2017: HK\$698,000) which included current tax expense of approximately HK\$922,000 (2017: HK\$310,000) and deferred tax credit of approximately HK\$581,000 (2017: deferred tax expense of HK\$388,000). The current tax expense was made for the provision of Hong Kong Profits Tax charge in relation to the profitability generated from the brokerage and financing businesses and the corporate finance and other advisory services businesses and the provision of PRC Enterprise Income Tax in relation to the PRC representative offices of the Group. The deferred tax credit/expense was recognised mainly in relation to the convertible bonds issued by the Company and unrealised gain on financial assets held for trading for the proprietary trading business.

未分配行政成本

截至二零一八年十二月三十一日止年度，本集團之未分配行政成本約為115,300,000港元，而去年同期則約為61,700,000港元，主要包括未分配企業經營開支。二零一八年之未分配行政成本增加約53,600,000港元主要乃由於(i)根據於二零一八年一月授出之購股權確認以股本支付之購股權開支約31,000,000港元；及(ii)本公司於二零一八年發行可換股債券產生之實際利息開支約21,200,000港元。

所得稅開支

截至二零一八年十二月三十一日止年度，本集團確認所得稅開支約341,000港元（二零一七年：698,000港元），當中包括即期稅項開支約922,000港元（二零一七年：310,000港元）及遞延稅項抵免約581,000港元（二零一七年：遞延稅項開支388,000港元）。即期稅項開支乃為就經紀及融資業務以及企業融資及其他顧問服務業務所產生溢利而繳付之香港利得稅開支，以及就本集團之中國代表辦事處而繳付之中國企業所得稅。遞延稅項抵免／開支乃主要就本公司所發行可換股債券及為自營買賣業務持作買賣之財務資產之未變現收益而確認。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Finance costs

For the year ended 31 December 2018, the finance costs of the Group amounted to approximately HK\$21.3 million (2017: HK\$452,000), out of which approximately HK\$21.2 million was incurred pursuant to the effective interest expense of convertible bonds issued by the Company during the year ended 31 December 2018, together with some finance costs incurred for the short-term bank loans, in relation to the Group's brokerage and financing businesses.

Headcount and employees information

As at 31 December 2018, the Group employed a total of 81 employees (31 December 2017: 122), which excluded 18 self-employed account executives for brokerage services (31 December 2017: 7), and 75 and 6 were located in Hong Kong and the PRC respectively (31 December 2017: 117 and 5). Salaries and staff benefits costs (including the Directors' emoluments) and staff commission amounted to approximately HK\$78.2 million and HK\$5.8 million respectively for the year ended 31 December 2018 as compared with approximately HK\$65.1 million and HK\$10.9 million respectively for the same period last year. Details had been disclosed in Note 8 to the consolidated financial statements.

The increase in the salaries and staff benefits costs of approximately HK\$13.1 million in 2018 was mainly attributable to the recognition of the equity-settled share option expense of approximately HK\$19.8 million for the share options granted in 2018, which had been set-off by the staff related costs of approximately HK\$6.7 million saved due to average headcount reduction and other cost control measures.

融資成本

截至二零一八年十二月三十一日止年度，本集團之融資成本約為21,300,000港元（二零一七年：452,000港元），當中約21,200,000港元乃就本公司於截至二零一八年十二月三十一日止年度所發行可換股債券之實際利息開支以及就本集團經紀及融資業務有關之短期銀行貸款所產生之若干融資成本。

僱員人數及僱員資料

於二零一八年十二月三十一日，本集團聘用合共81名僱員（二零一七年十二月三十一日：122名），另有18人為經紀服務之自僱客戶主任（二零一七年十二月三十一日：7名），僱員中分別75人於香港及6人於中國工作（二零一七年十二月三十一日：117名及5名）。截至二零一八年十二月三十一日止年度，薪金及員工福利成本（包括董事酬金）及員工佣金分別約為78,200,000港元及5,800,000港元，至於去年同期則分別約為65,100,000港元及10,900,000港元。有關詳情載於綜合財務報表附註8。

二零一八年之薪金及員工福利成本增加約13,100,000港元主要乃來自就於二零一八年授出之購股權確認以股本支付之購股權開支約19,800,000港元，被平均僱員人數減少及其他成本控制措施以致節省約6,700,000港元員工相關之成本所抵銷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's employees are selected, remunerated and promoted based on their performance and qualifications. In addition to basic salaries and participation in Mandatory Provident Fund Scheme, the Group also provides medical coverage, sales commission, discretionary and performance related bonus, discretionary share options and share awards to its employees. Meanwhile, employees are provided or funded to attend training and development programs which are relevant to their works.

Liquidity and financial resources/capital structure

For the year ended 31 December 2018, the Group financed its business operations and investments with internal resources, cash revenue generated from operating activities, shares placement, short-term bank loans and convertible bonds.

The Group adopts a prudent treasury policy. As at 31 December 2018, all borrowings and almost all the bank balances and cash were denominated in Hong Kong dollars. The Group intends to maintain minimum exposure to foreign exchange risks. Further, all the bank balances and cash were put in time deposits, saving deposits and current accounts as at 31 December 2018.

As at 31 December 2018, the Group held banking facilities of HK\$100 million granted from a bank to VC Brokerage (31 December 2017: HK\$100 million), which is required to be secured by bank deposits of HK\$40 million (31 December 2017: HK\$40 million) and corporate guarantee of HK\$100 million (31 December 2017: HK\$100 million) provided by the Company. Among the available banking facilities, HK\$40 million (31 December 2017: HK\$40 million) is general short-term money market loan and current account overdraft. The other HK\$50 million (31 December 2017: HK\$50 million) is short-term money market loan for margin financing business, which is required to be secured by VC Brokerage's margin clients' listed securities when utilised. The

本集團僱員的甄選、薪酬水平及擢升乃根據彼等之表現及資歷而定。除基本薪金與強制性公積金計劃外，本集團亦向其僱員提供醫療保險、銷售佣金、酌情表現花紅、酌情購股權及獎勵股份。此外，本集團亦有為僱員提供或資助與其工作相關之培訓及發展課程。

流動資金及財務資源／資本架構

截至二零一八年十二月三十一日止年度，本集團以內部資源、經營業務產生之現金收益、配售股份、短期銀行貸款及可換股債券為其業務運作及投資提供資金。

本集團採取審慎的資金政策。於二零一八年十二月三十一日，所有借款及幾乎全數銀行結餘及現金均以港元定值。本集團擬致力減低外匯風險。此外，於二零一八年十二月三十一日，所有銀行結餘及現金均存放於定期存款、儲蓄存款及往來賬戶。

於二零一八年十二月三十一日，本集團持有銀行融資額100,000,000港元（二零一七年十二月三十一日：100,000,000港元），乃一間銀行授予滙盈證券，須以40,000,000港元（二零一七年十二月三十一日：40,000,000港元）之銀行存款及本公司所提供100,000,000港元（二零一七年十二月三十一日：100,000,000港元）之企業擔保作抵押。在可動用銀行融資額當中，40,000,000港元（二零一七年十二月三十一日：40,000,000港元）為一般短期貨幣市場貸款及往來賬戶透支。另外50,000,000港元（二零一七年十二月三十一日：50,000,000港元）則為保

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balance of HK\$10 million (31 December 2017: HK\$10 million) is used for drawings against uncleared cheques. As at 31 December 2018, the Group had utilised an amount of HK\$40 million for the general short-term money market loan (31 December 2017: HK\$40 million), which bore an interest rate at 5.09% per annum (31 December 2017: 3.22% per annum).

As at 31 December 2018, the Group's bank balances and cash, net current assets and shareholders' equity (other than clients' segregated accounts) amounted to approximately HK\$138.0 million (31 December 2017: HK\$228.2 million), HK\$536.9 million (31 December 2017: HK\$740.5 million) and HK\$1,039.3 million (31 December 2017: HK\$752.2 million) respectively, representing a decrease of about 40% and 27% and an increase of about 38% respectively as compared with that of 31 December 2017. Current ratio, expressed as current assets over current liabilities, remained robust at about 8.5 times as at 31 December 2018 (31 December 2017: 8.9 times). These showed that the Group still maintained a solid financial position as at 31 December 2018.

As at 31 December 2018 and 31 December 2017, the total numbers of issued ordinary shares of the Company were 1,230,951,598 and 794,616,829 respectively. The increase of share capital in 2018 was attributable to (i) the completion of placement of 50.9 million new shares in July 2018 providing the net proceeds of approximately HK\$72.6 million to the Company, (ii) conversion of the Company's convertible bonds by bondholders resulting in issue of approximately 385.2 million new shares, and (iii) exercise of option by an option holder resulting in issue of 0.2 million new shares.

證金融資業務之短期貨幣市場貸款，一經動用須以滙盈證券保證金客戶之上市證券作抵押。餘額10,000,000港元(二零一七年十二月三十一日：10,000,000港元)乃用於留作未結算支票提款。於二零一八年十二月三十一日，本集團已動用一般短期貨幣市場貸款40,000,000港元(二零一七年十二月三十一日：40,000,000港元)，其乃按年利率5.09厘(二零一七年十二月三十一日：年利率3.22厘)計息。

於二零一八年十二月三十一日，本集團之銀行結餘及現金、流動資產淨值以及股東資金(不包括客戶獨立賬戶)分別約為138,000,000港元(二零一七年十二月三十一日：228,200,000港元)、536,900,000港元(二零一七年十二月三十一日：740,500,000港元)及1,039,300,000港元(二零一七年十二月三十一日：752,200,000港元)，分別較二零一七年十二月三十一日減少約40%及27%及增加約38%。於二零一八年十二月三十一日，本集團之流動比率(即流動資產除以流動負債)維持於約8.5倍(二零一七年十二月三十一日：8.9倍)此穩健水平。這顯示出本集團於二零一八年十二月三十一日維持強健之財務狀況。

於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，本公司已發行普通股總數分別為1,230,951,598股及794,616,829股。二零一八年股本增加乃來自(i)於二零一八年七月完成配售50,900,000股新股份，為本公司帶來約72,600,000港元所得款項淨額；(ii)可換股債券持有人兌換本公司可換股債券，導致發行約385,200,000股新股份；及(iii)一名購股權持有人行使購股權，導致發行200,000股新股份。

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The details of the placement are disclosed in the section “BUSINESS REVIEW” above. As at 31 December 2018, all aforesaid net proceeds had been utilised based on the intended usage, in which approximately HK\$24.0 million, HK\$23.6 million, HK\$10.0 million and HK\$15.0 million used for (a) providing additional working capital for brokerage and financing businesses; (b) acquisition of investment securities for proprietary trading business; (c) acquisition of investment in an associate; and (d) settlement of the Group’s corporate administrative expenses, respectively.

Charges on group assets

As mentioned in the section “Liquidity and financial resources/capital structure” above, the Group made a HK\$40 million charge over its bank deposits to a bank as at 31 December 2018 (31 December 2017: HK\$40 million) for securing the banking facilities granted to VC Brokerage.

Foreign exchange exposure

It is the Group’s policy for all operating entities to use corresponding local currency as much as possible so as to minimize exchange related risks. For the year ended 31 December 2018, almost all of the Group’s principal businesses were conducted and recorded in Hong Kong dollars. Impact from foreign exchange exposure was thus minimal and no hedging against foreign currency exposure had been necessary. In view of the operational needs, the Group will continue to monitor the foreign currency exposure from time to time and take necessary action to minimize the exchange related risks.

有關配售之詳情於上文「業務回顧」一節披露。於二零一八年十二月三十一日，上述全數所得款項淨額已按擬定用途動用，當中約24,000,000港元、23,600,000港元、10,000,000港元及15,000,000港元已分別用作(a)為經紀及融資業務提供額外營運資金；(b)供自營買賣業務收購投資證券；(c)收購於聯營公司之投資；及(d)清償本集團之企業行政開支。

集團資產押記

誠如上文「流動資金及財務資源／資本架構」一節所述，於二零一八年十二月三十一日，本集團將40,000,000港元(二零一七年十二月三十一日：40,000,000港元)銀行存款向一間銀行抵押，以為滙盈證券獲授之銀行融資作抵押。

外匯風險

按照本集團政策，各經營實體均盡量以當地貨幣經營，以減低外匯相關風險。於截至二零一八年十二月三十一日止年度，本集團絕大部分的主要業務均以港元進行及入賬。因此，外匯風險的影響極微，毋須為外匯風險作出對沖。鑑於營運需要，本集團將繼續不時監察外匯風險，並採取必要行動以盡量降低匯兌相關風險。

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Contingent liabilities

As at 31 December 2018, the Company had given financial guarantees of HK\$100 million (31 December 2017: HK\$100 million) to a bank in respect of banking facilities of HK\$100 million (31 December 2017: HK\$100 million) provided to VC Brokerage as mentioned in the section “Liquidity and financial resources/capital structure” above. As at 31 December 2018, banking facilities of an amount of HK\$40 million was utilised by VC Brokerage (31 December 2017: HK\$40 million).

Save as the legal actions taken by the Group as mentioned in the section “Brokerage and Financing” above, so far as known to the Directors, there was no other litigation or claim of material importance in which the Group is engaged or pending or which was threatened against the Group.

Gearing ratio

As at 31 December 2018, the Group’s gearing ratio, expressed as total borrowings (being the bank borrowings and liability portion of convertible bonds) over shareholders’ equity, was approximately 0.06 time (31 December 2017: 0.05 time).

Significant investments held, their performance and future prospects

For the year ended 31 December 2018, details of the Group’s significant investments held, their performance and future prospects are disclosed in the sections “Proprietary Trading” and “Financial assets at fair value through profit or loss/financial assets designated as at fair value through profit or loss” above.

或然負債

於二零一八年十二月三十一日，本公司就上文「流動資金及財務資源／資本架構」一節所述滙盈證券取得之銀行融資100,000,000港元（二零一七年十二月三十一日：100,000,000港元）向一家銀行提供為數100,000,000港元（二零一七年十二月三十一日：100,000,000港元）之財務擔保。於二零一八年十二月三十一日，滙盈證券已動用40,000,000港元之銀行融資額（二零一七年十二月三十一日：40,000,000港元）。

除上文「經紀及融資業務」一節所述本集團採取之法律行動外，就董事所知，本集團並無涉及或面臨或對本集團提出任何重大訴訟或索償。

資產負債比率

於二零一八年十二月三十一日，本集團之資產負債比率，即總借款（為銀行借款及可換股債券之負債部分）佔股東權益約為0.06倍（二零一七年十二月三十一日：0.05倍）。

所持重大投資、其表現及未來展望

截至二零一八年十二月三十一日止年度，本集團所持重大投資、其表現及未來展望之詳情載於上文「自營買賣業務」及「按公平值列賬及在損益賬處理之財務資產／指定為按公平值列賬及在損益賬處理之財務資產」各節。

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Material acquisitions and disposal of subsidiaries, associates and joint ventures

For the year ended 31 December 2018, details of the Group's material acquisition of subsidiaries, associates and joint ventures are disclosed in the sections "BUSINESS REVIEW" above. The Group did not make any material disposals during the year.

Future plans for material investments or capital assets and their expected sources of funding in the coming year

As at 31 December 2018 and as at the date hereof, the Group had no other known plans with regard to material investments or capital assets and their expected sources of funding in the coming year except for (i) the formation of the joint venture securities company in the PRC, (ii) the proposed formation of a joint venture company to act as a sponsor to a limited partnership fund which will focus on infrastructure projects as disclosed in the section "BUSINESS REVIEW" above, and (iii) the investment in equity interest in an aviation ground service company in the PRC as disclosed in the section "Events after the reporting period" below. Material capital expenditure will be incurred when the Group begins to pursue different investments or projects in the coming years. The Group will finance the respective investments or projects by using its internal resources and/or different financing options available, whichever should be deemed appropriate.

Meanwhile, as at 31 December 2018, the Group did not have any significant commitments contracted but not provided for in respect of purchase of property and equipment. Details of the Group's commitments are disclosed in Note 32 to the consolidated financial statements.

重大收購及出售附屬公司、聯營公司及合營企業

截至二零一八年十二月三十一日止年度，本集團重大收購附屬公司、聯營公司及合營企業之詳情載於上文「業務回顧」一節。於本年度本集團並無任何重大出售。

未來一年之重大投資或資本資產之未來計劃及預計資金來源

於二零一八年十二月三十一日及本公佈日期，除(i)上文「業務回顧」一節所披露於中國成立一間合營證券公司；(ii)建議成立一間合營公司以出任一個將專注於基建項目之有限合夥基金之保薦人；及(iii)下文「報告期後事項」一節所披露投資於國內一間航空地面服務公司之股本權益之外，本集團於未來一年並無任何其他有關重大投資或資本資產之已知計劃及預計資金來源。當本集團未來開始尋求不同的投資或項目時，將會產生重大資本開支。本集團將因應合適情況，以其內部資源及／或不同形式可供選擇之融資方式，為有關投資或項目提供資金。

此外，於二零一八年十二月三十一日，本集團並無就添置物業及設備已訂約但未作出撥備之任何重大承擔。有關本集團承擔之詳情載於綜合財務報表附註32。

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Events after the reporting period

- (i) Regarding the acquisition of the entire issued equity interest in and the sale loan of Bright Element Investments Limited as disclosed in the section "BUSINESS REVIEW" above, as certain conditions precedent of the acquisition under the agreement has not been fulfilled in full (or waived) on or before the extended long stop date falling on 31 January 2019, the agreement has lapsed and the acquisition would not proceed.
- (ii) On 27 February 2019, Massive Benefit (HK) Limited (the "Investor"), an indirect wholly owned subsidiary of the Company, Beijing Sky Jingshi Investment Co., Ltd. (the "Existing Shareholder A"), Beijing Taihe Zhongcheng Management Technology Center (the "Existing Shareholder B") and Beijing Shuntong Taida Aviation Ground Service Co., Ltd. (the "Target Company") entered into an investment agreement pursuant to which the Target Company has agreed to conditionally increase its registered capital by RMB2,117,600, and the Investor has agreed to conditionally make a capital investment of RMB15,000,000 in cash to subscribe for the increased registered capital in the Target Company. Upon Completion, the Investor will directly hold 15% equity interest in the Target Company and accordingly, the Company will thereby indirectly hold 15% equity interest in the Target Company. The Target Company, the Existing Shareholder A and the Existing Shareholder B covenant that the aggregate minimum net profit before tax of the Target Company during the two financial years ending 31 December 2020 will be RMB28,000,000. Upon fulfillment of the profit guarantee, the Investor will be entitled to subscribe for a further 5% equity interest in the Target Company at the capital investment of RMB5,000,000, whereby the Investor will directly hold 20% equity interest in the Target Company and accordingly, the Company will thereby indirectly hold 20% equity interest in the Target Company. The Target Company is principally engaged in provision of aviation ground services.
- (iii) On 27 March 2019, VC Financial Group Limited, a direct wholly owned subsidiary of the Company, entered into a memorandum of understanding (the "2019 MOU") with Mr. Lo Ping Hung Eric ("Mr. Lo") to acquire from Mr. Lo the entire equity interest in Experts Management Limited, an insurance broker company. The consideration for the proposed acquisition is approximately HK\$2 million.

報告期後事項

- (i) 就上文「業務回顧」一節所披露收購 Bright Element Investments Limited全部已發行股本權益及待售貸款一事，由於相關協議項下收購事項之若干先決條件未能於經延後最後截止日期（即二零一九年一月三十一日）或之前悉數達成（或獲豁免），因此相關協議已告失效，而收購事項將不會繼續進行。
- (ii) 於二零一九年二月二十七日，本公司之間接全資附屬公司灝益（香港）有限公司（「投資者」）、北京天空晶世投資有限公司（「現有股東甲」）、北京泰合眾成管理科技中心（有限合夥）（「現有股東乙」）及北京順通泰達航空地面服務有限公司（「目標公司」）訂立投資協議，據此，目標公司已同意有條件地將其註冊資本增資人民幣2,117,600元，而投資者已同意有條件地以現金人民幣15,000,000元作出資本投資以認購目標公司之註冊資本增資。於完成後，投資者將直接持有目標公司之15%股權，因此，本公司將間接持有目標公司之15%股權。目標公司、現有股東甲及現有股東乙已訂立契諾，據此，目標公司截至二零二零年十二月三十一日止兩個財政年度之合計最低除稅前純利將為人民幣28,000,000元。於符合溢利保證後，投資者將有權以人民幣5,000,000元之資本投資額外認購目標公司5%股權，屆時投資者將直接持有目標公司之20%股權，據此，本公司將可間接持有目標公司之20%股權。目標公司主要從事提供航空地面服務。
- (iii) 於二零一九年三月二十七日，本公司之直接全資附屬公司滙盈金融集團有限公司與盧炳雄先生（「盧先生」）訂立一份諒解備忘錄（「二零一九年備忘錄」），以向盧先生收購保險經紀公司Experts Management Limited之全部股本權益。建議收購事項之代價將約為2,000,000港元。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷

DIRECTORS

Mr. FU Yiu Man, Peter

Chairman & Executive Director

Mr. Fu, aged 63, joined the Group in July 2016 and has been appointed as the Chairman and Executive Director in March 2018. Currently, Mr. Fu is the business development director of China Affair Department, a chairman of the Executive Committee and a director of certain subsidiaries of the Company. Mr. Fu is also an independent non-executive director of Beijing North Star Company Limited (Stock Code: 588), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since May 2015.

Mr. Fu obtained a bachelor's degree from Wharton Business School of the University of Pennsylvania in the U.S. He has served in various senior positions in BNP Paribas, Peregrine, Baring Securities, UBS, Citigroup Inc., CCB International and CCB International (China), etc. He served as the vice-president of GCL-Poly Group since November 2013. For the period from March 2014 to June 2016, Mr. Fu had been redesignated as the vice-president of GCL Oil and Gas Company. He was responsible for overseas finance and M&A business for the oil and gas projects of the company. Mr. Fu has almost 40 years of experience in financial management, securities business.

Mr. TIN Ka Pak, Timmy

Executive Director

Mr. Tin, aged 42, joined the Group as Executive Director in July 2011. Currently, he is a member of the Executive Committee and a director of certain subsidiaries of the Company.

Mr. Tin holds a Bachelor degree of Business Administration from Oxford Brookes University in the United Kingdom. He has over 10 years management experience in listed companies, whose shares are listed on the Stock Exchange, duties including group management, strategic planning, investment evaluation and investor relationship.

董事

符耀文先生

主席兼執行董事

符先生，63歲，於二零一六年七月加盟本集團，並於二零一八年三月獲委任為主席兼執行董事。符先生現任中國事務部之業務發展總監、執行委員會主席及本公司若干附屬公司之董事。符先生自二零一五年五月起亦出任北京北辰實業股份有限公司（股票代號：588）之獨立非執行董事，該公司於香港聯合交易所有限公司（「聯交所」）主板上市。

符先生取得美國賓夕法尼亞大學沃頓商學院學士學位。他曾先後在法國巴黎銀行、百富勤、霸菱證券、瑞士銀行、花旗集團、建銀國際及建銀國際（中國）等出任高級職位。彼自二零一三年十一月起擔任協鑫集團副總裁。於二零一四年三月至二零一六年六月期間，符先生調任為協鑫石油天然氣公司副總裁，負責該公司之油氣項目在海外的融資和併購業務。符先生擁有近40年的金融管理及證券業務經驗。

田家柏先生

執行董事

田先生，42歲，於二零一一年七月加盟本集團出任執行董事。彼現為本公司執行委員會會員及本公司若干附屬公司之董事。

田先生持有英國牛津布魯克斯大學工商管理學士學位。彼擁有於香港聯合交易所上市公司超過十年的管理經驗，曾負責集團管理、策略計劃、投資評估及投資者關係等事務。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷

Mr. LIN Hoi Kwong, Aristo

Executive Director

Mr. Lin, aged 48, joined the Group in January 2014 and has been appointed as the Executive Director in April 2015. Currently, he is the director of China Affairs Department, a member of the Executive Committee and a director of certain subsidiaries of the Company. Mr. Lin is a director of China Fortune Foundation Limited and the Honorary Secretary of Hong Kong Skating Union Limited (the associate member of the Sports Federation and Olympic Committee of Hong Kong). He is also an executive director of Hong Kong Wenchang Natives Association, Commander of Hong Kong Road Safety Patrol of (Kowloon East Region) Railway District and Honorary President of JPC of Tseung Kwan O District.

Mr. Lin holds a Bachelor Degree in Business Administration from the Thames Valley University, United Kingdom and a Master of Science Degree in Marketing from The National University of Ireland. He has over 20 years experience in corporate development and business strategy.

Mr. XIE Jintai

Executive Director

Mr. Xie, aged 69, joined the Group as Executive Director in June 2016. Currently, he is a general manager and chairman of Shanghai Wuhe Industrial Co., Ltd., a diversified investment management company incorporated in the PRC. He has been the director of Xiamen Xinya Economic Technology Research Institute, a senior economist, senior business analyst and the general manager and chairman of a corporate group for around 20 years.

Mr. Xie graduated from Xiamen University with a Bachelor's Degree in Economics Management. He has been working in economic research and corporate investment planning, and had participated in the business management of various industries including international trade, warehouse and logistics, construction and real estate etc. for many years. Mr. Xie is familiar with business management and has abundant experience in management and business operation.

連海江先生

執行董事

連先生，48歲，於二零一四年一月加盟本集團，並於二零一五年四月獲委任為本集團之執行董事。彼現為中國事務部之總監、執行委員會成員及本公司若干附屬公司之董事。連先生現為中國富強基金會有限公司董事，以及香港滑冰聯盟有限公司（為中國香港體育協會暨奧林匹克委員會會員）之義務秘書長。同時，連先生亦為香港文昌同鄉會現任常務董事、香港交通安全隊（東九龍）鐵路部分區指揮官及將軍澳區少年警訊名譽會長。

連先生持有英國泰晤士大學之工商管理學士學位及愛爾蘭國立大學之市場學理學碩士學位。彼於企業發展及業務策略方面擁有超過二十年經驗。

謝錦泰先生

執行董事

謝先生，69歲，於二零一六年六月加盟本集團出任執行董事。現任上海五和實業有限公司之總經理兼董事長，該公司為一間於中國註冊成立之多元投資管理公司。彼曾任廈門新亞經濟技術研究所所長、高級經濟師、高級商務師、企業集團總經理及董事長近二十年。

謝先生畢業於廈門大學，取得經濟管理學士學位。彼曾從事經濟研究工作和企業投資策劃，在國際貿易、倉儲物流、工程建設及房地產等多個行業亦有多年的經營管理工作經驗，熟悉業務管理，於管理及業務經營方面擁有豐富經驗。

滙盈控股有限公司

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層之履歷**Mr. ZHANG Min****Executive Director**

Mr. Zhang, aged 61, joined the Group as Executive Director in June 2018. He is also an independent non-executive director of China Eco-Farming Limited (Stock Code: 8166), a company listed on the GEM of the Stock Exchange, since March 2015.

Mr. Zhang was the chief executive officer and executive director of June Field Department Store Group Limited (Stock Code: 758) from 10 August 2016 to 22 August 2018, chairman of the board and executive director of China Fortune Financial Group Limited (Stock Code: 290) from 12 April 2011 to 30 June 2014, and an independent non-executive director of Silver Base Group Holdings Limited (Stock Code: 886) from 28 January 2011 to 1 April 2014, all companies listed on the Main Board of the Stock Exchange. Also, he was the chief marketing officer of the China Cinda Asset Management Co., Ltd from 28 April 2011 to 31 August 2013, the chief executive of China Construction Bank Corporation, Hong Kong Branch, from September 2006 to March 2011, and a director of CCB International (Holdings) Limited and China Construction Bank (Asia) Corporation Limited from August 2006 to March 2011. Both CCB International (Holdings) Limited and China Construction Bank (Asia) Corporation Limited are wholly-owned subsidiaries of China Construction Bank Corporation (Stock Code: 939) (together with its subsidiaries referred to as the "CCBC Group"), a joint stock company incorporated in the PRC with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange. He was the president of the Beijing Banking Association from 2003 to 2005 and the Beijing Investment Institution from 2001 to 2006. Mr. Zhang possesses over 20 years' experience in the banking industry through his work with the CCBC Group.

Mr. Zhang holds a Bachelor of Philosophy Degree from the Capital Normal University and a Master of Laws Degree from the Renmin University of China.

張民先生**執行董事**

張先生，61歲，於二零一八年六月加盟本集團出任執行董事。彼亦自二零一五年三月起出任聯交所GEM上市公司中國農業生態有限公司(股票代號：8166)之獨立非執行董事。

張先生曾於二零一六年八月十日至二零一八年八月二十二日出任莊勝百貨集團有限公司(股票代號：758)之行政總裁兼執行董事，於二零一一年四月十二日出任中國富強金融集團有限公司(股票代號：290)之董事會主席兼執行董事，及於二零一一年一月二十八日至二零一四年四月一月出任銀基集團控股有限公司(股票代號：886)之獨立非執行董事，上述公司均於聯交所主板上市。張先生亦曾於二零一一年四月二十八日至二零一三年八月三十一日出任中國信達資產管理股份有限公司之市場總監、二零零六年九月至二零一一年三月擔任中國建設銀行股份有限公司香港分行行長，以及二零零六年八月至二零一一年三月出任建銀國際(控股)有限公司及中國建設銀行(亞洲)股份有限公司董事。建銀國際(控股)有限公司及中國建設銀行(亞洲)股份有限公司均為中國建設銀行股份有限公司(股票代號：939)(連同其附屬公司統稱為「中國建設銀行集團」)之全資附屬公司，中國建設銀行股份有限公司為於中國註冊成立之股份有限公司，其已發行股份於聯交所主板上市。彼於二零零三年至二零零五年期間擔任北京銀行業協會主席，並於二零零一年至二零零六年期間擔任北京投資學會主席。張先生於銀行業擁有超過二十年經驗，期間一直於中國建設銀行集團任職。

張先生持有首都師範大學哲學學士學位及中國人民大學法學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷

Ms. LU Mengjia

Executive Director

Ms. Lu, aged 31, joined the Group as Executive Director in November 2018. Currently, she is a member of the Executive Committee. Ms. Lu is the president and co-founder of CVP Financial Group Limited ("CVP") since April 2016 and is mainly responsible for coordinating the development of CVP's financial sector businesses. She was the non-executive director of CVP Securities from December 2015 to October 2018, the Vice President of Investment in Starlight Financial Holdings Limited from August 2014 to March 2016. Ms. Lu was an associate director of UBS Wealth Management in Hong Kong from September 2011 to July 2014, responsible for providing one-stop shop for wealth management solutions for ultra-high net worth customers in the Greater China area. She worked as a business analyst in The Boston Consulting Group in Shanghai from March 2009 to April 2010.

Ms. Lu obtained a master of Management degree from London Business School in 2011 and graduated from Shanghai Jiao Tong University (SJTU) with a bachelor of Business Administration degree in 2010.

陸夢嘉女士

執行董事

陸女士，31歲，於二零一八年十一月加盟本集團出任執行董事。彼現為本公司執行委員會會員。陸女士為遠見金融集團有限公司（「遠見金融」）共同創辦人，並自二零一六年四月起出任遠見金融總裁，主要負責統籌遠見金融之金融業務發展。彼於二零一五年十二月至二零一八年十月出任星火證券非執行董事，並於二零一四年八月至二零一六年三月出任中國星火金融控股有限公司之投資部副總裁。陸女士曾於二零一一年九月至二零一四年七月出任瑞銀集團（香港）財富管理部聯席董事，主要負責為大中華地區超高淨值客戶提供一站式的財富管理建議。彼於二零零九年三月至二零一零年四月於上海擔任波士頓諮詢公司之商業分析師。

陸女士於二零一一年取得倫敦商學院管理碩士學位，並於二零一零年畢業於上海交通大學並取得工商管理學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層之履歷**Mr. WONG Chung Kin, Quentin****Independent Non-executive Director**

Mr. Wong, aged 47, joined the Group as Independent Non-executive Director in March 2012. Mr. Wong is the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. He has set up his own practice, Quentin Wong & Co. Certified Public Accountants (Practising) since 1 January 2005. Mr. Wong was an independent non-executive director of China Investment Fund International Holdings Limited (Stock Code: 612), a company listed on the Main Board of the Stock Exchange.

Mr. Wong is a fellow member of Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong, Association of Chartered Certified Accountants and The Society of Chinese Accountants & Auditors. Meanwhile, he is a member of The Institute of Chartered Accountants in England & Wales. Mr. Wong holds a bachelor of Arts degree in Accounting and Financial Management from University of Essex and a master degree of Science in Internal Auditing and Management from The City University, London. He has over 15 years working experience in audit and accounting gained from a sizeable international firm and has had 10 years of practicing experience.

黃松堅先生**獨立非執行董事**

黃先生，47歲，於二零一二年三月加盟本集團出任獨立非執行董事。彼亦為本公司審核委員會主席、提名委員會及薪酬委員會成員。彼於二零零五年一月一日創辦黃松堅執業會計師事務所。黃先生曾任聯交所主板上市公司中國投資基金國際控股有限公司（股票代號：612）之獨立非執行董事。

黃先生為香港會計師公會、香港稅務學會、英國特許公認會計師公會及香港華人會計師公會資深會員。彼亦是英格蘭及威爾斯特許會計師公會會員。黃先生持有埃塞克斯大學會計及財務管理文學士學位，以及倫敦城市大學內部審核及管理理碩士學位。彼曾任職於一間大型國際機構，於審核及會計方面積累逾十五年工作經驗，並有十年執業經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷

Mr. WONG Kam Choi, Kerry, MH

Independent Non-executive Director

Mr. Wong, aged 52, joined the Group as Independent Non-executive Director in May 2013. Mr. Wong is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Currently, Mr. Wong is a substantial shareholder and a director of a design and printing company. He has over 20 years' experience in design and printing industry. Mr. Wong was the executive director and chairman of the board of China Fortune Financial Group Limited (Stock Code: 290), a company listed on the Main Board of the Stock Exchange.

Mr. Wong has been dedicating to wide range of community services in Hong Kong and Southern China. He is the director of Sik Sik Yuen, the committee member of Chinese People's Political Consultative Conference of Guangzhou, Liwan and chairman/vice chairman of a number of non-profit organizations.

黃錦財先生，MH

獨立非執行董事

黃先生，52歲，於二零一三年五月加盟本集團出任獨立非執行董事。黃先生亦為本公司薪酬委員會主席、審核委員會及提名委員會成員。黃先生現為一家設計及印刷公司之主要股東兼董事。彼於設計及印刷業擁有超過二十年經驗。黃先生曾為聯交所主板上市公司中國富強金融有限公司(股票代號：290)之執行董事及董事會主席。

黃先生致力參與在香港及華南地區的多項公益服務。彼為耆色園董事、廣州市荔灣區政協委員及多間非牟利組織及政府組織之主席／副主席。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層之履歷**Mr. SIU Miu Man, Simon****Independent Non-executive Director**

Mr. Siu, aged 61, joined the Group as Independent Non-executive Director in October 2016. He is the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Currently, Mr. Siu is an independent non-executive director of Excalibur Global Financial Holdings Limited (Stock Code: 8350), a company listed on the GEM of the Stock Exchange. He is also a director of DBG Technology Co., Ltd. (Stock Code: 300735), a company listed on Shenzhen Stock Exchange. Meanwhile, Mr. Siu is also a director of a consultancy firm and engineering firm. He was an executive director of Asia Energy Logistics Group Limited (Stock Code: 351) and an independent non-executive director of Sheung Yue Group Holdings Limited (Stock Code: 1633), both companies listed on the Main Board of the Stock Exchange. He had served in many public listed companies as senior management and has over 25 years of managerial experience in general management, commerce, banking, finance, real estate development and construction business.

Mr. Siu is actively participating in public affairs and charitable activities. He is the vice president of the Association of Hong Kong Professionals and the Hong Kong Real Property Federation, the honorary president of the Hong Kong Kowloon City Industry and Commerce Association and the chairman of the Building Healthy Kowloon City Association.

Mr. Siu graduated from The Hong Kong Polytechnic University with a Polytechnic Associateship in Building Technology and Management and a Master of Science in Electronic Commerce. He is a corporate member of the Hong Kong Institution of Engineers, Hong Kong Institute of Surveyors (General Practice Stream), Royal Institution of Chartered Surveyors (General Practice Stream) and Chartered Institute of Arbitrator. Mr. Siu is an Authorized Person under the Hong Kong Building Ordinance of the Government of the HKSAR. He is also a Registered Professional Engineer (Building Stream) and a Registered Professional Surveyor (General Practice Stream).

蕭妙文先生**獨立非執行董事**

蕭先生，61歲，於二零一六年十月加盟本集團出任獨立非執行董事。彼為本公司提名委員會主席以及審核委員會及薪酬委員會成員。蕭先生現為聯交所GEM上市公司駿溢環球金融控股有限公司（股票代號：8350）之獨立非執行董事。彼亦為深圳證券交易所上市公司惠州光弘科技股份有限公司（股票代號：300735）之董事。同時，蕭先生為一間顧問公司及一間工程公司之董事。蕭先生曾任聯交所主板上市公司亞洲能源物流集團有限公司（股票代號：351）之執行董事及上諭集團控股有限公司（股票代號：1633）之獨立非執行董事。彼曾擔任若干上市公司之高級管理人員，並於管理、商務、銀行、金融、房地產開發及建築業擁有逾25年管理經驗。

蕭先生積極參與公共事務及慈善活動。彼現為香港專業人士協會副會長、香港房地產協會副會長、香港九龍城工商業協會永遠名譽會長，及建設健康九龍城協會主席。

蕭先生畢業於香港理工大學，為香港理工大學建築工藝及管理院士及持有電子商貿理學碩士學位。彼為香港工程師學會法定會員、香港測量師學會（產業測量）會員、英國皇家特許測量師學會（產業測量）會員及特許仲裁師學會會員。蕭先生為香港特別行政區政府香港建築物條例項下之認可人士。彼亦為註冊專業工程師（建築）及註冊專業測量師（產業測量）。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷

Mr. CHIANG Ho Wai

Independent Non-executive Director

Mr. Chiang, aged 63, joined the Group as Independent Non-executive Director in September 2018. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Currently, Mr. Chiang is the chairman of the board of Hong Kong Xin Heng De Holdings Limited and Good Grace Limited, both companies are principally engaged in finance related business. He is also the president of certain companies engaged in real estate business and culture industry.

Mr. Chiang graduated from Guangxi Open University. He has over 20 years' experience in finance and real estate related business and culture industry.

SENIOR MANAGEMENT

Mr. LAI Yick Fung

Chief Financial Officer & Company Secretary

Mr. Lai, aged 48, joined the Group as chief financial officer in April 2018. He has been appointed as the Company Secretary of the Company in May 2018. Mr. Lai obtained a Master of Science Degree in Financial Management in the University of London and a Bachelor of Arts Degree in Accountancy in The Hong Kong Polytechnic University. He is an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. Mr. Lai was an executive director of China Eco-Farming Limited (Stock Code: 8166), a company listed on the GEM of the Stock Exchange, from 1 July 2015 to 29 March 2018. Mr. Lai had worked for an international accounting firm and a number of listed companies in Hong Kong and the United States as senior management and has over 20 years of experience in auditing, accounting, financial management and company secretarial practice.

蔣浩璋先生

獨立非執行董事

蔣先生，63歲，於二零一八年九月加盟本集團出任獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。蔣先生現為香港新恒德集團有限公司及香港志亮有限公司董事會主席，該兩間公司主要從事金融相關業務。彼亦為若干從物業相關業務和文化產業的公司之總裁。

蔣先生畢業於廣西廣播電視大學。彼於金融及物業相關業務及文化產業擁有逾20年經驗。

高級管理層

賴益豐先生

財務總監及公司秘書

賴先生，48歲，於二零一八年四月加入本公司出任財務總監。彼於二零一八年五月獲委任為本公司公司秘書。賴先生取得倫敦大學財務管理學理學碩士學位及香港理工大學會計學文學學士學位。彼為香港會計師公會會員、英國特許秘書及行政人員公會以及香港特許秘書公會之資深會員。賴先生於二零一五年七月一日至二零一八年三月二十九日曾任聯交所GEM上市公司中國農業生態有限公司(股票代號：8166)之執行董事。賴先生曾任職於一間國際會計師行，且曾於多間香港及美國上市公司擔任高級管理層，並擁有逾二十年的審計、會計、財務管理及公司秘書實務經驗。

CORPORATE GOVERNANCE REPORT
企業管治報告

The board (the "Board") of directors (the "Directors") of Value Convergence Holdings Limited (the "Company") believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. As such, the maintenance of a high standard of corporate governance has been and remains a top priority of the Group (the Company and its subsidiaries). The Group is committed to promoting and maintaining the highest standard of corporate governance, with the objectives of (i) the maintenance of responsible decision making; (ii) the improvement in transparency and disclosure of information to shareholders; (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of shareholders; and (iv) the improvement in management of risk and the enhancement of performance by the Group.

COMPLIANCE OF THE CODE PROVISION OF THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the financial year ended 31 December 2018, except for the following deviations:

i. Code Provision A.2.1

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive of a listed company should be separate and should not be performed by the same individual. During the period from 1 January 2018 to 21 January 2018, Mr. Tin Ka Pak, Timmy had taken up the roles and functions of the Chairman and the Chief Executive Officer ("CEO") of the Company. The Board considers that the balance of power and authority of the Board will not be impaired even the roles of the Chairman and the CEO are performed by the same individual. It also believes that it is in the best interest of the Group with Mr. Tin Ka Pak, Timmy to assume the roles of the Chairman and the CEO as which the Board's decision could be made effectively.

滙盈控股有限公司(「本公司」)董事(「董事」)會(「董事會」)相信良好的企業管治實為有效管理、健康的企業文化、成功的業務發展以及提升股東價值的重要骨幹。因此，本集團(本公司及其附屬公司)始終視高水準的企業管治至為重要。本集團致力促進及維持最高標準的企業管治水平，宗旨在於(i)維持負責任的決策；(ii)改善對股東的透明度及披露的資料；(iii)貫徹一向對股東權益的尊重及對股東的合法權益的認同；及(iv)改善風險管理及提升本集團的表現。

企業管治守則之守則條文的遵行

本公司於截至二零一八年十二月三十一日止財政年度內一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四內《企業管治守則》(「企業管治守則」)所載之守則條文，惟下文所述的偏離除外：

i. 守則條文第A.2.1條

根據企業管治守則之守則條文第A.2.1條，上市公司的主席與行政總裁的角色應有區分，並不應由一人同時兼任。於二零一八年一月一日至二零一八年一月二十一日止期間，田家柏先生身兼本公司主席與行政總裁(「行政總裁」)之職責。董事會認為，主席與行政總裁之職責由同一人負責，並不會損害董事會之權責平衡。董事會亦相信，由田家柏先生同時肩負主席與行政總裁之職責，實乃符合本集團之最佳利益，因董事會可更有效地作出決策。

CORPORATE GOVERNANCE REPORT

企業管治報告

Although the Board believes that Mr. Tin Ka Pak, Timmy is the best candidate to take up the roles and functions of the Chairman and the CEO, it always wants to be the best of the best, so to comply with the CG Code. On 22 January 2018, Mr. Chung Chi Shing, Eric, the Executive Director of the Company, was appointed as the Chairman of the Company. Following the appointment of Mr. Chung Chi Shing, Eric, the Company has complied with code provision A.2.1. However, due to other business development which requires more of his dedication, Mr. Chung Chi Shing, Eric resigned as the Chairman and the Executive Director of the Company on 2 March 2018. On the same date, Mr. Fu Yiu Man, Peter had been appointed as the Chairman and the Executive Director of the Company.

ii. Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. All the Non-executive Directors of the Company are not appointed for specific term. However, under the Article 97 of the Articles of Association of the Company (the "Articles of Association"), all Directors, including non-executive Directors, are subject to retirement by rotation and re-election in the annual general meeting of the Company and each Director is effectively appointed under an average term of three years. The Company does not believe that arbitrary term limits on directors' service are appropriate given that directors ought to be committed to representing the long term interests of the Company's shareholders, and the retirement and re-election requirements of non-executive directors have given the Company's shareholders the right to approve continuation of non-executive directors' offices.

儘管董事會相信田家柏先生為肩負主席及行政總裁職責之最佳人選，惟董事會一直希望做到最好，以符合企業管治守則。於二零一八年一月二十二日，本公司之執行董事鍾志成先生獲委任為本公司主席。隨著鍾志成先生獲委任，本公司已符合守則條文第A.2.1條。然而，鍾志成先生由於其他業務發展需要彼更全情投入，因此已於二零一八年三月二日辭任本公司主席及執行董事職位。同日，符耀文先生獲委任為本公司主席兼執行董事。

ii. 守則條文第A.4.1條

根據企業管治守則之守則條文第A.4.1條，非執行董事的委任須有指定任期，並須接受重選。本公司全體非執行董事均不設指定任期。然而，按本公司之組織章程細則（「章程細則」）第97條，全體董事（包括非執行董事）均須於本公司之股東週年大會上輪值退任及膺選連任，而各董事之實際任期平均為三年。本公司不相信明文限定董事服務任期屬恰當之舉，蓋因董事須致力代表本公司股東之長遠利益，而非執行董事之退任及膺選連任規定已給予本公司股東批准非執行董事續任的權利。

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iii. Code Provision A.6.7

Under the code provision A.6.7 of the CG Code, non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Chiang Ho Wai, an Independent Non-executive Director of the Company, was absent from the extraordinary general meeting of the Company held on 15 October 2018 due to other business engagement.

iv. Code Provision E.1.3

Under the code provision E.1.3, the listed issuer should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting. The Company had served 21 clear days' notice to its shareholders for the annual general meeting held on 26 April 2018 pursuant to its Articles of Association, of which the notice period is shorter than the requirement of the CG Code.

In the first half of 2018, the Company has certain potential acquisitions, which might need funding for completion. As the general mandate granted to the Directors during the annual general meeting held on 25 May 2017 was almost fully utilized due to the completion of the placing of 132,000,000 new shares on 18 August 2017, earlier refreshment of the general mandate in the annual general meeting would provide the Company with flexibility of having a readily available funding alternative for transactions. The Company commits it will comply with this code provision in future unless the circumstance are exceptional.

iii. 守則條文第A.6.7條

根據企業管治守則之守則條文第A.6.7條，非執行董事應出席股東大會，對股東的意見有全面、公正的了解。本公司獨立非執行董事蔣浩瑋先生由於其他事務而未克出席本公司於二零一八年十月十五日舉行之股東特別大會。

iv. 守則條文第E.1.3條

根據守則條文第E.1.3條，就股東週年大會而言，上市發行人應安排在大會舉行前至少足20個營業日向股東發送股東週年大會通知。本公司已根據其組織章程細則就於二零一八年四月二十六日舉行股東週年大會向其股東發出足21日之通知，此通知期較企業管治守則之規定為短。

於二零一八年上半年，本公司進行多宗潛在收購，其可能需要資金完成。由於二零一七年八月十八日完成配售132,000,000股新股份已幾乎悉數動用於二零一七年五月二十五日舉行之股東週年大會授予董事之一般授權，因此提前於股東週年大會上更新一般授權能使本公司更有靈活性，具備隨時可動用之資金的替代以進行交易。本公司承諾，除非情況特殊，否則其日後將遵守此項守則條文。

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COMPLIANCE WITH RULE 3.10A OF THE LISTING RULES

In accordance with rule 3.10A of the Listing Rules, the Company is required to appoint independent non-executive Directors representing at least one-third of the members of the Board. Following the appointments of Mr. Zhang Min and Mr. Jiang Tian as Executive Directors on 25 June 2018, the composition of the Board comprises seven executive Directors and three independent non-executive Directors. The number of Independent Non-executive Directors represents less than one-third of the members of the Board as required under Rule 3.10A of the Listing Rules.

On 24 September 2018, Mr. Chiang Ho Wai has been appointed as an Independent Non-executive Director of the Company. Following the appointment of Mr. Chiang on 24 September 2018, the Board has fulfilled the requirement under Rule 3.10A of the Listing Rules.

THE BOARD OF DIRECTORS

The Board is entrusted with the overall responsibility for promoting the success of the Company by the Director and supervision of the Company's business and affairs and the ultimate responsibility for the day to day management of the Company, which is delegated to the CEO and the management. Each Director has a duty to act in good faith in the interests of the Company.

Lists of (1) duties and powers delegated to the CEO and (2) division of responsibilities between the Chairman and CEO are given at the Company's website under the section "Corporate Governance".

遵守上市規則第3.10A條

根據上市規則第3.10A條，本公司委任之獨立非執行董事人數須至少佔董事會成員人數的三分之一。於二零一八年六月二十五日委任張民先生及姜天先生為本公司執行董事之後，董事會由七位執行董事及三位獨立非執行董事組成。獨立非執行董事人數不足上市規則第3.10A條所規定董事會人數的三分之一。

於二零一八年九月二十四日，蔣浩瑋先生獲委任為本公司之獨立非執行董事。蔣先生於二零一八年九月二十四日獲委任後，董事會已符合上市規則第3.10A條之規定。

董事會

董事會負有領導及監控本公司的責任，通過指導及監督本公司的業務，促進本公司取得成功。而董事會已授權行政總裁及管理層，最終負責本公司的日常管理。各董事均有責任以本公司利益為依歸真誠行事。

本公司網站「企業管治」一節列出(1)賦予行政總裁之權責；及(2)主席與行政總裁之職責分配。

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i. Board Composition

The Board currently comprises a total of ten Directors, with six Executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Tin Ka Pak, Timmy, Mr. Lin Hoi Kwong, Aristo, Mr. Xie Jintai, Mr. Zhang Min and Ms. Lu Mengjia; and four Independent Non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Wong Kam Choi, Kerry, MH, Mr. Siu Miu Man, Simon and Mr. Chiang Ho Wai.

Pursuant to Article 88 of the Articles of Association, any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. In accordance with this provision, Mr. Zhang Min, Ms. Lu Mengjia and Mr. Chiang Ho Wai shall retire at the forthcoming annual general meeting, being eligible, offer themselves for re-election.

Pursuant to Article 97 of the Articles of Association, one third of the directors for the time being shall retire from office, thus becoming eligible for re-election at each annual general meeting of the Company. The Directors to retire every year shall be those who have been longest in office since their last election. As such, Mr. Tin Ka Pak, Timmy, Mr. Wong Kam Choi, Kerry, MH, and Mr. Siu Miu Man, Simon shall retire at the forthcoming annual general meeting and being eligible to offer themselves for re-election.

Biographical details of the retiring Directors have been set out in a circular, which will be sent to shareholders together with this Annual Report, to assist shareholders to make an informed decision on their re-elections.

i. 董事會之組成

董事會現時由十名董事組成，其中六名屬執行董事，即符耀文先生（主席）、田家柏先生、連海江先生、謝錦泰先生、張民先生及陸夢嘉女士；另外四名屬獨立非執行董事，即黃松堅先生、黃錦財先生，MH、蕭妙文先生及蔣浩瑋先生。

根據章程細則第88條，據其獲委任之任何董事將僅留任至本公司隨後之股東週年大會為止，屆時將符合資格於大會上膺選連任。根據此條文，張民先生、陸夢嘉女士及蔣浩瑋先生將於應屆股東週年大會上退任，惟符合資格並願意膺選連任。

根據章程細則第97條，三分之一當時在任的董事須於本公司每屆股東週年大會上退任且符合資格膺選連任。於每年退任之董事應為自其上一次當選以來在任最長者。因此，田家柏先生、黃錦財先生，MH及蕭妙文先生將於應屆股東週年大會上退任，並符合資格膺選連任。

退任董事之履歷已載於將連同本年報一併發給股東之通函內，以供股東就彼等之重選作出知情決定。

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ii. Independence of Independent Non-executive Directors

The Independent Non-executive Directors, all of whom are independent of the management of the Group's businesses, are highly experienced professionals with substantial experience in areas such as legal, accounting and financial management. Their mix of skills and business experience is a major contribution to the future development of the Group. They ensure that matters are fully debated and that no individual or group of individuals dominates the Board's decision making processes. In addition, they facilitate the Board to maintain a high standard of financial and other mandatory reporting and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules for the year ended 31 December 2018. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines in 2018.

iii. Securities Dealings by Directors and Relevant Employees

The Company has adopted a code of conduct regarding Directors' securities dealings on terms as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of the Directors, all Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities transactions by Directors as set out in the Model Code in 2018.

ii. 獨立非執行董事之獨立性

全體獨立非執行董事均獨立於本集團之業務管理，彼等均為饒富經驗的專業人士，在法律、會計及財務管理等領域擁有豐富經驗。彼等不同之技能與業務經驗，對本集團未來發展有重大貢獻。彼等可保證董事會內相關事務都得到充分討論，且董事會的決策過程不會被個別或一夥人士支配。此外，彼等能促使董事會維持高水準的財務申報及其他強制申報程序，並且令董事會充分平衡以保障股東及本公司之整體利益。

各獨立非執行董事已按上市規則第3.13條就截至二零一八年十二月三十一日止年度作出年度獨立性確認。本公司認為，於二零一八年全部獨立非執行董事均已符合上市規則第3.13條所載的獨立性指引，並根據該指引的條款屬獨立人士。

iii. 董事及相關僱員買賣證券

本公司按上市規則附錄十《上市發行人董事進行證券交易的標準守則》（「標準守則」）所載條款採納有關董事買賣證券之操守守則。經向董事提出具體徵詢，所有董事均確認彼等於二零一八年內均有遵守標準守則所載有關董事進行證券交易之規定買賣準則及操守守則。

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The Board has also established a “Code of Securities Dealings by Relevant Employees” for relevant employees of the Company to regulate their dealings in the securities of the Company so as to comply with the directors’ obligations under code provision A.6.4 of the CG Code.

iv. Continuous Professional Development

Every newly appointed Director receives a comprehensive, formal and tailored induction package to ensure that he/she has a proper understanding of the Company’s operation and business as well as his/her duties and responsibilities of directors under statutory regulations and the Listing Rules. The Company Secretary also provides the updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements to the Board from time to time.

Meanwhile, the Directors are provided with monthly updates on the Group’s financial performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills. During the year, each Director had participated in continuous professional development by attending seminars/workshops/reading materials on the following topics to develop and refresh their knowledge and skills and had provided the training records to the Company.

董事會亦已制訂適用於本公司相關僱員的《相關僱員證券交易守則》，以規管彼等買賣本公司證券之交易，以遵從企業管治守則守則條文第A.6.4條規定之董事責任。

iv. 持續專業發展

每名新委任之董事均會獲發一份全面、正式且專屬之入職介紹，以確保其對本公司之營運及業務，以及彼根據相關法規及上市規則所承擔之職責有透徹了解。公司秘書亦不時向董事會提供上市規則及其他相關法定及監管規定之最新發展及變動資料。

此外，董事每月均獲得有關本集團財務表現、狀況及前景之更新資料，以便董事會整體及各董事履行其職務。

本公司鼓勵各董事參與持續專業培訓，以對其知識及技能溫故知新。於本年度，各董事均有參與持續專業培訓，包括出席有關以下題目之座談會／工作坊／閱讀資料以增長知識及技能，彼等均已向本公司提交培訓記錄。

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Name of Directors	董事姓名	Topics on Training covered ¹ 培訓題目 ¹
Mr. Fu Yiu Man, Peter ²	符耀文先生 ²	(a) to (c) (a)至(c)
Mr. Tin Ka Pak, Timmy	田家柏先生	(a) to (c) (a)至(c)
Mr. Lin Hoi Kwong, Aristo	連海江先生	(a) to (c) (a)至(c)
Mr. Xie Jintai	謝錦泰先生	(a) and (c) (a)及(c)
Mr. Zhang Min ³	張民先生 ³	(a) to (c) (a)至(c)
Mr. Jiang Tian ³	姜天先生 ³	(a) to (c) (a)至(c)
Ms. Lu Mengjia ⁴	陸夢嘉女士 ⁴	(a) to (c) (a)至(c)
Mr. Wong Chung Kin, Quentin	黃松堅先生	(a)
Mr. Wong Kam Choi, Kerry, MH	黃錦財先生, MH	(a)
Mr. Siu Miu Man, Simon	蕭妙文先生	(a)
Mr. Chiang Ho Wai ⁵	蔣浩璋先生 ⁵	(a)

Notes:

- Topics on training covered (a) Regulatory and corporate governance updates; (b) Finance related issues; and (c) Other information relevant to the business of the Group.
- Mr. Fu Yiu Man, Peter has been appointed as the Chairman and Executive Director of the Company on 2 March 2018.
- Mr. Zhang Min and Mr. Jiang Tian have been appointed as an Executive Director of the Company on 25 June 2018. On 1 April 2019, Mr. Jiang Tian resigned as Executive Director of the Company.
- Ms. Lu Mengjia has been appointed as an Executive Director of the Company on 1 November 2018.
- Mr. Chiang Ho Wai has been appointed as an Independent Non-executive Director of the Company on 24 September 2018.

附註：

- 培訓題目涵蓋(a)監管及企業管治最新資料；(b)財務相關事宜；及(c)與本集團業務相關之其他資料。
- 符耀文先生於二零一八年三月二日獲委任為本公司主席兼執行董事。
- 張民先生及姜天先生於二零一八年六月二十五日獲委任為本公司執行董事。於二零一九年四月一日，姜天先生辭任本公司執行董事一職。
- 陸夢嘉女士於二零一八年十一月一日獲委任為本公司執行董事。
- 蔣浩璋先生於二零一八年九月二十四日獲委任為本公司獨立非執行董事。

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The Company has arranged appropriate directors' and officers' liability insurance ("D&O Insurance") coverage on Directors' and senior management's liabilities in respect of legal actions against them arising out of corporate activities of the Company. The D&O insurance will be reviewed and renewed annually.

BOARD MEETINGS

The Board conducts at least four regular Board meetings a year and additional meetings are held as and when required to discuss significant events or important issues. At least 14 days notice is given for regular Board meetings to all Directors enabling them to attend and reasonable notice will be given in case of special board meetings. Agenda accompanying board papers are sent to all Directors at least 3 days before each regular board meeting. The Group ensures that appropriate and sufficient information is provided to Board members in a timely manner to keep them abreast of the Group's latest developments thereby assisting them in discharge of their duties.

The Chief Financial Officer and Company Secretary of the Company attended the board meetings to advise on statutory compliance, accounting and financial matters of the Group. All businesses transacted at the meetings were documented and maintained in accordance with applicable laws and regulations.

In 2018, the Board had held a total of 8 meetings. The details of the attendance record of each member of the Board for 2018 are provided in the section "ATTENDANCE RECORD OF THE DIRECTORS AT BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS" below.

v. 董事保險

本公司已安排合適之董事及高級人員責任保險（「董事及高級人員保險」），就因本公司企業活動而針對董事及高級管理層之法律行動保障彼等之責任。董事及高級人員保險將每年檢討及續保。

董事會會議

董事會每年最少舉行四次常規會議，並於有需要時額外舉行會議，以討論重大事項或重要事宜。全體董事於常規會議前均會獲得至少14日之通知以便彼等出席，而特別董事會會議亦會發出合理時間的通知。議程連同董事會文件會於各常規會議前至少3日發送予全體董事。本集團會確保適時向董事會成員提供適當而充足的資料，讓彼等緊貼本集團之最新發展，從而協助彼等履行職務。

本公司之行政總裁及公司秘書亦有出席董事會會議，以就本集團之遵例、會計及財務事宜向董事會提供意見。於各會議上處理之事項均已根據適用法規予以存檔及保存。

於二零一八年，董事會共舉行八次會議。二零一八年董事會各成員出席會議之記錄載於下文「董事會會議、董事委員會會議及股東大會之董事出席記錄」一節。

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PROCEDURE TO ENABLE DIRECTORS TO SEEK INDEPENDENT PROFESSIONAL ADVICE

To assist the Directors to discharge their duties to the Company, the Board has established written procedures to enable the Directors, upon reasonable request, to seek independent professional advice, at the Company's expense, in appropriate circumstances. No request was made by any Director for such independent professional advice in 2018.

DELEGATION BY THE BOARD

i. Management Functions

The Board delegates day-to-day operations of the Group to the board committees and the management. Both the Board and the management have clearly defined authorities and responsibilities under various internal control and check-and-balance mechanisms. The Board has established in writing which issues require decision of the full Board and which can be delegated by the Board to the board committees or management.

ii. Board Committees

To assist the Board in execution of its duties and to facilitate effective management, certain functions of the Board have been delegated by the Board to various board committees, namely, executive committee, audit committee, remuneration committee and nomination committee. The committees review and make recommendations to the Board on specific areas.

Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within the terms of reference of each committee. The terms of reference of the board committees are given at the Company's website under the section "Corporate Governance".

董事尋求獨立專業意見的程序

為協助董事履行其對本公司的職責，董事會已制訂書面程序，使董事可按合理要求在適當情況下聘請獨立專業顧問提供意見，有關費用由本公司支付。於二零一八年度內概無任何董事提出尋求獨立專業意見的要求。

董事會授權

i. 管理職能

董事會將本集團日常營運的管理權轉授予董事委員會及管理層。董事會與管理層在各項內部監控和制衡機制下各自具有明確的權力及職責。董事會已以書面分別訂明須交由董事會全體決定之事項，以及可交由董事委員會或管理層負責之事項。

ii. 董事委員會

為協助董事會履行職務及促進有效管理，董事會將其若干職能轉授予各董事委員會，即執行委員會、審核委員會、薪酬委員會及提名委員會。該等委員會須就相關事項作出檢討及向董事會提出建議。

各委員會均有本身界定之職責範圍及職權範圍，而委員會成員獲授權就各委員會之職權範圍內之事宜作出決定。董事委員會之職權範圍載於本公司網站「企業管治」一節。

CORPORATE GOVERNANCE REPORT
企業管治報告**EXECUTIVE COMMITTEE**

The Executive Committee is made up of the Company's Executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Tin Ka Pak, Timmy, Mr. Lin Hoi Kwong, Aristo and Ms. Lu Mengjia and the Company's senior management (non-voting capacity), namely, Mr. Lai Yick Fung.

It oversees the implementation of the Company's strategic objectives and risk management policies and the business and operations of all of the business units of the Group. Meanwhile, it is also responsible to develop, review and monitor the Group's corporate governance policies and practices. It holds meetings from time to time to discuss the Group's financial and operational matters and other new projects. Other details of the roles and functions of the Executive Committee are given at the Company's website under the section "Corporate Governance".

AUDIT COMMITTEE

The Audit Committee is made up of the Company's Independent Non-executive Directors, namely, Mr. Wong Chung Kin, Quentin (Chairman), Mr. Wong Kam Choi, Kerry, MH, Mr. Siu Miu Man, Simon and Mr. Chiang Ho Wai. Mr. Wong Chung Kin, Quentin is a fellow member of Hong Kong Institute of Certified Public Accountants. He has the appropriate professional qualifications, accounting or related financial management expertise, as requested by the Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are (a) to review the Group's financial statements and published reports; (b) to provide advice and comments thereon to the Board; and (c) to review and supervise the financial reporting process and internal control procedures of the Group. Other details of the roles and functions of the Audit Committee are given at the Company's website under the section "Corporate Governance".

執行委員會

執行委員會由本公司之執行董事，即符耀文先生(主席)、田家柏先生、連海江先生及陸夢嘉女士，以及本公司高級管理層(無投票權身份)，即賴益豐先生組成。

執行委員會負責監督落實本公司之策略目標及風險管理政策，以及本集團所有業務單位之業務及營運。其亦負責制訂、檢討及監察本集團之企業管治政策及慣例。執行委員會不時舉行會議，商討本集團之財務及營運事宜以及其他新項目。有關執行委員會角色及職能的其他詳情載於本公司網站「企業管治」一節。

審核委員會

審核委員會由本公司之獨立非執行董事，即黃松堅先生(主席)、黃錦財先生，MH、蕭妙文先生及蔣浩璋先生組成。黃松堅先生為香港會計師公會資深會員。彼擁有上市規則第3.10(2)條所要求之合適專業資格、會計或相關財務管理專業知識。

審核委員會之主要職責是(a)審閱本集團的財務報表及將刊發之報告；(b)就此向董事會提供建議及發表意見；及(c)審查及監督本集團的財務匯報過程及內部監控程序。有關審核委員會角色及職能的其他詳情載於本公司網站「企業管治」一節。

CORPORATE GOVERNANCE REPORT 企業管治報告

In 2018, the Audit Committee had held a total of two meetings, among other matters, to review the Group's final results for the year ended 31 December 2017 and the interim results for the six months ended 30 June 2018. The details of the attendance record of each member of the Audit Committee for 2018 are provided in the section "ATTENDANCE RECORD OF THE DIRECTORS AT BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS" below.

REMUNERATION COMMITTEE

The Remuneration Committee is made up of the Company's Independent Non-executive Directors, namely Mr. Wong Kam Choi, Kerry, MH (Chairman), Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, Simon and Mr. Chiang Ho Wai.

The Remuneration Committee makes recommendations to the Board on policies and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, determines the remuneration packages for executive directors and senior management and makes recommendations to the Board on the remuneration of non-executive directors. Other details of the role and function of the Remuneration Committee are given at the Company's website under the section "Corporate Governance".

In 2018, the Remuneration Committee had held a meeting, among other matters, to review the remuneration package of the Directors and senior management of the Group. The details of the attendance record of each member of the Remuneration Committee for 2018 are provided in the section "ATTENDANCE RECORD OF THE DIRECTORS AT BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS" below.

於二零一八年，審核委員會共舉行兩次會議，藉以（其中包括）審閱本集團截至二零一七年十二月三十一日止年度之全年業績及截至二零一八年六月三十日止六個月之中期業績。二零一八年審核委員會各成員出席會議之記錄載於下文「董事會會議、董事委員會會議及股東大會之董事出席記錄」一節。

薪酬委員會

薪酬委員會由本公司之獨立非執行董事組成，即黃錦財先生，MH（主席）、黃松堅先生、蕭妙文先生及蔣浩瑋先生。

薪酬委員會負責就董事及高級管理層的薪酬政策及架構，及就設立正規而具透明度的程序制定此等薪酬政策，向董事會提出建議。委員會亦負責釐定執行董事及高級管理層的酬金組合，並就非執行董事的酬金向董事會提出建議。有關薪酬委員會角色及職能的其他詳情載於本公司網站「企業管治」一節。

於二零一八年，薪酬委員會共舉行一次會議，藉以（其中包括）檢討董事及本集團高級管理層之薪酬方案。二零一八年薪酬委員會各成員出席會議之記錄載於下文「董事會會議、董事委員會會議及股東大會之董事出席記錄」一節。

CORPORATE GOVERNANCE REPORT
企業管治報告**i. Remuneration Policy**

The formulation of the Group's remuneration strategy and policy is based on the principles of equity and market competitiveness so as to drive staff to work towards the mission of the Group and to retain talents. As a long-term incentive plan and with the aim of motivating Directors and employees in the continued pursuit of the Company's goal and objectives and to recognize their contributions to the Group, the Company has adopted the share option scheme under which the Company may grant share options to the Directors/selected employees/eligible persons to subscribe for the shares of the Company and two share incentive award schemes, namely, The VC Share Purchase Scheme Trust and The VC Share Award Scheme Trust, under which the Company may grant awarded shares to the Directors/selected employees (Directors of the Company and its subsidiaries are not allowed to participate in The VC Share Award Scheme Trust).

ii. Emoluments of Directors

The emoluments of the Directors are determined with regard to the performance of individuals, the Company's operating results and market standards. During the year ended 31 December 2018, the Remuneration Committee has (i) considered and reviewed the salary of Directors and senior management of the Group; and (ii) approved the discretionary bonus payments for Directors and senior management of the Group.

NOMINATION COMMITTEE

The Nomination Committee is made up of the Company's Independent Non-executive Directors, namely, Mr. Siu Miu Man, Simon (Chairman), Mr. Wong Chung Kin, Quentin, Mr. Wong Kam Choi, Kerry, ^{MH} and Mr. Chiang Ho Wai.

i. 薪酬政策

本集團之薪酬策略及政策乃根據公平原則及市場競爭能力制訂，以推動員工致力達到本集團之目標及挽留人才。作為一項長期激勵計劃及為鼓勵董事及僱員持續爭取公司的目標，以及對彼等為本集團作出之貢獻予以肯定，本公司已採納購股權計劃（本公司可據此向董事／所選定僱員／合資格人士授出可認購本公司股份的購股權）以及兩項股份獎勵計劃（分別名為滙盈股份購買計劃信託及滙盈股份獎勵計劃信託），本公司可據此向董事／所選定僱員授出獎勵股份，惟本公司及其附屬公司之董事不得參與滙盈股份獎勵計劃信託。

ii. 董事酬金

董事之酬金乃參考個人表現、本公司之經營業績及市場水平而釐定。截至二零一八年十二月三十一日止年度內，薪酬委員會已(i)審議及檢討董事及本集團高級管理層之薪金；及(ii)批准向董事及本集團高級管理層發放酌情花紅。

提名委員會

提名委員會由本公司之獨立非執行董事，即蕭妙文先生（主席）、黃松堅先生、黃錦財先生，^{MH}及蔣浩瑋先生組成。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board; identifies individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and makes recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors.

Other details of the role and function of the Nomination Committee are given at the Company's website under the section "Corporate Governance".

In 2018, the Nomination Committee had held a meeting, among other matters, to review the structure, size and composition of the Board of the Company. The details of the attendance record of each member of the Nomination Committee for 2018 are provided in the section "ATTENDANCE RECORD OF THE DIRECTORS AT BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS" below.

Board Diversity Policy

The Nomination Committee has adopted a board diversity policy in September 2013. The main purpose of the policy is to achieve diversity on the Board. Based on the policy, the selection of candidates for board membership will be based on a range of diversity perspectives, including but not limited, to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Details of the Board Diversity Policy are given at the Company's website under the section "Corporate Governance".

提名委員會負責檢討董事會的架構、規模及組成(包括技能、知識及經驗);物色具備適合資格成為董事會成員的人士,並向董事會提出有關提名人選出任董事的建議;及就與委任或重新委任董事及董事之接任計劃有關的事宜向董事會提出建議。

有關提名委員會角色及職能的其他詳情載於本公司網站「企業管治」一節。

於二零一八年,提名委員會共舉行一次會議,藉以(其中包括)檢討本公司董事會之架構、人數及組成。二零一八年提名委員會各成員出席會議之記錄載於下文「董事會會議、董事委員會會議及股東大會之董事出席記錄」一節。

董事會成員多元化政策

提名委員會已於二零一三年九月採納董事會成員多元化政策。該政策之主要目的在於達致董事會成員多元化。根據該政策,本公司在選任董事會成員時會基於多元化之各方面考慮,包括(但不限於)性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則,而在考慮人選時會根據客觀條件充份顧及董事會成員多元化之裨益。有關董事會多元化政策的詳情載於本公司網站「企業管治」一節。

CORPORATE GOVERNANCE REPORT
企業管治報告

ATTENDANCE RECORD OF THE DIRECTORS AT
BOARD MEETINGS, BOARD COMMITTEE MEETINGS
AND GENERAL MEETINGS

董事會會議、董事委員會會議及股
東大會之董事出席記錄

		Attendance record of Directors in 2018 二零一八年董事出席記錄					
Name of Directors	董事姓名	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	2018 AGM/EGMs	
		董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	二零一八年股東週年大會/股東特別大會	
<i>Executive Directors</i> 執行董事							
Mr. Fu Yiu Man, Peter ¹	符耀文先生 ¹	6/6	N/A不適用	N/A不適用	N/A不適用	6/6	
Mr. Tin Ka Pak, Timmy	田家柏先生	8/8	N/A不適用	N/A不適用	N/A不適用	6/6	
Mr. Lin Hoi Kwong, Aristo	連海江先生	8/8	N/A不適用	N/A不適用	N/A不適用	6/6	
Mr. Xie Jintai	謝錦泰先生	8/8	N/A不適用	N/A不適用	N/A不適用	6/6	
Mr. Zhang Min ²	張民先生 ²	2/2	N/A不適用	N/A不適用	N/A不適用	2/2	
Mr. Jiang Tian ²	姜天先生 ²	2/2	N/A不適用	N/A不適用	N/A不適用	2/2	
Ms. Lu Mengjia ³	陸夢嘉女士 ³	1/1	N/A不適用	N/A不適用	N/A不適用	N/A不適用	
<i>Independent Non-executive Directors</i> 獨立非執行董事							
Mr. Wong Chung Kin, Quentin	黃松堅先生	8/8	2/2	1/1	1/1	6/6	
Mr. Wong Kam Choi, Kerry, MH	黃錦財先生, MH	8/8	2/2	1/1	1/1	6/6	
Mr. Siu Miu Man, Simon	蕭妙文先生	8/8	2/2	1/1	1/1	6/6	
Mr. Chiang Ho Wai ⁴	蔣浩瑋先生 ⁴	1/1	N/A不適用	1/1	1/1	0/1	
Average Attendance Rate	平均出席率	100%	100%	100%	100%	97.87%	

Notes:

附註：

- Mr. Fu Yiu Man, Peter has been appointed as an Executive Director of the Company on 2 March 2018.
 - Mr. Zhang Min and Mr. Jiang Tian have been appointed as an Executive Director of the Company on 25 June 2018. On 1 April 2019, Mr. Jiang Tian resigned as Executive Director of the Company.
 - Ms. Lu Mengjia has been appointed as an Executive Director of the Company on 1 November 2018.
 - Mr. Chiang Ho Wai has been appointed as an Independent Non-executive Director of the Company on 24 September 2018.
- 符耀文先生於二零一八年三月二日獲委任為本公司執行董事。
 - 張民先生及姜天先生於二零一八年六月二十五日獲委任為本公司執行董事。於二零一九年四月一日，姜天先生辭任本公司執行董事一職。
 - 陸夢嘉女士於二零一八年十一月一日獲委任為本公司執行董事。
 - 蔣浩瑋先生於二零一八年九月二十四日獲委任為本公司獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Directors are responsible for the preparation of the consolidated financial statements. The Company's consolidated financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies have been adopted and applied consistently, and that judgments and estimates made are prudent and reasonable.

The Directors' responsibilities for preparing the financial statements and the reporting responsibilities of the external auditor are set out on pages 110 to 122 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

i. Responsibility

The Group has established Risk Management Policy to:

- a. define the roles and responsibilities of the relevant parties in the risk management process;
- b. provide a practical framework to the management for mitigating various risks; and
- c. promote risk awareness within the Group.

The Directors and the Board Committees have an oversight role to determine that appropriate risk management processes are in place and that these processes are adequate and effective. The Directors should determine the level of risk that the Board is willing to accept in pursuit of its business objectives by considering whether the risk against reward ratio is appropriate. Management should be responsible for the identification, assessment and mitigation of material risks faced by the business unit(s)/group function(s) which they are responsible for. The management should also regularly conduct review and monitoring of the Group's compliance with the risk management process, system and internal control.

董事及核數師就賬目之責任

董事負責編製綜合財務報表。本公司之綜合財務報表乃按照所有相關法定規定及適用會計準則而編製。董事負責確保已貫徹採納及應用適當之會計政策，以及所作出之判斷及估計均屬審慎而合理。

董事有關編製財務報表之責任及外聘核數師之申報責任載於本年報第110頁至第122頁。

風險管理及內部監控

i. 責任

本集團已制訂風險管理政策，藉以：

- a. 確定風險管理過程中有關各方之角色及責任；
- b. 向管理層提交減低各類風險之實務框架；及
- c. 提高本集團上下之風險意識。

董事會及董事委員會擔當監督之角色，負責確定訂有合適的風險管理過程，及確定該等過程為足夠而有效。董事應考慮風險回報比率是否合適，從而釐定董事會在追求商業目標當中可以承受的風險水平。管理層負責識別、評估及減低彼等各自負責之業務單位／集團職能所面對之重大風險。管理層亦應定期檢討及監察本集團有否符合風險管理過程、制度及內部監控。

CORPORATE GOVERNANCE REPORT
企業管治報告

The risk management and internal control systems are designed to safeguard the Shareholders' investments and the Group's assets; to maintain proper accounting records for the provision of reliable financial information; and to ensure compliance with applicable laws and regulations. It aims to provide reasonable but not absolute assurance against material misstatement, fraud or loss and to manage rather than eliminate the risk of failure to achieve the Group's business objectives.

ii. Management Supervision

The Board has assigned the Executive Committee to oversee the implementation of the Group's internal control and risk management and to monitor the business and operations continuously.

The Executive Committee and management have defined the organizational structure of the Group with clear reporting lines and authorities. Competent personnel are recruited to facilitate the establishment and maintenance of the risk management.

System and procedures are in place to identify, control and report on the major types of risks. The management endorses policies, procedures, codes and guidelines to mitigate significant inherent risks embedded in the operational and financial activities. The "Code of Business Conduct and Ethics" is formulated and communicated to all staffs with the aim of cultivating high integrity and ethical values within the Group.

風險管理及內部監控制度乃旨在保障股東的投資與本集團的資產；保存完備的會計記錄以提供可靠的財務資料；及確保遵守適用法例及規例。該制度旨在就重大錯誤陳述、欺詐或遺漏提供合理而非絕對之保證，以及管理而非消除無法達致本集團商業目標之風險。

ii. 管理層監督

董事會已指派執行委員會持續監督落實本集團之內部監控及風險管理，以及監察業務及運作。

執行委員會及管理層已明確界定本集團之組織架構，制定了清晰的匯報流程及權責範圍，並已聘請勝任人員以協助制定及維持風險管理。

本集團訂有制度及程序以識別、控制及彙報各主要類別風險。管理層負責批核政策、程序、守則及指引藉以減低經營及財務活動中附帶之重大固有風險。管理層亦已制定及向全體員工傳達「商業操守及道德守則」，務求為本集團締造高水平之誠信及道德價值文化。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group operates multiple lines of defenses to effect a robust control framework. At the first level, the operating business and support units are responsible for the day-to-day management of risks inherent in the various business activities. The second line of defense sets the policy and guidelines for managing specific risk areas, provides advice and guidance in relation to the risk. Internal audit function forms the third line of defense which evaluates significant risk exposure and contributes to the improvement of the risk management and control systems.

The Executive Committee conducts regular meetings to review the Group's business performance, key operations statistics and risk management issues.

iii. Internal Audit Function

The Board has in place an internal audit function within the Group as required under code provision C.2.5 of the Corporate Governance Code. The annual internal audit plan is reviewed and approved by the Audit Committee. During the year under review, the Group has engaged an independent professional adviser ("Internal Control Adviser") to perform independent appraisal of the adequacy and effectiveness of certain subsidiaries' risk management and internal control system for the year. Internal Control Adviser reports directly to the Audit Committee. The Internal Control Adviser independently reviews and assesses the design and the effectiveness of the major subsidiaries' system of internal control by adopting a risk-based audit approach, focusing on major processes and activities which are quantitatively or qualitatively significant to the Group. The Internal Control Adviser reports all significant internal control and risk management matters to the Audit Committee.

本集團設有多道防線以實行穩固的監控框架。首先，經營業務及支援單位負責各業務活動固有風險之日常管理。第二道防線訂有管理特定風險範疇之政策及指引，就有關風險提供意見及指導。第三道防線由內部審核職能組成，負責衡量重大風險，並對改善風險管理及監控制度作出建議。

執行委員會定期舉行會議以檢討本集團之業務表現、主要營運數據和風險管理事宜。

iii. 內部審計職能

董事會已遵照企業管治守則之守則條文第C.2.5條所規定於本集團設立內部審核功能。年度之內部審核計劃已經由審核委員會審閱及批可。於回顧年度內，本集團已委聘獨立專業顧問（「內部監控顧問」）就若干附屬公司之風險管理及內部監控制度於年內是否充足及有效進行獨立評估。內部監控顧問直接向審核委員會匯報。內部監控顧問採取風險為本之審計方針，集中於在質或量方面對本集團而言屬重大主要程序及活動，獨立審閱及評定主要附屬公司之內部監控制度的設計及有效程度。內部監控顧問會向審核委員會匯報所有重大內部監控及風險管理事宜。

CORPORATE GOVERNANCE REPORT
企業管治報告**iv. Audit Committee Supervision**

The Board is responsible for maintaining and reviewing the effectiveness of risk management and internal control systems. The Audit Committee has been assigned by the Board to review and supervise the financial reporting process and internal control procedures of the Group. The Board also, through the Audit Committee, has conducted an annual review of the effectiveness of the Group's system of risk management and internal control covering all material controls, including financial, operational and compliance controls.

The Audit Committee conducts regular meetings with Senior Management, Internal Control Adviser and external auditor to review the financial statements and auditor's reports on financial and internal control matters. The Audit Committee reports to the Board on significant internal control matters, suspected frauds or irregularities, alleged infringement of laws and regulations, which come to their attention.

The Audit Committee, through the Internal Control Adviser, has conducted comprehensive risk assessments and internal control reviews on the design and the effectiveness of the major subsidiaries' system of internal control for the year ended 31 December 2018, which covers the key controls for mitigating the major risks associated with the significant processes. During the year under review, no major issue but areas for improvement have been identified.

The Audit Committee has considered that the risk management and internal control systems are appropriately designed and effective. The Audit Committee has also assessed the adequacy of resources, qualifications, experience, training programmes and budget of staff of the Group's Finance Department and internal audit function and considered that it is adequate.

iv. 審核委員會監督

董事會是負責維持和檢討風險管理及內部監控制度的有效性。董事會已指派審核委員會檢討及監督本集團之財務匯報流程及內部監控程序。董事會亦透過審核委員會每年檢討本集團風險管理及內部監控制度在各重大監控，包括財務、營運及合規監控方面之成效。

審核委員會定期與高級管理層、內部監控顧問及外聘核數師舉行會議，以審閱財務報表及核數師就財務及內部監控事宜編製之報告書。審核委員會就其知悉之任何重大內部監控事宜、懷疑欺詐或不當行為及違反法規事宜，向董事會作出匯報。

於截至二零一八年十二月三十一日止年度，審核委員會已透過內部監控顧問進行全面風險評估及內部監控檢討，以評審主要附屬公司之內部監控制度的設計及有效程度，涵蓋範圍包括以減低主要程序相關之重大風險的內部監控活動。於回顧年度，除改善範疇外，並無發現任何重大事項。

審核委員會認為，風險管理及內部監控制度乃設計適當而有效。審核委員會亦已評定本集團財務部門及內部審核功能之職員的資源、資歷、經驗、培訓計劃和經費預算，認為各有關方面均已充足。

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v. Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Group:

- a. has developed Price Sensitive Information Disclosure Policy in relation to the disclosure of price-sensitive information about the Group companies, its officers and substantial shareholders. The disclosure can communicate such information to investors for investment decision on equal and informed basis;
- b. has established Corporate Communications Policy for responding to all media related inquiries, interviews and conference on the corporate issues. Authorized person are assigned to act as spokespersons to speak on behalf of the Group and to respond to external enquiries; and
- c. has included in its Code of Business Conduct and Ethics a strict prohibition for all employees of the Group on the unauthorized use of confidential or inside information.

v. 內幕消息

就處理及發佈內幕消息之程序及內部監控方面，本集團：

- a. 已制訂股價敏感資料披露政策，其涉及集團旗下公司、高級人員及主要股東對股價敏感資料之披露。此披露能向投資者傳達該等消息以使投資者在平等及知情下作投資決定；
- b. 已制訂企業通訊政策，以處理回應所有有關企業事宜之媒體相關查詢、訪問及會議。本集團已指定獲授權人士作為發言人，代表本集團發言及回應外界查詢；及
- c. 在商業操守及行為守則訂明嚴格限制，嚴禁本集團全體僱員擅自使用機密或內幕消息。

CORPORATE GOVERNANCE REPORT
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AUDITOR'S REMUNERATION

Messrs. SHINEWING (HK) CPA Limited has been appointed as an external auditor of the Company with effect from 28 November 2018 to fill the casual vacancy due to the resignation of Messrs. Deloitte Touche Tohmatsu on 22 November 2018. Audit and non-audit services provided by respective auditors charged to the Group for the year ended 31 December 2018 are as below:

核數師酬金

信永中和(香港)會計師事務所有限公司由二零一八年十一月二十八日起獲委聘為本公司外聘核數師，以填補德勤·關黃陳方會計師行於二零一八年十一月二十二日辭任所造成之臨時空缺。兩名核數師於截至二零一八年十二月三十一日止年度就提供審核及非審核服務向本集團收取之費用如下：

	SHINEWING (HK) CPA Limited 信永中和(香港) 會計師事務所 有限公司 HK\$'000 千港元	Deloitte Touche Tohmatsu 德勤·關黃陳方 會計師行 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
Audit services				
審核服務				
Audit of the consolidated financial statements of the Group for the year ended 31 December 2018 and the review of the preliminary announcement of results of the Group for the year ended 31 December 2018	審核本集團截至二零一八年十二月三十一日止年度之綜合財務報表及審閱本集團截至二零一八年十二月三十一日止年度之初步業績公佈	1,080	-	1,080
Disbursements incurred for the audit of the consolidated financial statements of the Group for the year ended 31 December 2017	就審核本集團截至二零一七年十二月三十一日止年度之綜合財務報表產生之支出	-	44	44
		1,080	44	1,124

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		SHINEWING (HK) CPA Limited 信永中和(香港) 會計師事務所 有限公司 HK\$'000 千港元	Deloitte Touche Tohmatu 德勤•關黃陳方 會計師行 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-audit services	非審核服務			
Preparing accountants' report for the circular of the Company dated 26 September 2018	就本公司日期為二零一八年九月二十六日之通函編製會計師報告	648	-	648
Preparing the agreed upon procedures for statement of indebtedness and sufficiency of working capital for the circular of the Company dated 26 September 2018	就本公司日期為二零一八年九月二十六日之通函編製債務及充足營運資金聲明之商定程序	-	388	388
Preparing the agreed upon procedures for the capital injection into a subsidiary	就向一間附屬公司注資編製商定程序	-	80	80
Providing professional services in respect of accounting issues	就會計事宜提供專業服務	-	128	128
Providing consulting services in compliance with Automatic Exchange of Financial Account Information	提供有關遵守《自動交換財務帳戶資料》提供諮詢服務	-	107	107
Provision of taxation services for the year ended 31 December 2018	就截至二零一八年十二月三十一日止年度提供稅務服務	137	-	137
Additional taxation services fee and disbursements incurred for the year ended 31 December 2017	就截至二零一七年十二月三十一日止年度之額外稅務服務費用及支出	-	14	14
		785	717	1,502

CORPORATE GOVERNANCE REPORT
企業管治報告**COMPANY SECRETARY**

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Board and is responsible for advising the Board on governance matter. The Company Secretary has confirmed that he has taken no less than 15 hours of relevant professional training in 2018.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the value of providing current and quality information to its Shareholders, both individual and institutional. It also recognizes the importance of maintaining continuous communication with Shareholders and constantly looks for ways to ensure the Group maintains an open and ongoing dialogue with the existing and potential Shareholders.

i. Shareholders' Communication Policy

The Company has adopted a shareholders' communication policy to ensure an effective ongoing dialogue with Shareholders. Such policy shall be reviewed by the Board on a regular basis to ensure its effectiveness. Details of the Shareholders' Communication Policy are given at the Company's website under the section "Corporate Governance".

ii. The Company's Website

The Company's website at www.vcgroup.com.hk provides comprehensive and most updated information about the Company, including financial results, announcements, circulars, composition of the Board/Board committees and their respective terms of reference, biographical information of Directors and Senior Management, and other corporate documents such as Articles of Association and other policies adopted by the Company.

公司秘書

公司秘書為本公司之全職僱員，對本公司之日常事務有所認識。公司秘書向董事會匯報，並負責向董事會提供管治事宜方面之意見。公司秘書確認，彼於二零一八年已接受不少於15小時之相關專業培訓。

與股東之間的溝通

董事會明白向個人及機構股東提供適時而優質的資訊十分寶貴。董事會亦深明與股東保持持續溝通的重要性及致力尋求方法以確保本集團與現有及潛在股東能保持公開和持續溝通。

i. 股東通訊政策

本公司已採納股東通訊政策以確保與股東有效地保持溝通。董事會將定期檢討有關政策以確保其有效落實。有關股東通訊政策的詳情已於本公司網站「企業管治」一節內刊登。

ii. 本公司網站

本公司網站www.vcgroup.com.hk提供有關本公司的全面資料及最新消息，當中包括財務業績、公佈、通函、董事會／董事委員會之組成及相關職權範圍、董事及高級管理層之履歷，以及其他公司文件如章程細則及本公司採納之其他政策。

CORPORATE GOVERNANCE REPORT 企業管治報告

iii. Annual General Meeting

The Company regards the annual general meeting (“AGM”) an important event as it provides an opportunity for the Board to communicate with the Shareholders. Notice of AGM and related papers are sent to the Shareholders at least 21 clear days before the meeting. The Company supports the CG Code’s principle to encourage Shareholders’ participation. Questioning by the Shareholders at the AGM is encouraged and welcomed.

iv. Enquiries

The Company Secretary responds to letters and telephone enquiries from Shareholders/investors. Shareholders and investors are welcome to raise enquiries through the Company’s email contact info@vcgroup.com.hk or by mail to our Company Secretary at 6th Floor, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong.

SHAREHOLDERS’ RIGHTS

i. Convening of General Meetings

Under Section 566 of the Companies Ordinance (Chapter 622 of Laws of Hong Kong) (the “Companies Ordinance”), Shareholders of the Company who representing at least 5% of the total voting rights of all members having a right to vote at general meetings of the Company may request the Directors of the Company to convene general meetings. The requisition must state the general nature of business to be dealt with at the meeting, and must be signed by the requisitioner(s) and deposited at the registered office of the Company at 6th Floor, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong. Shareholders may include the text of a resolution that may properly be moved and is intended to be moved at the meeting.

iii. 股東週年大會

本公司視股東週年大會（「股東週年大會」）為年中大事，因其為董事會與股東溝通之大好機會。股東週年大會通告及相關文件於大會日期起計最少二十一個完整日前送交股東。本公司支持企業管治守則之原則，鼓勵股東積極參與股東週年大會，並歡迎股東於股東週年大會上提問。

iv. 查詢

公司秘書負責回應股東／投資者之來函及電話查詢。股東及投資者如有查詢，可電郵至本公司電郵地址info@vcgroup.com.hk或以書面方式將有關查詢寄交本公司，地址為香港灣仔告士打道181-185號中怡商業大廈6樓，抬頭註明公司秘書收。

股東權利

i. 召開股東大會

根據香港法例第622章《公司條例》（「公司條例」）第566條，持有佔全體有權在本公司股東大會上表決的股東的總表決權最少5%之本公司股東，可要求本公司董事召開股東大會。該要求須列明有待於大會上處理之事務之一般性質，並須由提出要求者簽署及交回本公司註冊辦事處，地址為香港灣仔告士打道181-185號中怡商業大廈6樓。股東可連帶加入可在該大會上恰當地動議且擬在該大會上動議之決議案文本。

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The Directors must proceed to convene a general meeting within 21 days from the date of receipt of the requisition. Such meeting should be held on a date not more than 28 days after the date on which the notice convening the meeting is given. If the Directors fail to convene the general meeting as aforesaid, the requisitionist(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene the meeting. Any meeting so convened shall not be held after the expiration of three months from the date of the deposit of the requisition.

For more details, Shareholders may refer to the requirements as set out in the Companies Ordinance.

ii. Putting Forward Proposals at General Meeting

Under Section 615 of the Companies Ordinance, Shareholders representing at least 2.5% of the total voting rights of all the members having a right to vote, or at least 50 Shareholders who have a relevant right to vote may (a) put forward proposal at general meeting; and (b) circulate to other Shareholders written statement with respect to matter to be dealt with or other business to be dealt with at general meeting.

The requisition must be sent to the Company in hard copy or in electronic form and must identify the resolution of which notice is to be given. It must be signed by the requisitionist(s) and be received by the Company not less than six weeks before the annual general meeting to which the request related, or, if later, the time at which notice is given of that meeting.

For more details on the Shareholders' qualifications, and the procedures and timeline, in connection with the above, Shareholders may refer to the Sections 580 and 615 of the Companies Ordinance.

董事須在接獲該要求日期起計21天內召開股東大會。有關大會須於發出召開大會之通告後不超過28天內舉行。倘若董事未有按上述規定召開股東大會，該等提出要求者或佔彼等全體總表決權過半數之任何提出要求者，可自行召開大會。以上述方式召開之任何大會不得在提呈要求日期起計3個月屆滿後舉行。

股東可參閱公司條例所載之規定以獲取更多資料。

ii. 於股東大會上提出動議

根據公司條例第615條，持有佔全體有權表決的股東的總表決權最少2.5%之股東或最少50位有相關表決權利之股東，可(a)於股東大會上提出動議；及(b)向其他股東傳閱有關於股東大會上動議之陳述書，或其他有待在該股東大會上處理之事務。

有關要求須以紙本或電子形式送交本公司，並須指明有待發出通告之相關決議案。該要求須由提出要求者簽署及在不遲於該要求所關乎之股東週年大會前或(如較遲)該大會通知發出前六個星期送達本公司。

有關於股東大會提出動議之股東資格，程序及時限之詳細資料，股東可參閱公司條例第580條及第615條。

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CONSTITUTIONAL DOCUMENTS

There is no significant change in the constitutional documents of the Company in 2018.

The consolidated version of the Company's Articles of Association is given at the Company's website under the section "Corporate Governance".

憲章文件

本公司之憲章文件於二零一八年並無任何重大更改。

本公司章程細則之綜合版本已登載於本公司網站「企業管治」一節。

DIRECTORS' REPORT
董事會報告書

The Board (the "Board") of Directors (the "Directors") of Value Convergence Holdings Limited (the "Company") is pleased to present their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018, together with the audited comparative figures for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 38 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the year including the description of the Group's business and its external environment, business objectives and strategies, business model and development and principal performance drivers are provided in the Chairman's Statement and the Management Discussion and Analysis on pages 4 to 6 and pages 7 to 40 respectively of this Annual Report.

Further, the Management Discussion and Analysis also contains the information about the Group's financial performance analysis and financial position assessment, number and remuneration of employees and remuneration policies, particulars of important events affecting the Group that had occurred since the year ended 31 December 2018 and the Group's likely future development in business.

滙盈控股有限公司（「本公司」）之董事（「董事」）會（「董事會」）欣然提呈董事會年度報告書以及本公司及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度之經審核綜合財務報表，連同截至二零一七年十二月三十一日止年度之經審核比較數字。

主要業務

本公司為一間投資控股公司。本公司主要附屬公司之業務載於綜合財務報表附註38。

業務回顧

年內，本集團之業務回顧包括對本集團業務及其外在環境、業務目標及策略、業務模式及發展，以及推動表現之主要因素等各項之描述，有關內容載於本年報第4頁至第6頁之主席報告書及第7頁至第40頁之管理層討論及分析。

此外，管理層討論及分析亦載有關於本集團財務表現分析及財務狀況評估、僱員數目及薪酬以及薪酬政策之資料，並載有於截至二零一八年十二月三十一日止年度以來曾發生而影響本集團之重要事件之詳情以及本集團業務之未來可能發展。

DIRECTORS' REPORT

董事會報告書

Environmental policies and performance

The Group encourages environment protection, complies with environmental legislation and promotes awareness towards environment protection to the employees. The careful use of resources and adoption of the best practices across the Group's business shows our commitment towards environmental protection. The Group adheres to the principle of Recycling and Reducing. Stationeries such as envelopes, letterheads and business cards, as well as interim reports and annual reports delivered to the shareholders are printed on environmentally friendly paper. It also implements green office practices such as encouraging double-sided printing and copying. Obsolete computer equipments, after removal of data storage devices, are either donated to charities or passed to recyclers together with used computer consumables such as ink and toner cartridges.

Compliance with laws and regulations in relation to financial services business

The Group's financial services business is mainly under the supervision of Securities and Futures Commission ("SFC"), including securities, futures and options brokering and dealing, margin financing services, corporate finance services as well as asset management, and other authorities for the money lending services. As such, the Group has to comply with the rules and regulations of SFC and other related regulators and authorities. In order to comply with all these rules and regulations, the Group's Compliance Department has tailored-made some specific operation manuals and implemented the internal control procedures to regulate the Group's daily business activities. Regularly testings are conducted on the Group's operations to minimize the risk exposures and take appropriate remedial actions, when necessary. Meanwhile, the Group will engage independent professional bodies to provide advices and assistance on the Group's compliance issues, when necessary.

環境政策及表現

本集團鼓勵環保，遵守環保法例及促進僱員之環保意識。本集團於業務中實踐節約資源及採納最佳實務，展現出集團對推動環保之承擔。本集團堅守回收及減少使用原則。信封、信箋及卡片等文具以及送交股東之中期報告及年報均以環保紙列印。本集團亦落實綠化辦公室措施，例如鼓勵雙面列印及複印。舊電腦設備在移除數據儲存器後，會連同已耗盡之電腦消耗品（如墨盒及碳粉盒）捐贈予慈善團體或送往回收商。

遵守有關金融服務業務之法例及規例

本集團之金融服務業務（包括證券、期貨及期權之經紀及買賣、保證金融資服務、企業融資服務及資產管理）主要受證券及期貨事務監察委員會（「證監會」）監管，而放債服務則受其他機構監管。因此，本集團須遵守證監會以及其他相關監管機構及有關當局之規則及規例。為遵守所有該等規則及規例，本集團合規部門已度身訂做具體操作手冊及實施內部控制程序，以規管本集團之日常業務運作。本集團定期對營運操作進行檢測以減低風險，並於有需要時採取適當補救措施。本集團亦將於有需要時委聘獨立專業團體就本集團有關合規之事宜提供建議及援助。

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In addition, the Group has adopted a more targeted approach to customer due diligence through the use of a sophisticated software provided by a third party financial service provider. This simplifies and accelerates the customer due diligence for the entire customer base of the Group, which includes screening for money laundering, sanctions and threat finance and also enables detailed monitoring of politically exposed person relationships and networks and is also customizable to identify a variety of specific third party risks, when necessary. All these measures are important in increasing the efficiency and effectiveness in dealing with the regulatory and operational burdens and risks the Group's regulated businesses are facing.

Relationships with customers and suppliers and major customers and suppliers

The Group understands that it is important to maintain a good relationship with its customers and suppliers. To do so, the Group delivers its financial services and products in professional attitude to garner clients' trust, which help to create new business opportunities to the Group. During the year, there was no material and significant dispute between the Group and its customers and/or suppliers.

For the year ended 31 December 2018, the aggregate revenue attributable to the Group's largest customer and five largest customers combined are approximately 10% (2017: 10%) and 34% (2017: 39%) respectively, of the Group's total revenue. During the year, none of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers. For 2018, all the five largest customers have 1 year to 20 years of business relationship with the Group and one is the listed company in Hong Kong. Besides, the Group had no major supplier due to the nature of principal activities of the Group.

此外，本集團採用由一名第三方金融服務供應商提供之精密軟件，更針對性地進行客戶盡職審查。此舉可簡化及加快對本集團整個客戶群之客戶盡職審查，包括對清洗黑錢、財務制裁及金融威脅等進行檢測篩選，並能仔細監控政治敏感人物之關係及網絡，其亦可特定設訂以識別多個特定第三方風險（如需要）。一切有關措施均極其重要，可提升處理本集團受規管業務所面對之監管及營運負擔及風險之效率及效益。

與客戶及供應商之關係以及主要客戶及供應商

本集團明瞭與其客戶及供應商維持良好關係之重要性。為實現這一點，本集團以專業之態度提供金融服務及產品以取得客戶信任，此有助為本集團創造新業務機遇。年內，本集團與其客戶及／或供應商之間並無重大及顯著爭議。

截至二零一八年十二月三十一日止年度，源自本集團最大客戶之收益及五大客戶合共之收益分別佔本集團總收益約10%（二零一七年：10%）及34%（二零一七年：39%）。於本年度，各董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上之任何本公司股東概無於本集團五大客戶中擁有任何權益。於二零一八年，本集團五大客戶均與本集團有一年至二十年之商業關係，而其中一間為香港上市公司。此外，由於本集團之主要業務性質使然，因此本集團並無主要供應商。

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Relationships with employees

(a) *Emolument policy and employee benefits*

The Group understands that employees are valuable assets, therefore it provides competitive remuneration package to attract and motivate the employees. The emolument policy of the Group is set up by the Remuneration Committee of the Company. The Group's employees are selected, remunerated and promoted on the basis of their merit, qualifications, performance and competence. Regular revision for each employee is conducted annually. Meanwhile, the emoluments of the Directors and senior management of the Group are decided by the Remuneration Committee and/or the Board, having regard to the performance of individuals, the Group's operating results and comparable market statistics.

Apart from the basic salaries and participation in Mandatory Provident Fund Scheme, the Group also provides medical coverage, sales commission, discretionary performance-based bonus, discretionary share options and share awards to all employees.

As abovementioned, the Company has a share option scheme and share award schemes as an incentive to the eligible persons of the schemes, whom including the Directors, employees and others of the Group. Details of the schemes and the movements of the share options and awarded shares granted to the eligible persons during the year are set out in the sections of "DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES", "SHARE OPTION SCHEME" and "SHARE AWARD SCHEMES" in this report.

與僱員之關係

(a) *薪酬政策及僱員福利*

本集團明瞭僱員乃寶貴資產，因此，其提供具競爭力之薪酬組合，以吸引及激勵僱員。本集團之薪酬政策乃由本公司薪酬委員會制訂。本集團根據僱員之優點、資歷、表現及勝任程度進行甄選、支薪及升遷。每名僱員之定期調整將於每年進行。另一方面，本集團董事及高級管理層之薪酬乃由薪酬委員會及／或董事會參照個人表現、本集團經營業績及可資比較市場統計數據決定。

除基本工資與強制性公積金計劃外，本集團亦為全體僱員提供醫療保險、銷售佣金、酌情表現花紅、酌情購股權及獎勵股份。

如上文所述，本公司有購股權計劃及股份獎勵計劃，作為對計劃合資格人士（包括本集團董事、僱員及其他人士）之獎勵。該等計劃之詳情以及年內授予合資格人士購股權及獎勵股份之變動詳情載於本報告書內「董事於股份、相關股份及債權證之權益」、「購股權計劃」及「股份獎勵計劃」各節。

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Employees of the Group are encouraged to attend training and development courses so as to keep abreast of their skills and knowledge. Our Compliance Department organizes in-house training courses for all employees of the Group, specifically for those are licenced persons registered under the Hong Kong Securities and Futures Ordinance, and provides ongoing compliance updates and regulatory requirements to them. The Group also funds the Directors to attend continuous professional development training including updates on regulatory requirements and corporate governance practices. Relevant employees are also funded to attend external training courses which are relevant to their works.

(c) Health and safety

In order to provide a safe working environment, offices' workstations are regularly checked and maintained by the Administration Department of the Group. Besides, cleaning of carpets and air-conditioning systems are regularly carried out so as to provide hygienic working conditions for the employees.

(b) 培訓及發展

本集團鼓勵僱員出席培訓及發展課程，以促使彼等之技能及知識與時並進。本公司合規部門安排本集團全體僱員參加內部培訓課程，特別是為根據香港證券及期貨條例註冊之持牌人，及向彼等提供持續合規更新及監管要求之資料。本集團亦資助董事出席持續專業發展培訓，包括有關監管要求及企業管治常規最新資料之培訓。相關僱員亦獲資助出席與其工作有關之外部培訓課程。

(c) 健康及安全

為了提供一個安全的工作環境，本集團行政部門定期檢查及維持辦公室傢具。此外，亦定期清洗地毯及空氣調節系統，為僱員提供衛生工作環境。

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Principal risks and uncertainties of the Group

The Group's core businesses are the provision of financial services comprising securities, futures and options brokering and dealing, financing services and corporate finance and other advisory services, and asset management; and proprietary trading. Due to the nature of the Group's financial services business and proprietary trading business, the Group may be affected by a number of risks and uncertainties associated with its key financial services and products. It mainly divided into two categories, namely operational risk and financial risks. To ensure implementation of the appropriate measures in managing and monitoring these risk exposures on a timely and effective manner, policies and procedures are established by the Group. Details of the key risks and uncertainties identified by the Group and the ways on how the Group encounters these are given as follows:

(a) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed operational processes, people and systems or from external events. In the other words, the operational risk arises from non-compliance of policies and procedures and lack of control. The Group has established some operational policies and guidelines, delegation of authorities and reporting requirements for helping each employee of the Group to develop a set of personal practices in performing their job to the highest level. The operational policies provide detailed guidelines for various functions of the Group in executing most of the business transactions such as accounting and finance, operations, legal and compliance, human resources, information technology and administration.

本集團所面對之主要風險及不確定因素

本集團核心業務為提供金融服務，包括證券、期貨及期權經紀及買賣、融資服務以及企業融資及其他顧問服務，以及資產管理；及自營買賣業務。由於本集團金融服務業務之性質使然，本集團可受若干與其主要金融服務及產品有關聯之風險及不確定因素影響。其主要分成兩個類別，分別為營運風險及財務風險。為確保管理及監控該等風險之適當措施能及時有效地實施，本集團制訂政策和程序。本集團所識別之主要風險及不確定因素詳情以及本集團應對有關風險及不確定因素之方法載列如下：

(a) 營運風險

營運風險指因營運過程、個人及系統不足勝任或失效或因外在事件而導致虧損之風險。換言之，即是因不遵循政策及程序、缺乏控制而產生之營運風險。本集團已制訂若干營運政策及指引，授權及滙報規則，以協助本集團每名僱員發展一套個人實踐，好能以最高的水平執行職務。營運政策為本集團各項功能在進行大部分商業交易時提供詳細指引，如會計及財務、營運、法律及合規、人力資源、資訊科技及行政等。

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Meanwhile, detailed compliance and procedural manuals and policies are designed for the major subsidiaries of the Group which carried out the finance services business. The internal policies and manuals aim to ensure that the major subsidiaries of the Company comply with all rules, regulations, codes and legislations governing every aspect of the Group's regulated activities at all times. All sales staff and/or investment representatives are required at all times to fully understand and follow the regulated requirements, which will be updated from time to time in response to changes of rules and regulations. Training programs and active communications are continuously provided to promote their awareness. Internal control procedures are applied to monitor compliance of the Group's policies and guidelines. Appropriate disciplinary actions shall be taken against the responsible staff, who is guilty of serious misconduct. Further, for the proprietary trading business, securities investment policy has been established providing investment guidelines and reporting procedures for the responsible persons to follow.

The Group's Compliance Department and Internal Audit are responsible for identifying and monitoring the key operational exposures and report regularly the potential risk issues to the management and the Audit Committee of the Group respectively.

(b) Financial risks

In the course of business activities, the Group is exposed to a variety of financial risks, including market, credit and liquidity risks.

(i) Market risk

The Group's market risk primarily includes currency risk (foreign exchange rate risk), interest rate risk and equity price risk.

同時，已為本集團經營金融服務業務之主要附屬公司設計詳細合規及程序之手冊及政策。內部政策及手冊旨在確保本公司之主要附屬公司於任何時間均遵守規管本集團受規管活動所有方面之一切規則、規例、守則及法例。所有銷售員工及／或投資代表在任何時間均須全面了解及遵循規管要求，而有關要求將不時更新，以反映規則及規例變更。為提高彼等之意識，會持續提供培訓課程及積極溝通。內部控制程序已予應用，以監控本集團政策及指引之合規情況。負責員工若有嚴重違規者，將被處適當紀律處分。此外，就自營買賣業務而言，本集團已制訂證券投資指引以向負責職員提供投資指引及申報程序。

本集團合規部門及內部審計負責識別及監控主要營運風險，並定期向本集團管理層及審核委員會匯報潛在風險。

(b) 財務風險

進行業務過程中，本集團面對多種財務風險，包括市場、信貸及流動資金風險。

(i) 市場風險

本集團之市場風險主要包括貨幣風險（外幣匯率風險）、利率風險及股本價格風險。

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- *Currency risk* – It is the Group's policy for each group entity to operate in local currencies as far as possible to minimize currency risks. Almost all of the Group's principal businesses are conducted in Hong Kong dollars which is also the functional currency of the Company, with small amounts of bank deposits denominated in foreign currency. Since the impact of foreign exchange exposure is minimal, no hedging against foreign currency exposure has been carried out by the Group for the year. The Finance Department will manage and monitor the relevant risk from time to time.
- *Interest rate risk* – The Group is exposed to fair value interest rate risk in relation to fixed-rate accounts receivable from money lending business and pledged bank deposits, in which the risk is considered to be insignificant as the majority of the amount is carried at amortised cost. The Group is also exposed to cash flow interest rate risk in relation to variable-rate accounts receivable from brokerage and financing businesses such as cash clients, margin clients and short-term bank borrowings, which is mainly relating to the fluctuation of prime rate or bank's cost of funding arising from the Group's interest bearing financial instruments. The Finance Department has prepared sensitivity analysis on the exposure to cash flow interest rates for the Group's interest bearing financial instruments on a semi-annually basis and note that such exposure to the Group is not significant.
- *貨幣風險* – 本集團之政策為各集團實體均盡可能以當地貨幣經營，以減低貨幣風險。本集團絕大部分之主要業務均以本公司之功能貨幣港元進行，只有少數銀行存款以外幣列值。由於外匯風險之影響屬微不足道，因此本集團於本年度並無為外幣風險進行對沖。財務部門會不時管理並監察相關風險。
- *利率風險* – 本集團因放債業務產生之定息應收賬款及已抵押銀行存款而面對公平值利率風險，而由於大部分有關款項乃按已攤銷成本列賬，因此該等風險被視為微不足道。本集團亦因經紀及融資業務之浮息應收賬款（如應收現金客戶及保證金客戶之賬款）以及短期銀行借款而面對現金流利率風險，主要與本集團計息金融票據產生之最優惠利率或銀行資本成本波動相關。財務部門每半年編製本集團計息金融票據之現金流利率風險之敏感度分析，並發現本集團承受之有關風險並不重大。

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- *Equity price risk* – The Group is exposed to equity price risk arising from fluctuation in the price through the Group's investment in listed equity securities and convertible bonds. Management regularly reviews and monitors the Group's investment portfolio so as to limit the risk exposure.
- (ii) *Credit risk*
- The Group's credit risk is the risk of losses from a borrower or counterparty defaulting on an obligation which will result in financial loss to the Group. The risk mainly arises from the following business activities undertaken by the Group:
- *Financing from brokerage business* – In relation to the financing from brokerage business, the credit risk arises on the margin portfolio and clients' trade settlement. When the market goes downside, the possibility of doubtful debts will arise. The clients may be unable or unwilling to settle the sum owed. As such, credit assessment and continuous management of credit exposures are indispensable. The Group has established the credit policies and procedures setting out in details the structure of the credit risk management, the credit approval and monitoring mechanism, and the issue for provision for doubtful receivables. Meanwhile, the management of the Group has delegated a team forming the credit committee for setting the direction of the credit risk management and to oversee the Group's overall credit risk exposure. The credit committee meets monthly to review the work of the credit officer who is responsible for the daily credit management activities, determine and review the credit limits, credit approvals and other monitoring procedures to ensure that
- *股本價格風險* – 本集團因其於上市股本證券及可換股債券投資之價格波動而面對股本價格風險。管理層會定期檢討及監察本集團之投資組合，藉以限制所面對之風險。
- (ii) *信貸風險*
- 本集團之信貸風險為借款人或交易對手未能履行責任導致本集團產生財務損失之風險。該風險主要來自下列本集團從事之業務活動：
- *經紀業務之融資* – 就經紀業務之融資而言，信貸風險乃源自保證金貸款組合及客戶交易結算。當市場下滑，出現呆賬的機會將相應提高。客戶可能無力或不願意清償其結欠款項。因此，信貸評定及持續管理信貸風險實屬不可或缺。本集團已制訂信貸政策及程序，詳列信貸風險管理、信貸審批及監察機制之結構，以及應收款項呆壞賬之撥備事宜。此外，本集團管理層已指派專人成立信貸委員會，定出信貸風險管理方針並監察本集團整體之信貸風險。信貸委員會每月舉行會議以審閱負責日常信貸管理事宜之信貸主任之工作、釐定並檢討信貸限額、信貸審批及其他監察程序，從而確保會採取跟進行動以收回逾期債務及客戶欠付之應收賬款。信貸委員會亦會於有需要時臨時進行討論及舉行

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follow-up action is taken to recover overdue debts and receivables from the clients with shortfalls. Ad hoc discussions and meetings may also be held by the credit committee whenever necessary. Moreover, the Group closely evaluates the borrower's credit rating, financial background and repayment abilities. The assessment is based on a closely monitoring and evaluation of the collectability of individual account and on management's judgment from different aspects including the current credit worthiness of the borrowers, collateral value and the past collection history of each individual borrower.

- *Money lending* – All individual loans are currently assessed and approved by the Group's management. The Group closely evaluates the borrowers' credit rating, financial background, repayment abilities and the value of securities collateral. The assessment is based on a close monitoring and evaluation of the collectability of individual borrower and on management's judgment from different aspects including the current credit worthiness of the borrower, collateral value and the past collection history of each individual borrower. The Finance Department is responsible for the daily monitoring of the borrowers including the adequacy of the collateral value and any default or delinquency in interest or principal payments in accordance with the contractual terms, and promptly report to the management, when necessary.

會議。此外，本集團會藉著密切監察及評估各別賬款之可收回成數，並基於管理層不同方面之判斷，包括借款人現時之信用、抵押品價值及過往向各別借款人收回款項之記錄，密切評估借款人之信貸評級、財政背景及還款能力。

- *放債*—所有各別貸款現時均經由本集團管理層評定及批准。本集團會藉著密切監察及評估向各別借款人收款之成數，並基於管理層不同方面之判斷，包括借款人現時之信用、抵押品價值及過往向各別借款人收回款項之記錄，密切評估借款人之信貸評級、財政背景及還款能力以及抵押證券之價值。財務部門負責對借款人進行日常監察，包括抵押品價值是否充足，以及有否未能根據合約條款繳付或延遲償還利息或本金，並會於有需要時即時向管理層匯報。

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Furthermore, the Group has monitored its concentration of credit risk in different aspects. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong. The Group has policies in monitoring both client concentration risk and stock concentration risk. The Group regularly performs stress tests on stock concentration to evaluate the Group's credit risk exposure and capital adequacy in the event of abnormal and significant changes in market condition. As at 31 December 2018, the Group has concentration of credit risk on the accounts receivable as the aggregate balances with the five largest clients representing approximately 47% (2017: 60%) of total accounts receivable. However, all these clients' balances are within the credit limits granted by the Group and meet the loan-to-value ratio. Further, the fair values of the securities collateral held by the Group for the balances of these five largest customers are in excess of the relevant carrying amounts or has no overdue amounts as at 31 December 2018. Accordingly, the Directors consider that the Group's credit risk is closely monitored. The Group has no other significant concentration of credit risk.

(iii) Liquidity risk

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due. The Group's liquidity risk management includes making available standby banking facilities and diversifying the funding sources. The Group's operations are mainly financed by internal generated cash flow and short-term bank borrowings. In managing the liquidity risk, it is important that the Group maintains an adequate level of cash and credit facilities to finance the Group's daily operations.

另外，本集團會從多方面監察其信貸風險過於集中的情況。按地域而言，本集團之信貸風險主要集中於香港。本集團訂有政策，監察客戶集中風險及股票集中風險。本集團會定期進行股票集中的壓力測試，藉以評估在不正常市況及市況出現重大變動下本集團之信貸風險及資本充足率。於二零一八年十二月三十一日，本集團有應收賬款之集中信貸風險，因與五大客戶之總結餘佔應收賬款總額約47%（二零一七年：60%）。然而，所有該等客戶結餘均在本集團授出之信貸限額之內，並符合貸款對價值比率。此外，於二零一八年十二月三十一日，本集團就該等五大客戶結餘持有之抵押證券之公平值高於相關賬面值或並無逾期款項。因此，董事認為本集團之信貸風險已得到密切監察。本集團並無其他高度集中信貸風險。

(iii) 流動資金風險

流動資金風險指本集團可能無法履行到期責任。本集團之流動資金風險管理包括取得備用銀行融資及分散資金來源。本集團營運所用資金主要來自內部產生之現金流量及短期銀行借款。於管理流動資金風險時，本集團維持充足現金及信貸融資額以撥付本集團日常營運乃至為重要。

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Indeed, the Group's major subsidiaries are regulated by SFC, which are subject to SFC's liquid capital requirements. Under the liquid capital requirements, the regulated subsidiaries must maintain the minimum liquid capital, which shall in excess of HK\$3 million or 5% of their total adjusted liabilities, whichever the higher. The Finance Department monitors the Group's major funding positions on a daily basis so as to ensure adequate financial resources are available to meet the Group's financial obligations as well as to comply with SFC requirement. Meanwhile, the Group's banking facilities are subject to floating interest rate and are renewable annually. It is believed that the Group has adequate working capital to meet its financial obligations and the regulated subsidiaries have no non-compliance with the liquid capital requirements during the year.

For more details about the principal risks and uncertainties in which the Group are facing and also the relevant risk management objectives and policies, please refer to section 'Financial Review' contained in the Management Discussion and Analysis and notes 33 and 34 to the consolidated financial statements on pages 20 to 40 and pages 269 to 295 respectively of this Annual Report.

事實上，本集團之主要附屬公司乃受證監會規管，受到證監會之流動資金規定所規範。根據流動資金規定，受規管附屬公司必須維持最低流動資金，即3,000,000港元或其經調整負債總額之5%（以較高者為準）以上。財務部門每日監察本集團之主要資金狀況，確保具備充足財政資源應付本集團之財務責任以及符合證監會之規定。另外，本集團之銀行融資乃按浮動利率計息，並按年重續。本集團相信具備充足營運資金以應付其財務責任，而受規管附屬公司於年內並無違反流動資金規定。

本集團面對之主要風險及不確定性，以及相關風險管理目標及政策之更多詳情，請參閱本年報第20頁至第40頁之管理層討論及分析所載「財務回顧」一節及第269頁至第295頁之綜合財務報表附註33及34。

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RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2018 and the Group's financial position at that date are set out in the Group's consolidated financial statements on pages 123 to 307 of this Annual Report.

No interim dividend was paid to the Shareholders during the year (2017: Nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL, SHARE OPTIONS AND SHARE AWARDS

During the year, the Company has issued a total of 436,334,769 ordinary shares as follows:

1. 200,000 ordinary shares as a result of the exercise of share options under the share option scheme adopted by the Company on 8 June 2009;
2. 385,230,769 ordinary shares as a result of conversion of conversion bonds into ordinary shares by certain bondholders; and
3. 50,904,000 ordinary shares pursuant to the placing and subscription agreement dated 26 June 2018.

Details of the movements in share capital, share options and share awards of the Company during the year are set out in notes 30 and 31 respectively to the consolidated financial statements.

業績及股息

本集團截至二零一八年十二月三十一日止年度之業績及本集團於該日之財務狀況載於本年報第123頁至第307頁之綜合財務報表。

年內並無向股東派付中期股息(二零一七年：無)。董事並不建議就截至二零一八年十二月三十一日止年度派發末期股息(二零一七年：無)。

物業及設備

本集團於年內之物業及設備變動詳情載於綜合財務報表附註18。

股本、購股權及股份獎勵

於本年度，本公司共發行436,334,769普通股如下：

1. 因行使根據本公司於二零零九年六月八日採納之購股權計劃項下之購股權而發行200,000股普通股；
2. 因若干債券持有人將可換股債券兌換為普通股而發行385,230,769股普通股；及
3. 根據日期為二零一八年六月二十六日之配售及認購協議發行50,904,000股普通股。

本公司於年內之股本、購股權及股份獎勵變動詳情分別載於綜合財務報表附註30及31。

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EQUITY-LINKED AGREEMENT

As at 31 December 2018, the Company has not entered into any equity-linked agreement.

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

The Company has not redeemed any of its shares during the year ended 31 December 2018. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 December 2018.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2018, the Company has no reserves available for distribution to shareholders (2017: Nil).

DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$559,000 (2017: HK\$150,000).

FIVE YEARS' FINANCIAL SUMMARY

A summary of the consolidated results and of the consolidated assets and liabilities of the Group of the past five financial years as extracted from the audited consolidated financial statements is set out on page 308 of this Annual Report. This summary does not form part of the audited consolidated financial statements.

股票掛鈎協議

於二零一八年十二月三十一日，本公司並無訂立任何股票掛鈎協議。

購買、出售或贖回本公司之上市證券

截至二零一八年十二月三十一日止年度內，本公司並無贖回其任何股份。而於截至二零一八年十二月三十一日止年度內，本公司或其任何附屬公司亦無購買或出售本公司任何股份。

本公司可供分派儲備

於二零一八年十二月三十一日，本公司並無可供分派予股東之儲備(二零一七年：無)。

捐款

年內，本集團作出之慈善捐款約為559,000港元(二零一七年：150,000港元)。

五個年度之財務摘要

本集團過去五個財政年度之綜合業績及綜合資產負債(乃摘錄自經審核綜合財務報表)載於本年報第308頁。此摘要並非經審核綜合財務報表之一部分。

DIRECTORS' REPORT 董事會報告書

DIRECTORS OF THE COMPANY

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

Executive Directors

Mr. FU Yiu Man, Peter, *Chairman*

(appointed on 2 March 2018)

Mr. TIN Ka Pak, Timmy

Mr. LIN Hoi Kwong, Aristo

Mr. XIE Jintai

Mr. ZHANG Min (appointed on 25 June 2018)

Ms. LU Mengjia (appointed on 1 November 2018)

Mr. CHUNG Chi Shing, Eric (resigned on 2 March 2018)

Mr. ZHOU, Francis Bingrong, *Vice Chairman* (appointed on 22 January 2018 and resigned on 16 April 2018)

Ms. SHEN Li (appointed on 2 March 2018 and resigned on 1 November 2018)

Mr. JIANG Tian (appointed on 25 June 2018 and resigned on 1 April 2019)

Independence Non-executive Directors

Mr. WONG Chung Kin, Quentin

Mr. WONG Kam Choi, Kerry, MH

Mr. SIU Miu Man, Simon

Mr. CHIANG Ho Wai (appointed on 24 September 2018)

Pursuant to Article 88 of the Articles of Association of the Company ("Articles of Association"), any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. In accordance with this provision, Mr. Zhang Min, Ms. Lu Mengjia and Mr. Chiang Ho Wai shall retire at the forthcoming annual general meeting of the Company ("AGM"), and being eligible, offer themselves for re-election.

本公司董事

本年度及直至本報告書刊發日期本公司之董事如下：

執行董事

符耀文先生，主席

(於二零一八年三月二日獲委任)

田家柏先生

連海江先生

謝錦泰先生

張民先生(於二零一八年六月二十五日獲委任)

陸夢嘉女士(於二零一八年十一月一日獲委任)

鍾志成先生(於二零一八年三月二日辭任)

周冰融先生，副主席(於二零一八年一月二十二日獲委任並於二零一八年四月十六日辭任)

沈勵女士(於二零一八年三月二日獲委任並於二零一八年十一月一日辭任)

姜天先生(於二零一八年六月二十五日獲委任並於二零一九年四月一日辭任)

獨立非執行董事

黃松堅先生

黃錦財先生, MH

蕭妙文先生

蔣浩璋先生(於二零一八年九月二十四日獲委任)

根據本公司之組織章程細則(「章程細則」)第88條，據其獲委任之任何董事將僅留任至本公司隨後之股東週年大會為止，屆時將符合資格於大會上膺選連任。根據此條文，張民先生、陸夢嘉女士及蔣浩璋先生將於本公司應屆股東週年大會(「股東週年大會」)上退任，惟符合資格並願意膺選連任。

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Pursuant to Article 97 of the Articles of Association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office. The Directors to retire every year shall be those who have been longest in office since their last election. In accordance with this provision, Mr. Tin Ka Pak, Timmy, Mr. Wong Kam Choi, Kerry, MH and Mr. Siu Miu Man, Simon shall retire at the AGM, and being eligible, offer themselves for re-election.

DIRECTORS OF THE SUBSIDIARIES

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

Mr. TSE Ming Kwong, Louis
 Mr. LEUNG Chi Ho, David
 Mr. LEUNG Chi Wai, Chris
 Ms. HO Wing Man, Ginny
 Ms. CHAN Tik Man
 Ms. CHEUNG Ching Man
 Mr. WONG Man Hin, Charles (resigned on 2 June 2018)
 Mr. NG Man Hoi, Paul (resigned on 6 February 2018)
 Mr. LI Qiang (resigned on 5 January 2018)

STATUS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmation from each of the Independent Non-executive Directors concerning their independence to the Company pursuant to Rule 3.13 of the Rules of Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers all of the Independent Non-executive Directors are independent.

根據組織章程細則第97條，當時三分之一董事（或倘彼等之數目並非三或三之倍數，則為最接近但不少於三分之一之人數）須退任。於每年退任之董事應為自其上一次當選以來在任最長者。根據該條文，田家柏先生、黃錦財先生，MH及蕭妙文先生將於股東週年大會上退任，並符合資格膺選連任。

附屬公司董事

本年度及直至本報告書刊發日期本公司附屬公司之董事如下：

謝明光先生
 梁志浩先生
 梁志偉先生
 何詠雯女士
 陳迪敏女士
 張靜雯女士
 黃文軒先生（於二零一八年六月二日辭任）
 吳文海先生（於二零一八年二月六日辭任）
 李強先生（於二零一八年一月五日辭任）

獨立非執行董事之狀況

根據香港聯合交易所有限公司（「聯交所」）《證券上市規則》（「上市規則」）第3.13條，本公司已接獲各獨立非執行董事致本公司有關彼等之獨立性的年度確認書。本公司認為各獨立非執行董事均為獨立人士。

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董事會報告書**BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND SENIOR MANAGEMENT OF THE GROUP**

Biographical details of the Directors of the Company and senior management of the Group as at the date of this report are set out on pages 41 to 48 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 36 to the consolidated financial statements, no contract of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INDEMNITIES

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to be fullest extent permitted by the Companies Ordinance (Cap. 622)) which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

本公司董事及本集團高級管理層之履歷

於本報告書刊發日期本公司董事及本集團高級管理層之履歷載於本年報第41頁至第48頁。

董事之服務合約

概無擬於股東週年大會上膺選連任之董事訂有任何本集團不得在一年內不予賠償(法定賠償除外)而終止之服務合約。

董事於重大合約中之權益

除綜合財務報表附註36所披露者外，於年結日或於本年度內任何時間，董事概無在本集團為訂約方且與本集團業務有關之重大合約中，直接或間接擁有重大權益。

董事彌償保證

根據組織章程細則，每名董事有權就履行其職務或在履行其職務方面或在其他有關方面可能蒙受或招致之所有損失或責任從本公司之資產中獲取彌償(公司條例(第622章)許可者為限)。本公司亦已為本集團董事及高級職員安排適當的董事及高級職員責任保險。

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ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the share option scheme and share award schemes disclosed in note 31 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, pursuant to Rule 8.10 of the Listing Rules, the following Directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group:

購買股份或債權證之安排

除於綜合財務報表附註31披露之購股權計劃及股份獎勵計劃外，本公司或其任何附屬公司於本年度內概無訂立任何安排，致使董事可透過收購本公司或任何其他法團之股份或債權證而獲利。

董事於競爭業務之權益

於本年度，根據上市規則第8.10條，以下董事於下列被視為與本集團業務直接或間接產生競爭或可能產生競爭之業務中擁有權益：

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Name of Director 董事姓名	Name of company 公司名稱	Nature of business 業務性質	Nature of interests 權益性質
Mr. Zhang Min	China Eco-Farming Limited (Stock Code: 8166)	Provision of money lending services and provision of financial services	<ul style="list-style-type: none"> Independent non-executive director Audit committee member Remuneration committee member Nomination committee chairman
張民先生	中國農業生態有限公司 (股票代號：8166)	提供放債服務及提供金融服務	<ul style="list-style-type: none"> 獨立非執行董事 審核委員會成員 薪酬委員會成員 提名委員會主席
Ms. Lu Mengjia	CVP Financial Group Limited	Engaged in securities brokerage, margin financing, investment bank related services and asset management	<ul style="list-style-type: none"> President
陸夢嘉女士	遠見金融集團有限公司	從事證券經紀、保證金融資、投資銀行相關服務及資產管理	<ul style="list-style-type: none"> 總裁

Save as disclosed above, none of the Director is interested in any business apart from the Group's businesses, which competes or is likely to complete, either directly or indirectly, with the Group's businesses which is required to be disclosed pursuant to the Listing Rules.

除上文所披露者外，概無董事於與本集團業務直接或間接產生競爭或可能產生競爭之任何業務(本集團業務除外)中擁有根據上市規則須予披露之任何權益。

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DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the interests of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers (the "Model Code"), were as follows:

Long Positions in the Shares and Underlying Shares of the Company

(a) Ordinary shares of the Company

董事於股份、相關股份及債權證之權益

於二零一八年十二月三十一日，董事及彼等之聯繫人士於本公司及其相聯法團之股份、相關股份及債權證中擁有根據《證券及期貨條例》(「證券及期貨條例」)第352條列入本公司存置之登記冊內之有關權益，或根據《上市發行人董事進行證券交易的標準守則》(「標準守則」)須另行知會本公司及聯交所之權益如下：

於本公司股份及相關股份之好倉

(a) 本公司之普通股

	Number of shares			Total	Approximate % of shareholding
	Personal interest	Spouse interest	Corporate interests ⁽²⁾		
	個人權益	配偶權益	法團權益 ⁽²⁾	總計	佔股權概約 百分比
Ms. Lu Mengjia 陸夢嘉女士	–	–	3,096,000	3,096,000	0.25%
Mr. Wong Chung King, Quentin 黃松堅先生	500,000	–	–	500,000	0.04%

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(b) Share options of the Company

(b) 本公司之購股權

Name of Director 董事姓名	Number of share options 購股權數目				Outstanding at 31 December 2018 於 二零一八年 十二月 三十一日 尚未行使	Approximate % of total issued ordinary shares 佔已發行 普通股 總數的 百分比	Date of grant 授出日期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元
	Outstanding at 1 January 2018 於 二零一八年 一月一日 尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效					
Mr. Fu Yiu Man, Peter 符耀文先生	4,000,000	-	-	-	4,000,000	0.32%	29 September 2016 二零一六年 九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至 二零一六年九月二十九日	1.76
	-	7,484,000	-	-	7,484,000	0.61%	24 January 2018 二零一八年 一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至 二零二一年一月二十三日	1.67
Subtotal小計	4,000,000	7,484,000	-	-	11,484,000	0.93%			
Mr. Tin Ka Pak, Timmy 田家柏先生	6,500,000	-	-	-	6,500,000	0.53%	29 September 2016 二零一六年 九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至 二零一六年九月二十九日	1.76
	-	7,940,000	-	-	7,940,000	0.64%	24 January 2018 二零一八年 一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至 二零二一年一月二十三日	1.67
Subtotal小計	6,500,000	7,940,000	-	-	14,440,000	1.17%			
Mr. Xie Jintai 謝錦泰先生	5,000,000	-	-	-	5,000,000	0.41%	29 September 2016 二零一六年 九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至 二零一六年九月二十九日	1.76
	-	7,940,000 ⁽³⁾	-	-	7,940,000	0.64%	24 January 2018 二零一八年 一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至 二零二一年一月二十三日	1.67
Subtotal小計	5,000,000	7,940,000	-	-	12,940,000	1.05%			
Ms. Lu Mengjia 陸夢嘉女士	-	7,940,000 ⁽³⁾	-	-	7,940,000	0.64%	24 January 2018 二零一八年 一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至 二零二一年一月二十三日	1.67
	200,000	-	-	-	200,000	0.02%	29 September 2016 二零一六年 九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至 二零一六年九月二十九日	1.76
Mr. Wong Chung Kin, Quentin 黃松堅先生	-	200,000	-	-	200,000	0.02%	24 January 2018 二零一八年 一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至 二零二一年一月二十三日	1.67
	200,000	200,000	-	-	400,000	0.04%			
Subtotal小計	200,000	200,000	-	-	400,000	0.04%			
Mr. Wong Kam Choi, Kerry, MH 黃錦財先生, MH	200,000	-	-	-	200,000	0.02%	29 September 2016 二零一六年 九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至 二零一六年九月二十九日	1.76
	-	200,000	-	-	200,000	0.02%	24 January 2018 二零一八年 一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至 二零二一年一月二十三日	1.67
Subtotal小計	200,000	200,000	-	-	400,000	0.04%			
Mr. Siu Miu Man, Simon 蕭妙文先生	-	200,000	-	-	200,000	0.02%	24 January 2018 二零一八年 一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至 二零二一年一月二十三日	1.67
	22,400,000	23,964,000	-	-	46,364,000	3.78%			
Total總計	22,400,000	23,964,000	-	-	46,364,000	3.78%			

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Notes:

1. As at 31 December 2018, the Company's total issued ordinary shares was 1,230,951,598.
2. The corporate interest(s) held by the relevant Director(s) through his/her controlled corporation(s).
3. 7,940,000 share options are beneficially owned by a company which is wholly owned by Ms. Lu Mengjia.
4. During the year, no share options mentioned above were cancelled.
5. Details of the Share Option Scheme are set out under the section of "SHARE OPTION SCHEME" in this report.
6. Except the share options held by Ms. Lu Mengjia's controlled corporation, the share options mentioned above represent personal interests held by the relevant Directors as beneficial owners.

Save as disclosed above, as at 31 December 2018, none of the Directors and their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

1. 於二零一八年十二月三十一日，本公司之已發行普通股總數為1,230,951,598股。
2. 法團權益由相關董事透過其控制之法團持有。
3. 7,940,000份購股權由陸夢嘉女士全資擁有之公司實益擁有。
4. 年內，概無上述購股權被註銷。
5. 有關購股權計劃之詳情載於本報告書內「購股權計劃」一節。
6. 除由陸夢嘉女士控制之法團持有之購股權外，上述購股權指相關董事作為實益擁有人持有之個人權益。

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及彼等各自之聯繫人士於本公司及其相聯法團（按證券及期貨條例第十五部之定義）之股份、相關股份或債權證中，概無擁有列入本公司根據證券及期貨條例第352條存置之登記冊內之任何權益或淡倉，或根據標準守則已另行知會本公司及聯交所之任何權益或淡倉。

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董事會報告書
**SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE
SHARES OF THE COMPANY**
主要股東於本公司股份中之權益
**Long positions in the shares/underlying shares of
the Company**
於本公司股份／相關股份之好倉

Name 名稱	Capacity/Nature of interest 身份／權益性質	Number of shares held 所持股份數目	Number of underlying shares held 所持相關 股份數目	Aggregate interest 權益總額	Approximate % of total issued ordinary shares 佔已發行普通股 總數概約百分比	Notes 附註
Power Global Group Limited Power Global Group Limited	Beneficial owner 實益擁有人	75,000,000	–	75,000,000	6.09%	2
Mr. Chung Chi Shing, Eric 鍾志成先生	Beneficial owner 實益擁有人	293,352,000	1,392,000	294,744,000	23.94%	3
	Held by controlled corporation 受控制法團持有	75,000,000	–	75,000,000	6.09%	4
		368,352,000	1,392,000	369,744,000	30.03%	
CVP Financial Group Limited 遠見金融集團有限公司	Beneficial owner 實益擁有人	63,076,923	13,846,153	76,923,076	6.25%	5
Mr. Ting Pang Wan, Raymond 丁鵬雲先生	Beneficial owner 實益擁有人	400,000	–	400,000	0.03%	
	Interest of spouse 配偶權益	48,000	–	48,000	0.01%	6
	Held by controlled corporations 受控制法團持有	117,356,923	13,846,153	131,203,076	10.66%	7
		117,804,923	13,846,153	131,651,076	10.70%	
Ms. Luu Huyen Boi Luu Huyen Boi 女士	Beneficial owner 實益擁有人	48,000	–	48,000	0.01%	
	Interest of spouse 配偶權益	117,756,923	13,846,153	131,603,076	10.69%	8
		117,804,923	13,846,153	131,651,076	10.70%	
Grade Rich Investments Limited Grade Rich Investments Limited	Beneficial owner 實益擁有人	79,000,000	–	79,000,000	6.42%	
Mr. Wong Kin Ting 王建廷先生	Held by controlled corporation 受控制法團持有	79,000,000	–	79,000,000	6.42%	9

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Notes:

1. As at 31 December 2018, the Company's total issued ordinary shares was 1,230,951,598.
2. The 75,000,000 ordinary shares held by Power Global Group Limited also represent the corporate interests of Mr. Chung Chi Shing, Eric in the Company.
3. The underlying shares represent 600,000 share options and 792,000 share options granted by the Company to Mr. Chung Chi Shing, Eric on 29 September 2016 and 24 January 2018 respectively.
4. Mr. Chung Chi Shing, Eric is taken to be interested in 75,000,000 ordinary shares of the Company as a result of him being beneficially interested in the entire issued share capital of Power Global Group Limited, which in turn holds approximately 6.09% of the Company's total issued ordinary shares as at 31 December 2018.
5. The underlying shares represent a conversion bonds issued by the Company to CVP Financial Group Limited on 8 June 2018. The conversion bonds carried a right to convert the conversion bonds into shares at a conversion price of HK\$1.3 per conversion share.
6. Mr. Ting Pang Wan, Raymond is the spouse of Ms. Luu Huyen Boi and is, therefore, taken to be interested in the 48,000 ordinary shares of the Company Ms. Luu is interested in.
7. Mr. Ting Pang Wan, Raymond is taken to be interested in 49,860,000 ordinary shares, 4,420,000 ordinary shares, 63,076,923 ordinary shares and 13,846,153 underlying shares as a result of him being beneficially interested in the entire issued share capital of Kaiser Capital Holdings Limited, Highgrade Holdings Limited and CVP Financial Group Limited, which in turn holds approximately 4.05%, 0.36% and 6.25% of the Company's total issued ordinary shares as at 31 December 2018.
8. Ms. Luu Huyen Boi is the spouse of Mr. Ting Pang Wan Raymond and is, therefore, taken to be interested in the 131,603,076 ordinary shares of the Company Mr. Ting is interested in.
9. Mr. Wong Kin Ting is taken to be interested in 79,000,000 ordinary shares of the Company as a result of him being beneficially interested in the entire issued share capital of Grade Rich Investments Limited, which in turn holds approximately 6.42% of the Company's total issued ordinary shares as at 31 December 2018.

附註：

1. 於二零一八年十二月三十一日，本公司之已發行普通股總數為1,230,951,598股。
2. 由Power Global Group Limited持有之75,000,000股普通股亦即鍾志成先生於本公司之法團權益。
3. 相關股份指本公司分別於二零一六年九月二十九日及二零一八年一月二十四日向鍾志成先生授出之600,000份及792,000份購股權。
4. 於二零一八年十二月三十一日，鍾志成先生被視為擁有75,000,000股本公司普通股之權益，因彼擁有Power Global Group Limited全部已發行股本之實益權益，而該公司則持有本公司已發行普通股總數約6.09%。
5. 相關股份指本公司於二零一八年六月八日向遠見金融集團有限公司發行之可換股債券。可換股債券附有權利可換每股換股股份1.3港元之換股價兌換為股份。
6. 丁鵬雲先生為Luu Huyen Boi女士之配偶，因此被視為擁有Luu女士擁有權益之48,000股本公司普通股之權益。
7. 於二零一八年十二月三十一日，丁鵬雲先生被視為擁有49,860,000股普通股、4,420,000股普通股、63,076,923股普通股及13,846,153股相關股份之權益，因彼擁有Kaiser Capital Holdings Limited、Highgrade Holdings Limited及遠見金融集團有限公司全部已發行股本之實益權益，而該等公司則分別持有本公司已發行股份總數約4.05%、0.36%及6.25%。
8. Luu Huyen Boi女士為丁鵬雲先生之配偶，因此被視為擁有丁先生擁有權益之131,603,076股本公司普通股之權益。
9. 於二零一八年十二月三十一日，王建廷先生被視為擁有79,000,000股普通股之權益，因彼擁有Grade Rich Investments Limited全部已發行股本之實益權益，而該公司則持有本公司已發行普通股總數約6.42%。

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Save as disclosed above, as at 31 December 2018, the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company which had been recorded in the register to be kept under Section 336 of the SFO.

SHARE OPTION SCHEMES

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June 2009, the Company adopted a share option scheme (the "2009 Share Option Scheme"). On 14 June 2018, by passed an ordinary resolution at the extraordinary general meeting, the Company adopted another share option scheme (the "2018 Share Option Scheme"). On the same date, the 2009 Share Option Scheme was terminated. No further options shall be offered under and/or pursuant to the 2009 Share Option Scheme but in all other respects the provisions of the 2009 Share Option Scheme shall remain in full force and effect and options granted thereunder prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue.

Summary of the principal terms of the 2009 Share Option Scheme and the 2018 Share Options Scheme (collectively known as the "Share Option Schemes") are listed below.

Summary of the Share Option Schemes

(a) Purpose of the Share Option Schemes

The purpose of the Share Option Schemes is to recognize the contribution made by the participants to the Group and also provide them an opportunity to have a personal stake in the Company with the view to motivating them to optimize their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing business relationship with them whose contributions are beneficial to the long term growth of the Group.

除上文所披露者外，於二零一八年十二月三十一日，本公司概無獲知會根據證券及期貨條例第336條存置之登記冊所記錄有關本公司股份及相關股份之任何其他權益或淡倉。

購股權計劃

本公司根據於二零零九年六月八日舉行之股東週年大會上通過之普通決議案，採納一項購股權計劃（「二零零九年購股權計劃」）。於二零一八年六月十四日，本公司藉著於股東特別大會上通過之普通決議案採納另一項購股權計劃（「二零一八年購股權計劃」）。於同一日，二零零九年購股權計劃已告終止。再不得按照及／或根據二零零九年購股權計劃授出購股權，惟二零零九年購股權計劃條文於所有其他方面仍具十足效力及作用，且於終止前根據該計劃已授出之購股權仍為有效且可根據其發行條款予以行使。

二零零九年購股權計劃及二零一八年購股權計劃（統稱為「購股權計劃」）之主要條款概要載列如下。

購股權計劃概要

(a) 購股權計劃之目的

該等計劃之目的乃為肯定參與者向本集團所作出之貢獻及為參與者提供個人持有本公司股份權益之機會，藉以達到激勵合資格人士盡力提升工作表現及效率而為本集團帶來裨益；及吸引及挽留或以其他方式維持與合資格人士之持續業務關係，該等合資格人士所作出之貢獻為本集團之長遠發展帶來裨益。

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(b) *Participants of the Share Option Schemes*

Pursuant to the Share Option Scheme, the Board may, at its discretion, to make an offer for the grant of share options to the employees or directors of the Group or such other persons who are eligible for participation in the Share Option Schemes to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated in the Share Option Schemes.

(c) *Total number of shares available for issue under the Share Option Schemes*

The maximum number of shares of the Company which may be issued upon exercise of outstanding share options granted and yet to be exercised under the Share Option Schemes must not exceed 30% of the total number of shares of the Company in issue from time to time.

The total number of shares of the Company which may be issued upon exercise of all share options to be granted under the 2009 Share Option Schemes and the 2018 Share Option Scheme shall not in aggregate exceed 10% of the total number of shares of the Company in issue as at the date of approval of the Share Option Schemes (i.e. 37,116,977 shares and 89,481,682 shares of the Company, which represented approximately 10% of the total number of shares of the Company in issue as at 8 June 2009 and 14 June 2018 respectively). The Company may seek approval of the Company's shareholders in a general meeting for refreshing the 10% limit under the Share Option Schemes save that the total number of shares of the Company which may be issued upon the exercise of all share options to be granted under the Share Option Schemes under the limit as "refreshed" may not exceed 10% of the total number of shares of the Company in issue as at the date of approval of the limit.

(b) *購股權計劃之參與者*

根據購股權計劃，董事會可酌情向本集團之僱員或董事或合資格參與購股權計劃之其他人士提呈授出購股權，在購股權計劃條款及條件規限下認購本公司之普通股。

(c) *根據購股權計劃可發行之股份總數*

根據購股權計劃已授出尚未行使之購股權於行使時可予發行之本公司股份總數最多不得超過本公司不時全部已發行股份之30%。

根據二零零九年購股權計劃及二零一八年購股權計劃將予授出之全部購股權於行使時可予發行之本公司股份總數，合共不得超過批准購股權計劃當日本公司全部已發行股份之10%（即37,116,977股及89,481,682股本公司股份，分別佔二零零九年六月八日及二零一八年六月十四日本公司已發行股份總數約10%）。本公司可敦請本公司股東於股東大會上批准更新購股權計劃之10%限額，惟根據經「更新」限額根據購股權計劃將予授出之全部購股權於行使時可予發行之本公司股份總數，合共不得超過批准該限額當日本公司全部已發行股份之10%。

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As at 31 December 2018 and the date of this Annual Report, the total number of shares available for issue under the Share Option Scheme was 196,137,682, representing approximately 15.93% of the total number of shares of the Company in issue as at the date of this Annual Report.

於二零一八年十二月三十一日及本年報刊發日期，根據購股權計劃可予發行之股份總數為196,137,682股，相當於本年報刊發日期本公司已發行股份總數約15.93%。

(d) Maximum entitlement of each participant

The total number of the shares of the Company issued and to be issued upon exercise of the share options granted and to be granted to any participant (including both exercised, cancelled and outstanding share options) in any twelve months up to the date of the grant to such participant shall not exceed 1% of the total number of shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

(d) 各參與者之最大配額

截至向個別參與者授出購股權當日止十二個月內，向該參與者授出及將予授出之購股權（包括已行使、已註銷及尚未行使之購股權）在行使時將予發行之本公司股份連同已向該參與者發行之本公司股份，合共不得超過本公司全部已發行股份之1%。額外授出超過此限制之購股權必須於本公司股東大會上取得股東批准。

(e) Time of exercise of share option

Pursuant to the Share Option Schemes, any share option may be exercised in accordance with its terms at any time during a period to be determined and notified by the Board to each grantee, save that no share option may be exercised more than 10 years from the date on which the share option is deemed to have been granted and accepted in accordance with the terms of the Share Option Schemes. The Board may provide restrictions on the exercise of a share option during the option period.

(e) 購股權之行使時間

根據購股權計劃，任何購股權可根據其條款於董事會釐定並知會個別承授人之期間內任何時間行使，惟不得於購股權根據購股權計劃之條款被視為授出及接納當日起計十年後行使。董事會可附加於購股權期間行使購股權之限制。

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(f) *Payment on acceptance of share option*

Pursuant to the Share Option Schemes, HK\$1.00 is payable by the grantee to the Company on acceptance of the share option within 28 days (for 2009 Share Option Scheme) and 7 days (for 2018 Share Option Scheme) from the date of grant of the share option.

(g) *Basic of determining the subscription price of share option*

The exercise price per share option under the Share Option Scheme shall be determined by the Board in its absolute discretion, but in any event shall be at least the highest of: (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date when share option is offered; and (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which share option is offered.

(h) *Remaining life of the Share Option Scheme*

The 2009 Share Option Scheme has no remaining life as no further share options may be granted but the provisions of the 2009 Share Option Scheme shall in all other respects remain in full force and effect and share options which are granted during the life of the 2009 Share Option Scheme may continue to exercisable in accordance with their respectively terms of issue.

(f) *接納購股權時付款*

根據購股權計劃，承授人須於授出購股權當日起計28日內（就二零零九年購股權計劃而言）及7日內（就二零一八年購股權計劃而言）接納購股權，並向本公司支付1.00港元。

(g) *釐定購股權認購價之基準*

根據購股權計劃，每份購股權之行使價應由董事會全權酌情釐定，惟無論如何不得低於下列兩者中的最高者：(i)本公司股份在提呈購股權當日在聯交所日報表所報的收市價；及(ii)本公司股份在緊接提呈購股權當日前五個營業日在聯交所日報表所報的平均收市價。

(h) *購股權計劃之剩餘年期*

二零零九年購股權計劃已再無有效年期，再不得據此授出購股權，惟二零零九年購股權計劃條文於所有其他方面仍具十足效力及作用，且於二零零九年購股權計劃有效期內已授出之購股權仍繼續可根據其目之發行條款予以行使。

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The 2018 Share Option Scheme will continue to be in full force and effect for a period of 10 years commencing on 14 June 2018 (save that the Company, by ordinary resolutions in general meeting or the Board, may at any time terminate the operation of the 2018 Share Option Scheme). After termination, no further share options will be granted but the provisions of the 2018 Share Option Scheme shall in all other respects remain in full force and effect and the share options which are granted during the life of the 2018 Share Option Scheme may continue to be exercisable in accordance with their respective terms of issue.

二零一八年購股權計劃將由二零一八年六月十四日起計十年內具有十足效力及作用(惟本公司根據股東大會通過之普通決議案或董事會可隨時終止二零一八年購股權計劃之運作)。終止後,概不得再根據二零一八年購股權計劃授出購股權,惟購股權計劃之條文在一切其他方面仍具有十足效力及作用,而於二零一八年購股權計劃有效期間授出之購股權,仍可根據其各自之授出條款予以行使。

Movement of Share Options

As at 31 December 2018, 106,656,000 share options of the Company were outstanding. Details of the movements of the share options during the year are as follows:

購股權變動

於二零一八年十二月三十一日,共有106,656,000份本公司之購股權為尚未行使。購股權於年內之變動如下:

Category of participant 參與者類別	Number of share options 購股權數目					Outstanding at 31 December 2018 於二零一八年十二月三十一日 尚未行使	Date of grant 授出日期	Share options duration 購股權之期限	Exercise price 行使價
	Outstanding at 1 January 2018 於二零一八年一月一日 尚未行使	Granted during the year 於年內授出	Reclassified during the year 於年內重新分類	Exercised during the year 於年內行使	Lapsed during the year 於年內失效				
Directors 董事	19,000,000	-	3,400,000	-	-	22,400,000	29 September 2016 二零一六年九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至二零一九年九月二十八日	1.76
	-	9,332,000	14,652,000	-	-	23,964,000	24 January 2018 二零一八年一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至二零二一年一月二十三日	1.67
Employees 僱員	13,100,000	-	(11,800,000)	-	-	1,300,000	29 September 2016 二零一六年九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至二零一九年九月二十八日	1.76
	-	33,104,000	(23,772,000)	(200,000)	-	9,132,000	24 January 2018 二零一八年一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至二零二一年一月二十三日	1.67
Other eligible persons 其他合資格人士	8,500,000	-	8,400,000	-	-	16,900,000	29 September 2016 二零一六年九月二十九日	29 September 2016 – 28 September 2019 二零一六年九月二十九日至二零一九年九月二十八日	1.76
	-	23,820,000	9,140,000	-	-	32,960,000	24 January 2018 二零一八年一月二十四日	24 January 2018 – 23 January 2021 二零一八年一月二十四日至二零二一年一月二十三日	1.67
Total 總計	40,600,000	66,256,000	-	(200,000)	-	106,656,000			

DIRECTORS' REPORT

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Note:

Commencing from the date of grant up to the date falling on 3 years from the date of grant of the share options, all shares comprised in the share options can be exercised at any time.

Details of the grant of share options to the Directors of the Company are disclosed in the sub-headed "Long Positions in the Shares and Underlying Shares of the Company" under the section of "DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above.

During the year, no share options were cancelled under the Share Option Scheme.

SHARE AWARD SCHEMES

On 31 March 2008, the Company adopted two share incentive award schemes, namely The VC Share Purchase Scheme Trust (the "Share Purchase Scheme") and The VC Share Award Scheme Trust (the "Share Subscription Scheme") (the Share Purchase Scheme and the Share Subscription Scheme collectively are referred to as the "Share Award Schemes"). Summary of the principal terms of the Share Award Schemes are listed below:

Summary of the Share Award Schemes

(a) Purpose of the Share Award Schemes

The purpose of Share Award Schemes is to attract skilled and experienced personnel, to provide incentives for them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

附註：

於授出購股權日期起直至其後三年到期當日，涉及所有股份之購股權可隨時行使。

有關本公司董事獲授購股權之詳情，乃於上文「董事於股份、相關股份及債權證之權益」一節中「於本公司股份及相關股份之好倉」之分節中披露。

年內概無任何購股權根據購股權計劃被註銷。

股份獎勵計劃

於二零零八年三月三十一日，本公司採納兩項股份獎勵計劃，分別名為滙盈股份購買計劃信託（「股份購買計劃」）及滙盈股份獎勵計劃信託（「股份認購計劃」）（股份購買計劃及股份認購計劃統稱為「股份獎勵計劃」）。股份獎勵計劃之主要條款概要載列如下：

股份獎勵計劃概要

(a) 股份獎勵計劃之目的

股份獎勵計劃旨在透過提供取得本公司股本權益之機會，吸引有才能及經驗之人士加入本集團，鼓勵彼等繼續效力本集團，以及激勵彼等致力推動本集團之未來發展及業務擴充。

DIRECTORS' REPORT
董事會報告書*(b) Participants of the Share Award Schemes*

The Board may, subject to the rules relating to the Share Award Schemes, from time to time at its absolute discretion select any employee of the Company or its subsidiaries to be a participant in the Share Award Schemes. However, director of the Company or any subsidiaries and any other connected person of the Company are not allowed to participate in the Share Subscription Scheme.

(c) Duration of the Share Award Schemes

The Share Award Schemes have a term of 20 years from the date of adoption, i.e. 31 March 2008. The Board may by resolution terminate the operation of the Share Award Schemes at any time provided that such termination shall not affect any subsisting rights of any selected employee. If, at the date of such termination, the trustee holds any shares which has not vested, then the trustee shall within 21 business days of receiving notice of such termination sell such shares and remit the proceeds of sale (after deductions) to the Company.

(d) Scheme Limit

The scheme limit of the Share Purchase Scheme and Share Subscription Scheme is 2% and 1% of the total number of shares of the Company in issue respectively from time to time (excluding shares which have already been transferred to employees on vesting).

(b) 股份獎勵計劃之參與者

在股份獎勵計劃有關規則規限下，董事會可不時全權酌情甄選本公司或其附屬公司之任何僱員參與股份獎勵計劃。然而，本公司或任何附屬公司之董事及本公司之任何其他關連人士均不得參與股份認購計劃。

(c) 股份獎勵計劃之期限

股份獎勵計劃由採納日期（即二零零八年三月三十一日）起為期二十年。董事會可隨時藉決議案終止股份獎勵計劃之運作，惟有關終止不得影響任何選定僱員之任何既有權利。倘於有關終止日期受託人持有任何未歸屬之股份，則受託人須於接獲有關終止通知起計二十一個營業日內出售該等股份，並將出售所得款項（於作出扣減後）滙寄予本公司。

(d) 計劃限額

股份購買計劃及股份認購計劃之計劃限額分別為本公司不時已發行股份總數之2%及1%（不包括已於歸屬時轉讓予僱員之股份）。

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(e) *Grant of the Awarded Shares*

For the Share Purchase Scheme, the Board or the trustee of the scheme (as the case may be) shall either (1) set aside a sum of money or (2) determine a number of shares which it wishes to be the subject of a bonus or award under the Share Purchase Scheme. Where a sum of money has been set aside (or a number of shares has been determined), it shall pay (or cause to be paid) that amount or an amount sufficient to purchase that number of shares to the trustee (or as it shall direct) from the Group's resources as soon as practicable following such funds being set aside. Within 15 business days of receiving the amount sufficient to purchase that number of shares, the trustee shall apply the same towards the purchase of shares on the Stock Exchange.

For the Share Subscription Scheme, the Board or the trustee of the scheme (as the case may be) shall at its discretion either (i) determine a notional cash amount or (ii) determine a number of shares (the "Number of Awarded Shares") which it wishes to be the subject of an award under the Share Subscription Scheme. Where a notional cash amount has been determined by the Board, the Board shall determine the maximum number of shares (the "Relevant Number of Shares"), rounded down to the nearest whole number which could be purchased with such notional cash amount on the Stock Exchange at the market price prevailing on the date of the award. The Company shall pay (or cause to be paid) an amount of either (i) the Relevant Number of Shares (where the Board has determined a notional cash amount) or (ii) the Number of Awarded Shares (where the Board has determined such number) to the trustee (or as it shall direct) from the Group's resources as soon as practicable in accordance with the rules relating to the Share Subscription Scheme.

(e) *授出獎勵股份*

就股份購買計劃而言，董事會或計劃之受託人（視情況而定）須(1)撥出一筆款項或(2)釐定擬作為股份購買計劃項下之花紅或獎勵之股份數目。倘已撥出一筆款項（或已釐定股份數目），則其須於有關資金撥出後在實際可行情況下盡快從本集團之資源中，向受託人（或按其指示）支付（或促使支付）該筆金額或足以購買該等股份數目之金額。受託人須於收到足以購買該等股份數目之金額後十五個營業日內，以該筆資金在聯交所購買股份。

就股份認購計劃而言，董事會或計劃之受託人（視情況而定）須酌情(i)釐定名義現金額或(ii)釐定擬作為股份認購計劃項下之獎勵之股份數目（「獎勵股份數目」）。倘董事會已釐定名義現金額，則董事會須釐定股份之最高數目（「相關股份數目」），並向下調整至可以有相關名義現金額按於獎勵日期之現行市價在聯交所購買之最接近股份整數。本公司須根據股份認購計劃有關規則於實際可行情況下盡快從本集團之資源中，向受託人（或按其指示）支付（或促使支付）一筆金額或一筆相等於(i)相關股份數目（倘董事會已釐定名義現金額）或(ii)獎勵股份數目（倘董事會已釐定有關數目）之金額。

DIRECTORS' REPORT
董事會報告書

No payment shall be made to the trustee of the Share Award Schemes (the "Trustee") and no instructions to subscribe for shares shall be given to the Trustee under the Share Award Schemes where any member of the Board is in possession of the inside information in relation to the Company or where dealings by Directors are prohibited under the Model Code as set out in the appendices to the Listing Rules or any applicable laws and regulations or any internal code of conduct in securities dealing adopted by the Company from time to time.

(f) Vesting of the Awarded Shares

Vesting of the shares will be conditional on the selected employee remaining as an employee of the Company or the subsidiary until the vesting date. The Board also has the discretion to stipulate such other conditions in respect of a particular employee which will apply to the vesting of the shares. Any shares held by the Trustee on behalf of the selected employee of the Share Award Schemes shall vest in accordance with the timetable determined by the Board at its discretion. An award will lapse where the Company or the business division by which the selected employee is employed ceases to be part of the Group or in the event the selected employee does not deliver the notice of exercise within the prescribed time limit to the Trustee for the purpose of exercising his rights to receive the vested shares.

Where shares which are referable to a selected employee do not vest or are not acquired by selected employees in accordance with the procedures abovementioned, the Trustee shall hold such shares or any income deriving therefrom exclusively for the benefit of all selected employees of the Group as the Trustee determines in its absolute discretion, after having taken into consideration recommendations of the Board.

倘任何董事會成員管有有關本公司之內幕消息或倘董事根據上市規則附錄所載之標準守則或任何適用法例及規例或本公司不時採納有關證券買賣之任何內部操守守則而遭禁止進行買賣時，概不得根據股份獎勵計劃向股份獎勵計劃之受託人（「受託人」）付款，亦不得向受託人作出認購股份之指示。

(f) 獎勵股份之歸屬

股份之歸屬須以所選定僱員於截至歸屬日期止依然為本公司或附屬公司之僱員為條件。董事會亦可酌情附加適用於特定僱員歸屬股份之其他條件。受託人代股份獎勵計劃之所選定僱員持有之任何股份應根據董事會酌情釐定之時間表予以歸屬。倘本公司或所選定僱員受僱之業務部門不再為本集團之一部分，或倘所選定僱員未於指定時限內向受託人遞交有關行使其權利以收取歸屬股份之行使通知，則獎勵將告失效。

倘可交付予選定僱員之股份並未按照上述程序歸屬或由選定僱員購買，則受託人須純為本集團之所有選定僱員之利益（由受託人經考慮董事會之推薦意見後全權酌情釐定），持有該等股份或就此產生之任何收入。

DIRECTORS' REPORT

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(g) Trustee of the Schemes

The Company shall have the power exercisable by deed to appoint or remove any person as a Trustee. The minimum number of trustees shall be two individuals or a body corporate. The Trustee has the power to exercise at its discretion all voting rights attached to any shares held. Pursuant to the scheme rules, the Trustee is obligated to exercise its power with the objective of maximizing the benefits of the participants of the Share Award Schemes and shall not be subject to influence from any party.

Outstanding Awarded Shares

During the year ended 31 December 2018, there were no shares awarded by the Company to any employees of the Company and/or its subsidiaries and outstanding under the Share Award Schemes.

CONNECTED TRANSACTIONS

Significant related party transactions entered by the Group during the year ended 31 December 2018 are disclosed in note 36 to the consolidated financial statements.

None of the related party transactions fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's audited consolidated financial statements and results for the year ended 31 December 2018 and is satisfied that these have been prepared in accordance with the applicable accounting standards and fairly present the Group's financial positions and results for the year ended 31 December 2018.

Information on the work of the Audit Committee and its composition are set out in the "Corporate Governance Report" on pages 59 to 60 of this Annual Report.

(g) 該等計劃之受託人

本公司具有可藉契諾行使之權力以委聘任何人士出任受託人或罷免任何人士之受託人身份。受託人之最少數目為兩名個人或一個法團。受託人具有權力可酌情行使其持有之任何股份所附帶之全部表決權。根據該等計劃之規則，受託人有責任以替股份獎勵計劃參與者取得最大利益為目標而行使其權力，不得受任何其他人士影響。

獎勵股份餘額

於截至二零一八年十二月三十一日止年度內，本公司概無根據股份獎勵計劃向本公司及／或其附屬公司之任何僱員獎勵任何股份，亦無任何獎勵股份餘額。

關連交易

本集團於截至二零一八年十二月三十一日止年度內訂立之重大關聯方交易於綜合財務報表附註36中披露。

概無任何關聯方交易屬於上市規則第14A章所界定之「關連交易」或「持續關連交易」。

審核委員會

審核委員會已審閱本集團截至二零一八年十二月三十一日止年度之經審核綜合財務報表及業績，並信納其已根據適用會計準則編製，並公平地呈列本集團截至二零一八年十二月三十一日止年度之財務狀況及業績。

有關審核委員會之工作及組成之資料載於本年報第59頁至第60頁之「企業管治報告」內。

DIRECTORS' REPORT 董事會報告書

CORPORATE GOVERNANCE

The Corporate Governance Report is set out on pages 49 to 74 of this Annual Report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained a sufficient public float under the Listing Rules throughout the year ended 31 December 2018.

AUDITOR

Messrs. Deloitte Touche Tohmatsu has resigned as auditor of the Company with effect from 22 November 2018. The Board has appointed Messrs. SHINEWING (HK) CPA Limited as new auditor of the Company to fill the casual vacancy with effect from 28 November 2018 and to hold office until the conclusion of the next annual general meeting of the Company.

The financial statements of the Company for the year ended 31 December 2018 have been audited by Messrs. SHINEWING (HK) CPA Limited. A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. SHINEWING (HK) CPA Limited as auditor of the Company.

On behalf of the Board of
Value Convergence Holdings Limited
Fu Yiu Man, Peter
Chairman & Executive Director

Hong Kong
28 March 2019

企業管治

企業管治報告載於本年報第49頁至第74頁。

足夠公眾持股量

於本報告書刊發日期，根據本公司公開取得之資料及就董事所知，本公司截至二零一八年十二月三十一日止年度一直維持上市規則規定之足夠公眾持股量。

核數師

德勤·關黃陳方會計師行已辭任本公司核數師一職，由二零一八年十一月二十二日起生效。董事會已委聘信永中和(香港)會計師事務所有限公司為本公司新任核數師以填補臨時空缺，由二零一八年十一月二十八日起生效，其任期將直至本公司應屆股東週年大會結束時為止。

本公司截至二零一八年十二月三十一日止年度之財務報表已經由信永中和(香港)會計師事務所有限公司審核。於應屆股東週年大會上將提呈決議案以續聘信永中和(香港)會計師事務所有限公司為本公司核數師。

代表董事會
滙盈控股有限公司
主席兼執行董事
符耀文

香港
二零一九年三月二十八日

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告



SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

**TO THE MEMBERS OF VALUE CONVERGENCE
HOLDINGS LIMITED**

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Value Convergence Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 123 to 307, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

致滙盈控股有限公司之全體股東

(於香港註冊成立之有限公司)

意見

本核數師已審核列載於第123頁至第307頁滙盈控股有限公司(「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入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而公平地反映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其綜合現金流量，並已按照《香港公司條例》妥為編製。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告**BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors’ 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.

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.

意見基準

我們已根據香港會計師公會頒佈的《香港審計準則》進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。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，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

關鍵審核事項

關鍵審核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核最為重要的事項。這些事項是在我們審核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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Impairment allowance on accounts receivable from money lending services

Refer to note 22 to the consolidated financial statements and the accounting policies on pages 167 to 174.

The key audit matter

關鍵審計事項

As at 31 December 2018, the Group had accounts receivable from money lending services with carrying amount of approximately HK\$20,083,000. The Group has identified loans based on significant increases in the likelihood or risk of a default occurring since initial recognition.

於二零一八年十二月三十一日，貴集團來自放債服務之應收賬款之賬面值約為20,083,000港元。貴集團根據自初步確認後違約可能性顯著增加或發生違約風險而識別貸款。

The assessment of impairment for accounts receivable from money lending services involves significant management judgements and estimates on the amount of expected credit loss at the reporting date.

評估來自放債服務之應收賬款之減值時涉及管理層對報告日期之預期信貸虧損金額作出重大判斷及估計。

關鍵審核事項 (續)

放債服務應收賬款減值準備

請參閱綜合財務報表附註22及第167頁至第174頁之會計政策。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures were designed to challenge the assumptions and critical judgements of the Group's forward-looking expected credit loss ("ECL") model used to estimate the allowance for doubtful debts.

我們的審計程序旨在質疑貴集團估計呆賬準備所用前瞻性預期信貸虧損(「預期信貸虧損」)模式的假設及判斷。

We obtained an understanding of the Group's credit risk management, practices and key controls over the application of the impairment methodology, and assessed the Group's impairment policy in accordance with the requirements of HKFRS 9, including an evaluation of management judgement on i) the level of disaggregation of portfolios for loss allowance assessment; ii) the use of reasonable and supportable credit risk information that is available without undue cost or effort; and iii) the staging criteria for determining if a significant increase in credit risk has occurred.

我們已獲得對貴集團信貸風險管理、有關應用減值方法之實務及關鍵控制的了解，並評估貴集團根據香港財務報告準則第9號規定之減值政策，包括評估管理層對i)虧損準備評估組合之分類級別；ii)使用毋須付出不必要成本或努力即可取得之合理及具支持的信貸風險資料；及iii)釐定信貸風險有否顯著增加的分階段標準作出之判斷。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

KEY AUDIT MATTERS (continued)

Impairment allowance on accounts receivable from
 money lending services (continued)

關鍵審核事項(續)

放債服務應收賬款減值準備(續)

The key audit matter

關鍵審計事項

How the matter was addressed in our audit

我們的審計如何處理該事項

We tested the appropriateness of the Group's methodology and basis for classification of exposures into the 3 stages. Our testing included the checking to loan overdue information, loan-to-value percentage or other related information, and considering the stage classification determined by the Group.

我們已測試 貴集團將風險分類為三個階段的方法及基準是否合適。我們的測試包括檢查貸款逾期資料、貸款對價值百分比或其他相關資料，並考慮 貴集團釐定的階段分類。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Impairment allowance on accounts receivable from money lending services (continued)

The key audit matter

關鍵審計事項

關鍵審核事項(續)

放債服務應收賬款減值準備(續)

How the matter was addressed in our audit

我們的審計如何處理該事項

We have evaluated the Group's estimation methodology of expected credit losses, and checked the parameters to external data sources where available, including the price volatility of selected underlying collateral, valuation of the collateral and other sources of cash flows, and developed a reasonable range of expected cash shortfall for comparison with the Group's assessment;

我們已評估 貴集團之預期信貸虧損估計方法，並檢查可取得之外部資料來源數據，包括選定相關抵押品之價格波動、抵押品估值及現金流量之其他來源，以及制訂預期現金缺欠之合理範圍以與 貴集團之評估作比較；

We also assessed the financial statement disclosures relating to the Group's exposure to credit risk.

我們亦已評估有關 貴集團面對信貸風險的財務報表披露。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

KEY AUDIT MATTERS (continued)

Valuation of financial assets at fair value through other comprehensive income

Refer to note 20B to the consolidated financial statements and the accounting policies on page 164.

關鍵審核事項(續)

按公平值列賬及在其他全面收入表處理之財務資產之估值

請參閱綜合財務報表附註20B及第164頁之會計政策。

The key audit matter

關鍵審計事項

As at 31 December 2018, included in the financial assets at fair value through other comprehensive income is an investment in unlisted equity security of approximately HK\$207,084,000.

於二零一八年十二月三十一日，按公平值列賬及在其他全面收入表處理之財務資產包括於非上市股本證券之投資約207,084,000港元。

We have identified the valuation of the investment in unlisted equity security included in the financial assets at fair value through other comprehensive income as a key audit matter since significant judgements and estimates have been used in the fair value estimations by the management at the end of the reporting period.

我們將計入按公平值列賬及在其他全面收入表處理之財務資產之非上市股本證券投資之估值識別為關鍵審計事項，因為管理層估計於報告期末之公平值時採用重大判斷及估計。

How the matter was addressed in our audit

我們的審計如何處理該事項

We have reviewed the management's estimation in determining the fair value of the financial assets with reference to the latest transactions. We have also involved our internal valuation specialists to review the appropriateness of this fair value.

我們經參考最新交易審閱管理層釐定財務資產公平值之估計。我們亦已邀請我們的內部估值專家審視此公平值是否合適。

We also focused on the valuation technique of financial instruments that were classified as level 2 in the fair value hierarchy.

我們亦集中於分類入第2級公平值層級之金融票據之估值技術。

In addition, we have also assessed that the fair value of the unlisted equity security is approximate to its carrying amount since there is no significant change in the performance and operation of the financial assets.

此外，我們亦已評定非上市股本證券之公平值與其賬面值相若，因該財務資產之表現及運作並無重大變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Valuation and accounting treatment of convertible bonds under financial assets at fair value through profit and loss

Refer to note 21 to the consolidated financial statements and the accounting policies on pages 165 to 166.

The key audit matter

關鍵審計事項

As at 31 December 2018, the Group's investment in convertible bonds classified as financial assets measured at fair value amounted to approximately HK\$304,081,000, representing 27% of total assets. Financial instruments which had significant unobservable inputs in the valuation, and hence were categorised within level 3 of the fair value hierarchy, involved a higher degree of uncertainty in their valuation.

於二零一八年十二月三十一日，貴集團分類為按公平值計量之財務資產之可換股債券投資約達304,081,000港元，佔總資產27%。於估值時有重大不可觀察輸入數據之金融票據（因此分類入第3級公平值層級），其估值涉及高度不確定性。

關鍵審核事項（續）

按公平值列賬及在損益賬處理之財務資產下可換股債券估值及會計處理

請參閱綜合財務報表附註21及第165頁至第166頁之會計政策。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures were designed to challenge the assumptions and critical judgements of the Group's valuation and accounting treatment for convertible bonds under financial assets at fair value through profit and loss.

我們的審計程序旨在質疑貴集團對按公平值列賬及在損益賬處理之財務資產下之可換股債券估值及會計處理中的假設及關鍵判斷。

We evaluated the appropriateness of the model used by management for the valuation of the convertible bonds. 我們已評估管理層就可換股債券估值所使用之模式是否合適。

We also evaluated the reasonableness and appropriateness of the unobservable and observable inputs used for the convertible bonds.

我們亦已評估就可換股債券所使用之不可觀察及可觀察輸入數據是否合理及合適。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告**OTHER MATTER**

The consolidated financial statements of the Group for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2018.

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.

其他事項

貴集團截至二零一七年十二月三十一日止年度之綜合財務報表乃由另一名核數師審核，其於二零一八年三月二十七日表示對該等財務報表無修改意見。

其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的資料，但並不包括綜合財務報表及我們就此出具的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們並無對其他資料發表任何形式的核證結論。

在我們審核綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大抵觸，或是否存在重大錯誤陳述。倘我們基於已執行的工作認為其他資料存在重大錯誤陳述，則我們須報告有關事項。

就此而言，我們並無任何事項需要報告。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

Audit Committee are responsible for overseeing the Group's financial reporting process.

貴公司董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港公司條例編製綜合財務報表，以令綜合財務報表作出真實而公平的反映及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司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則作別論。

審核委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF
THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and our agreed terms of engagements, 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 HKSAs 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.

**核數師就審核綜合財務報表承擔的
責任**

我們的目標是合理確保綜合財務報表整體而言不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並根據香港公司條例第405條及我們的經協定聘約條款僅向閣下（作為整體）出具包括我們意見的核數師報告，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理確保乃高水平的保證，但不能擔保按香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可能由欺詐或錯誤引起，倘合理預期個別或整體錯誤陳述可能影響綜合財務報表使用者根據綜合財務報表而所作出的經濟決定，則被視作重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

核數師就審核綜合財務報表承擔的 責任(續)

在根據香港審計準則進行審核的整個過程中，我們運用專業判斷並保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足而適當的審核憑證，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、虛假陳述或凌駕內部控制的情況，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。
- 了解與審核相關的內部監控，以設計適當的審核程序，但目的並非對貴集團的內部監控是否有效發表意見。
- 評估貴公司董事所採用會計政策是否適當及作出會計估計及相關披露資料是否合理。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF
THE CONSOLIDATED FINANCIAL STATEMENTS**
(continued)

- Conclude on the appropriateness of the Company's 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.

**核數師就審核綜合財務報表承擔的
責任(續)**

- 對 貴公司董事採用持續經營會計基礎是否適當作出結論，及根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。倘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注意綜合財務報表中的相關披露資料。倘有關的披露資料不足，則我們須修訂我們的意見。我們的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、架構及內容，包括披露資料，以及綜合財務報表是否公平地反映相關交易及事件。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。我們負責指導、監督及執行 貴公司的審核工作。我們就我們的審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kwan Chi Fung.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Kwan Chi Fung

Practising Certificate Number: P06614

Hong Kong

28 March 2019

Annual Report 2018 年報

核數師就審核綜合財務報表承擔的 責任(續)

除其他事項外，我們會與審核委員會就審核的計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括我們在審核過程中識別到內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求。我們並會與審核委員會就可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及在適用的情況下相關防範措施作出溝通。

從與審核委員會溝通的事項中，我們釐定對本期綜合財務報表的審核至關重要的事項，即關鍵審核事項。我們在核數師報告中描述該等事項，除非法例或規例不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在報告中傳達某一事項所造成的負面後果蓋過公眾利益以致我們會決定不應在報告中傳達該事項則作別論。

出具本獨立核數師報告的審核項目合夥人為關志峰先生。

信永中和(香港)會計師事務所有限公司

執業會計師

關志峰

執業證書編號：P06614

香港

二零一九年三月二十八日

滙盈控股有限公司

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收入表

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	收益	5	50,474	53,685
Other income	其他收入	5	4,058	814
Other gains and losses, net	其他收益及虧損淨額	7	(207)	1,051
Loss on acquisition of financial assets at fair value through profit or loss	收購按公平值列賬及在損益賬處理之財務資產之虧損	21	(47,436)	—
Fair value change on financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之財務資產之公平值變動	21	(177,657)	—
Fair value change on financial assets designated as at fair value through profit or loss	指定為按公平值列賬及在損益賬處理之財務資產之公平值變動	21	—	14,855
Net realised and unrealised loss on financial assets held for trading	持作買賣財務資產之已變現及未變現虧損淨額	21	(137,119)	(10,820)
Impairment loss on accounts receivable, net	應收賬款減值虧損淨額		(8,260)	(501)
Staff costs	員工成本	8	(84,046)	(75,953)
Commission expenses	佣金開支		(5,387)	(3,039)
Depreciation of property and equipment	物業及設備折舊	18	(2,108)	(2,026)
Finance costs	融資成本	11	(21,282)	(452)
Other operating expenses	其他經營開支		(56,994)	(44,392)
Share of loss of an associate	分佔聯營公司之虧損		(11)	—
Loss before tax	除稅前虧損		(485,975)	(66,778)
Income tax expenses	所得稅開支	12	(341)	(698)
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	13	(486,316)	(67,476)
Loss per share (HK cents) Basic and diluted	每股虧損(港仙) 基本及攤薄	15	(49.36)	(9.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**綜合財務狀況表**

As at 31 December 2018
於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產			
Trading rights	交易權	16	–	–
Other intangible assets	其他無形資產	17	1,246	1,246
Interest in an associate	於聯營公司之權益	19	9,989	–
Property and equipment	物業及設備	18	2,844	4,704
Statutory deposits	法定按金		2,988	3,447
Rental and utility deposits	租金及水電按金		1,578	2,702
Financial assets at fair value through profit or loss	按公平值列賬及 在損益賬處理 之財務資產	21	304,081	–
Financial assets at fair value through other comprehensive income	按公平值列賬及在 其他全面收入表 處理之財務資產	20B	207,084	–
Available-for-sale investments	可供出售投資	20A	–	–
			529,810	12,099
Current assets	流動資產			
Accounts receivable	應收賬款	22	167,927	216,897
Prepayments, deposits and other receivables	預付款項、按金及 其他應收賬款		22,429	12,871
Financial assets designated as at fair value through profit or loss	指定為按公平值 列賬及在損益賬 處理之財務資產	21	–	63,315
Financial assets held for trading	持作買賣財務資產	21	–	272,728
Financial assets at fair value through profit or loss	按公平值列賬及 在損益賬處理之 財務資產	21	240,282	–
Tax recoverable	可收回稅項		–	32
Pledged bank deposits	已抵押銀行存款	23	40,000	40,000
Bank balances and cash	銀行結餘及現金	24	138,032	228,190
			608,670	834,033

滙盈控股有限公司

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2018
於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current liabilities	流動負債			
Accounts payable	應付賬款	25	24,390	36,891
Accrued liabilities and other payables	應計負債及其他應付賬款		6,893	16,338
Tax payable	應繳稅項		537	330
Short-term bank borrowings	短期銀行借款	26	40,000	40,000
			71,820	93,559
Net current assets	流動資產淨額		536,850	740,474
Total assets less current liabilities	總資產減流動負債		1,066,660	752,573
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	28	26,116	—
Deferred tax liabilities	遞延稅項負債	27	1,282	388
			27,398	388
Net assets	資產淨額		1,039,262	752,185
Capital and reserves	資本及儲備			
Share capital	股本	30	1,585,239	855,363
Reserves	儲備		(545,977)	(103,178)
Total equity	權益總額		1,039,262	752,185

The consolidated financial statements on pages 123 to 307 were approved and authorised for issue by the board of directors on 28 March 2019 and are signed on its behalf by:

第123頁至第307頁所載之綜合財務報表經董事會於二零一九年三月二十八日批准授權刊行，並由下列董事代表簽署：

Fu Yiu Man, Peter
符耀文
Director
董事

Tin Ka Pak, Timmy
田家柏
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Capital reserve	Convertible bonds reserve	Investments revaluation reserve	Share option reserve	Other reserve	Accumulated losses	Total
		股本	資本儲備	可換股債券儲備	投資重估儲備	購股權儲備	其他儲備	累計虧損	總計
		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
			(note a) (附註a)				(note b) (附註b)		
At 1 January 2018	於二零一八年一月一日	855,363	123,758	-	-	20,406	(767)	(246,575)	752,185
Impact on initial application of HKFRS 9 (note 2)	首次應用香港財務報告準則第9號之影響 (附註2)	-	-	-	(550)	-	-	(4,694)	(5,244)
Adjusted balance at 1 January 2018	於二零一八年一月一日之經調整結餘	855,363	123,758	-	(550)	20,406	(767)	(251,269)	746,941
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	-	-	-	-	-	-	(486,316)	(486,316)
Recognition of equity-settled share option expenses (note 31)	確認以股本支付之購股權開支 (附註31)	-	-	-	-	31,322	-	-	31,322
Issue of shares upon exercise of share options (note 30d)	因行使購股權而發行股份 (附註30d)	431	-	-	-	(97)	-	-	334
Recognition of equity component of convertible bonds (note 28)	確認可換股債券之權益部分 (附註28)	-	-	310,819	-	-	-	-	310,819
Deferred tax liabilities on recognition of equity component of convertible bonds	確認可換股債券之權益部分之遞延稅項負債	-	-	(24,593)	-	-	-	-	(24,593)
Issue of shares upon conversion of convertible bonds (note 30c)	因可換股債券換股而發行股份 (附註30c)	656,821	-	(291,808)	-	-	-	-	365,013
Release of deferred tax liabilities on conversion of convertible bonds	撥回可換股債券換股之遞延稅項負債	-	-	23,118	-	-	-	-	23,118
Issue of shares by top-up placement and subscription (note 30b)	因以先舊後新方式配售及認購而發行股份 (附註30b)	73,811	-	-	-	-	-	-	73,811
Transaction costs attributable to issue of shares by top-up placement and subscription	因以先舊後新方式配售及認購而發行股份之交易成本	(1,187)	-	-	-	-	-	-	(1,187)
At 31 December 2018	於二零一八年十二月三十一日	1,585,239	123,758	17,536	(550)	51,631	(767)	(737,585)	1,039,262

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	Capital reserve	Convertible bonds reserve	Investments revaluation reserve	Share option reserve	Other reserve	Accumulated losses	Total
		股本	資本儲備	債券儲備	投資重估儲備	購股權儲備	其他儲備	累計虧損	總計
		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
			(note a)				(note b)		
			(附註a)				(附註b)		
At 1 January 2017	於二零一七年一月一日	735,252	123,758	-	-	20,406	(767)	(179,099)	699,550
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	-	-	-	-	-	-	(67,476)	(67,476)
Issue of shares by placement (note 30a)	因配售而發行股份(附註30a)	120,120	-	-	-	-	-	-	120,120
Transaction costs attributable to issue of shares by placement	因配售而發行股份之交易成本	(9)	-	-	-	-	-	-	(9)
At 31 December 2017	於二零一七年十二月三十一日	855,363	123,758	-	-	20,406	(767)	(246,575)	752,185

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

Notes:

附註：

(a) Capital reserve

Pursuant to a scheme of capital reorganisation, which became effective on 28 May 2003, the High Court of Hong Kong had approved the reduction of the capital of Value Convergence Holdings Limited (the "Company") and the cancellation of the Company's share premium account. The credit arising from the reduction of the share capital account and cancellation of the share premium account, after eliminated against the accumulated losses, in the aggregate amount of HK\$123,758,200 was transferred to a capital reserve account of the Company. Such capital reserve account will not be treated as realised profits, and shall be treated as an undistributable reserve of the Company until and unless the creditors of the Company as at the date of the sanction are fully settled. In view of the fact that the Company had already fully settled the relevant debts due to the creditors, the Company is of the view that the reserve is distributable to the Company's shareholders.

(b) Other reserve

Other reserve represented the differences between the purchase considerations and the amounts acquired from non-controlling interests arising from acquisitions of the remaining equity interests of 9.90% and 8.84% in VC Capital Limited and VC Asset Management Limited respectively completed in 2012.

(a) 資本儲備

根據於二零零三年五月二十八日生效之股本重組計劃，香港高等法院批准削減滙盈控股有限公司（「本公司」）股本及註銷本公司之股份溢價賬。削減股本賬及註銷股份溢價賬所產生之進賬與累計虧損對銷後之總額為123,758,200港元，已撥入本公司之資本儲備賬。該資本儲備賬不會被視為已變現溢利，而被視為本公司之不可分派儲備，直至及除非本公司於該頒令當日之應付賬已悉數償付為止。鑑於本公司已悉數償付結欠債權人之有關債務，故本公司認為，此儲備已可分派予本公司股東。

(b) 其他儲備

其他儲備指向非控股權益分別收購滙盈融資有限公司及滙盈資產管理有限公司各自餘下之9.90%及8.84%股本權益之購買代價與所收購款項之間的差額，有關收購已於二零一二年完成。

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

		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 before tax	除稅前虧損	(485,975)	(66,778)
Adjustment for	調整項目		
Interest income from authorised institutions	來自認可機構之利息收入	(733)	(581)
Interest income from convertible bonds	可換股債券利息收入	(3,013)	-
Interest expense on the convertible bonds	可換股債券利息開支	21,203	-
Interest expense on borrowings	借款利息開支	79	452
Share of loss of an associate	分佔聯營公司之虧損	11	-
Depreciation of property and equipment	物業及設備折舊	2,108	2,026
Unrealised loss on financial assets held for trading	持作買賣財務資產之未變現虧損	139,961	10,110
Fair value change on financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之財務資產公平值變動	177,657	-
Loss on acquisition of financial assets at fair value through profit or loss	收購按公平值列賬及在損益賬處理之財務資產之虧損	47,436	-
Fair value change on financial assets designated as at fair value through profit or loss	指定為按公平值列賬及在損益賬處理之財務資產之公平值變動	-	(14,855)
Impairment loss on accounts receivable, net	應收賬款之減值虧損，淨額	8,260	501
Loss on disposal of property and equipment	出售物業及設備之虧損	149	2
Equity-settled share option expense (note 31)	以股本支付之購股權開支(附註31)	31,322	-
Reversal of long service payments/ annual leave benefits	長期服務金/年假福利撥回	(235)	(320)
Compensation income arising from profit guarantee	因溢利保證而產生之補償收入	-	(978)

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(61,770)	(70,421)
Decrease (increase) in accounts receivable	應收賬款之減少(增加)	35,466	(43,678)
Increase in financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之財務資產之增加	(58,690)	-
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款之增加	(6,540)	(820)
Decrease in rental and utility deposits	租金及水電按金之減少	1,124	551
Increase in financial assets held for trading	持作買賣財務資產之增加	-	(25,420)
(Decrease) increase in accounts payable	應付賬款之(減少)增加	(12,501)	10,010
Decrease in accrued liabilities and other payables	應計負債及其他應付賬款之減少	(10,247)	(2,453)
Cash used in operations	經營所用現金	(113,158)	(132,231)
Bank interest received	已收銀行利息	728	546
Income tax refunded	退回所得稅	32	-
Income tax paid	已付所得稅	(715)	(12)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(113,113)	(131,697)
INVESTING ACTIVITIES	投資活動		
Purchase of financial assets at fair value through profit or loss	購買按公平值列賬及在損益賬處理之財務資產	(40,000)	-
Acquisition of investment in an associate	收購於聯營公司之投資	(10,000)	-
Purchase of property and equipment	購買物業及設備	(869)	(2,120)
Proceeds from disposal of property and equipment	出售物業及設備之所得款項	472	7
Payment of statutory deposits	支付法定按金	(1,724)	(1,369)
Refund of statutory deposits	退回法定按金	2,183	1,047
Deposits for setting up cost of a joint venture company	合營公司開辦費之按金	-	(5,000)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(49,938)	(7,435)

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
Proceeds from exercise of share options	行使購股權之所得款項	334	-
Proceeds from issue of shares by top-up placement and subscription	因以先舊後新方式配售及認購而發行股份之所得款項	73,811	-
Proceeds from issue of shares by placement	因配售而發行股份之所得款項	-	120,120
New bank borrowings raised	新造銀行借款	80,000	120,000
Repayment of bank borrowings	償還銀行借款	(80,000)	(120,000)
Payments for transaction costs attributable to issue of shares by top-up placement and subscription	支付因以先舊後新方式配售及認購而發行股份之交易成本	(1,187)	-
Payments for transaction costs attributable to issue of shares by placement	支付因配售而發行股份之交易成本	-	(9)
Interest paid	已付利息	(65)	(450)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	72,893	119,661
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之減少淨額	(90,158)	(19,471)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等值項目	228,190	247,661
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	年終之現金及現金等值項目，銀行結餘及現金	138,032	228,190

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 is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The Company and its subsidiaries (the "Group") are principally engaged in the provision of financial services and proprietary trading.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for its first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
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 Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

1. 一般資料

本公司為一家於香港註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址於年報公司資料中披露。

本公司及其附屬公司（「本集團」）主要從事提供金融服務及自營買賣業務。

綜合財務報表以港元列示，港元亦為本公司之功能貨幣。

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已首次採用下列由香港會計師公會（「香港會計師公會」）頒佈之新頒佈香港財務報告準則及修訂本：

香港財務報告準則第9號	金融票據
香港財務報告準則第15號	與客戶訂立合約之收益及相關修訂
香港財務報告準則第2號之修訂	以股份為基礎付款交易之分類及計量
香港財務報告準則第4號之修訂	香港財務報告準則第9號金融票據與香港財務報告準則第4號保險合約一併應用
香港會計準則第28號之修訂	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分
香港會計準則第40號之修訂	轉撥投資物業
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

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

The impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers have been summarised below. The application of other new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 superseded HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as the date of initial application (i.e. 1 January 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of accumulated losses and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue.

The Group’s accounting policies for its revenue streams are disclosed in detail in note 3 below.

The impact of transition of HKFRS 15 was insignificant on the accumulated losses and each financial statement line item of the consolidated statement of financial position at 1 January 2018.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

採納香港財務報告準則第9號金融票據及香港財務報告準則第15號與客戶訂立合約之收益之影響概述如下。於本年度採用其他新頒佈香港財務報告準則及修訂本對本年度及過往年度本集團之財務表現及財務狀況及／或綜合財務報表所載之披露事項並無重大影響。

香港財務報告準則第15號與客戶訂立合約之收益

香港財務報告準則第15號已取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋，並適用於與客戶訂立合約產生之所有收益，除非該等合約屬於其他準則之範圍則作別論。新準則建立一個五個步驟之模式，用於釐定是否確認收益以及所確認之金額及時間。本集團選擇就於首次應用日期（即二零一八年一月一日）尚未完成之客戶合約採納經修訂追溯法，首次用香港財務報告準則第15號之累計影響確認為年初累計虧損結餘之調整，並無重列比較資料。因此，若干比較資料可能無法比較，因該等比較資料乃根據香港會計準則第18號收益編製。

本集團有關收益來源之會計政策於下文附註3披露。

過渡至香港財務報告準則第15號對於二零一八年一月一日之累計虧損及綜合財務狀況表各財務報表項目之影響均微不足道。

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

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 January 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in accumulated losses as at 1 January 2018.

The Group’s accounting policies for the classification and measurement of financial instruments and the impairment of financial assets are disclosed in detail in note 3 below.

(i) Classification and measurement of financial instruments

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

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融票據

香港財務報告準則第9號取代香港會計準則第39號有關財務資產及財務負債之確認、分類及計量，金融票據之終止確認、財務資產減值及對沖會計處理之條文。本集團已根據香港財務報告準則第9號之過渡條文，對於首次應用日期（即二零一八年一月一日）尚未取消確認之金融票據追溯應用香港財務報告準則第9號，並選擇不重列比較資料。首次應用時財務資產及財務負債賬面值之差異於二零一八年一月一日之累計虧損中確認。

本集團有關金融票據之分類及計量及財務資產減值之會計政策於下文附註3披露。

(i) 金融票據之分類及計量

本公司董事根據於二零一八年一月一日存在之事實及情況審閱及評估本集團於當日之現有財務資產及負債，並得出結論認為首次應用香港財務報告準則第9號對本集團財務資產及負債產生以下有關分類及計量之影響。

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

HKFRS 9 Financial Instruments (continued)

(i) *Classification and measurement of financial instruments (continued)*

- (a) Equity investments previously classified as financial assets designated as at fair value through profit or loss (“FVTPL”):

The Group no longer applied designation as measured at FVTPL for equity investments amounting to approximately HK\$63,315,000 under HKAS 39 as these financial assets are required to be measured at FVTPL under HKFRS 9.

- (b) Equity investments previously classified as financial assets held for trading:

The Group’s equity investments amounting to approximately HK\$272,728,000 are measured at FVTPL under HKAS 39 and continue to be measured at FVTPL under HKFRS 9.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融票據（續）

(i) 金融票據之分類及計量（續）

- (a) 過往分類為指定為按公平值列賬及在損益賬處理（「按公平值列賬及在損益賬處理」）之財務資產之股本投資：

本集團不再根據香港會計準則第39號將為數約63,315,000港元之股本投資應用指定為按公平值列賬及在損益賬處理計量，因根據香港財務報告準則第9號該等財務資產須按公平值列賬及在損益賬處理計量。

- (b) 過往分類為持作買賣之財務資產之股本投資：

本集團根據香港會計準則第39號按公平值列賬及在損益賬處理計量為數約272,728,000港元之股本投資根據香港財務報告準則第9號繼續按公平值列賬及在損益賬處理計量。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**HKFRS 9 Financial Instruments (continued)***(i) Classification and measurement of financial instruments (continued)*

- (c) Unlisted equity investments previously classified as available-for-sale investments carried at cost less impairment:

The Group had elected to present in other comprehensive income for the fair value changes in respect of certain of the Group's unlisted equity instruments with carrying amount of HK\$nil as they are held for medium or long-term strategic purpose, and reclassified them to financial assets at fair value through other comprehensive income (“FVTOCI”) upon initial application of HKFRS 9. The Group measures them at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the investment revaluation reserve, which will not be reclassified to profit or loss when they are derecognised. On initial application of HKFRS 9, an impairment loss of HK\$550,000 previously recognised against these investments was reclassified from accumulated losses to investments revaluation reserve at 1 January 2018. There is no difference between the previous carrying amount and the fair value at 1 January 2018.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）**香港財務報告準則第9號金融票據（續）***(i) 金融票據之分類及計量（續）*

- (c) 過往分類為按成本減以減值列賬之可供出售投資之非上市股本投資：

於首次應用香港財務報告準則第9號時，本集團選擇將賬面值為零港元之非上市股本投資之公平值變動於其他全面收入表呈列，因該等投資乃持有作中長期策略用途，並已將該等投資重新分類為按公平值列賬及在其他全面收入表處理（「按公平值列賬及在其他全面收入表處理」）之財務資產。於其後之報告期末本集團按公平值計量該等投資，其公平值收益或虧損則於其他全面收入表確認並累計入投資重估儲備，而於取消確認該等投資時該等收益或虧損不會重新分類至損益賬。於首次應用香港財務報告準則第9號時，過往對該等投資確認之550,000港元減值虧損已由累計虧損重新分類至二零一八年一月一日之投資重估儲備。過往賬面值與二零一八年一月一日之公平值並無差異。

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

HKFRS 9 Financial Instruments (continued)

(i) Classification and measurement of financial instruments (continued)

- (d) Financial assets previously classified as loans and receivables:

The directors of the Company reviewed and assessed the Group’s existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that all financial assets previously classified as loans and receivables under HKAS 39 are continued to measure at amortised cost under HKFRS 9.

(ii) Loss allowance for expected credit losses (“ECL”)

The adoption of HKFRS 9 has changed the Group’s accounting for impairment losses for financial assets by replacing HKAS 39’s incurred loss model with a forward-looking ECL model. 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 requirement HKFRS 9.

As at 1 January 2018, an additional allowance on the Group’s accounts receivable of approximately HK\$5,244,000 have been recognised, thereby increase the opening accumulated losses of approximately HK\$5,244,000.

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

The table below summaries the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group’s financial assets and reconciles the carrying amounts of financial assets under HKAS 39 to the carrying amounts under HKFRS 9 on 1 January 2018.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融票據（續）

(i) 金融票據之分類及計量（續）

- (d) 過往分類為貸款及應收賬款之財務資產：

本公司董事根據於二零一八年一月一日存在之事實及情況審閱及評估本集團於當日之現有財務資產，並得出結論認為過往根據香港會計準則第39號分類為貸款及應收賬款之所有財務資產將根據香港財務報告準則第9號繼續按攤銷成本列賬。

(ii) 預期信貸虧損（「預期信貸虧損」）之虧損準備

採納香港財務報告準則第9號改變本集團對財務資產減值虧損之會計處理，其以前瞻預期信貸虧損模式取代香港會計準則第39號之已發生虧損模式。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號之規定，使用毋須付出不必要成本或努力即可取得之合理及具支持的資料，就本集團現有財務資產之減值作出審閱及評估。

於二零一八年一月一日，已就本集團應收賬款額外確認約5,244,000港元信貸虧損準備，其使年初累計虧損增加約5,244,000港元。

(iii) 首次應用香港財務報告準則第9號產生之影響概要

下表概述本集團各類財務資料產於香港會計準則第39號下之原有計量類別及於香港財務報告準則第9號下之新計量類別，以及財務資產於香港會計準則第39號下之賬面值與於二零一八年一月一日於香港財務報告準則第9號下之賬面值對賬。

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

HKFRS 9 Financial Instruments (continued)

(iii) Summary of effects arising from initial application of HKFRS 9 (continued)

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融票據（續）

(iii) 首次應用香港財務報告準則第9號產生之影響概要（續）

		Carrying amount at 31 December 2017 (HKAS 39) 於二零一七年十二月三十一日之賬面值 (香港會計準則第39號) HK\$'000 千港元	Adoption of HKFRS 9 – Reclassification 採納香港財務報告準則第9號 – 重新分類 HK\$'000 千港元	Adoption of HKFRS 9 – Remeasurement 採納香港財務報告準則第9號 – 重新計量 HK\$'000 千港元	Carrying amount at 1 January 2018 (HKFRS 9) 於二零一八年一月一日之賬面值 (香港財務報告準則第9號) HK\$'000 千港元
Available-for-sale investments 可供出售投資					
– Unlisted equity securities in Hong Kong and BVI 於香港及英屬處女群島之非上市股本證券		–	–	–	–
Financial assets designated as at FVTPL 指定為按公平值列賬及在損益賬處理之財務資產					
– Equity securities listed in Hong Kong 於香港上市之股本證券		63,315	(63,315)	–	–
Financial assets held for trading 持作買賣財務資產					
– Equity securities listed in Hong Kong 於香港上市之股本證券		272,728	(272,728)	–	–
Loans and receivables 貸款及應收賬款					
– Accounts receivable 應收賬款		216,897	(216,897)	–	–
– Deposits and other receivables 按金及其他應收賬款		10,408	(10,408)	–	–
– Pledged bank deposits 已抵押銀行存款		40,000	(40,000)	–	–
– Bank balances and cash 銀行結餘及現金		228,190	(228,190)	–	–

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

HKFRS 9 Financial Instruments (continued)

(iii) Summary of effects arising from initial application of HKFRS 9 (continued)

2. 採用新頒佈及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融票據(續)

(iii) 首次應用香港財務報告準則第9號產生之影響概要(續)

		Carrying amount at 31 December 2017 (HKAS 39) 於二零一七年十二月三十一日之賬面值 (香港會計準則第39號) HK\$'000 千港元	Adoption of HKFRS 9 – Reclassification 採納香港財務報告準則第9號 – 重新分類 HK\$'000 千港元	Adoption of HKFRS 9 – Remeasurement 採納香港財務報告準則第9號 – 重新計量 HK\$'000 千港元	Carrying amount at 1 January 2018 (HKFRS 9) 於二零一八年一月一日之賬面值 (香港財務報告準則第9號) HK\$'000 千港元
Financial assets at FVTOCI	按公平值列賬及在其他全面收入表處理之財務資產				
– Unlisted equity securities in Hong Kong and BVI	– 於香港及英屬處女群島之非上市股本證券	–	–	–	–
Financial assets at FVTPL	按公平值列賬及在損益賬處理之財務資產				
– Equity securities listed in Hong Kong	– 於香港上市之股本證券	–	63,315	–	63,315
– Equity securities listed in Hong Kong held for trading	– 持作買賣於香港上市之股本證券	–	272,728	–	272,728
Financial assets at amortised cost	按攤銷成本列賬之財務資產				
– Accounts receivable	– 應收賬款	–	216,897	(5,244)	211,653
– Deposits and other receivables	– 按金及其他應收賬款	–	10,408	–	10,408
– Pledged bank deposits	– 已抵押銀行存款	–	40,000	–	40,000
– Bank balances and cash	– 銀行結餘及現金	–	228,190	–	228,190

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

HKFRS 9 Financial Instruments (continued)

(iii) Summary of effects arising from initial application of HKFRS 9 (continued)

The table below summarises the impact of transition to HKFRS 9 on accumulated losses at 1 January 2018.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融票據（續）

(iii) 首次應用香港財務報告準則第9號產生之影響概要（續）

下表概述過渡至香港財務報告準則第9號對二零一八年一月一日之累計虧損之影響。

		Accumulated losses 累計虧損 HK\$'000 千港元
Balance at 31 December 2017 as originally stated	原先呈列於二零一七年十二月 三十一日之結餘	(246,575)
Transferred from accumulated losses to investments revaluation reserve as the financial assets now measured at FVTOCI	因財務資產現時按公平值列賬及在 其他全面收入表處理計量而由 累計虧損轉撥至投資重估儲備	550
Recognition of additional expected credit losses	確認額外預期信貸虧損	(5,244)
Total change as a result of adoption of HKFRS 9 on 1 January 2018	於二零一八年一月一日採納香港財務 報告準則第9號引致之變動總額	(4,694)
Balance at 1 January 2018 as restated	經重列於二零一八年一月一日之結餘	(251,269)

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

New and revised HKFRSs issued but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ³
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 ⁵
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

2. 採用新頒佈及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之新頒佈及經修訂香港財務報告準則

本集團並無提前採用以下已頒佈但尚未生效之新頒佈及經修訂香港財務報告準則及詮釋：

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 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理的不確定性 ¹
香港財務報告準則第3號之修訂	業務之定義 ³
香港財務報告準則第9號之修訂	具有負補償之提早還款特性 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業間之資產出售或貢獻 ⁵
香港會計準則第1號及香港會計準則第8號	重大之定義 ²
香港會計準則第19號之修訂	計劃修訂、縮減或清償 ¹
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則之修訂	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

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**New and revised HKFRSs issued but not yet effective (continued)**

- 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 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.
- ⁴ Effective for annual periods beginning on or after 1 January 2021.
- ⁵ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）**已頒佈但尚未生效之新頒佈及經修訂香港財務報告準則（續）**

- ¹ 於二零一九年一月一日或以後開始之年度期間生效。
- ² 於二零二零年一月一日或以後開始之年度期間生效。
- ³ 對二零二零年一月一日或之後開始之首個年度期間開始時或之後發生之收購生效。
- ⁴ 於二零二一年一月一日或以後開始之年度期間生效。
- ⁵ 於某待定日期或以後開始之年度期間生效。

本公司董事預期，除下文所述者外，採用其他新頒佈及經修訂香港財務報告準則對本集團業務及財務狀況並無重大影響。

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

New and revised HKFRSs issued but not yet effective (continued)

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新頒佈及經修訂香港財務報告準則（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號訂明識別租賃安排之全面模式以及其於出租人及承租人財務報表之處理方法。

就承租人會計處理方法而言，該準則引入單一承租人會計處理模式，規定承租人就租期超過12個月之所有租賃確認資產及負債，除非低價值相關資產者則作別論。

於租賃開始日期，承租人須按成本確認使用權資產，其包括租賃負債之初步計量金額加於開始日期或之前向出租人支付之任何租賃款項再減以任何已收取之租賃優惠、初步估計修復成本及承租人產生之任何初步直接成本。租賃負債初步按當日未償租賃款項之現值確認。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**New and revised HKFRSs issued but not yet effective (continued)***HKFRS 16 Leases (continued)*

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

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

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

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）**已頒佈但尚未生效之新頒佈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）*

其後，使用權資產按成本減以任何累計折舊及任何累計減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債其後之計量方法為增加賬面值以反映租賃負債利息、減少賬面值以反映已付租賃款項，及重新計量賬面值以反映任何重估或租賃修訂或反映經修訂實質固定租賃款項。使用權資產之折舊及減值開支（如有）將按照香港會計準則第16號物業、機器及設備於損益賬扣除，而租賃負債之應計利息將於損益賬扣除。

就出租人會計處理方法而言，香港財務報告準則第16號大致上保留香港會計準則第17號租賃對出租人會計處理方法之規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並以不同方法將該兩類租賃入賬。

香港財務報告準則第16號於生效時將取代現有租賃準則，包括香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號將於二零一九年一月一日或之後開始之年度期間生效，並允許提早應用，惟實體須於初步應用香港財務報告準則第16號當日或之前已應用香港財務報告準則第15號與客戶訂立合約之收益。

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

New and revised HKFRSs issued but not yet effective (continued)

HKFRS 16 Leases (continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately HK\$16,665,000 as disclosed in note 32. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence 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 upon the application of HKFRS 16. In addition, the application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. The directors of the Company are in the process to determine the amounts of right-of-use assets and lease liabilities to be recognised in the consolidated statement of financial position, after taking into account all practical expedients and recognition exemption under HKFRS 16. The directors of the Company expect that the adoption of HKFRS 16 will not have material impact on the Group’s result but certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

2. 採用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新頒佈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）

誠如附註32所披露，於二零一八年十二月三十一日，本集團有為數約16,665,000港元之不可撤銷經營租賃承擔。初步評估顯示該等安排將符合香港財務報告準則第16號下租賃之定義，因此於採用香港財務報告準則第16號時，本集團將就所有此等租賃確認使用權資產及相應負債，除非其符合低價值或為短期租賃。此外，應用新規定可能導致上文所述之計量、呈列及披露出現變動。本公司董事正在藉著考慮所有便於實務操作之方法及香港財務報告準則第16號下之確認豁免以釐定將於綜合財務狀況表中確認之使用權資產及租債負債金額。本公司董事預計採納香港財務報告準則第16號不會對本集團之業績造成重大影響，惟此等租賃承擔中若干部分將須於綜合財務狀況表中確認為使用權資產及租賃負債。

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3. SIGNIFICANT ACCOUNTING POLICIES

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 ("Listing Rules") and the Hong Kong Companies Ordinance.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載列聯交所證券上市規則（「上市規則」）及《香港公司條例》規定之適用披露資料。

誠如下列會計政策所述，綜合財務報表乃按歷史成本基準編製，惟若干金融票據乃按各報告期末之公平值計量。

歷史成本一般是建基於就換取貨品及服務所支付之代價之公平值。

公平值是於計量日期市場參與者於主要（或最有利）市場上之有序交易中按現行市況出售資產可收取或轉讓負債須支付之價格（即退出價），而不論該價格是否可直接觀察或使用其他估值技術估計。公平值計量之詳情於下文所載之會計政策中解釋。

主要會計政策載列如下。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

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

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

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

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

3. 主要會計政策(續)

綜合基準

綜合財務報表包括本公司及本公司所控制之實體以及其附屬公司之財務報表。如本公司符合以下情況，即為取得控制權：

- 對被投資方具有權力；
- 因參與被投資方業務而承擔可變回報之風險或享有可變回報之權利；及
- 可對被投資方使用權力以影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對被投資方擁有控制權。

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入表，直至本集團不再控制有關附屬公司之日期為止。

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

3. 主要會計政策(續)**綜合基準(續)**

損益及其他全面收入之每個成份乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收入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。

有必要時，會對附屬公司財務報表作出調整，以使彼等之會計政策與本集團之會計政策一致。

本集團內公司間之所有資產及負債、權益、收入、開支及有關本集團成員之間交易的現金流量，一概於綜合入賬時悉數對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest in an associate

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

The Group's investment in an associate is accounted for in the consolidated financial statements using the equity method. Under the equity method, investment in an associate is initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the associate is recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of loss of an associate equals or exceeds its interest in the associate, which determined using the equity method together with 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 provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

3. 主要會計政策(續)

於聯營公司之權益

聯營公司指本集團對其有重大影響力之實體。重大影響力指參與投資對象財務及營運決策之權力，惟對該等政策並無控制權或共同控制權。

本集團於聯營公司之投資採用權益法於綜合財務報表入賬。根據權益法，於聯營公司之投資初步按成本確認。本集團分佔聯營公司之溢利或虧損及其他全面收入之變動於收購日期後分別於損益賬及其他全面收入內確認。倘本集團分佔聯營公司之虧損相等於或超出其於該聯營公司之權益(以權益法釐定，連同任何實質上組成本集團於該聯營公司投資淨額部分之長期權益)，則本集團取消確認其分佔之進一步虧損。僅於本集團已產生法定或推定責任或代表聯營公司付款時，方就額外虧損作出撥備及確認負債。

倘聯營公司所用之會計政策有別於本集團於類似情況下就類似交易及事件所採用者，則在本集團應用權益法過程中使用聯營公司財務報表時，會調整聯營公司之會計政策，以使與本集團之會計政策貫徹一致。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Interest in an associate (continued)**

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

After application of the equity method, including recognising the associate's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its investment in the associate. Goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised. The entire carrying amount of the investment (including goodwill) is tested for impairment 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 in the associate. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Gains and losses resulting from transactions between the Group and its associate is recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associate. The Group's share in the associate's gains or losses resulting from these transactions is eliminated.

3. 主要會計政策(續)**於聯營公司之權益(續)**

於聯營公司之投資乃自投資對象成為聯營公司當日起使用權益法入賬。於收購投資時，收購成本超出本集團分佔聯營公司可識別資產及負債淨公平值之任何部分一概確認為商譽，並計入投資之賬面值。

於重新評估後，本集團分佔聯營公司可識別資產及負債淨公平值超出收購成本之任何部分一概於收購投資期間於損益賬確認。

應用權益法(包括確認聯營公司虧損(如有))後，本集團決定是否須就其於聯營公司之投資確認任何額外減值虧損。組成於聯營公司之投資賬面值一部分之商譽並不予分開確認。投資之全部賬面值(包括商譽)作為單一資產進行減值測試，方法為比較其可收回金額(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均屬於聯營公司之投資賬面值之一部分。減值虧損之任何撥回於該項投資可收回金額其後增加時確認。

本集團與其聯營公司進行交易所得之損益，僅以非關連投資者於該聯營公司之權益為限在綜合財務報表確認。本集團分佔聯營公司來自該等交易之損益均予以對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Policy applicable to the year ended 31 December 2018 (with application of HKFRS 15)

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

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

The Group recognised 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 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 same.

3. 主要會計政策(續)

收益確認

截至二零一八年十二月三十一日止年度適用之政策(隨著應用香港財務報告準則第15號)

所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，本集團使用五個步驟確認收益：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時(或就此)確認收益

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之商品或服務之「控制權」轉讓予客戶時。

履約責任指一項獨特貨品及服務(或一組獨特貨品或服務)或一系列大致相同之獨特貨品或服務。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Revenue recognition (continued)***Policy applicable to the year ended 31 December 2018 (with application of HKFRS 15) (continued)*

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 asset is created and enhanced; 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 goods or services.

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

3. 主要會計政策(續)**收益確認(續)***截至二零一八年十二月三十一日止年度適用之政策(隨著應用香港財務報告準則第15號)(續)*

倘符合以下其中一項標準，則控制權隨時間轉移，而收益則參照完全履行相關履約責任之進展隨時間確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供之利益；
- 本集團履約製造出及提升某項資產，而該項資產於製造或提升時由客戶控制；或
- 本集團履約並無製造出對本集團而言有其他用途的資產，且本集團就迄今為止已完成的履約擁有可強制執行收款之權利。

否則，收益於客戶獲得獨特貨品或服務控制權之時間點確認。

收益按客戶合約訂明之代價計量，惟不包括代表第三方收取之款項、折扣及銷售相關稅項。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Policy applicable to the year ended 31 December 2018 (with application of HKFRS 15) (continued)

Contract assets and contract liabilities

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.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

3. 主要會計政策(續)

收益確認(續)

截至二零一八年十二月三十一日止年度適用之政策(隨著應用香港財務報告準則第15號)(續)

合約資產及合約負債

合約資產指本集團就已向客戶轉讓貨品或服務而換取代價之權利(尚未成為無條件)。其根據香港財務報告準則第9號進行減值評估。相反,應收賬款指本集團收取代價之無條件權利,即代價到期付款前僅有待時間推移。

合約負債指本集團就已向客戶收取代價而須向客戶轉讓貨品或服務之責任。倘本集團於確認相關收益前擁有無條件收取代價之權利,亦會確認合約負債。在此情況下,亦會確認相應的應收賬款。

就與客戶訂立之單一合約而言,會呈列合約資產淨值或合約負債淨額。就多份合約而言,不相關合約之合約資產及合約負債不會按淨額基準呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Revenue recognition (continued)**

Policy applicable to the year ended 31 December 2018 (with application of HKFRS 15) (continued)

Contract assets and contract liabilities (continued)

The Group recognised revenue from the following major sources:

- Brokerage commission and other related fee from dealing in securities and futures and options contracts
- Underwriting, sub-underwriting, placing and sub-placing commission
- Arrangement, advisory, referral fee and other fee income
- Interest income
- Dividend income from financial assets held for trading

Provision of services

Revenue from brokerage commission and other related fee from dealing in securities and futures and options contracts is recognised as income on trade date basis. Arrangement, advisory, underwriting, sub-underwriting, placing and sub-placing, referral fee and other fee income are recognised over time or at a point in time with reference to the detailed terms of transactions as stipulated in the contracts entered into with its customers and counterparties.

3. 主要會計政策(續)**收益確認(續)**

截至二零一八年十二月三十一日止年度適用之政策(隨著應用香港財務報告準則第15號)(續)

合約資產及合約負債(續)

本集團確認以下主要來源之收益：

- 買賣證券及期貨及期權合約之經紀佣金及其他相關費用
- 包銷、分包銷、配售及分配售佣金
- 安排、顧問、轉介費及其他費用收入
- 利息收入
- 持作買賣財務資產之股息收入

提供服務

來自買賣證券及期貨及期權合約之經紀佣金及其他相關費用之收益以交易日基準確認為收入。安排、顧問、包銷、分包銷、配售及分配售、轉介費及其他費用收入經參考其客戶與交易對手訂立合約所規定之交易詳細條款於提供該等服務時隨時間或於一個時間點確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Policy applicable to the year ended 31 December 2017

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the course of business, net of discounts.

Revenue is recognised on the following bases:

- Brokerage commission and other related fee from dealing in securities and futures and options contracts are recorded as income on a trade date basis.
- Underwriting, sub-underwriting, placing and sub-placing commission are recognised as income in accordance with the terms of the underlying agreement or deal mandate when the relevant significant act has been completed.

3. 主要會計政策(續)

收益確認(續)

截至二零一七年十二月三十一日止年度適用之政策

收益乃按已收或應收代價之公平值計量，為就在業務過程中所提供服務之應收款額(扣除折扣)。

收益乃以如下基準確認：

- 買賣證券及期貨及期權合約之經紀佣金及其他相關收費以交易日基準入賬為收入。
- 包銷、分包銷、配售及分配售佣金乃根據相關協議或交易委託書之條款於主要舉措完成時確認為收入。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Revenue recognition (continued)***Policy applicable to the year ended 31 December 2017 (continued)*

- Arrangement, advisory, referral fee and other fee income are recognised when the relevant transactions have been arranged or the relevant services have been rendered.
- Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.
- Dividend income from financial assets held for trading is recognised when the shareholder's right to receive payment has been established.

Trading rights/other intangible assets

Trading rights represent rights to trade on the Stock Exchange and Hong Kong Futures Exchange Limited ("HKFE"). They are stated at cost less accumulated amortisation and any accumulated impairment losses, and amortised using the straight-line method over their estimated useful lives.

Other intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Gains or losses arising from derecognition of the trading rights and other intangible assets are measured as the difference between the sales proceeds and the carrying amount of the assets and are recognised in the profit or loss when the assets are derecognised.

3. 主要會計政策(續)**收益確認(續)***截至二零一七年十二月三十一日止年度適用之政策(續)*

- 安排、顧問、轉介費及其他費用收入乃於安排相關交易或提供相關服務時確認。
- 客戶之利息收入乃按時間比例基準根據尚未償還本金及適用實際利率確認。
- 持作買賣財務資產之股息收入乃於確立股東收取股息之權利時確認。

交易權／其他無形資產

交易權指可在聯交所及香港期貨交易所有限公司(「期交所」)交易之權利，乃按成本減累計攤銷及任何累計減值虧損列賬，並以直線法就其估計可使用年期予以攤銷。

獨立收購且具有無限定可使用年期之其他無形資產，乃按成本減任何其後累計減值虧損列賬。

取消確認交易權及其他無形資產所產生之收益或虧損按出售所得款項與資產賬面值之差額計量，並於取消確認資產時在損益賬中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is 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 and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with effect of any changes in estimate accounted for on a prospective basis.

An item of property 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 disposal or retirement of an item of property 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.

3. 主要會計政策(續)

物業及設備

物業及設備乃以成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

折舊乃按物業及設備項目於估計可使用年期內扣減剩餘價值以直線法確認所撇減其成本。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，而任何估計變動之影響按前瞻基準入賬。

物業及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或報銷物業及設備項目所產生之任何收益或虧損乃按該資產之出售所得款項與賬面值之差額計算並於損益賬中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments**

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. 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 FVTPL) 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 FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and the net amount presented in the consolidated statement of financial position when, and only when the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. 主要會計政策(續)**金融票據**

財務資產及財務負債乃當某集團實體成為票據合約條文之訂約方時於綜合財務狀況表中確認。

財務資產及財務負債初步按公平值確認。收購或發行財務資產及財務負債(按公平值列賬及在損益賬處理之財務資產及財務負債除外)之直接交易成本乃於初步確認時加入財務資產或財務負債之公平值或自財務資產或財務負債之公平值內扣除(如適用)。收購按公平值列賬及在損益賬處理之財務資產或財務負債之直接交易成本乃即時於損益賬中確認。

本集團在及只會在以下情況下，方會將財務資產及財務負債對銷，並於綜合財務狀況表呈列其淨額：當本集團現時具有可依法強制執行之權利以對銷已確認金額；並且有意按淨額結算或同時變現資產及清償負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKFRS 9 (applicable on or after 1 January 2018)

Financial assets

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.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

3. 主要會計政策(續)

金融票據(續)

根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)

財務資產

所有日常財務資產買賣按交易日基準確認及取消確認。日常買賣乃指須按照市場規定或慣例在一定時間內交付資產之財務資產買賣。

所有已確認財務資產視乎財務資產之分類隨後整份按攤銷成本或公平值計量。財務資產於初步確認時分類為隨後按攤銷成本、按公平值列賬及在其他全面收入表處理或按公平值列賬及在損益賬處理之方式計量。

初步確認時，財務資產之分類乃取決於財務資產合約現金流量特性及本集團管理該等資產之業務模式。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)**

Under HKFRS 9 (applicable on or after 1 January 2018) (continued)

Financial assets (continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

3. 主要會計政策(續)**金融票據(續)**

根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)

財務資產(續)

按攤銷成本列賬之財務資產(債務工具)

倘同時符合以下條件，則本集團隨後按攤銷成本計量財務資產：

- 持有財務資產之業務模式之目的為持有財務資產藉以收取合約現金流量；及
- 財務資產合約條款令於特定日期產生之現金流量乃純粹為支付本金及未償還本金之利息。

按攤銷成本列賬之財務資產隨後使用實際利率法計量並須予減值。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

*Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Financial assets at amortised cost (debt instruments) (continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

3. 主要會計政策(續)

金融票據(續)

*根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*按攤銷成本列賬之財務資產(債務工具)(續)

(i) 攤銷成本及實際利率法

實際利率法乃計算債務工具之攤銷成本及按有關期間攤分利息收入之方法。

就並非購買或產生信貸減值財務資產(即於初步確認時已出現信貸減值之資產)之財務資產而言, 實際利率乃將初步確認時之估計日後現金收入(包括所有所支付或所收取而構成整體實際利率之費用及基點、交易成本及其他所有溢價或折讓)(不包括預期信貸虧損)按債務工具之預期年期或較短期間(如適用)實際貼現至債務工具賬面總值之利率。就購買或產生信貸減值財務資產而言, 經信貸調整實際利率乃按於初步確認時將估計日後現金收入(包括預期信貸虧損)貼現至債務工具攤銷成本之利率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Financial assets at amortised cost (debt instruments) (continued)

(i) Amortised cost and effective interest method (continued)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets 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). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, 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.

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*按攤銷成本列賬之財務資產(債務工具)(續)

(i) 攤銷成本及實際利率法(續)

財務資產之攤銷成本指財務資產於初步確認時計量之金額減以本金還款，再加以初步金額與到期金額之間的任何差額使用實際利率法計算之累計攤銷(就任何虧損準備作出調整)。財務資產之賬面總值指就任何虧損準備作出調整前之財務資產攤銷成本。

隨後按攤銷成本及按公平值列賬及在其他全面收入表處理之債務工具之利息收入使用實際利率法確認。就並非購買或產生信貸減值財務資產之財務資產而言，利息收入使用財務資產賬面總值之實際利率計算，惟隨後出現信貸減值之財務資產除外(見下文)。就隨後出現信貸減值之財務資產而言，利息收入應用財務資產攤銷成本之實際利率確認。倘於隨後報告期間信貸減值金融票據之信貸風險有所改善致使財務資產不再出現信貸減值，則利息收入應用財務資產賬面總值之實際利率確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKFRS 9 (applicable on or after 1 January 2018) (continued)

Financial assets (continued)

Financial assets at amortised cost (debt instruments) (continued)

(i) Amortised cost and effective interest method (continued)

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other income" line item (note 5).

3. 主要會計政策(續)

金融票據(續)

根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)

財務資產(續)

按攤銷成本列賬之財務資產(債務工具)(續)

(i) 攤銷成本及實際利率法(續)

就購買或產生信貸減值財務資產而言，本集團應用初步確認時財務資產攤銷成本之經信貸調整實際利率確認。此計算不會回轉至總額基準，即使財務資產信貸風險隨後有所改善致使財務資產不再出現信貸減值亦然。

利息收入於損益賬確認並計入「其他收入」項目(附註5)。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

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 investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

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

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*指定為按公平值列賬及在其他全面收入表處理之股本工具

於初步確認時，本集團可作出不可撤回選擇(按個別工具基準)將於股本工具之投資指定為按公平值列賬及在其他全面收入表處理。倘股本工具屬持作買賣或倘屬收購方確認業務合併之或然代價，則不得指定為按公平值列賬及在其他全面收入表處理。

按公平值列賬及在其他全面收入表處理於股本工具之投資初步按公平值加交易成本計量。其後按公平值計量，公平值變動所產生之損益於其他全面收入確認並累計入投資重估儲備。於出售股本投資時，累計損益不會重新分類至損益賬，反而會撥入保留盈利。

該等於股本工具之投資的股息於確立本集團收取股息之權利時於損益賬確認，除非股息明確屬於收回投資成本的一部分則作別論。股息計入損益賬「收益」一項。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

*Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

3. 主要會計政策(續)

金融票據(續)

*根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*按公平值列賬及在損益賬處理之財務資產

並不符合按攤銷成本計量或按公平值列賬及在其他全面收入表處理之財務資產一概按公平值列賬及在損益賬處理計量。具體而言：

- 於股本工具之投資乃分類為按公平值列賬及在損益賬處理，除非本集團於初步確認時將既非持作買賣亦非業務合併之或然代價之股本投資指定為按公平值列賬及在其他全面收入表處理。
- 不符合按攤銷成本列賬標準或按公平值列賬及在其他全面收入表處理標準之債務工具一概分類為按公平值列賬及在損益賬處理。此外，倘有關指定消除或大幅減少按不同基準計量資產或負債或確認其收益及虧損會產生之計量或確認差異，則符合按攤銷成本列賬標準或按公平值列賬及在其他全面收入表處理標準之債務工具於初步確認時可指定為按公平值列賬及在損益賬處理。本集團並無指定任何債務工具為按公平值列賬及在損益賬處理。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Financial assets at FVTPL (continued)

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 to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 34.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*按公平值列賬及在損益賬處理之財務資產(續)

按公平值列賬及在損益賬處理之財務資產於各報告期末按公平值計量，在其並非指定對沖關係的一部分之情況下，任何公平值收益或虧損均於損益賬確認。於損益賬確認之收益或虧損淨額並不包括財務資產賺取之任何股息或利息。公平值按附註34所述之方式釐定。

倘屬下列情況，則財務資產屬持作買賣：

- 購入財務資產主要為於不久將來出售；或
- 於初步確認時其構成本集團共同管理的已識別金融票據組合的一部分及具有近期實際短期獲利模式；或
- 其為一項衍生工具(屬財務擔保合約或指定及實際上為對沖工具之對沖工具除外)。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKFRS 9 (applicable on or after 1 January 2018) (continued)

*Financial assets (continued)*Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on accounts receivable and financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for accounts receivable from money lending business and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has 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. 主要會計政策(續)

金融票據(續)

根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)

*財務資產(續)*財務資產減值

本集團就應收賬款及按攤銷成本計量之財務資產確認預期信貸虧損之減值準備。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初步確認有關金融票據以來之變動。

本集團一向確認放債業務應收賬款及合約資產整個存續期之預期信貸虧損。該等財務資產之預期信貸虧損乃根據本集團過往之信貸虧損經驗採用撥備方陣估計，並就債務人獨有之因素、整體經濟狀況以及於報告日期對現行及預測經濟狀況發展方向之評估(包括金錢時間值(如適用))作出調整。

就所有其他金融票據，本集團計量相等於十二個月預期信貸虧損之虧損準備，除非倘信貸風險自初步確認後顯著增加，則本集團確認整個存續期之預期信貸虧損。評估應否確認整個存續期之預期信貸虧損時，乃基於自初步確認後違約之可能性或風險有否顯著增加而進行。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Impairment of financial assets (continued)

Significant increase in credit risk

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

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

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*財務資產減值(續)

信貸風險顯著增加

評估金融票據信貸風險是否自初步確認後顯著增加時，本集團將金融票據於報告日期發生違約之風險與金融票據於初步確認日期發生違約之風險加以比較。作出此評估時，本集團會考慮合理及可靠的定量及定性資料，包括過往經驗及毋須付出過多成本或努力即可取得的前瞻性資料。

具體而言，於評估信貸風險自初步確認以來有否顯著增加時會考慮以下資料：

- 金融票據之外部(如可得)或內部信貸評級實際或預期顯著下跌；
- 業務、財務或經濟環境現時或預期發生不利變化，而預期足以導致大幅削弱債務人履行債務責任之能力；

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

*Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Impairment of financial assets (continued)

Significant increase in credit risk (continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same 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 on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 主要會計政策(續)

金融票據(續)

*根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*財務資產減值(續)

信貸風險顯著增加(續)

- 債務人經營業績實際或預期顯著惡化；
- 同一債務人其他金融票據之信貸風險顯著增加；
- 債務人之監管、經濟或技術環境實際或預期發生重大不利變化，而導致大幅削弱債務人履行債務責任之能力。

不管上述評估的結果，倘合約付款逾期超過30日，本集團即假定財務資產之信貸風險自初步確認後顯著增加，除非本集團有合理及可靠資料顯示相反情況。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Impairment of financial assets (continued)

Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

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.

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*財務資產減值(續)

信貸風險顯著增加(續)

儘管有上文所述，倘金融票據於報告日期被判定為信貸風險偏低，本集團即假設金融票據之信貸風險自初步確認後並無顯著增加。倘屬下列情況，金融票據會被判定為信貸風險偏低：i)金融票據違約風險偏低；ii)借款人有很強的能力履行短期內之合約現金流量責任；及iii)經濟及商業環境之長期不利變化有可能但不一定會降低借款人履行其合約現金流量責任的能力。倘財務資產擁有「投資級別」(根據全球通用之定義)之外部信貸評級或(倘無法取得外部評級)資產擁有「良好」之內部信貸評級，則本集團視該資產之信貸風險偏低。「良好」指交易對手財務狀況穩健且並無逾期款項。

本集團定期監察用以識別信貸風險有否顯著增加之標準是否有效，並於適當時作出修訂以確保該等標準足以於款項逾期之前識別信貸風險顯著增加。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

*Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Impairment of financial assets (continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

金融票據(續)

*根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*財務資產減值(續)

違約之定義

本集團認為以下情況就內部信貸風險管理而言構成違約事件，因為過往經驗表明符合以下任何一項條件之財務資產本集團未必能收回：

- 債務人違反財務契諾；或
- 內部產生或取自外部來源之資料表明，債務人不太可能向債權人(包括本集團)全數還款(不考慮本集團持有之任何抵押品)。

本集團認為，倘財務資產逾期超過90日即屬違約，除非本集團有合理可靠資料顯示較寬鬆的違約標準更為合適，則作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Impairment of financial assets (continued)

Credit-impaired financial assets

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

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

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*財務資產減值(續)

信貸減值財務資產

當發生一項或多項事件而對財務資產的估計未來現金流量產生不利影響時，該財務資產即為出現信貸減值。財務資產出現信貸減值之證據包括有關以下事件之可觀察數據：

- 發行人或借款人之重大財政困難；
- 違反合約，例如違約或逾期事件；
- 借款人之貸款人出於與借款人財政困難有關之經濟或合約原因而向借款人授出貸款人原本不會考慮之特惠；
- 借款人甚有可能破產或進行其他財務重組；或
- 因財政困難以致該財務資產之活躍市場消失。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKFRS 9 (applicable on or after 1 January 2018) (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Write-off policy

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

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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

3. 主要會計政策(續)

金融票據(續)

根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)

財務資產(續)

財務資產減值(續)

撇銷政策

當有資料顯示債務人處於嚴重財政困難且本集團沒有合理預期收回款項時，例如交易對手被清盤或進入破產程序，本集團即撇銷財務資產。已撇銷之財務資產仍可能根據本集團經考慮法律意見後(如適用)收回款項之程序實施強制執行。任何隨後收回之款項會於損益中確認。

計量及確認預期信貸虧損

計量預期信貸虧損時，會綜合考慮違約概率、違約損失率(即發生違約時損失程度)及違約敞口的函數。違約概率及違約損失率的評定乃以根據上前瞻性資料作出調整之歷史數據為基礎。對於違約敞口，就財務資產而言，此為資產於報告日期之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**綜合財務報表附註**

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)**Financial assets (continued)*Impairment of financial assets (continued)

Measurement and recognition of ECL (continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for financial assets that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)**財務資產(續)*財務資產減值(續)

計量及確認預期信貸虧損(續)

就財務資產而言，預期信貸虧損估計為根據合約結欠本集團之所有合約現金流量與本集團預期收取之所有現金流量兩者之間的差額，並按初始實際利率貼現。

本集團於損益賬確認所有金融票據減值收益或虧損，並以虧損準備賬對賬面值作出相應調整，惟按公平值列賬及在其他全面收入表處理之財務資產除外，其虧損準備乃於其他全面收入確認並累計入投資重估儲備，而並不會於綜合財務狀況表扣減財務資產之賬面值。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKFRS 9 (applicable on or after 1 January 2018) (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 party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. 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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3. 主要會計政策(續)

金融票據(續)

根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)

*財務資產(續)*取消確認財務資產

本集團僅會於收取財務資產現金流量之合約權利屆滿，或轉讓財務資產並轉移絕大部分資產擁有權風險及回報予另一方時，方取消確認財務資產。倘本集團既無轉移亦無保留絕大部分擁有權風險及回報並繼續控制已轉讓資產，則本集團確認其於資產之保留權益及就其可能須支付之金額確認相應負債。倘本集團保留已轉讓資產絕大部分擁有權風險及回報，則本集團繼續確認財務資產並就已收所得款項確認有抵押借款。

於取消確認按攤銷成本計量之財務資產時，資產賬面值與已收及應收代價總和之差額乃於損益賬中確認。此外，於取消確認按公平值列賬及在其他全面收入表處理之債務工具投資時，先前累計入投資重估儲備之累計收益或虧損重新分類至損益賬。反之，於取消確認本集團在初步確認時選擇按公平值列賬及在其他全面收入表處理之股本工具投資時，先前累計入投資重估儲備之累計收益或虧損不會重新分類至損益賬，惟轉撥入保留盈利。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKFRS 9 (applicable on or after 1 January 2018) (continued)*Financial liabilities and equity instrumentsClassification 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.

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 that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies are measured in accordance with the specific accounting policies set out below.

3. 主要會計政策(續)**金融票據(續)***根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)*財務負債及股本工具分類為債務或權益

集團實體發行之債務及股本工具乃根據合約安排之實質內容與財務負債及股本工具之定義分類為財務負債或權益。

股本工具

股本工具乃證明於扣除其所有負債後在實體資產中擁有剩餘權益之任何合約。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乃直接於權益確認及扣減。購買、出售、發行或註銷本公司本身之股本工具不會於損益賬確認任何收益或虧損。

財務負債

所有財務負債隨後使用實際利率法按攤銷成本計量或按公平值列賬及在損益賬處理。

當轉讓財務資產(此轉讓並不符合取消確認資格)或當應用持續參與方法時產生之財務負債乃根據下文載列之特定會計政策計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKFRS 9 (applicable on or after 1 January 2018) (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities (continued)

Financial liabilities subsequently measured at amortised costs

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the 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 amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. 主要會計政策(續)

金融票據(續)

根據香港財務報告準則第9號(於二零一八年一月一日或之後適用)(續)

財務負債及股本工具(續)

財務負債(續)

隨後按攤銷成本計量之財務負債

財務負債並非1)收購方確認業務合併之或然代價、2)持作買賣、或3)指定為按公平值列賬及在損益賬處理之財務負債，其後一概使用實際利率法按攤銷成本計量。

實際利率法乃計算財務負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率乃將估計日後現金付款(包括所有支付或所收取而構成整體實際利率之費用及基點、交易成本及其他所有溢價或折讓)按財務負債之預期年期或較短期間(如適用)實際貼現至財務負債攤銷成本之利率計算。

取消確認財務負債

本集團於(並僅於)其責任獲解除、取消或屆滿時，方會取消確認財務負債。取消確認之財務負債賬面值與已付或應付代價(包括任何已轉讓非現金資產或已承擔負債)之差額乃於損益賬中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKAS 39 (applicable before 1 January 2018)**Financial assets*

Financial assets are classified into loans and receivables, available-for-sale financial assets and financial assets at FVTPL. 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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for loans and receivables.

3. 主要會計政策(續)**金融票據(續)***根據香港會計準則第39號(於二零一八年一月一日前適用)**財務資產*

財務資產分類為貸款及應收賬款、可供出售財務資產及按公平值列賬及在損益賬處理之財務資產。財務資產乃基於其性質及用途而分類，並於初步確認時釐定。所有日常財務資產買賣於交易日確認及取消確認。日常買賣乃指須按照市場規定或慣例在一定時間內交付資產之財務資產買賣。

實際利率法

實際利率法乃計算財務資產之已攤銷成本及按有關期間攤分利息收入之方法。實際利率乃將初步確認時之估計日後現金收入(包括所有所支付或所收取而構成整體實際利率之費用、交易成本及其他所有溢價或折讓)按財務資產之預期年期或較短期間(如適用)實際貼現至賬面淨值之利率。

貸款及應收賬款之收入按實際利率基準確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

*Under HKAS 39 (applicable before 1 January 2018) (continued)**Financial assets (continued)*

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; 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. 主要會計政策(續)

金融票據(續)

*根據香港會計準則第39號(於二零一八年一月一日前適用)(續)**財務資產(續)*

按公平值列賬及在損益賬處理之財務資產

當財務資產為持作買賣或指定為按公平值列賬及在損益賬處理，該財務資產即分類為按公平值列賬及在損益賬處理。

倘屬下列情況，則財務資產歸類為持作買賣：

- 購入財務資產主要為於不久將來出售；或
- 於初步確認時其構成本集團共同管理的已識別金融票據組合的一部分及具有近期實際短期獲利模式；或
- 其並非被指定及有效作為對沖工具之衍生工具。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKAS 39 (applicable before 1 January 2018) (continued)**Financial assets (continued)*

Financial assets at FVTPL (continued)

A financial asset other than a financial asset held for trading 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.

3. 主要會計政策(續)**金融票據(續)***根據香港會計準則第39號(於二零一八年一月一日前適用)(續)**財務資產(續)*

按公平值列賬及在損益賬處理之財務資產(續)

如屬下列情況，財務資產(持作買賣財務資產除外)可於初步確認時指定為按公平值列賬及在損益賬處理：

- 有關指定消除或大幅減少在其他情況下可能出現之不一致計量或確認；或
- 財務資產組成一組財務資產或財務負債或兩者其中部分，而其為根據本集團既定風險管理或投資策略管理及按公平值基準評估其表現，且有關分類資料乃按該基準由內部提供；或
- 其組成包含一種或以上內含衍生工具之合約其中部分，且香港會計準則第39號准許整份合併合約(資產或負債)指定為按公平值列賬及在損益賬處理。

按公平值列賬及在損益賬處理之財務資產按公平值列賬，而重新計量產生之任何收益或虧損在損益確認。於損益確認之淨收益或虧損並不包括財務資產所產生之任何股息或利息。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKAS 39 (applicable before 1 January 2018) (continued)

Financial assets (continued)

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 accounts receivable, deposits and other receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment of financial assets below).

Available-for-sale financial assets

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

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy in respect of impairment of financial assets below).

3. 主要會計政策(續)

金融票據(續)

根據香港會計準則第39號(於二零一八年一月一日前適用)(續)

財務資產(續)

貸款及應收賬款

貸款及應收賬款乃於活躍市場並無報價之固定或可釐定付款之非衍生財務資產。初步確認後，貸款及應收賬款(包括應收賬款、按金及其他應收賬款、已抵押銀行存款以及銀行結餘及現金)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損(見下文有關財務資產減值之會計政策)計量。

可供出售財務資產

可供出售財務資產乃指定為可供出售或並未分類為按公平值列賬及在損益賬處理之財務資產、貸款及應收款項或持至到期投資之非衍生工具。

於活躍市場並無市場報價及其公平值不能可靠計量之可供出售股本投資，乃於各報告期末按成本減任何已識別減值虧損(見下文有關財務資產減值之會計政策)計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKAS 39 (applicable before 1 January 2018) (continued)**Financial assets (continued)*

Impairment of financial assets

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 where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策(續)**金融票據(續)***根據香港會計準則第39號(於二零一八年一月一日前適用)(續)**財務資產(續)*

財務資產之減值

財務資產(按公平值列賬及在損益賬處理者除外)會於各報告期末評定是否出現減值跡象。財務資產於有客觀證據顯示財務資產之預期未來現金流量因於初步確認該財務資產後發生之一項或多項事件而受到影響時即視為已減值。

就貸款及應收賬款而言，減值之客觀證據可包括：

- 發行人或對約方出現重大財政困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

一組應收賬款減值之客觀證據可包括本集團過往收款之經驗、該組別拖延逾一個平均信貸期後才還款之次數增加，以及國家與地方經濟狀況明顯變動而與拖欠還款相關等。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKAS 39 (applicable before 1 January 2018) (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For financial assets carried at cost, such as available-for-sale investments, 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 with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable is considered uncollectible, after exhausting all collection efforts such as realisation of collateral, or institution of other legal means as appropriate, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融票據(續)

根據香港會計準則第39號(於二零一八年一月一日前適用)(續)

財務資產(續)

財務資產之減值(續)

對於按已攤銷成本列賬之財務資產，所確認之減值虧損金額乃按資產賬面值與按財務資產原實際利率貼現之估計日後現金流量之現值之差額計算。倘在隨後期間減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益賬予以撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

對於按成本列賬之財務資產，例如可供出售投資，減值虧損金額計量為資產賬面值與按同類財務資產現行市場回報率貼現之估計日後現金流量之現值之差額計算。該減值虧損將不會在隨後期間撥回。

與所有財務資產有關之減值虧損會直接於財務資產之賬面值中扣減，惟應收賬款除外，其賬面值會透過準備賬扣減。準備賬之賬面值變動乃於損益賬中確認。當應收賬款於用盡一切能力收款(如變現抵押品或使用其他法律途徑(如適用))之後仍被視為不可收回時，其將於準備賬內撇銷。之前已撇銷的款項如其後收回，則計入損益賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Under HKAS 39 (applicable before 1 January 2018) (continued)**Financial liabilities and equity instruments*

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

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 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.

Other financial liabilities

Other financial liabilities (including accounts payable, other payables and short-term bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)**金融票據(續)***根據香港會計準則第39號(於二零一八年一月一日前適用)(續)**財務負債及股本工具*

某集團實體發行之債務及股本工具乃根據合約安排之實質內容與財務負債及股本工具之定義分類為財務負債或權益。

實際利率法

實際利率法乃計算財務負債之已攤銷成本及按有關期間攤分利息開支之方法。實際利率乃將初步確認時之估計日後現金支出(包括所有所支付或所收取而構成整體實際利率之費用、交易成本及其他所有溢價或折讓)按財務負債之預期年期或較短期間(如適用)實際貼現至該財務負債之賬面淨值之利率。

利息開支按實際利率基準確認。

其他財務負債

其他財務負債(包括應付賬款、其他應付賬款及短期銀行借款)乃其後採用實際利率法按已攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Under HKAS 39 (applicable before 1 January 2018) (continued)

Financial liabilities and equity instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Equity instruments

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

Derecognition

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 or when it neither transfers nor retain substantially all the risks and rewards of ownership and does not retain control.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

3. 主要會計政策(續)

金融票據(續)

根據香港會計準則第39號(於二零一八年一月一日前適用)(續)

財務負債及股本工具(續)

衍生金融票據

衍生工具初步按訂立衍生合約當日之公平值計量，其後按於報告期末之公平值重新計量，所產生之盈利或虧損即時於損益賬中確認。

股本工具

股本工具乃證明於扣除其所有負債後在本集團資產中擁有剩餘權益之任何合約。本公司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。

取消確認

本集團僅會於收取財務資產現金流量之合約權利屆滿，或本集團轉讓財務資產並轉移絕大部分資產擁有權風險及回報予另一實體或當本集團概無轉讓亦無保留擁有權所有風險及回報並不保留控制時，方取消確認財務資產。

於取消確認財務資產時，資產賬面值與已收及應收代價及在其他全面收入確認及累計入權益之累計收益或虧損的總和之差額乃於損益賬中確認。

本集團於(並僅於)其責任獲解除、取消或已屆滿時，悉數取消確認財務負債。取消確認之財務負債賬面值與已付或應付代價之差額乃於損益賬中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Convertible bonds**

Convertible bonds contain liability and equity components

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. 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 classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds reserve).

3. 主要會計政策(續)**可換股債券**

可換股債券包含負債及權益部分

本集團所發行包含負債及換股權部分之可換股債券，於初步確認時根據合約安排之實質內容與財務負債及股本工具之定義分開分類為相關項目。會以固定金額現金或其他財務資產換取固定數目之本公司本身股本工具之方式結算之換股權乃分類為股本工具。

初步確認時，負債部分之公平值按類似不可換股債務之當前市場利率釐定。發行可換股債券之所得款項總額與撥之負債部分之公平值兩者之間的差額（即持有人將貸款票據兌換為權益之換股權）列入權益（可換股債券儲備）。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Convertible bonds (continued)

Convertible bonds contain liability and equity components (continued)

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised. Where the option remains unexercised at the expiry date, the balance stated in convertible bonds reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds 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 to 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 bonds using the effective interest method.

Borrowing costs

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

3. 主要會計政策(續)

可換股債券(續)

可換股債券包含負債及權益部分(續)

於隨後期間，可換股債券之負債部分使用實際利率法按攤銷成本列賬。權益部分(指可將負債部分轉換為本公司普通股之換股權)將保留於可換股債券儲備內，直至該內含換股權獲行使為止。倘換股權於到期日尚未獲行使，則可換股債券儲備所列之結餘將撥回至累計虧損。換股權獲轉換或到期概不會於損益賬確認任何收益或虧損。

與發行可換股債券有關之交易成本按所得款項總額分配比例分配至負債及權益部分。與權益部分有關之交易成本直接於權益扣除。與負債部分有關之交易成本計入負債部分之賬面值，並於可換股債券期限內按實際利率法攤銷。

借貸成本

所有借貸成本乃於產生之期間內於損益賬確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Taxation**

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

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

3. 主要會計政策(續)**稅項**

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。基於在其他年度應課稅之收入或可扣稅之開支項目，以及永遠毋須課稅或可扣稅之項目，以致應課稅溢利與綜合損益及其他全面收入表中所報溢利並不相同。本集團之即期稅項負債乃按報告期末已實行或大致上已實行之稅率計算。

遞延稅項乃就綜合財務報表之資產及負債賬面值與計算應課稅溢利所使用之相應稅基之臨時差額而確認。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產則以可能出現應課稅溢利，足以要動用可扣稅之臨時差額予以抵銷為限，就該等臨時差額確認。若於某項交易中，因初步確認(業務合併除外)資產及負債而產生既不影響應課稅溢利亦不影響會計溢利之臨時差額，則不會確認該等遞延稅項資產及負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year which the asset is realised or the liability is settled, 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 assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債乃就於附屬公司之投資相關之應課稅臨時差額而確認，惟若本集團可控制臨時差額撥回，且臨時差額可能不會於可見未來撥回的情況除外。與該等投資及權益相關之可扣稅臨時差額產生之遞延稅項資產，僅會於可能有足夠應課稅溢利，足以要動用該臨時差額之優惠且預期會於可見未來撥回，方會確認該遞延稅項資產。

遞延稅項資產之賬面值於報告期末作檢討，並在不再可能有足夠應課稅溢利以收回全部或部分資產價值時作撇減。

遞延稅項資產及負債乃按預期於資產變現或負債償還之年度之適用稅率，基於報告期末已實行或大致上已實行之稅率(及稅法)計量。

遞延稅項資產及負債之計量，反映本集團於報告期末預期收回或償還其資產或負債賬面值之方式所帶來之稅務影響。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Taxation (continued)**

Current tax 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 tax and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Leasing

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 lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. 主要會計政策(續)**稅項(續)**

即期稅項及遞延稅項於損益賬中確認，惟與於其他全面收入確認或直接於權益確認之項目有關之即期稅項及遞延稅項，亦會分別於其他全面收入確認或直接於權益確認。

租賃

當租賃條款將大部分風險與回報轉移予承租人時，均屬融資租賃，而所有其他租賃則列作經營租賃。

本集團作為承租人

經營租金按租賃年期按直線法確認為開支。作為促使訂立經營租賃之已收及應收利益，亦按租賃年期以直線法確認為租金開支削減。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to directors, employees and other eligible persons Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

3. 主要會計政策(續)

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為有關功能貨幣(即該實體經營所在主要經濟地區之貨幣)入賬。於報告期末，以外幣定值之貨幣項目均按該日之適用匯率重新換算。按公平值列賬及以外幣定值之非貨幣項目均按公平值釐定日期之適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

於結算貨幣項目及重新換算貨幣項目時產生之滙兌差額均於產生之期間於損益賬中確認。

以股份為基礎付款交易

以股本支付之以股份為基礎付款交易

授予董事、僱員及其他合資格人士之購股權向僱員及其他提供類似服務之人士作出以股本支付之以股份為基礎付款乃按授出日期股本工具之公平值計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Share-based payment transactions (continued)***Equity-settled share-based payment transactions (continued)*

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). The Group measures the recharge based on the fair value of the equity instruments of the Company at the grant date and allocates that recharge to each subsidiary based on the proportion of services received. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting condition. 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 the share option reserve.

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 the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share capital. 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 accumulated losses.

3. 主要會計政策(續)**以股份為基礎付款交易(續)***以股本支付之以股份為基礎付款交易(續)*

於授出日期釐定以股本支付之以股份為基礎付款之公平值(並無計及所有非市場歸屬情況)乃基於本集團對最終將予歸屬之股本工具之估計於歸屬期間以直線法支銷,而權益(購股權儲備)亦隨之相應增加。本集團按本公司股本工具於授出日期之公平值計量有關分攤數額,並按各附屬公司收取服務之比例將有關分攤數額分配予各附屬公司。於各報告期末,本集團修訂其預期將予歸屬(基於評估所有相關非市場歸屬情況)之股本工具數目之估計。修訂有關原先估計(如有)之影響乃於損益賬中確認以使累計開支反映經修訂估計,而購股權儲備亦隨之相應調整。

對於在授出當日即時歸屬之購股權,其公平值會即時於損益賬中列支。購股權獲行使時,先前於購股權儲備中確認之金額將轉撥至股本。當購股權於歸屬日期後被收回或於屆滿日期仍未獲行使,則先前於購股權儲備中確認之金額將轉撥至累計虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

*Equity-settled share-based payment transactions (continued)**Shares awarded to directors and employees*

The fair value of services received determined by reference to the fair value of shares awarded at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (awarded shares compensation reserve).

When The VC Share Purchase Scheme Trust ("Trust") purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held for share purchase scheme and deducted from total equity. No gain or loss is recognised on the transactions of the Company's own shares. When the Trust transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held for share purchase scheme. Accordingly, the related expense of the granted shares vested is reversed from awarded shares compensation reserve. The difference arising from such transfer is debited/credited to accumulated losses.

When the share awards are forfeited before the vesting date, the amount previously recognised in awarded shares compensation reserve will be reversed immediately in profit or loss.

3. 主要會計政策(續)

以股份為基礎付款交易(續)

*以股本支付之以股份為基礎付款交易(續)**向董事及僱員獎勵股份*

按獎勵當日獎勵股份之公平值釐定所獲服務之公平值，乃於歸屬期間以直線法支銷，而權益(獎勵股份報酬儲備)亦隨之相應增加。

當滙盈股份購買計劃信託(「信託」)於公開市場購入本公司股份，所付之代價(包括任何直接遞增成本)乃列為就股份購買計劃持有之股份，並自權益總額扣除。概不會就本公司本身股份之交易確認收益或虧損。當信託於歸屬時將本公司股份轉移予承授人，授出股份歸屬之相關成本會自就股份購買計劃持有之股份中撥回。因此，授出股份歸屬之相關開支會自獎勵股份報酬儲備撥回。有關轉移產生之差額會自保留溢利中扣除／計入累計虧損。

倘股份獎勵於歸屬日期前被收回，則先在獎勵股份報酬儲備確認之金額，會即時在損益賬撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Fair value measurement**

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of property and equipment for the purpose of impairment assessment, 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. 主要會計政策(續)**公平值計量**

就減值評估計量公平值時(就本集團以股份為基礎付款交易、租賃交易、存貨可變現價值淨額以及物業及設備使用價值除外)，本集團計及市場參與者在計量日為該資產或負債定價時會計及之該等特徵。

非財務資產之公平值計量計及市場參與者藉著利用該資產之最高及最佳用途或向其他市場參與者(其會利用該資產之最高及最佳用途)出售該資產而產生經濟利益之能力。

本集團採用適當且具備充分數據之估值方法計量公平值，盡量利用相關可觀察輸入數據並盡量減少使用不可觀察輸入數據。具體而言，本集團基於輸入數據之特徵將公平值計量分為以下三個級別：

第1級—相同資產或負債於活躍市場之報價(未經調整)。

第2級—估值方法，而對公平值計量而言屬重大之最低級別輸入數據可直接或間接觀察得出。

第3級—估值方法，而對公平值計量而言屬重大之最低級別輸入數據無法觀察得出。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Retirement benefits costs

Payments to state managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. 主要會計政策(續)

公平值計量(續)

於報告期末，本集團藉著檢討按經常性基準以公平值計量之資產及負債之公平值計量，釐定其公平值層級間有否出現轉移。

退休福利成本

向國家管理退休福利計劃及強制性公積金(「強積金」)計劃支付之款項乃於僱員提供服務而致使彼等有權享有供款時確認。

短期及其他長期僱員福利

短期僱員福利乃於僱員提供服務時按預期將支付的福利之未貼現金額確認。所有短期僱員福利均確認為開支，惟另一項香港財務報告準則規定或允許福利計入資產之成本值則另作別論。

僱員有關工資及薪金、年假及病假之應計福利乃於扣除任何已支付金額後確認為負債。

就其他長期僱員福利確認的負債乃按預計本集團就僱員直至報告日期提供的服務而估計的未來現金流出的現值計量。因服務成本、利息及重新計量導致負債的賬面值出現之任何變動均於損益賬確認，惟另一項香港財務報告準則規定或允許其計入資產之成本值則另作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Impairment losses on tangible and intangible assets**

At the end of the reporting period, the Group reviews the carrying amounts of their tangible and intangible assets 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 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 individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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 are tested for impairment annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell 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 for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)**有形及無形資產之減值虧損**

本集團於報告期末審閱其有形及無形資產之賬面值，以釐定是否有跡象顯示該等資產出現減值虧損。倘出現任何減值跡象，即會估計該資產之可收回金額，以釐定減值虧損(如有)之程度。倘不能估計個別資產之可收回金額，本集團會估計該資產所屬現金產生單位之可收回金額。如可識別合理貫切之分配基準，企業資產亦會被分配至個別現金產生單位，否則會被分配至可識別合理貫切分配基準之最小現金產生單位。

具無限定可使用年期之無形資產會每年及凡有跡象可能出現減值時進行減值測試。

可收回金額為公平值減銷售成本及使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其現值，該貼現率反映目前市場對資金時間值之評估以及估計未來現金流量未經調整之資產之獨有風險。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible and intangible assets (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 the 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 recognised immediately in profit or loss.

3. 主要會計政策(續)

有形及無形資產之減值虧損(續)

倘若一項資產或現金產生單位之可收回金額預計低於其賬面值，則該資產或現金產生單位之賬面值將被撇減至其可收回金額。分配減值虧損時，減值虧損會先分配以撇減任何商譽之賬面值(如適用)，其後再按比例基於單位內各項資產之賬面值分配至其他資產。資產賬面值不會被撇減以致低於以下三項之最高者：其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零。原應分配至該項資產之減值虧損金額會按比例分配至單位內之其他資產。減值虧損即時於損益賬確認。

倘其後撥回減值虧損，資產或現金產生單位之賬面值調高至其重新估計之可收回金額，惟因此而增加之賬面值不可高於假設該資產或現金產生單位於過往年度未經確認減值虧損原應釐定之賬面值。撥回之減值虧損即時在損益賬中確認。

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

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

4. 估計不確定性之主要來源

於應用附註3所述本集團之會計政策時，本公司董事須就未能自其他來源輕易取得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及被視為屬有關之其他因素為基礎。實際結果可能有別於此等估計。

估計及相關假設會持續檢討。倘會計估計修訂僅影響該期間，則該修訂會在修訂估計期間確認。倘該修訂同時影響當期及未來期間，則該修訂會同時在修訂期間及未來期間確認。

於報告期末，有關未來之主要假設及估計不確定性之其他主要來源（為會構成重大風險導致於下個財政年度資產及負債之賬面值須作出大幅調整者）如下。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY
(continued)**Estimated impairment of accounts receivable**

The impairment provisions for accounts receivable are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. As at 31 December 2018, the carrying amount of accounts receivable was approximately HK\$167,927,000 and impairment losses of approximately HK\$2,673,000 and HK\$5,587,000 arising from money lending services and securities transactions respectively have been recognised during the year.

Income taxes

As at 31 December 2018, no deferred tax asset has been recognised in respect of certain tax losses of approximately HK\$423,450,000 (2017: HK\$329,042,000) due to the unpredictability of future profit streams. The realisable of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, or changes in facts and circumstances which result in revision of future taxation profits estimation, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

4. 估計不確定性之主要來源(續)

估計應收賬款減值

應收賬款減值撥備乃以有關預期信貸虧損之假設為依據。本集團於作出該等假設時運用判斷並基於個別應收款項未償還日數以及本集團過往經驗及於各報告期末之前瞻性資料而挑選減值計算之轉入數據。此等假設及估計出現變化可能嚴重影響評估結果，或須於綜合損益及其他全面收入表作出額外減值。於二零一八年十二月三十一日，應收賬款之賬面值約為167,927,000港元，年內已確認自放債服務及證券交易產生之減值虧損分別約2,673,000港元及5,587,000港元。

所得稅

於二零一八年十二月三十一日，並無就約423,450,000港元(二零一七年：329,042,000港元)之若干稅項虧損確認遞延稅項資產，蓋因未來溢利來源無法預測。遞延稅項資產的可實現性主要取決於未來是否有足夠未來溢利或應課稅臨時差額。倘所產生之實際未來溢利少於預期或由於事實及狀況變化致使修改未來應課稅溢利估計，則可能導致確認大額遞延稅項資產，將於確認期間於損益賬確認。

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**4. KEY SOURCES OF ESTIMATION UNCERTAINTY
(continued)**

Fair value of share options

The binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of an option varies with different variables of certain subjective assumptions.

**Estimated fair value of convertible bonds,
derivative financial asset at FVTPL and financial
assets at FVTOCI**

As described in note 34, the directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For convertible bonds, derivative financial asset at FVTPL and financial assets at FVTOCI, assumptions are made based on inputs not quoted in an active market adjusted for specific features of the instrument. If the inputs and estimates applied in the model are different, the fair value of these financial instruments may change.

The carrying amounts of the convertible bonds, derivative financial asset at FVTPL and financial assets at FVTOCI as at 31 December 2018 were approximately HK\$224,573,000 (2017: Nil), HK\$79,508,000 (2017: Nil) and HK\$207,084,000 (2017: Nil). The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of these financial instruments.

4. 估計不確定性之主要來源(續)

購股權公平值

購股權公平值乃使用二項式模式估計。用於計算購股權公平值之不定因素及假設乃以管理層之最佳估計為依據。購股權價值隨若干主觀假設之不同不定因素而變化。

可換股債券、按公平值列賬及在損益賬處理之衍生財務資產及按公平值列賬及在其他全面收入表處理之財務資產之估計公平值

誠如附註34所述，本公司董事運用其判斷就並無於活躍市場報價之金融票據選擇適當之估值技術。會應用市場從業者常用之估值技術。對於可換股債券、按公平值列賬及在損益賬處理之衍生財務資產及按公平值列賬及在其他全面收入表處理之財務資產，乃基於並無於活躍市場報價之輸入數據(就工具特定性質作出調整)作出假設。倘該模式所用之輸入數據及估計不同，則該等金融票據之公平值亦可能有變。

可換股債券、按公平值列賬及在損益賬處理之衍生財務資產及按公平值列賬及在其他全面收入表處理之財務資產於二零一八年十二月三十一日之賬面值分別為224,573,000港元(二零一七年：無)、79,508,000港元(二零一七年：無)及207,084,000港元(二零一七年：無)。本公司董事認為，所選估值技術及假設就釐定此等金融票據之公平值而言屬恰當。

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5. REVENUE AND OTHER INCOME

Revenue principally arises from the financial services business comprising the provision of securities, futures and options brokering and dealing, provision of margin financing and money lending services, provision of placing and underwriting services, provision of initial public offerings, mergers and acquisitions services, and other corporate finance related advisory services, and proprietary trading.

5. 收益及其他收入

收益主要來自金融服務業務(其中包括提供證券、期貨及期權經紀及買賣;提供保證金融資及放債服務;提供配售及包銷服務;提供首次公開發售、合併與收購服務,及其他企業融資相關顧問服務),以及自營買賣業務。

Revenue

收益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號範圍內與客戶訂立合約之收益		
Disaggregated by major services lines	按主要服務劃分		
– Brokerage commission and other related fees from dealing in securities and futures and options contracts	– 買賣證券及買賣期貨及期權合約所得經紀佣金及其他相關費用	18,185	21,388
– Underwriting, sub-underwriting, placing and sub-placing commission	– 包銷、分包銷、配售及分配售佣金	360	311
– Arrangement, referral, advisory and other fee income	– 安排、轉介、顧問及其他費用收入	14,753	12,503
		33,298	34,202
Revenue from other sources	來自其他來源之收益		
– Interest income from clients	– 來自客戶之利息收入	17,176	19,384
– Dividend income from listed equity securities	– 來自上市股本證券之股息收入	–	99
		17,176	19,483
		50,474	53,685

Note: The amounts for the year ended 31 December 2017 were recognised under HKAS 18.

附註: 截至二零一七年十二月三十一日止年度之金額乃根據香港會計準則第18號確認。

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5. REVENUE AND OTHER INCOME (continued)

Disaggregation of revenue by timing of recognition

5. 收益及其他收入(續)

按收益確認時間劃分

		2018 二零一八年 HK\$'000 千港元
Timing of revenue recognition	收益確認時間	
At a point in time	於一個時間點	22,359
Over time	於一段時間內	10,939
		33,298

Transaction price allocated to the remaining performance obligations

The service contracts are with an original expected duration of one year or less or contracts for which revenue is recognised at the amount to which that Group has the right to invoice for the services performed. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period.

分配至餘下履約責任之交易價格

服務合約之初始預期期限為一年或以下或其收益乃按本集團有權為所履行服務開具發票之金額確認的合約。因此，本集團選擇便於實務操作之方法，並不披露截至報告期末尚未達成之履約責任獲分配之交易價格金額。

Other income

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income from authorised institutions	來自認可機構之利息收入	733	581
Interest income from convertible bonds	來自可換股債券之利息收入	3,013	-
Total interest income	利息收入總額	3,746	581
Sundry income	雜項收入	312	233
		4,058	814

其他收入

For the year ended 31 December 2018, included in total interest income are interest income from convertible bonds classified and measured at FVTPL of approximately HK\$3,013,000 and interest income from authorised institutions at amortised cost of HK\$733,000.

截至二零一八年十二月三十一日止年度，利息收入總額包括來自按公平值列賬及在損益賬處理分類及計量之可換股債券之利息收入約3,013,000港元，以及按攤銷成本列賬之來自認可機構之利息收入約733,000港元。

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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 operating businesses are organised and managed separately, according to the nature of products and services provided, with each segment representing a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. The Group operates financial services and proprietary trading businesses and classifies its business into four operating segments, namely brokerage and financing businesses, corporate finance and other advisory services, asset management and proprietary trading and reports to the Group's Executive Committee (being the Group's Chief Operating Decision Maker) accordingly. Details of these four operating and reportable segments are summarised as follows:

- (i) the brokerage and financing segment engages in securities, futures and options brokering and dealing, provision of margin financing and money lending, and placing and underwriting services;
- (ii) the corporate finance and other advisory services segment engages in the provision of corporate financial advisory services and company secretarial services;
- (iii) the asset management segment engages in the provision of asset management services; and
- (iv) the proprietary trading segment engages in the trading of equity securities, debt securities and other financial products.

6. 分部資料

本集團各經營業務乃按所提供產品及服務之性質分開組織及管理，各分部為一個策略業務，其提供之產品及服務所面對之風險及賺取之回報，有別於其他經營分部。本集團經營金融服務及自營買賣業務，並將業務分為四個經營分部，即經紀及融資業務、企業融資及其他顧問服務業務、資產管理業務及自營買賣業務，並據此向本集團執行委員會（即本集團之主要營運決策者）彙報。上述四個經營及須予報告分部之詳情概述如下：

- (i) 經紀及融資業務分部從事證券、期貨及期權經紀及買賣、提供保證金融資及放債，以及配售及包銷服務；
- (ii) 企業融資及其他顧問服務業務分部從事提供企業融資顧問服務及公司秘書服務；
- (iii) 資產管理業務分部從事提供資產管理服務；及
- (iv) 自營買賣業務分部從事股本證券、債務證券及其他金融產品買賣。

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截至二零一八年十二月三十一日止年度

6. SEGMENT INFORMATION (continued)

The following tables presented revenue and results of these reportable and operating segments for the years ended 31 December 2018 and 2017.

Year ended 31 December 2018

6. 分部資料(續)

下表載列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須予報告及經營分部之收益及業績資料。

截至二零一八年十二月三十一日止年度

		Brokerage and financing	Corporate finance and other advisory services	Asset management	Proprietary trading	Segment total	Eliminations	Total
		經紀及 融資業務	企業融資及 其他顧問 服務業務	資產管理 業務	自營買賣 業務	分部總計	對銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue	分部收益	36,721	13,753	-	-	50,474	-	50,474
Intra-segment sales	分部間銷售額	511	540	-	-	1,051	(1,051)	-
		37,232	14,293	-	-	51,525	(1,051)	50,474
Segment profit (loss)	分部溢利(虧損)	4,572	(2,208)	(1,539)	(146,369)	(145,544)	-	(145,544)
Unallocated administrative costs	未分配行政成本							(115,327)
Loss on acquisition of financial assets at FVTPL	收購按公平值列賬及在損益賬處理之財務資產之虧損							(47,436)
Fair value change on financial assets at FVTPL	按公平值列賬及在損益賬處理之財務資產之公平值變動							(177,657)
Share of loss of an associate	分佔聯營公司之虧損							(11)
Loss before tax for the year	年度除稅前虧損							(485,975)

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6. SEGMENT INFORMATION (continued)

Year ended 31 December 2018 (continued)

Other segment information

6. 分部資料(續)

截至二零一八年十二月三十一日止年度(續)

其他分部資料

		Corporate finance and other advisory services	Asset management	Proprietary trading	Segment total	Adjustments	Total
		企業融資及 經紀及 融資業務	資產管理 業務	自營買賣 業務	分部總計	調整	總計
		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
Amounts included in the measure of segment profit or loss:	計量分部損益時計入之金額:						
Net realised and unrealised loss on financial assets held for trading	持作買賣財務資產之已變現及未變現虧損淨額	-	-	-	137,119	-	137,119
Interest income from authorised institutions	來自認可機構之利息收入	(569)	(109)	(53)	-	(731)	(733)
Staff costs	員工成本	17,783	7,689	1,227	-	26,699	84,046
Commission expenses	佣金開支	5,287	-	-	611	5,898	5,387
Depreciation of property and equipment	物業及設備折舊	586	318	-	-	904	2,108
Impairment loss on accounts receivable, net	應收賬款減值虧損, 淨額	8,260	-	-	-	8,260	8,260
Finance costs	融資成本	4,683	-	-	7,391	12,074	21,282
Amounts regularly provided to the Group's Executive Committee but not included in the measure of segment profit or loss:	定期提供予本集團執行委員會但計量分部損益時並未計入之金額:						
Income tax expenses	所得稅開支	867	18	-	(242)	643	341
Interest income from convertible bonds	來自可換股債券之利息收入	-	-	-	-	(3,013)	(3,013)

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6. SEGMENT INFORMATION (continued)

Year ended 31 December 2017

6. 分部資料(續)

截至二零一七年十二月三十一日止年度

		Brokerage and financing	Corporate finance and other advisory services 企業融資及 經紀及 其他顧問 服務業務	Asset management 資產管理 業務	Proprietary trading 自營買賣 業務	Segment total	Eliminations	Total
		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	分部收益	46,721	6,865	-	99	53,685	-	53,685
Intra-segment sales	分部間銷售額	3,968	20	-	-	3,988	(3,988)	-
		50,689	6,885	-	99	57,673	(3,988)	53,685
Segment profit (loss)	分部溢利(虧損)	9,981	(5,115)	(1,799)	(23,956)	(20,889)	-	(20,889)
Unallocated administrative costs	未分配行政成本							(61,722)
Fair value change on financial assets designated as at FVTPL	指定為按公平值列賬及 在損益賬處理之 財務資產公平值變動							14,855
Compensation income arising from profit guarantee (note 21)	來自溢利保證之 補償收入(附註21)							978
Loss before tax for the year	年度除稅前虧損							(66,778)

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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)

Year ended 31 December 2017 (continued)

Other segment information

	Corporate Brokerage and financing	finance and other advisory services 企業融資及 經紀及 融資業務	Asset management 資產管理 業務	Proprietary trading 自營買賣 業務	Segment total 分部總計	Adjustments 調整	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
Amounts included in the measure of segment profit or loss:							
Net realised and unrealised loss on financial assets held for trading				10,820	10,820	-	10,820
Interest income from authorised institutions	(523)	(38)	(19)	-	(580)	(1)	(581)
Staff costs	26,967	7,506	1,320	-	35,793	40,160	75,953
Commission expenses	3,039	-	-	965	4,004	(965)	3,039
Depreciation of property and equipment	648	111	2	-	761	1,265	2,026
Impairment loss on accounts receivable, net	501	-	-	-	501	-	501
Finance costs	4,275	-	-	9,338	13,613	(13,161)	452

Amounts regularly provided to the Group's Executive Committee but not included in the measure of segment profit or loss:							
Income tax expenses	270	25	-	388	683	15	698

Note: Adjustments include the unallocated administrative costs that are not directly allocated to the four operating segments and also represent the intra-group sales, finance costs and management fee which are eliminated at consolidation.

6. 分部資料(續)

截至二零一七年十二月三十一日止年度(續)

其他分部資料

附註：調整包括並無直接分配至四個經營分部之未分配行政成本，以及代表於綜合賬目時予以對銷之集團內公司間銷售、融資成本及管理費。

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6. SEGMENT INFORMATION (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit or loss represents the profit earned by/loss from each segment, before the deduction of unallocated administrative costs, loss on acquisition of financial assets at FVTPL, fair value change on financial assets at FVTPL, share of loss of an associate, fair value change on financial assets designated as at FVTPL and compensation income arising from profit guarantee. This is the measure reported to the Group's Executive Committee for the purposes of resource allocation and performance assessment.

In 2018, no single customer contributed 10% or more of the Group's revenue. In 2017, two customers contributed 10% or more of the Group's revenue each, in which the revenue from these customers amounted to approximately HK\$5,603,000 and HK\$5,445,000 respectively. The Group's operations are mainly located in Hong Kong (place of domicile). The Group's revenue from external customers is mainly derived from Hong Kong for both 2018 and 2017. Almost all of its non-current assets other than financial instruments are attributed to the operations in Hong Kong and located in Hong Kong.

Segment assets and liabilities are not presented as they are not regularly provided to the Group's Executive Committee.

6. 分部資料(續)

經營分部之會計政策與附註3所述本集團之會計政策相同。分部損益指各分部所賺取之溢利／產生之虧損，並未扣除未分配行政成本、收購按公平值列賬及在損益賬處理之財務資產之虧損、按公平值列賬及在損益賬處理之財務資產之公平值變動、分佔聯營公司之虧損、指定為按公平值列賬及在損益賬處理之財務資產公平值變動及來自溢利保證之補償收入。此乃向本集團執行委員會報告以供分配資源及評定表現之基準。

於二零一八年，並無單一客戶佔本集團收益10%或以上。於二零一七年，兩名客戶各佔本集團收益10%或以上，來自該等客戶之收益分別約為5,603,000港元及5,445,000港元。本集團之業務乃主要設於香港(常駐地)。二零一八年及二零一七年，本集團對外客戶之收益主要源自香港。除金融票據外本集團幾乎全部非流動資產均與香港業務有關及位於香港。

由於分部資產及負債並無定期提供予本集團執行委員會，故並無呈列有關資料。

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7. OTHER GAINS AND LOSSES, NET

7. 其他收益及虧損淨額

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss on disposal of property and equipment	出售物業及設備之虧損	(149)	(2)
Net exchange (loss) gain	滙兌(虧損)收益淨額	(58)	75
Compensation income arising from profit guarantee (note 21)	來自溢利保證之補償收入(附註21)	-	978
		(207)	1,051

8. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

8. 員工成本(包括董事酬金)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Staff commission	員工佣金	5,846	10,894
Salaries and wages	薪金及工資	52,455	52,930
Staff welfare	員工福利	2,244	2,282
Recruitment costs	招聘成本	354	411
Provision (reversal) of long service payment/annual leave benefits	長期服務金/年假福利撥備(撥回)	463	(122)
Retirement benefits scheme contributions	退休福利計劃供款	1,263	1,555
Discretionary and performance related incentive payments and provision of gratuity	酌情表現相關獎金及約滿酬金撥備	1,651	8,003
Equity-settled share option expense	以股本支付之購股權開支	19,770	-
		84,046	75,953

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8. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

The Group participates in a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of which are held in separate trustee-administered funds. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme have switched to the MPF Scheme and all new eligible employees joining the Group on or after December 2000 are all under the MPF Scheme. No further contribution was made to the ORSO Scheme after the switch.

Both the Group and the employees contribute a fixed percentage of the relevant payroll to the MPF Scheme. The contribution by the Group is capped at HK\$1,500 per employee per month and is expensed as incurred.

8. 員工成本(包括董事酬金)(續)

本集團推行根據《職業退休計劃條例》註冊之界定供款計劃(「職業退休計劃」)，另於二零零零年十二月根據《強制性公積金計劃條例》設立強制性公積金計劃(「強積金計劃」)。有關計劃之資產由信託管理基金分開持有。於強積金計劃設立前屬職業退休計劃成員之僱員已轉入強積金計劃，而於二零零零年十二月或之後新加入本集團之所有合資格僱員則須參加強積金計劃。轉入強積金計劃後，再無為職業退休計劃作出供款。

本集團及僱員均按有關薪金之固定百分比向強積金計劃供款。本集團之供款上限為每名僱員每月1,500港元，供款乃於發生時列作開支。

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9. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS

The emoluments paid or payable to each of the 14 (2017: 8) directors of the Company were as follows:

9. 董事及主要行政人員酬金

已付及應付本公司14位(二零一七年: 8位)董事之酬金如下:

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度					
		Salaries and other benefits	Retirement benefits scheme contribution	Discretionary and performance related incentive payments	Equity-settled share option expense	Total emoluments	
		薪金及其他福利	退休福利計劃供款	酌情表現相關獎勵付款	以股本支付之購股權開支	總酬金	
		袍金	袍金	袍金	袍金	袍金	
		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						
Fu Yiu Man, Peter (note 2)	符耀文 (附註2)	-	1,894	15	-	1,909	
Tin Ka Pak, Timmy	田家柏	-	1,626	18	-	1,644	
Lin Hoi Kwong, Aristo	連海江	-	1,627	18	3,162	4,807	
Xie Jintai	謝錦泰	-	1,046	-	-	1,046	
Zhang Min (note 3)	張民 (附註3)	-	434	10	-	444	
Jiang Tian (note 4)	姜天 (附註4)	-	357	9	-	366	
Lu Mengjia (note 5)	陸夢嘉 (附註5)	-	160	3	-	163	
Chung Chi Shing, Eric (note 6)	鍾志成 (附註6)	-	270	3	315	588	
Shen Li (note 7)	沈勵 (附註7)	-	1,673	12	-	1,685	
Zhou Francis Bingrong (note 8)	周冰融 (附註8)	-	339	6	-	345	
Independent Non-executive Directors	獨立非執行董事						
Wong Chung Kin, Quentin	黃松堅	216	-	-	80	296	
Wong Kam Choi, Kerry, MH	黃錦財, MH	216	-	-	80	296	
Siu Miu Man, Simon	蕭妙文	216	-	-	80	296	
Chiang Ho Wai (note 9)	蔣浩璋 (附註9)	58	-	-	-	58	
		706	9,426	94	3,717	13,943	

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9. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (continued)

9. 董事及主要行政人員酬金(續)

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度					
		Fees	Salaries and other benefits	Retirement benefits scheme contribution	Discretionary and performance related incentive payments	Equity-settled share option expense	Total emoluments
		袍金	薪金及其他福利	退休福利計劃供款	酌情表現相關獎勵付款	以股本支付之購股權開支	總酬金
		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
					(note 1) (附註1)		
Executive Directors	執行董事						
Chung Chi Shing, Eric (note 6)	鍾志成(附註6)	–	1,174	14	1,330	–	2,518
Tin Ka Pak, Timmy	田家柏	–	1,559	18	1,331	–	2,908
Lin Hoi Kwong, Aristo	連海江	–	1,559	18	131	–	1,708
Xie Jintai	謝錦泰	–	1,000	–	83	–	1,083
Chau King Fai, Philip (note 10)	周景輝(附註10)	–	954	8	–	–	962
Non-executive Director	非執行董事						
Chung Chi Shing, Eric (note 6)	鍾志成(附註6)	49	–	–	–	–	49
Independent Non-executive Directors	獨立非執行董事						
Wong Chung Kin, Quentin	黃松堅	216	–	–	–	–	216
Wong Kam Choi, Kerry, MH	黃錦財, MH	216	–	–	–	–	216
Siu Miu Man, Simon	蕭妙文	216	–	–	–	–	216
		697	6,246	58	2,875	–	9,876

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9. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (continued)

Notes:

1. The discretionary and performance related incentive payments are determined by reference to the individual performance of the directors of the Company and approved by the Remuneration Committee of the Company.
2. Mr. Fu Yiu Man, Peter has been appointed as the Executive Director of the Company with effect from 2 March 2018.
3. Mr. Zhang Min has been appointed as the Executive Director of the Company with effect from 25 June 2018.
4. Mr. Jiang Tian has been appointed as the Executive Director of the Company with effect from 25 June 2018.
5. Ms. Lu Mengjia has been appointed as the Executive Director of the Company with effect from 1 November 2018.
6. Mr. Chung Chi Shing, Eric was re-designated as the Executive Director of the Company with effect from 31 March 2017 and resigned with effect from 2 March 2018.
7. Ms. Shen Li was appointed as the Executive Director of the Company with effect from 2 March 2018 and resigned with effect from 1 November 2018.
8. Mr. Zhou Francis Bingrong was appointed as the Executive Director of the Company with effect from 22 January 2018 and resigned with effect from 16 April 2018.
9. Mr. Chiang Ho Wai has been appointed as the Independent Non-executive Director of the Company with effect from 24 September 2018.
10. Mr. Chau King Fai, Philip retired as the Executive Director of the Company with effect from 25 May 2017.

9. 董事及主要行政人員酬金(續)

附註：

1. 酌情表現相關獎勵付款乃參照本公司董事個別表現釐定，並經本公司薪酬委員會批准。
2. 符耀文先生於二零一八年三月二日獲委任為本公司執行董事。
3. 張民先生於二零一八年六月二十五日獲委任為本公司執行董事。
4. 姜天先生於二零一八年六月二十五日獲委任為本公司執行董事。
5. 陸夢嘉女士於二零一八年十一月一日獲委任為本公司執行董事。
6. 鍾志成先生於二零一七年三月三十一日調任為本公司執行董事，並於二零一八年三月二日辭任。
7. 沈勵女士於二零一八年三月二日獲委任為本公司執行董事，並於二零一八年十一月一日辭任。
8. 周冰融先生於二零一八年一月二十二日獲委任為本公司執行董事，並於二零一八年四月十六日辭任。
9. 蔣浩璋先生於二零一八年九月二十四日獲委任為本公司獨立非執行董事。
10. 周景輝先生於二零一七年五月二十五日退任本公司執行董事。

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9. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (continued)

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. The Non-executive Director's and the Independent Non-executive Directors' emoluments shown above were mainly for their services as directors of the Company.

Mr. Tin Ka Pak, Timmy is also the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

For the year ended 31 December 2018, 9,332,000 share options (2017: Nil) were granted to the directors of the Company to subscribe for ordinary shares of the Company in respect of their services provided to the Group. These share options were vested immediately and share option expense of HK\$3,717,000 (2017: Nil) was recognised for the year ended 31 December 2018. Details of the share option scheme of the Company are set out in note 31.

For the years ended 31 December 2018 and 2017, no ordinary shares were awarded to the directors of the Company under share incentive award schemes in respect of their services provided to the Group. Further details of which are set out in note 31.

9. 董事及主要行政人員酬金(續)

上文所載執行董事酬金主要關於彼等就管理本公司及本集團事務提供之服務。上文所載非執行董事及獨立非執行董事酬金主要關於彼等出任本公司董事提供之服務。

田家柏先生同時出任本公司行政總裁，上文披露之酬金已包括彼出任以行政總裁身份提供服務收取之酬金。

截至二零一八年十二月三十一日止年度內，本公司董事就向本集團提供之服務獲授9,332,000份可認購本公司普通股之購股權(二零一七年：無)。該等購股權已即時歸屬，於截至二零一八年十二月三十一日止年度就此確認購股權開支3,717,000港元(二零一七年：無)。有關本公司購股權計劃之詳情載於附註31。

截至二零一八年及二零一七年十二月三十一日止年度內，概無根據股份獎勵計劃就本公司董事向本集團提供之服務向彼等獎勵普通股。有關進一步詳情載於附註31。

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10. FIVE HIGHEST PAID EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2017: three) were directors of the Company whose emoluments are included in the disclosures in note 9. The emoluments of the remaining two individuals (2017: one retired director of the Company's emoluments as an employee for the rest of year since his retirement and the emoluments of the remaining two individuals) were as follows:

10. 五位最高薪僱員及高級管理層酬金

本集團五位最高薪酬人士中，三位（二零一七年：三位）為本公司董事，其酬金資料載於附註9。餘下兩名人士之酬金（二零一七年：本公司一位退任董事於退任後年內餘下時間作為僱員之酬金以及另外兩位人士之酬金）載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	4,943	5,618
Retirement benefit scheme contributions	退休福利計劃供款	12	43
Discretionary and performance related incentive payments	酌情表現相關獎勵付款	-	373
Equity-settled share option expense	以股本支付之購股權開支	194	-
		5,149	6,034

Their emoluments fell within the following bands:

彼等之酬金介乎下列範圍：

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	2	1

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10. FIVE HIGHEST PAID EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

Other than the emoluments of directors and the chief executive disclosed in note 9, the emoluments of the senior management fell within the following bands:

HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元

The senior management represents key management personnel of the Group, other than directors of the Company whose emoluments are included in note 9. The emoluments of the key management personnel are included in note 36.

During the years ended 31 December 2018 and 2017, no emoluments were paid or payable by the Group to the directors of the Company or the five highest paid individuals of the Group as inducements to join or upon joining the Group or as a compensation for loss of office.

10. 五位最高薪僱員及高級管理層酬金(續)

除附註9所披露董事及主要行政人員之酬金外，高級管理層之酬金介乎下列範圍：

Number of individuals

人數

2018 二零一八年	2017 二零一七年
---------------	---------------

2	2
–	1
2	1

高級管理層指本集團之主要管理人員(不包括本公司董事，彼等之酬金已於附註9中披露)。主要管理人員之酬金載於附註36。

截至二零一八年及二零一七年十二月三十一日止年度內，本公司並無向本公司董事或本集團五位最高薪人士支付或應付任何酬金，作為加盟本集團或於加盟時之獎勵或作為離職補償。

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11. FINANCE COSTS

11. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interests on:	以下項目之利息：		
Convertible bonds (note 28)	可換股債券(附註28)	21,203	—
Bank loans and overdrafts	銀行貸款及透支	79	452
		21,282	452

12. INCOME TAX EXPENSES

12. 所得稅開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax	即期稅項		
Hong Kong Profits Tax	香港利得稅	914	315
The People's Republic of China ("PRC") Enterprise Income Tax	中華人民共和國 (「中國」)企業 所得稅	45	15
Overprovision in prior year	過往年度超額撥備		
Hong Kong Profits Tax	香港利得稅	(29)	(20)
PRC Enterprise Income Tax	中國企業所得稅	(8)	—
Deferred tax	遞延稅項		
Current year (note 27)	本年度(附註27)	(581)	388
		341	698

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12. INCOME TAX EXPENSES (continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25% and profits above HK\$2 million will be taxed at 16.5%. For the year ended 31 December 2018, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other entities of the Group in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. For the year ended 31 December 2017, Hong Kong profits tax was calculated at a flat rate of 16.5% of the estimated assessable profits.

Under the Law of The People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC entities is 25% from 1 January 2008 onwards.

Pursuant to the rules and regulation of the British Virgin Islands ("BVI"), the Group is not subject to any income tax in this jurisdiction.

12. 所得稅開支(續)

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格法團首2,000,000港元溢利之稅率為8.25%，而超過2,000,000港元之溢利稅率為16.5%。截至二零一八年十二月三十一日止年度，本集團旗下合資格實體之香港利得率按利得稅兩級制計算。本集團旗下於香港之其他實體之溢利並不符合採用利得稅兩級制之資格，將繼續按估計應課稅溢利16.5%之劃一稅率計算。截至二零一七年十二月三十一日止年度，香港利得率乃按估計應課稅溢利16.5%之劃一稅率計算。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國實體之稅率由二零零八年一月一日起為25%。

根據英屬處女群島(「英屬處女群島」)規則及規例，本集團毋須繳納該司法權區之任何所得稅。

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12. INCOME TAX EXPENSES (continued)

The tax expense can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

12. 所得稅開支(續)

稅項支出與綜合損益及其他全面收入表之除稅前虧損對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(485,975)	(66,778)
Calculated at Hong Kong Profits Tax rate of 16.5% (2017: 16.5%)	按香港利得稅稅率16.5% (二零一七年：16.5%)計算	(80,186)	(11,018)
Tax effect of share of loss of an associate	分佔聯營公司虧損之稅務影響	2	-
Tax effect of different tax rate of the PRC representative offices	各中國代表處不同稅率之稅務影響	45	15
Tax effect of income not taxable for tax purpose	就稅項而言毋須繳稅收入之稅務影響	(365)	(2,182)
Tax effect of expenses not deductible for tax purpose	就稅項而言不可扣稅開支之稅務影響	49,156	4,284
Overprovision in respect of prior year	就過往年度超額撥備	(37)	(20)
Tax effect of temporary difference not recognised	未確認之臨時差額之稅務影響	16,313	20
Utilisation of previously unrecognised deductible temporary difference	動用以往未確認之可扣稅臨時差額	-	(469)
Utilisation of previously unrecognised tax losses	動用以往未確認之稅項虧損	-	(1,574)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	15,578	11,642
Effect of two-tiered profits tax rates regime	兩級制利得稅之影響	(165)	-
Tax expense for the year	年度稅項支出	341	698

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13. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

Included in other operating expenses:	包含於其他經營開支：
Auditor's remuneration	核數師酬金
Minimum operating lease payments in respect of rental premises	租賃物業之最低經營租金
Entertainment and travel expenses (mainly incurred for business development)	應酬差旅開支(主要就業務發展而產生)

13. 年度虧損

年度虧損經扣除下列各項後列賬：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
1,080	1,343
10,710	9,960
9,220	14,243

14. DIVIDENDS

No dividends have been paid or declared or proposed by the Company during the years ended 31 December 2018 and 2017.

14. 股息

截至二零一八年及二零一七年十二月三十一日止年度，本公司並無支付或宣派或建議任何股息。

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15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss	虧損		
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	就計算每股基本及攤薄虧損之虧損(本公司擁有人應佔年度虧損)	(486,316)	(67,476)
		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 and diluted loss per share	就計算每股基本及攤薄虧損之普通股加權平均數	985,197	711,800

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share for the year ended 31 December 2018.

The computation of diluted loss per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both 2018 and 2017.

15. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss	虧損		
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	就計算每股基本及攤薄虧損之虧損(本公司擁有人應佔年度虧損)	(486,316)	(67,476)
		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 and diluted loss per share	就計算每股基本及攤薄虧損之普通股加權平均數	985,197	711,800

計算每股攤薄虧損時並無假設本公司未償還可換股債券換股，因其行使會導致截至二零一八年十二月三十一日止年度之每股虧損減少。

計算每股攤薄虧損時並無假設本公司購股權獲行使，因購股權之行使價高於二零一八年及二零一七年之股份平均市價。

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16. TRADING RIGHTS

16. 交易權

		HK\$'000 千港元
Cost	成本	
At 1 January 2017, 31 December 2017 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及 二零一八年十二月三十一日	5,066
Amortisation	攤銷	
At 1 January 2017, 31 December 2017 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及 二零一八年十二月三十一日	5,066
Carrying values	賬面值	
At 31 December 2017 and 31 December 2018	於二零一七年十二月三十一日及 二零一八年十二月三十一日	-

Trading rights are amortised over 10 years from 6 March 2000, the effective date of the merger of the Stock Exchange, HKFE and Hong Kong Securities Clearing Company Limited ("HKSCC").

交易權由二零零零年三月六日(聯交所、香港期交所及香港中央結算有限公司(「香港結算」)合併當日)起分十年攤銷。

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17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		HK\$'000
		千港元
Cost	成本	
At 1 January 2017, 31 December 2017 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及 二零一八年十二月三十一日	1,538
Accumulated impairment	累計減值	
At 1 January 2017, 31 December 2017 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及 二零一八年十二月三十一日	292
Carrying values	賬面值	
At 31 December 2017 and 31 December 2018	於二零一七年十二月三十一日及 二零一八年十二月三十一日	1,246

Other intangible assets represent club memberships with indefinite useful lives and are tested for impairment annually by comparing their carrying amounts with their recoverable amounts based on fair value less costs to sell. The fair value is determined using an observable market price or recent market transaction price and no indication of impairment was noted during the years ended 31 December 2018 and 2017.

其他無形資產指具無限定可使用年期之會所會籍，並以公平值減出售成本為基準按年比較其賬面值及其可收回金額以進行減值測試。公平值採用可觀察的市價或近期市場交易價格釐定，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出現減值跡象。

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18. PROPERTY AND EQUIPMENT

18. 物業及設備

		Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Computer equipment and software 電腦設備 及軟件 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本					
At 1 January 2017	於二零一七年一月一日	3,871	6,450	9,483	3,054	22,858
Additions	添置	651	486	163	820	2,120
Disposal/written off	出售/撇銷	(82)	(2,014)	(32)	-	(2,128)
At 31 December 2017	於二零一七年 十二月三十一日	4,440	4,922	9,614	3,874	22,850
Additions	添置	-	27	842	-	869
Disposal/written off	出售/撇銷	-	(23)	(168)	(891)	(1,082)
At 31 December 2018	於二零一八年 十二月三十一日	4,440	4,926	10,288	2,983	22,637
Depreciation	折舊					
At 1 January 2017	於二零一七年一月一日	3,871	6,048	7,670	650	18,239
Charge for the year	年內開支	169	238	906	713	2,026
Disposal/written off	出售/撇銷	(82)	(2,005)	(32)	-	(2,119)
At 31 December 2017	於二零一七年 十二月三十一日	3,958	4,281	8,544	1,363	18,146
Charge for the year	年內開支	389	225	860	634	2,108
Disposal/written off	出售/撇銷	-	(11)	(113)	(337)	(461)
At 31 December 2018	於二零一八年 十二月三十一日	4,347	4,495	9,291	1,660	19,793
Carrying values	賬面值					
At 31 December 2018	於二零一八年 十二月三十一日	93	431	997	1,323	2,844
At 31 December 2017	於二零一七年 十二月三十一日	482	641	1,070	2,511	4,704

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18. PROPERTY AND EQUIPMENT (continued)

The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the lease term not exceeding three years
Furniture, fixtures and equipment	20%
Computer equipment and software	33 $\frac{1}{3}$ %
Motor vehicles	20%

18. 物業及設備(續)

上述物業及設備項目乃以直線法按以下年率計算折舊：

租賃物業裝修	不超過三年之租約年期
傢俬、裝置及設備	20%
電腦設備及軟件	33 $\frac{1}{3}$ %
汽車	20%

19. INTEREST IN AN ASSOCIATE

19. 於聯營公司之權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of investment in an associate	於聯營公司之投資成本	10,000	—
Share of post-acquisition losses and other comprehensive expenses	分佔收購後虧損及其他全面開支	(11)	—
		9,989	—

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19. INTEREST IN AN ASSOCIATE (continued)

As at 31 December 2018, the details of the Group's associate are as follows:

19. 於聯營公司之權益(續)

於二零一八年十二月三十一日，本集團之聯營公司詳情載列如下：

Name of entity	Form of entity	Country of incorporation	Principal place of operation	Class of shares held	Proportion of ownership interests held by the Group		Proportion of voting power held		Principal activity
					本集團所持	擁有權益比例	所投票權比例	2018	
實體名稱	實體形式	註冊成立國家	主要營業地點	所持股份類別	2018	2017	2018	2017	主要業務
					二零一八年	二零一七年	二零一八年	二零一七年	
Telebox Technology Holdings Limited	Incorporated 註冊成立	Republic of Seychelles 塞舌爾共和國	PRC 中國	Ordinary 普通股	30%	N/A 不適用	30%	N/A 不適用	(i) Operation of social media platform 經營社交媒體平台 (ii) Operation of cryptocurrency trading platform 經營加密貨幣交易平台 (iii) Provision of digital wallet for custody and transfer of cryptocurrencies 提供數碼錢包託管及轉讓加密貨幣等業務

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19. INTEREST IN AN ASSOCIATE (continued)

The summarised financial information of the associate that is material to the Group and is accounted for using equity method is set out below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	1	—
Non-current assets	非流動資產	2,808	—
Current liabilities	流動負債	(2,858)	—
Non-current liabilities	非流動負債	—	—

19. 於聯營公司之權益(續)

對本集團而言重要並使用權益法入賬之聯營公司之財務資料概要載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	—	—
Loss and other comprehensive expense for the year	年度虧損及其他全面開支	50	—

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in the associate is set out below:

上列財務資料概要與於聯營公司權益賬面值之對賬載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net liabilities of the associate	聯營公司之負債淨額	(49)	—
The Group's share of net liabilities of Telebox Technology Holdings Limited	本集團分佔Telebox Technology Holdings Limited之負債淨額	(15)	—
Goodwill	商譽	10,004	—
Carrying amount of the Group's interest in Telebox Technology Holdings Limited	本集團於Telebox Technology Holdings Limited權益之賬面值	9,989	—

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20A. AVAILABLE-FOR-SALE INVESTMENTS

20A. 可供出售投資

		HK\$'000 千港元
Cost	成本	
At 1 January 2017 and 31 December 2017	於二零一七年一月一日及 二零一七年十二月三十一日	550
Accumulated impairment	累計減值	
At 1 January 2017 and 31 December 2017	於二零一七年一月一日及 二零一七年十二月三十一日	550
Carrying value	賬面值	
At 31 December 2017	於二零一七年十二月三十一日	-
Analysed for reporting purpose as non-current assets	就報告目的分析作非流動資產	
At 31 December 2017	於二零一七年十二月三十一日	-

As at 31 December 2017, the above unlisted equity investments represented investments in unlisted equity securities issued by two private entities incorporated in Hong Kong and the British Virgin Islands. They were measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates was so significant that the directors of the Company were of the opinion that their fair values could not be measured reliably. The investments were reclassified to financial assets at FVTOCI upon adoption of HKFRS 9 on 1 January 2018.

於二零一七年十二月三十一日，上述非上市股本投資指兩間於香港及英屬處女群島註冊成立之私人公司發行之非上市股本證券之投資。該等投資於報告期末按成本減以減值計量，因其合理公平價值估計範圍甚廣，以致本公司董事認為其公平值無法可靠計量。於二零一八年一月一日採納香港財務報告準則第9號後該等投資乃分類為按公平值列賬及在其他全面收入表處理之財務資產。

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20B. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

20B. 按公平值列賬及在其他全面收入表處理之財務資產

		31/12/2018 二零一八年 十二月三十一日 HK\$'000 千港元	1/1/2018 二零一八年 一月一日 HK\$'000 千港元
Unlisted equity securities designated as at FVTOCI (notes a & b)	指定為按公平值列賬及在其他全面收入表處理之非上市股本證券(附註a及b)	207,084	-
Analysed for reporting purpose as non-current assets	就報告目的分析作非流動資產	207,084	-

Notes:

附註：

- (a) On 8 June 2018, the Company issued convertible bonds with 2% coupon rate at a total principal value of HK\$160,000,000 to CVP Financial Group Limited as the consideration of the acquisition of 18% of the entire equity securities issued by Hackett Enterprises Limited, a private entity incorporated in the Republic of Seychelles, which, together with its subsidiaries, is engaged in the business of provision of loan financing and financial consultancy services in the PRC and the provision of money lending services in Hong Kong. They 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 investment revaluation reserve. 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 profits. Dividend on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the investment. Dividends are included in the "other income" line item in profit or loss.
- (a) 於二零一八年六月八日，本公司發行本金總額為160,000,000港元2厘票面息率之可換股債券予遠見金融集團有限公司，作為收購本集團於Hackett Enterprises Limited所發行全部股本證券之18%之投資的代價，該公司為一間於塞舌爾共和國註冊成立之私人公司，連同其附屬公司主要從事於中國提供貸款融資及金融顧問服務，以及於香港提供放債服務。該等投資初步按公平值加交易成本計量。隨後，其將按公平值計量，公平值變動產生之收益及虧損於其他全面收入表確認，並累計入投資重估儲備。於出售股本投資時不會將累計收益或虧損重新分類至損益賬，並將轉撥入保留溢利。當本集團根據香港財務報告準則第9號確立收取股息之權利時，該等股本工具投資之股息即於損益賬確認，除非有關股息明顯代表收回投資之一部分則作別論。股息計入損益賬之「其他收入」一項。
- (b) The amount also includes the Group's investments in 5% and 5% of the unlisted equity securities issued by two private entities incorporated in Hong Kong and the British Virgin Islands respectively. Their principal activities are investment holding in the PRC and operation of restaurants in Hong Kong respectively. The fair value of investment were approximately HK\$nil as at 31 December 2018 and 1 January 2018. The investments were reclassified from available-for-sale investments to financial assets at FVTOCI upon the adoption of HKFRS 9 on 1 January 2018.
- (b) 此金額亦包括本集團於兩間分別於香港及英屬處女群島註冊成立之私人公司所發行非上市股本證券5%及5%之投資。該等公司之主要業務分別為於中國投資控股及於香港經營餐廳。於二零一八年十二月三十一日及二零一八年一月一日，該等投資之公平值約為零港元。該等投資已於二零一八年一月一日採納香港財務報告準則第9號時由可供出售投資重新分類為按公平值列賬及在其他全面收入表處理之財務資產。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR TRADING/FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

Details of financial assets at FVTPL/financial assets held for trading/financial assets designated as at FVTPL are set out as follows:

21. 按公平值列賬及在損益賬處理之財務資產／持作買賣財務資產／指定為按公平值列賬及在損益賬處理之財務資產

按公平值列賬及在損益賬處理之財務資產／持作買賣財務資產／指定為按公平值列賬及在損益賬處理之財務資產之詳情載列如下：

		31/12/2018 二零一八年 十二月三十一日 HK\$'000 千港元	1/1/2018 二零一八年 一月一日 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
Financial assets mandatorily measured at FVTPL	強制按公平值列賬及在損益賬處理之財務資產			
Convertible bonds (note a)	可換股債券(附註a)	224,573	-	-
Derivative financial asset (note a)	衍生財務資產(附註a)	79,508	-	-
Equity securities listed in Hong Kong (note b)	於香港上市之股本證券(附註b)	-	63,315	-
Financial assets held for trading – equity securities listed in Hong Kong	持作買賣財務資產 – 於香港上市之股本證券	240,282	272,728	272,728
		544,363	336,043	272,728
Financial assets designated as at FVTPL – equity securities listed in Hong Kong (note b)	指定為按公平值列賬及在損益賬處理之財務資產 – 於香港上市之股本證券(附註b)	-	-	63,315
Analysed for reporting purpose:	就報告目的分析：			
Non-current assets	非流動資產	304,081	-	-
Current assets	流動資產	240,282	336,043	336,043
		544,363	336,043	336,043

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR TRADING/FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS
(continued)

Notes:

- (a) On 18 October 2017, the Company entered into a sale and purchase agreement with Pacific Alliance Limited ("PAL") as vendor, pursuant to which the Company agreed to purchase, and PAL agreed to sell, the 3-year two per cent unsecured redeemable convertible bonds in the principal amount of HK\$153,585,000 issued by China Fortune Financial Group Limited ("China Fortune", Stock Code: 290) on 30 March 2017 (the "China Fortune Convertible Bonds") for an aggregate consideration of HK\$400,000,000 (the "Acquisition"). The consideration of HK\$40,000,000 was satisfied in cash and the balance of the consideration of HK\$360,000,000 was satisfied by way of issue of the convertible bonds by the Company at the completion date of the Acquisition. The China Fortune Convertible Bonds are convertible into 2,559,750,000 conversion shares at the initial conversion price of HK\$0.06 per conversion share (subject to adjustments). The Acquisition was completed on 8 January 2018. The China Fortune Convertible Bonds were classified as financial assets at fair value through profit or loss and measured at fair value at initial recognition and at the end of each reporting period.

In return for the Company's undertaking to China Fortune that the Company shall not exercise the conversion rights attaching to the China Fortune Convertible Bonds from the completion date up to and including 29 March 2019, PAL grants to the Company a put option to require PAL to purchase from the Company the China Fortune Convertible Bonds to the extent of the principal amount of HK\$76,792,500. The put option of the bondholder was classified as derivative financial asset and measure at fair value at initial recognition and at the end of each reporting period.

21. 按公平值列賬及在損益賬處理之財務資產／持作買賣財務資產／指定為按公平值列賬及在損益賬處理之財務資產(續)

附註：

- (a) 於二零一七年十月十八日，本公司與 Pacific Alliance Limited (「PAL」，作為賣方) 訂立一份買賣協議，據此，本公司同意購買、而 PAL 同意出售中國富強金融集團有限公司 (「中國富強」，股票代號：290) 於二零一七年三月三十日發行本金額為 153,585,000 港元之三年期 2 厘息無抵押可贖回可換股債券 (「中國富強可換股債券」)，所涉及之總代價為 400,000,000 港元 (「收購事項」)。當中 40,000,000 港元之代價乃以現金支付，其餘 360,000,000 港元之代價則以本公司於收購事項完成日期發行之可換股債券之方式支付。中國富強可換股債券可按初步換股價每股換股股份 0.06 港元 (可予調整) 兌換為 2,559,750,000 股換股股份。收購事項已於二零一八年一月八日完成。中國富強可換股債券乃分類為按公平值列賬及在損益賬處理之財務資產，於初步確認時及各報告期末按公平值計量。

因應本公司向中國富強承諾本公司不會於完成日期起至二零一九年三月二十九日 (包括該日) 行使中國富強可換股債券所附帶之換股權，PAL 向本公司授出認沽期權，可要求 PAL 向本公司購買中國富強可換股債券 (以 76,792,500 港元之本金額為限)。債券持有人之認沽期權乃分類為衍生財務資產，於初步確認時及各報告期末按公平值計量。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR TRADING/FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS
(continued)

Notes: (continued)

(a) (continued)

The fair values of the China Fortune Convertible Bonds and the put option were approximately HK\$439,213,000 and HK\$28,035,000 respectively as at 8 January 2018 and approximately HK\$224,573,000 and HK\$79,508,000 respectively as at 31 December 2018 and were calculated using the binomial option pricing model ("Binomial Model") by an independent professional valuer in which the parameters were summarised as follows:

Share price of the issuer	發行人之股價
Effective interest rate of the issuer	發行人之實際利率
Risk free rate	無風險利率
Expected volatility of the issuer	發行人之預期波幅
Dividend yield of the issuer	發行人之股息率

The effective interest rate of the issuer was determined with reference to the average of the bond yields of the comparable companies with similar businesses and credit rating of the issuer. Risk free rate was determined with reference to yield of Hong Kong government bonds over the exercise period near the valuation dates of 8 January 2018 and 31 December 2018 respectively. Expected volatility of the issuer was determined using the historical volatility of the issuer's share price over the exercise period as at the valuation dates of 8 January 2018 and 31 December 2018 respectively.

21. 按公平值列賬及在損益賬處理之財務資產／持作買賣財務資產／指定為按公平值列賬及在損益賬處理之財務資產(續)

附註：(續)

(a) (續)

中國富強可換股債券及認沽期權之公平值於二零一八年一月八日分別約為439,213,000港元及28,035,000港元，而於二零一八年十二月三十一日則分別約為224,573,000港元及79,508,000港元，乃由獨立專業估值師採用二項式期權定價模式(「二項式模式」)計算，其輸入數據概述如下：

	8 January 2018 二零一八年 一月八日	31 December 2018 二零一八年 十二月三十一日
Share price of the issuer	HK\$0.171 0.171港元	HK\$0.085 0.085港元
Effective interest rate of the issuer	13%	12%
Risk free rate	1.30%	1.73%
Expected volatility of the issuer	64%	45%
Dividend yield of the issuer	0%	0%

發行人之實際利率乃參考與發行人業務及信貸評級相若之可資比較公司之平均債券回報率釐定。無風險利率乃參考於估值日期二零一八年一月八日及二零一八年十二月三十一日前後香港政府債券於行使期之回報率釐定。預期波幅乃使用於估值日期二零一八年一月八日及二零一八年十二月三十一日於行使期內發行人股價歷史波幅釐定。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR TRADING/FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS
(continued)

Notes: (continued)

(b) On 11 May 2016, Century Race Investments Limited ("Century Race"), an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party (the "Holder") to acquire 6% equity interest of a private entity incorporated in the British Virgin Islands (the "Acquired Company") at a consideration of HK\$20 million. On 7 July 2016, Century Race entered into another sale and purchase agreement (the "Second S&P Agreement") with the Holder and the Acquired Company whereby the Holder agreed to buy back the 6% equity interest of the Acquired Company from Century Race at a consideration of HK\$20 million and Century Race agreed to acquire 10.5% equity interest of IBO Technology Company Limited ("IBO Tech"), which is incorporated in the Cayman Islands and held by the Acquired Company, at a consideration of HK\$35 million. Net cash outflow of the Second S&P Agreement was HK\$15 million.

21. 按公平值列賬及在損益賬處理之財務資產／持作買賣財務資產／指定為按公平值列賬及在損益賬處理之財務資產(續)

附註：(續)

(b) 於二零一六年五月十一日，本公司之間接全資附屬公司Century Race Investments Limited (「Century Race」) 與一名獨立第三方(「該持有人」) 訂立一份買賣協議，以按20,000,000港元之代價收購一間於英屬處女群島註冊成立之私人實體(「所收購公司」)之6%股本權益。於二零一六年七月七日，Century Race與該持有人及所收購公司訂立另一份買賣協議(「第二份買賣協議」)，據此，該持有人同意按20,000,000港元之代價向Century Race 回購所收購公司之6%股本權益，以Century Race則同意收購由所收購公司持有並於開曼群島註冊之艾伯科技股份有限公司(「艾伯科技」)之10.5%股本權益，代價為35,000,000港元。第二份買賣協議之淨現金流出為15,000,000港元。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH
PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR
TRADING/FINANCIAL ASSETS DESIGNATED AS AT
FAIR VALUE THROUGH PROFIT OR LOSS
(continued)

Notes: (continued)

(b) (continued)

According to the Second S&P Agreement, the Holder and the Acquired Company jointly and severally guarantee that IBO Tech's net profit after tax for the years ending 31 March 2017 and 31 March 2018 shall not be less than RMB37.5 million and RMB50 million (the "Guaranteed Amounts") respectively. In the event that IBO Tech's net profit after tax falls below the Guaranteed Amounts in any of the two years, the Holder and the Acquired Company shall compensate Century Race by proportion to the percentage of shareholding interest in cash. Meanwhile, Century Race has the right to request the Holder and the Acquired Company to buy back its shareholding interest in IBO Tech (the "Buy-back Option") if IBO Tech is not listed on the Main Board of the Stock Exchange on or before 31 December 2017.

The investment is managed and its performance is evaluated on a fair value basis, in accordance with the Group's investment strategy so that the Group designated the investment as financial assets designated as at FVTPL at initial recognition.

21. 按公平值列賬及在損益賬處理
之財務資產／持作買賣財務資
產／指定為按公平值列賬及在
損益賬處理之財務資產(續)

附註：(續)

(b) (續)

根據第二份買賣協議，該持有人及所收購公司共同及個別地保證艾伯科技於截至二零一七年三月三十一日及二零一八年三月三十一日止年度之除稅後純利須分別不少於人民幣37,500,000元及人民幣50,000,000元（「保證金額」）。倘若艾伯科技之除稅後純利於兩個年度之任何一年跌至低於保證金額，則該持有人及所收購公司須按持股比例以現金向Century Race作出補償。此外，倘若艾伯科技於二零一七年十二月三十一日或之前並無在聯交所上市，則Century Race有權要求該持有人及所收購公司回購其於艾伯科技所持股權（「回購選擇權」）。

有關投資按本集團投資策略管理及按公平值基準評估其表現，就此，本集團於初步確認時指定該投資為指定為按公平值列賬及在損益賬處理之財務資產。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR TRADING/FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS
(continued)

Notes: (continued)

(b) (continued)

On 28 December 2017, IBO Tech has been listed on the Main Board of the Stock Exchange and Century Race's shareholding in IBO Tech was then diluted to 7.875% of the entire listed share of IBO Tech as at 31 December 2017. According to the Second S&P Agreement, all the rights granted by the Holder and the Acquired Company to Century Race have been terminated and ceased to be effective upon the listing of IBO Tech, including the abovementioned profit guarantee for the year ending 31 March 2018 and the Buy-back Option. Further, Century Race has undertaken not to dispose of or otherwise encumber any of its interest in IBO Tech up to the date falling on the expiration of 6 months of the listing (both days inclusive). The fair value of Century Race's interest in IBO Tech as at 31 December 2017 was approximately HK\$63,315,000 based on its quoted market price available on the Stock Exchange. As such, there was an increase in the fair value of approximately HK\$14,855,000 for the year ended 31 December 2017.

21. 按公平值列賬及在損益賬處理之財務資產／持作買賣財務資產／指定為按公平值列賬及在損益賬處理之財務資產(續)

附註：(續)

(b) (續)

於二零一七年十二月二十八日，艾伯科技於聯交所主板上市，而Century Race所持之艾伯科技股權其後攤薄至於二零一七年十二月三十一日佔艾伯科技全部上市股份7.875%。根據第二份買賣協議，該持有人及所收購公司向Century Race授出之所有權利，包括上述截至二零一八年三月三十一日止年度之溢利保證及回購選擇權，已於艾伯科技上市後終止及不再有效。此外，Century Race已承諾不會於直至上市起計六個月之期屆滿當日(首尾兩日包括在內)出售其於艾伯科技之任何權益或以其他方式對其任何權益設保。根據聯交所所報市價計算，於二零一七年十二月三十一日，Century Race於艾伯科技之權益之公平值約為63,315,000港元。因此，公平值於截至二零一七年十二月三十一日止年度增加約14,855,000港元。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH
PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR
TRADING/FINANCIAL ASSETS DESIGNATED AS AT
FAIR VALUE THROUGH PROFIT OR LOSS
(continued)

Notes: (continued)

(b) (continued)

The Group no longer applied designation as measured at FVTPL for equity investments amounting to approximately HK\$63,315,000 under HKAS 39 as these financial assets are required to be measured at FVTPL under HKFRS 9 on 1 January 2018.

The Group was restricted to trade the equity securities before the end of blackout period (i.e. 28 June 2018) and recognised a fair value loss of approximately HK\$14,490,000 included in the line item "fair value change on financial assets at fair value through profit or loss". After blackout period, the Group recognised a unrealised gain of approximately HK\$5,355,000 included in the line item "net realised and unrealised loss on financial assets held for trading".

As abovementioned, Century Race was guaranteed that IBO Tech's net profit after tax for the year ended 31 March 2017 shall not be less than RMB37.5 million. Based on the audited financial information of IBO Tech for the year ended 31 March 2017, Century Race recognised a gain of approximately RMB846,000 (equivalent to approximately HK\$978,000) for the year ended 31 December 2017 which was included in other gains and losses as set out in note 7.

21. 按公平值列賬及在損益賬處理
之財務資產／持作買賣財務資
產／指定為按公平值列賬及在
損益賬處理之財務資產(續)

附註：(續)

(b) (續)

本集團不再根據香港會計準則第39號將為數約63,315,000港元之股本投資應用指定為按公平值列賬及在損益賬處理計量，因於二零一八年一月一日根據香港財務報告準則第9號該等財務資產須按公平值列賬及在損益賬處理計量。

本集團於禁售期完結前(即二零一八年六月二十八日)禁止買賣股本證券，並確認公平值虧損約14,490,000港元，計入「按公平值列賬及在損益賬處理之財務資產之公平值變動」項目。於禁售期後，本集團確認未變現收益約5,355,000港元，計入「持作買賣財務資產之已變現及未變現虧損淨額」項目。

誠如上文所述，Century Race獲保證艾伯科技於截至二零一七年三月三十一日止年度之除稅後純利不少於人民幣37,500,000元。根據艾伯科技於截至二零一七年三月三十一日止年度之經審核財務資料，Century Race於截至二零一七年十二月三十一日止年度已確認約人民幣846,000元(相當於約978,000港元)之收益，其計入附註7所載之其他收益及虧損。

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22. ACCOUNTS RECEIVABLE

22. 應收賬款

		31/12/2018 二零一八年 十二月三十一日 HK\$'000 千港元	1/1/2018 二零一八年 一月一日 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
Accounts receivable arising from the ordinary course of business of dealing in:	在日常業務過程中因進行以下交易而產生之應收賬款：			
Securities transactions (note a):	證券交易(附註a)：			
Clearing house	結算所	763	14,909	14,909
Cash clients	現金客戶	15,821	30,419	30,419
Futures and options contracts transactions (note a):	期貨及期權合約交易(附註a)：			
Clearing house	結算所	17	4	4
Accounts receivable arising from the ordinary course of business of provision of corporate finance and other advisory services (note a)	在日常業務過程中因提供企業融資及其他顧問服務而產生之應收賬款(附註a)	5,673	1,284	1,284
		22,274	46,616	46,616
Accounts receivable arising from the ordinary course of business of money lending services (note b)	在日常業務過程中因進行放債服務業務而產生之應收賬款(附註b)	60,552	115,272	115,272
Less: Impairment loss	減：減值虧損	(40,469)	(38,487)	(33,243)
		20,083	76,785	82,029
Accounts receivable arising from the ordinary course of business of dealing in (note c):	在日常業務過程中因進行以下交易而產生之應收賬款(附註c)：			
Securities transactions:	證券交易：			
Margin clients	保證金客戶	131,157	88,252	88,252
Less: Impairment loss	減：減值虧損	(5,587)	-	-
		125,570	88,252	88,252
		167,927	211,653	216,897

The Group measures the loss allowance for accounts receivable at an amount equal to 12-month ECL or lifetime ECL. The expected credit losses on accounts receivable are estimated using a provision matrix with reference to past default experience of the accounts receivable, adjusted for factors that are specific to the accounts receivable, latest collateral valuation, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

本集團按相等於十二個月預期信貸虧損或整個存續期預期信貸虧損之金額計量應收賬款之虧損準備。應收賬款之預期信貸虧損乃參考應收賬款過往之違約經驗採用撥備方陣估計，並就應收賬款獨有之因素、抵押品最近期估值、整體經濟狀況以及於報告日期對現行及預測狀況發展方向之評估作出調整。

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22. ACCOUNTS RECEIVABLE (continued)

Notes:

- (a) The settlement terms of accounts receivable arising from the ordinary course of business of dealing in securities transactions are two trading days after the trade date and accounts receivable arising from the ordinary course of business of dealing in futures and options contracts transactions are one trading day after the trade date. Accounts receivable from clearing house and majority of accounts receivable from cash clients represent trades pending settlement arising from the business of dealing in securities transactions.

In respect of the accounts receivable arising from dealing in securities, futures and options contracts, except for those amounts due from margin clients, the aging analysis based on the trade date is as follows:

Within 30 days	30日內
31 – 90 days	31至90日
Over 90 days	超過90日

22. 應收賬款(續)

附註：

- (a) 在日常業務過程中因進行買賣證券交易而產生之應收賬款之結算期為買賣日期後兩個交易日，而在日常業務過程中因進行買賣期貨及期權合約交易而產生之應收賬款之結算期為買賣日期後一個交易日。應收結算所賬款及大部分應收現金客戶賬款指因進行買賣證券交易業務而產生之待結算交易。

因進行買賣證券、期貨及期權合約而產生之應收賬款(應收保證金客戶賬款除外)之賬齡分析(按買賣日期計算)如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	30日內	16,158	44,562
31 – 90 days	31至90日	101	288
Over 90 days	超過90日	342	482
		16,601	45,332

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(a) (continued)

Included in the amount of approximately HK\$45,332,000, approximately HK\$5,201,000 is past due but not impaired from cash clients as at 31 December 2017, aging analysis of which is as follows:

Within 30 days	30日內	4,431
31 – 90 days	31至90日	288
Over 90 days	超過90日	482
		5,201

As at 31 December 2017, no impairment loss had been provided for the amounts that are past due as the fair value of the listed equity securities of approximately HK\$43,070,000 of these cash clients held by the Group were generally over the relevant carrying amounts of the receivable. No such listed equity securities held can be pledged by the Group and the corresponding listed equity securities held can be sold at the Group's discretion to settle any past due outstanding amounts of the cash clients. Accounts receivable due from cash clients bear interest at commercial rates when it becomes past due.

As at 31 December 2017, no accounts receivable due from cash clients were past due and impaired.

22. 應收賬款(續)

附註：(續)

(a) (續)

於二零一七年十二月三十一日，約45,332,000港元之賬款當中，約5,201,000港元之應收現金客戶賬款為已逾期但無減值，其賬齡分析如下：

	2017 二零一七年 HK\$'000 千港元
Within 30 days	4,431
31 – 90 days	288
Over 90 days	482
	5,201

於二零一七年十二月三十一日，並無就該等已逾期之賬款作出減值虧損撥備，因本集團所持該等現金客戶之上市股本證券之公平值約為43,070,000港元，一般高於相關應收賬款之賬面值。本集團持有之該等上市股本證券不可質押，惟所持有之相關上市股本證券可由本集團酌情決定出售以清償現金客戶結欠之任何逾期未償還款項。已逾期之應收現金客戶賬款乃按商業利率計息。

於二零一七年十二月三十一日，並無應收現金客戶賬款為已逾期及已減值。

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(a) (continued)

As at 31 December 2018, no accounts receivable (2017: HK\$18,000) is due from a director of the Group in respect of transactions in securities undertaken for his accounts.

The settlement terms of accounts receivable arising from provision of corporate finance and other advisory services are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date 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
Within 30 days	30日內	2,859	515
31 – 90 days	31至90日	1,387	419
Over 90 days	超過90日	1,427	350
		5,673	1,284

As at 31 December 2017, included in the accounts receivable arising from provision of corporate finance and other advisory services, an aggregate carrying amount of approximately HK\$769,000 which were past due as at the end of the reporting period for which the Group had not provided for impairment loss because there was no significant change in credit quality of these clients and the balances were still considered as recoverable. The Group did not hold any collateral over these balances.

22. 應收賬款(續)

附註：(續)

(a) (續)

於二零一八年十二月三十一日，概無應收賬款為就本集團董事之賬戶進行證券交易而應收彼之款項(二零一七年：18,000港元)。

因提供企業融資及其他顧問服務而產生之應收賬款之結算期一般自發單日期起即時到期，但本集團可給予其客戶平均30日之信貸期。該等應收款項之賬齡分析(按發票日期計算)如下：

於二零一七年十二月三十一日，總賬面值約769,000港元因提供企業融資及其他顧問服務而產生之應收賬款於報告期末已逾期，而本集團並無作出任何減值虧損撥備，因該等客戶之信貸質素並無重大變動，而有關結餘仍被視為可收回。本集團並無就該等結餘持有任何抵押品。

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(a) (continued)

Movements in the impairment allowance on accounts receivable due from cash clients are as follows:

		2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	1
Impairment charged to profit or loss during the year	年內於損益賬扣除之減值	2
Amounts written off	撇銷金額	(3)
<hr/>		
At 31 December	於十二月三十一日	—

(b) As at 31 December 2018, accounts receivable arising from money lending services bear fixed-rate interest of 1.5% per month or 12% per annum (2017: 1.5% to 1.8% per month or 12% per annum). The accounts receivable had remaining contractual maturity date falling within one year as at the end of each reporting period. As at 31 December 2018, accounts receivable with net carrying amount of approximately HK\$3 million were secured by the client's listed securities. As at 31 December 2017, accounts receivable with net carrying amount of approximately HK\$58.6 million were secured by the clients' pledged listed securities, the client's pledged listed securities held by a discretionary trust in which the client is one of the beneficiaries and/or the corporate/personal guarantee provided by the clients' related parties.

As at 31 December 2017, accounts receivable arising from money lending services of approximately HK\$33,411,000 were past due and an impairment amount of approximately of HK\$33,243,000 was provided.

22. 應收賬款(續)

附註：(續)

(a) (續)

應收現金客戶之賬款之減值準備變動如下：

		2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	1
Impairment charged to profit or loss during the year	年內於損益賬扣除之減值	2
Amounts written off	撇銷金額	(3)
<hr/>		
At 31 December	於十二月三十一日	—

(b) 於二零一八年十二月三十一日，因放債服務產生之應收賬款按每月1.5厘或每年12厘(二零一七年：每月1.5厘至1.8厘或每年12厘)之固定利率計息。於各報告期末，該等應收賬款之剩餘合約年期為少於一年。於二零一八年十二月三十一日，賬面淨值約3,000,000港元之應收賬款以客戶已抵押上市證券為抵押。於二零一七年十二月三十一日，賬面淨值約58,600,000港元之應收賬款以客戶已抵押上市證券、客戶為當中其中一名受益人之全權信託所持有之客戶已抵押上市證券及／或客戶關連人士提供之公司／個人擔保為抵押。

於二零一七年十二月三十一日，約33,411,000港元因放債服務產生之應收賬款為已逾期，並已作出約33,243,000港元之減值。

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(b) (continued)

The credit quality of the accounts receivable arising from money lending services is as follows:

Neither past due nor impaired

Past due and impaired

Less: Allowance for impairment

未逾期亦無減值

已逾期並已減值

減：減值準備

22. 應收賬款(續)

附註：(續)

(b) (續)

因放債服務產生之應收賬款之信貸質素如下：

2017

二零一七年

HK\$'000

千港元

81,861

33,411

115,272

(33,243)

82,029

Movements in the impairment allowance on accounts receivable arising from money lending services are as follows:

因放債服務產生之應收賬款之減值準備變動如下：

2017

二零一七年

HK\$'000

千港元

At 1 January

Impairment charged to profit or loss during the year

At 31 December

於一月一日

年內於損益賬扣除之減值

於十二月三十一日

32,744

499

33,243

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(b) (continued)

Analysis of the gross carrying amount as at 31 December 2018 by the Group's internal credit rating and year end classification is as follows:

Internal credit rating	內部信貸評級	12-months ECL (Stage 1)	Lifetime ECL not credit- impaired (Stage 2)	Lifetime ECL credit- impaired (Stage 3)	Total
			並無信貸減值 十二個月 預期信貸 虧損 (第1階段) HK\$'000 千港元	減值之 整個存續期 預期信貸 虧損 (第2階段) HK\$'000 千港元	
Performing	良好	—	—	—	—
Doubtful	懷疑	—	20,332	—	20,332
Default	違約	—	—	40,220	40,220
		—	20,332	40,220	60,552

22. 應收賬款(續)

附註:(續)

(b) (續)

本集團內部信貸評級於二零一八年十二月三十一日之賬面總值分析及年末分類如下:

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(b) (continued)

Movements in the impairment allowance on accounts receivable arising from money lending services during the year are as follows:

22. 應收賬款(續)

附註：(續)

(b) (續)

年內因放債服務產生之應收賬款之減值準備變動如下：

		12-months ECL (Stage 1)	Lifetime ECL not credit- impaired (Stage 2)	Lifetime ECL credit- impaired (Stage 3)	Total
		十二個月 預期信貸 虧損 (第1階段)	並無信貸減值 之整個存續期 預期信貸 虧損 (第2階段)	整個存續期 預期信貸 虧損 (第3階段)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017	於二零一七年 十二月三十一日	—	—	33,243	33,243
Effect on adoption of HKFRS 9	採納香港財務報告 準則第9號之影響	—	5,244	—	5,244
At 1 January 2018	於二零一八年 一月一日	—	5,244	33,243	38,487
Amounts written off	撇銷金額	—	—	(691)	(691)
Impairment reversed during the year	年內撥回之減值	—	(2,803)	(5,332)	(8,135)
Impairment recognised during the year	年內確認之減值	—	808	10,000	10,808
At 31 December 2018	於二零一八年 十二月三十一日	—	3,249	37,220	40,469

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(b) (continued)

During 2016, the accounts receivable from two margin clients were restructured into term loans based on the financial status of the clients and their financial needs. As at 31 December 2017, the accounts receivable from these clients amounted to approximately HK\$14,478,000 with impairment allowance of approximately HK\$14,310,000. The Group has taken all necessary legal actions to follow up the outstanding loans. During the year ended 31 December 2018, one of these clients had settled an amount of HK\$5,500,000 for his total outstanding principal and accrued interest in accordance with the settlement terms as mutually agreed by the Group and the client. As such, the reversal of impairment losses of approximately HK\$5,332,000 were recognised in profit or loss for the year ended 31 December 2018. An amount of approximately Hk\$691,000 was written off for the year ended 31 December 2018.

During 2016, another loan was granted to a listed company which was due in January 2017 according to the loan agreement. The client failed to repay the outstanding principal on due date. The Group had served a statutory demand to the client but did not receive any positive response thereafter. Based on the published announcements of the listed company, in which provisional liquidators had been appointed, the management considered that the probability of the settlement of outstanding principal and/or accrued interests within a short period of time is highly uncertain. Taking into account the specific facts and circumstances, the Group had made full impairment allowance for the total outstanding amounts for the year ended 31 December 2017.

22. 應收賬款(續)

附註：(續)

(b) (續)

於二零一六年，應收兩名保證金客戶賬款已基於客戶財政狀況及其財務需要而重組為有期貨款。於二零一七年十二月三十一日，應收該等客戶賬款約為14,478,000港元，其減值準備約為14,310,000港元。本集團已採取一切必要法律行動以跟進未償還貸款。於截至二零一八年十二月三十一日止年度，其中一名客戶已根據本集團與該客戶雙方協定之清償條款就其未償還本金及應計利息總額償還5,500,000港元。因此，於截至二零一八年十二月三十一日止年度，已於損益賬確認約5,332,000港元之減值虧損撥回。於截至二零一八年十二月三十一日止年度已撇銷約691,000港元之款項。

於二零一六年，本集團向一間上市公司批出另一項貸款，根據貸款協議於二零一七年一月到期。客戶於到期日未有償還未償還本金額。本集團已向客戶發出法定要求償債書，但其後並未收到任何積極回應。根據該上市公司之已刊發公佈，當中說明已委任臨時清盤人，管理層認為短時間內清償未償還本金及／或應計利息之機會極不明朗。經考慮具體事實及情況，本集團已於截至二零一七年十二月三十一日止年度就未償還款項作出悉數減值準備。

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22. ACCOUNTS RECEIVABLE (continued)*Notes: (continued)*

- (c) The accounts receivable due from margin clients of approximately HK\$131,157,000 (2017: HK\$88,252,000) were secured by the clients' pledged listed securities which carried a fair value of approximately HK\$520,490,000 (2017: HK\$480,307,000). The management of the Group has assessed the market value of pledged listed securities of each individual customer that has margin shortfall as at the end of each reporting period and considered that no impairment allowance is necessary.

Securities are assigned with specific margin ratios for calculating margin values. Additional funds or collateral are required if the amount of accounts receivable from margin clients outstanding exceeds the eligible margin value of the securities deposited. The collateral held can be re-pledged up to 140% of the margin receivable amounts and the corresponding collateral held can be sold at the Group's discretion to settle any outstanding amounts owed by the margin clients. Accounts receivable due from margin clients are repayable on demand and bear interest at commercial rates.

As at 31 December 2018, an impairment of approximately HK\$5,587,000 (2017: Nil) was recognised in respect of the accounts receivable due from a margin client of approximately HK\$18,585,000 and secured by the pledged list securities which carried a fair value of approximately HK\$12,800,000. Such accounts receivable due from the margin client was assessed to be credit impaired and transferred from stage 1 to stage 3 during the year as it became default to repay another term loan of approximately HK\$13,000,000 to the Group on due date.

22. 應收賬款(續)*附註：(續)*

- (c) 為數約131,157,000港元(二零一七年：88,252,000港元)應收保證金客戶之應收賬款乃以公平值約520,490,000港元(二零一七年：480,307,000港元)之已抵押上市證券作抵押。本集團管理層已評估於各個報告期末每個出現保證金短欠之個別客戶之已抵押上市證券之市值，並認為毋須作出減值準備。

證券均設有特定保證金比率以計算其保證金價值。倘應收保證金客戶之未償還賬款金額超過所寄存證券之合資格保證金價值，則須提供額外資金或抵押品。所持有之抵押品可再質押最高至保證金應收款項的140%，而所持有之相關抵押品亦可由本集團酌情決定出售以清償保證金客戶結欠之任何未償還款項。應收保證金客戶之賬款須於要求時償還並按商業利率計息。

於二零一八年十二月三十一日，已就為數約18,585,000港元應收保證金客戶之應收賬款確認約5,587,000港元減值(二零一七年：無)，該應收賬款乃以公平值約12,800,000港元之已抵押上市證券作抵押。該等應收保證金客戶賬款已被評定為出現信貸減值並已於年內由第1階段轉撥至第3階段，因其於到期日向本集團拖欠償還另一筆約13,000,000港元之有期貨款。

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(c) (continued)

Analysis of the gross carrying amount as at 31 December 2018 by the Group's internal credit rating and year end classification is as follows:

Internal credit rating	內部信貸評級	12-months	Lifetime	Lifetime	Total
		ECL	ECL not	ECL	
		(Stage 1)	credit-	credit-	
			impaired	impaired	
			(Stage 2)	(Stage 3)	
			並無信貸減值	已信貸減值之	
			十二個月	整個存續期	
			預期信貸	預期信貸	
			虧損	虧損	
			(第1階段)	(第2階段)	(第3階段)
			HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元
Performing	良好	112,572	–	–	112,572
Doubtful	懷疑	–	–	–	–
Default	違約	–	–	18,585	18,585
		112,572	–	18,585	131,157

22. 應收賬款(續)

附註:(續)

(c) (續)

按本集團內部信貸評級於二零一八年十二月三十一日之賬面總值分析及年末分類如下:

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22. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

(c) (continued)

Movements in the impairment allowance on accounts receivable due from margin clients during the year are as follows:

22. 應收賬款(續)

附註:(續)

(c) (續)

年內應收保證金客戶之賬款之減值準備變動如下:

	12-months ECL (Stage 1)	Lifetime ECL not credit- impaired (Stage 2)	Lifetime ECL credit- impaired (Stage 3)	Total
	十二個月 預期信貸 虧損 (第1階段)	並無信貸減值 之整個存續期 預期信貸 虧損 (第2階段)	已信貸減值之 整個存續期 預期信貸 虧損 (第3階段)	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年 一月一日	-	-	-
Impairment loss recognised during the year	年內確認之減值虧損	-	-	5,587
At 31 December 2018	於二零一八年 十二月三十一日	-	-	5,587

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23. PLEDGED BANK DEPOSITS

As at 31 December 2018, the Group has placed a bank deposit of HK\$40,000,000 (2017: HK\$40,000,000) at an interest rate of 2.00% (2017: 0.83%) per annum to a bank to secure banking facilities of HK\$100,000,000 (2017: HK\$100,000,000) which included the drawn bank borrowings of HK\$40,000,000 (2017: HK\$40,000,000). Details of the bank borrowings are set out in note 26.

24. BANK BALANCES AND CASH

Bank balances and cash comprise of cash and short-term bank deposits held by the Group at market interest rates ranging from 0.001% to 2.05% (2017: 0.001% to 1.09%) per annum with an original maturity of three months or less.

In the course of the conduct of the regulated activities of its ordinary business, VC Brokerage Limited ("VC Brokerage"), VC Futures Limited and VC Capital Limited act as trustees that result in the holding of clients' monies on behalf of clients and other institutions. These assets are not assets of the Group and, therefore, are not included in its consolidated statement of financial position. As at 31 December 2018, the Group maintained segregated accounts at a clearing house of approximately HK\$3,463,000 (2017: HK\$2,033,000) and at other authorised institutions of approximately HK\$162,367,000 (2017: HK\$267,970,000) in conjunction with its securities, futures and options brokering and dealing business, and corporate financial advisory business as a result of the normal business transactions, which are not otherwise dealt with in these consolidated financial statements.

23. 已抵押銀行存款

於二零一八年十二月三十一日，本集團將為數40,000,000港元（二零一七年：40,000,000港元）按年利率2.00厘（二零一七年：0.83厘）計息之銀行存款抵押予一家銀行，以為100,000,000港元（二零一七年：100,000,000港元）之銀行融資額作抵押，該等融資額中包括已提取之40,000,000港元（二零一七年：40,000,000港元）銀行借款。有關銀行借款之詳情載於附註26。

24. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下、按市場年利率介乎0.001厘至2.05厘（二零一七年：0.001厘至1.09厘）計息之短期銀行存款。

在日常業務過程中經營受規管活動時，滙盈證券有限公司（「滙盈證券」）、滙盈期貨有限公司及滙盈融資有限公司充當受託人，代客戶及其他機構持有客戶款項。該等資產並非本集團之資產，故不計入其綜合財務狀況表內。於二零一八年十二月三十一日，本集團因其正常業務交易而進行之證券、期貨及期權經紀及買賣業務以及企業融資顧問業務而於一間結算所設立獨立賬戶約3,463,000港元（二零一七年：2,033,000港元），另於其他認可機構設立獨立賬戶約162,367,000港元（二零一七年：267,970,000港元），有關賬戶不會在綜合財務報表中處理。

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25. ACCOUNTS PAYABLE

25. 應付賬款

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Accounts payable arising from dealing in securities:	因買賣證券而產生之應付賬款：		
Clearing house	結算所	23,313	15,762
Cash clients	現金客戶	973	20,245
Margin clients	保證金客戶	104	884
		24,390	36,891

Accounts payable to clearing house represent trades pending settlement arising from dealing in securities which are usually due within two trading days after the trade date.

應付結算所賬款指買賣證券產生之待結算交易，一般於買賣日期後之兩個交易日內到期。

The accounts payable to cash clients and margin clients are repayable on demand except where certain balances represent trade pending settlement which are usually due within two trading days after the trade date or deposits received from clients for their securities dealing activities. Only the excessive amounts over the required deposits stipulated are repayable on demand.

應付現金及保證金客戶之賬款須於要求時償還，惟若干待結算交易結餘（一般於買賣日期後之兩個交易日內到期）或就客戶證券買賣活動向其收取之按金除外。僅有多於指定按金之數額為須於要求時償還。

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of this business.

基於此業務之性質，本公司董事認為賬齡分析並無任何額外價值，故未有披露賬齡分析。

As at 31 December 2018, no accounts payable (2017: HK\$18,000) are due to the directors of the Group and the close family members of these directors in respect of transactions in securities undertaken for their accounts.

於二零一八年十二月三十一日，概無應付賬款為就本集團董事及該等董事之近親之賬戶進行證券交易而應付彼等之款項（二零一七年：18,000港元）。

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26. SHORT-TERM BANK BORROWINGS

26. 短期銀行借款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Secured and guaranteed	有抵押及有擔保	40,000	40,000

The short-term bank borrowings, which were secured by pledged bank deposits and the Company's corporate guarantee, bore an interest rate at the bank's cost of funding plus 2% per annum as at 31 December 2018 (2017: the bank's cost of funding plus 2% per annum). Details of the pledged bank deposits are disclosed in note 23.

As at 31 December 2018, the Group has unused banking facilities of HK\$60,000,000 (2017: HK\$60,000,000), including an amount of HK\$50,000,000 (2017: HK\$50,000,000) for short-term money market loan for margin financing business and an amount of HK\$10,000,000 (2017: HK\$10,000,000) for drawings against uncleared cheques.

The repayment date of the short-term bank borrowings is 3 January 2019 (2017: 4 January 2018).

於二零一八年十二月三十一日，短期銀行借款乃以已抵押銀行存款及本公司之企業擔保作抵押，並按銀行資金成本加2厘年利率（二零一七年：銀行資金成本加2厘年利率）計息。有關已抵押銀行存款之詳情於附註23披露。

於二零一八年十二月三十一日，本集團有為數60,000,000港元（二零一七年：60,000,000港元）之未動用銀行融資額，包括50,000,000港元（二零一七年：50,000,000港元）有關保證金融資業務之短期貨幣市場貸款，另有10,000,000港元（二零一七年：10,000,000港元）乃用於留作未結算支票提款。

短期銀行借款之還款日期為二零一九年一月三日（二零一七年：二零一八年一月四日）。

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27. DEFERRED TAX (ASSET)/LIABILITIES

The following is the major deferred tax (asset) liability recognised and movements thereon during the current and prior years.

27. 遞延稅項(資產)/負債

已確認之主要遞延稅項(資產)負債以及其於本年度及過往年度之變動如下。

		Tax losses	Unrealised gain on financial assets held for trading 持作買賣 財務資產之 未變現收益	Accelerated tax depreciation 加速 稅項折舊	Convertible bonds 可換股債券	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	(5,330)	4,961	369	-	-
Charge (credit) to profit or loss	於損益賬扣除(抵免)	2,576	(2,137)	(51)	-	388
At 31 December 2017	於二零一七年 十二月三十一日	(2,754)	2,824	318	-	388
Charge to convertible bonds reserve	於可換股債券儲備扣除	-	-	-	1,475	1,475
Charge (credit) to profit or loss	於損益賬扣除(抵免)	2,014	(2,082)	(174)	(339)	(581)
At 31 December 2018	於二零一八年 十二月三十一日	(740)	742	144	1,136	1,282

At 31 December 2018, the Group has estimated unused tax losses of approximately HK\$427,935,000 (2017: HK\$345,738,000) available for offset against future profits. As at 31 December 2018, deferred tax asset and liability have been recognised in respect of tax losses of approximately HK\$4,485,000 (2017: HK\$16,696,000) and taxable temporary difference of approximately HK\$5,366,000 (2017: HK\$19,046,000) respectively. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK\$423,450,000 (2017: HK\$329,042,000) due to the unpredictability of future profit streams. The estimated unused tax losses have no expiry date but are subject to further approval of the Hong Kong Inland Revenue Department.

於二零一八年十二月三十一日，本集團有估計未動用稅項虧損約427,935,000港元(二零一七年：345,738,000港元)，可供抵銷未來溢利。於二零一八年十二月三十一日，已分別就約4,485,000港元(二零一七年：16,696,000港元)之稅項虧損及約5,366,000港元(二零一七年：19,046,000港元)之應課稅臨時差額確認遞延稅項資產及負債。並無就其餘約423,450,000港元(二零一七年：329,042,000港元)之稅項虧損確認遞延稅項資產，蓋因未來溢利來源無法預測。該等估計未動用稅項虧損不設屆滿日，但須經香港稅務局另行批准，方可作實。

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28. CONVERTIBLE BONDS

On 8 January 2018, the Company issued convertible bonds (the "CB1") with zero coupon rate at a total principal value of HK\$360,000,000 to PAL as the balance of the consideration of the acquisition of the China Fortune Convertible Bonds as disclosed in note 21. The convertible bonds will mature on the third anniversary of the date of issue of the convertible bonds. The convertible bonds are convertible into 288,000,000 conversion shares at any time between the date of issue of the convertible bonds and the maturity date at the bondholder's option at initial conversion price of HK\$1.25 per conversion share.

During the year ended 31 December 2018, the CB1 with principal amounts of HK\$345,000,000 were converted into 276,000,000 ordinary shares of the Company at the conversion price of HK\$1.25 per share. The amount of approximately HK\$198,397,000 was recognised in convertible bonds reserve upon the conversion of convertible bonds.

On 8 June 2018, the Company issued convertible bonds (the "CB2") with 2% coupon rate at a total principal value of HK\$160,000,000 to CVP Financial Group Limited as the consideration of the acquisition of unlisted equity securities issued by Hackett Enterprises Limited as disclosed in note 20B. The convertible bond will mature on the third anniversary of the date of issue of the convertible bonds. The convertible bonds are convertible into 123,076,923 conversion shares at any time between the date of issue of the convertible bonds and the maturity date at the bondholder's option at initial conversion price of HK\$1.3 per conversion share.

28. 可換股債券

於二零一八年一月八日，本公司發行本金總額為360,000,000港元零票息率之可換股債券（「可換股債券1」）予PAL，作為附註21所披露收購中國富強可換股債券之餘下代價。可換股債券將於可換股債券發行日期後第三個週年日到期。可換股債券可由債券持有人選擇於可換股債券發行日期起直至到期日止期間內，隨時按初步換股價每股換股股份1.25港元將可換股債券兌換為288,000,000股換股股份。

於截至二零一八年十二月三十一日止年度，本金額345,000,000港元之可換股債券1已按每股1.25港元兌換為276,000,000股本公司普通股。於兌換可換股債券時於可換股債券儲備確認約198,397,000港元之款額。

於二零一八年六月八日，本公司發行本金總額為160,000,000港元2厘票面息率之可換股債券（「可換股債券2」）予遠見金融集團有限公司，作為附註20B所披露收購Hackett Enterprises Limited發行之非上市股本證券之代價。可換股債券將於可換股債券發行日期後第三個週年日到期。可換股債券可由債券持有人選擇於可換股債券發行日期起直至到期日止期間內，隨時按初步換股價每股換股股份1.3港元將可換股債券兌換為123,076,923股換股股份。

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28. CONVERTIBLE BONDS (continued)

During the year ended 31 December 2018, the CB2 with principal amounts of HK\$142,000,000 were converted into 109,230,769 ordinary shares of the Company at the conversion price of HK\$1.3 per share. The amount of approximately HK\$70,293,000 was recognised in convertible bonds reserve upon the conversion of convertible bonds.

28. 可換股債券(續)

截至二零一八年十二月三十一日止年度，本金額142,000,000港元之可換股債券2已按每股1.3港元兌換為109,230,769股本公司普通股。於兌換可換股債券時於可換股債券儲備確認約70,293,000港元之款額。

		CB1 issued on 8 January 2018 於二零一八年 一月八日 發行之 可換股債券1 HK\$'000 千港元	CB2 issued on 8 June 2018 於二零一八年 六月八日 發行之 可換股債券2 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liability component at 1 January 2018	於二零一八年一月一日 之負債部分	-	-	-
Liability component on initial recognition	初步確認時之負債部分	249,415	121,534	370,949
Effective interest expenses (note 11)	實際利息開支(附註11)	16,543	4,660	21,203
Interest payable	應付利息	-	(1,023)	(1,023)
Conversion into new ordinary shares	兌換為新普通股	(254,241)	(110,772)	(365,013)
Liability component at 31 December 2018	於二零一八年十二月 三十一日之負債部分	11,717	14,399	26,116

The liability component of the CB1 and CB2 are classified under non-current liabilities.

可換股債券1及可換股債券2之負債部分乃分類至非流動負債。

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28. CONVERTIBLE BONDS (continued)

The convertible bonds issued during the year ended 31 December 2018 recognised in the consolidated statement of financial position are as follows:

28. 可換股債券(續)

於截至二零一八年十二月三十一日止年度發行之可換股債券於綜合財務狀況表確認如下：

		CB1 issued on 8 January 2018 於二零一八年 一月八日 發行之 可換股債券1 HK\$'000 千港元	CB2 issued on 8 June 2018 於二零一八年 六月八日 發行之 可換股債券2 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Fair value of convertible bonds issued	已發行可換股債券之 公平值	474,684	207,084	681,768
Equity conversion component recognised under convertible bonds reserve	於可換股債券儲備確認 之權益換股部分	(225,269)	(85,550)	(310,819)
Liability component on initial recognition at issue date	於發行日期初步確認之 負債部分	249,415	121,534	370,949
Maturity date	到期日	8 January 2021 二零二一年 一月八日	8 June 2021 二零二一年 六月八日	

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28. CONVERTIBLE BONDS (continued)

The fair values of the CB1 and CB2 were valued by an independent professional valuer, as at their respective issue dates and were calculated by using the Binomial Model. The inputs into the model were as follows:

Share price	股價
Conversion price	換股價
Effective interest rate	實際利率
Expected volatility	預期波幅
Expected life	預期年期
Risk free rate	無風險利率
Expected dividend yield	預期股息率

The effective interest rate was determined with reference to the average of the bond yields of the comparable companies with similar businesses and credit rating of the Company. Risk free rate was determined with reference to yield of 3 years Hong Kong government bonds near the valuation dates of 8 January 2018 and 8 June 2018 respectively. Expected volatility was determined using the historical volatility of the Company's share price over the previous 3 years as at the valuation dates of 8 January 2018 and 8 June 2018 respectively.

The CB 1 and CB 2 comprise a liability component and equity conversion component. The residual amount, representing the value of the equity component, is included in the convertible bonds reserve under equity attributable to the owners of the Company.

28. 可換股債券(續)

可換股債券1及可換股債券2之公平值由獨立專業估值師於各自的發行日期估值及使用二項式模式計算。該模式之輸入數據如下：

	CB1 可換股債券1	CB2 可換股債券2
Share price	HK\$1.46 1.46港元	HK\$1.39 1.39港元
Conversion price	HK\$1.25 1.25港元	HK\$1.30 1.30港元
Effective interest rate	13%	12%
Expected volatility	71%	68%
Expected life	3 years 3年	3 years 3年
Risk free rate	1.45%	2.03%
Expected dividend yield	Nil 無	Nil 無

實際利率乃參考與本公司業務及信貸評級相若之可資比較公司之平均債券回報率釐定。無風險利率乃參考於估值日期二零一八年一月八日及二零一八年六月八日前後三年期香港政府債券之回報率釐定。預期波幅乃使用於估值日期二零一八年一月八日及二零一八年六月八日過往三年內本公司股價歷史波幅釐定。

可換股債券1及可換股債券2由負債部分及權益換股部分組成。殘值(即權益部分之價值)計入本公司擁有人應佔權益下之可換股債券儲備。

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29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details the 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.

29. 融資活動產生之負債對賬

下表載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其有關之現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動產生之現金流量之負債。

		Convertible bonds 可換股債券 HK\$'000 千港元	Other payables 其他應付賬款		Short-term bank borrowings 短期銀行借款 HK\$'000 千港元
			Interest payables on convertible bonds 可換股債券之應付利息 HK\$'000 千港元	Interest payables on bank borrowings 銀行借款之應付利息 HK\$'000 千港元	
As 1 January 2017	於二零一七年一月一日	-	-	12	40,000
Financing cash inflows	融資現金流入	-	-	-	120,000
Financing cash outflows	融資現金流出	-	-	(450)	(120,000)
Interest expenses accrued	應計利息支出	-	-	452	-
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	-	-	14	40,000
Financing cash inflows	融資現金流入	-	-	-	80,000
Financing cash outflows	融資現金流出	-	-	(65)	(80,000)
<i>Non-cash changes</i>	<i>非現金變動</i>				
Interest expenses accrued	應計利息支出	20,180	1,023	79	-
Liability component on initial recognition of CB1 in exchange of convertible bonds purchased	換取所購買可換股債券時初步確認可換股債券1之負債部分	249,415	-	-	-
Liability component on initial recognition of CB2 in exchange of financial assets at FVTOCI purchased	換取所購買按公平值列賬及在其他全面收入表處理之財務資產時初步確認可換股債券2之負債部分	121,534	-	-	-
Conversion into new ordinary shares	兌換為新普通股	(365,013)	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	26,116	1,023	28	40,000

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30. SHARE CAPITAL

30. 股本

		Number of ordinary shares 普通股數目 '000 千股	Share capital 股本 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	662,617	735,252
Issue of shares by placement (note a)	因配售而發行股份(附註a)	132,000	120,120
Transaction costs attributable to issue of shares by placement	因配售而發行股份之 交易成本	-	(9)
At 31 December 2017	於二零一七年十二月三十一日	794,617	855,363
Issue of shares upon conversion of convertible bonds (note c)	因可換股債券換股而發行 股份(附註c)	385,231	656,821
Issue of shares upon by top-up placement and subscription (note b)	因以先舊後新方式配售及 認購而發行股份(附註b)	50,904	73,811
Transaction costs attributable to issue of shares by top-up placement and subscription	因以先舊後新方式配售及 認購而發行股份之交易成本	-	(1,187)
Issue of shares upon exercise of share options (note d)	因行使購股權而發行股份 (附註d)	200	431
At 31 December 2018	於二零一八年十二月三十一日	1,230,952	1,585,239

Notes:

附註:

(a) On 28 July 2017, the Company entered into a placing agreement with a placing agent regarding the placement of, on a best effort basis, up to an aggregate of 132,000,000 new shares of the Company to not less than six independent parties at a placing price of HK\$0.91 per new share. The placement was completed on 18 August 2017 and a total of 132,000,000 new shares were issued under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 25 May 2017. The proceeds from the placement amounted to approximately HK\$120,120,000. The new shares rank pari passu with the existing shares in all respects.

(a) 於二零一七年七月二十八日，本公司與配售代理訂立一份配售協議，內容有關按竭盡所能基準以每股新股份0.91港元之配售價配售合共最多132,000,000股本公司新股份予不少於六名獨立人士。配售事項已於二零一七年八月十八日完成，合共132,000,000股新股份已根據於二零一七年五月二十五日舉行之本公司股東週年大會上授予本公司董事之一般授權發行。配售事項之所得款項約為120,120,000港元。新股份於各方面與現有股份享有同等地位。

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30. SHARE CAPITAL (continued)

Notes: (continued)

- (b) On 26 June 2018, the Company entered into a placing and subscription agreement with a placing agent (the "Placing Agent") and Mr. Chung Chi Shing, Eric ("Mr. Chung") whereby (i) Mr. Chung agreed to appoint the Placing Agent and the Placing Agent has agreed to act as agent of Mr. Chung and use its best endeavour to procure not less than six places for up to 60,000,000 shares of the Company at HK\$1.45 per placing shares; and (ii) Mr. Chung has agreed to subscribe for up to 60,000,000 shares of the Company at HK\$1.45 per subscription share.

The completion of the placing took place on 29 June 2018 and a total of 50,904,000 shares of the Company (the "Sale Shares") were successfully placed to not less than six places at the HK\$1.45 per Sale Share. All the conditions of the subscription as set out in the placing and subscription agreement have been fulfilled and completion of the subscription took place on 10 July 2018 whereby a total of 50,904,000 shares of the Company (the "Subscription Shares") were allotted and issued to Mr. Chung at HK\$1.45 per Subscription Share. The new shares rank pari passu with the existing shares in all respects.

The net proceeds from the placing is approximately HK\$72,624,000 after deduction of commission and other related expenses of placing from the gross proceeds of approximately HK\$73,811,000.

- (c) During the year ended 31 December 2018, certain portions of the CB1 and CB2 were converted into 276,000,000 and 109,230,769 ordinary shares of the Company at the conversion price of HK\$1.25 and HK\$1.3 per ordinary share respectively. As a result of the conversion, share capital has been increased by approximately HK\$470,123,000 and HK\$186,698,000 respectively and convertible bonds reserve has been decreased by approximately HK\$198,397,000 and HK\$70,293,000 respectively. The new shares rank pari passu with the existing shares in are respects

30. 股本(續)

附註：(續)

- (b) 於二零一八年六月二十六日，本公司與配售代理及鍾志成先生（「鍾先生」）訂立一份配售及認購協議，據此(i)鍾先生同意委任配售代理而配售代理亦同意擔任鍾先生之代理，並盡其最大努力促使不少於六名承配人，以每股配售股份1.45港元認購最多60,000,000股本公司股份；及(ii)鍾先生同意以每股認購股份1.45港元認購最多60,000,000股本公司股份。

配售事項已於二零一八年六月二十九日完成，已成功按每股本公司股份（「待售股份」）1.45港元向不少於六名承配人配售合共50,904,000股待售股份。至於配售及認購協議所載認購事項之所有條件已經達成，認購事項已於二零一八年七月十日完成，據此已按每股本公司股份（「認購股份」）1.45港元向鍾先生配發及發行合共50,904,000股認購股份。新股份於各方面與現有股份享有同等地位。

配售事項之所得款項總額約為73,811,000港元，而扣除佣金及配售事項之相關開支後配售事項之所得款項淨額約為72,624,000港元。

- (c) 截至二零一八年十二月三十一日止年度，可換股債券1及可換股債券2之若干部分已分別按每股1.25港元及1.3港元兌換為276,000,000股及109,230,769股本公司普通股。由於換股，股本分別增加約470,123,000港元及186,698,000港元，而可換股債券儲備則分別減少約198,397,000港元及70,293,000港元。新股份於各方面與現有股份享有同等地位。

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30. SHARE CAPITAL (continued)*Notes: (continued)*

(d) During the year ended 31 December 2018, 200,000 share options had been exercised by the holders at exercise price of HK\$1.67 each for the issuance of shares. As a result of the exercise of share options, bank balances and cash and share capital have been increased by approximately HK\$334,000 and HK\$431,000 respectively and share option reserve has been decreased by approximately HK\$97,000. The new shares rank pari passu with the existing shares in all respects.

31. SHARE OPTIONS AND SHARE AWARDS**Share option scheme**

The Company offered the share option scheme under which share options are granted to the directors, employees and other eligible persons of the Group to subscribe for shares of the Company in recognising their contributions and in retaining employees who will continue to make valuable contribution to the Group.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June 2009, the Company adopted a share option scheme (the "2009 Share Option Scheme").

At an extraordinary general meeting held on 14 June 2018, the shareholders of the Company approved the adoption of a new share option scheme (the "2018 Share Option Scheme"), which superseded the 2009 Share Option Scheme. The purpose of 2018 Share Option Scheme same as the 2009 Share Option Scheme. After termination of the 2009 Share Option Scheme, no further options may be granted but the provisions of the 2009 Share Option Scheme shall in all other respects remain in full force and effect and options which are granted under the 2009 share Option Scheme may continue to be exercisable in accordance with their respective terms of issue.

30. 股本(續)*附註：(續)*

(d) 截至二零一八年十二月三十一日止年度，200,000份購股權由持有人按每股1.67港元之行使價行使以發行股份。由於行使購股權，銀行結餘及現金與股本分別增加約334,000港元及431,000港元，而購股權儲備則減少約97,000港元。新股份於各方面與現有股份享有同等地位。

31. 購股權及股份獎勵**購股權計劃**

本公司提供購股權計劃，據此授出可認購本公司股份之購股權予本集團董事、僱員及其他合資格人士，以肯定彼等之貢獻及吸引會繼續為本集團作出寶貴貢獻之僱員留任。

本公司根據於二零零九年六月八日舉行之股東週年大會上通過之普通決議案，採納一項購股權計劃（「二零零九年購股權計劃」）。

於二零一八年六月十四日舉行之股東特別大會上，本公司股東批准採納一項新購股權計劃（「二零一八年購股權計劃」），其取代二零零九年購股權計劃。二零一八年購股權計劃之目的與二零零九年購股權計劃相同。二零零九年購股權計劃終止後，不得再授出購股權，惟二零零九年購股權計劃條文於所有其他方面仍具十足效力及作用，且根據二零零九年購股權計劃已授出之購股權仍可繼續根據其各自之發行條款予以行使。

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31. SHARE OPTIONS AND SHARE AWARDS

(continued)

Share option scheme (continued)

On 29 September 2016, directors and employees of the Group were granted share options to subscribe for 41,000,000 underlying shares under the 2009 Share Option Scheme. These share options were immediately vested on the grant date and have duration of 3 years from the date of grant i.e. from 29 September 2016 to 28 September 2019. Any share options granted shall normally lapse upon the expiration of 3 months after the relevant grantee ceases to be an employee of the Group. The Board has the discretion to amend the terms of the Share Option Scheme.

On 24 January 2018, directors and employees of the Group and other eligible persons were granted share options to subscribe for 66,256,000 underlying shares under the 2009 Share Option Scheme. These share options were immediately vested on the grant date and have duration of 3 years from the date of grant i.e. from 24 January 2018 to 23 January 2021. Any share options granted shall normally lapse upon the expiration of 3 months after the relevant grantee ceases to be an employee of the Group. The Board has the discretion to amend the terms of the 2009 Share Option Scheme.

31. 購股權及股份獎勵(續)

購股權計劃(續)

於二零一六年九月二十九日，本公司根據二零零九年購股權計劃向本集團董事及僱員授出可認購41,000,000股相關股份之購股權。該等購股權已於授出日期即時歸屬，並由授出日期起計有效期為三年(即二零一六年九月二十九日至二零一九年九月二十八日)。任何已授出之購股權一般將於有關承授人不再為本集團僱員後三個月失效。董事會可酌情修訂購股權計劃之條款。

於二零一八年一月二十四日，本公司根據二零零九年購股權計劃向本集團董事及僱員及其他合資格人士授出可認購66,256,000股相關股份之購股權。該等購股權已於授出日期即時歸屬，並由授出日期起計有效期為三年(即二零一八年一月二十四日至二零二一年一月二十三日)。任何已授出之購股權一般將於有關承授人不再為本集團僱員後三個月失效。董事會可酌情修訂二零零九年購股權計劃之條款。

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**31. SHARE OPTIONS AND SHARE AWARDS
(continued)****Share option scheme (continued)**

As at 31 December 2018, the number of shares in respect of which share options had been granted and remained outstanding under the 2009 Share Option Scheme was 106,656,000 (2017: 40,600,000), representing approximately 8.66% (2017: 5.11%) of the shares of the Company in issue as at 31 December 2018. No share options had been granted under the 2018 Share Option Scheme as at 31 December 2018.

The estimated fair values of the options granted under the 2009 Share Option Scheme on 24 January 2018 is approximately HK\$31,322,000 recognised in the share option reserve, which was calculated using the Binomial Model by an independent professional valuer. The key inputs into the model were as follows:

Share Price at the date of grant	於授出日期之股價	HK\$1.62 1.62港元
Exercise Price	行使價	HK\$1.67 1.67港元
Risk free rate	無風險利率	1.512%
Expected volatility	預期波幅	71.528%
Exercise multiples – directors	行使倍數 – 董事	1.38
– employees/other eligible persons	– 僱員/其他合資格人士	1.53

The Group recognised total equity-settled share option expense of approximately HK\$31,322,000 included in the staff costs and other operating expenses for the year ended 31 December 2018 (2017: Nil) in relation to the 66,256,000 share options granted under the 2009 Share Option Scheme.

31. 購股權及股份獎勵(續)**購股權計劃(續)**

於二零一八年十二月三十一日，根據二零零九年購股權計劃已授出而尚未行使之購股權所涉及之股份數目為106,656,000股（二零一七年：40,600,000股），相當於本公司於二零一八年十二月三十一日已發行股份約8.66%（二零一七年：5.11%）。於二零一八年十二月三十一日概無根據二零一八年購股權計劃授出購股權。

根據二零零九年購股權計劃於二零一八年一月二十四日授出之購股權之估計公平值約為31,322,000港元（於購股權儲備確認），乃由獨立專業估值師採用二項式模式計算，該模式之輸入數據如下：

24 January 2018
二零一八年
一月二十四日

於截至二零一八年十二月三十一日止年度，本集團就根據二零零九年購股權計劃授出之66,256,000份購股權確認以股本支付之購股權開支總額約31,322,000港元（二零一七年：無），計入員工成本及其他經營開支。

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31. SHARE OPTIONS AND SHARE AWARDS
(continued)

Share option scheme (continued)

Movements in the number of share options granted to the directors of the Company, employees of the Group and other eligible persons outstanding under the 2009 Share Option Scheme during the year are as follows:

Year ended 31 December 2018

31. 購股權及股份獎勵(續)

購股權計劃(續)

於年內根據二零零九年購股權計劃授予本公司董事、本集團僱員及其他合資格人士尚未行使之購股權數目變動如下：

截至二零一八年十二月三十一日止年度

Categories of grantees	Grant date	Exercise price per share	Number of share options				Balance as at 31 December 2018	
			Balance as at 1 January 2018	Granted during the year	Reclassification during the year	Exercised during the year		Lapsed during the year
承授人類別	授出日期	每股行使價	於二零一八年一月一日之結餘	於年內授出	於年內重新分類 (note 1) (附註1)	於年內行使	於年內失效	於二零一八年十二月三十一日之結餘
Directors of the Company 本公司董事	29 September 2016 二零一六年 九月二十九日	HK\$1.76 1.76港元	19,000,000	-	3,400,000	-	-	22,400,000
	24 January 2018 二零一八年 一月二十四日	HK\$1.67 1.67港元	-	9,332,000	14,632,000	-	-	23,964,000
Employees 僱員	29 September 2016 二零一六年 九月二十九日	HK\$1.76 1.76港元	13,100,000	-	(11,800,000)	-	-	1,300,000
	24 January 2018 二零一八年 一月二十四日	HK\$1.67 1.67港元	-	33,104,000	(23,772,000)	(200,000)	-	9,132,000
Other eligible persons 其他合資格人士	29 September 2016 二零一六年 九月二十九日	HK\$1.76 1.76港元	8,500,000	-	8,400,000	-	-	16,900,000
	24 January 2018 二零一八年 一月二十四日	HK\$1.67 1.67港元	-	23,820,000	9,140,000	-	-	32,960,000
Total 總計			40,600,000	66,256,000	-	(200,000)	-	106,656,000
Exercisable as at 31 December 2018 於二零一八年十二月 三十一日可予行使								106,656,000
Weighted average exercise price 加權平均行使價			HK\$1.76 1.76港元	HK\$1.67 1.67港元	-	HK\$1.67 1.67港元	-	HK\$1.70 1.70港元

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31. SHARE OPTIONS AND SHARE AWARDS
(continued)

Share option scheme (continued)

Year ended 31 December 2017

Categories of grantees	Grant date	Exercise price per share	Balance as at 1 January 2017 於二零一七年一月一日之結餘	Granted during the year 於年內授出	Number of share options 購股權數目			Balance as at 31 December 2017 於二零一七年十二月三十一日之結餘
					Reclassification during the year 於年內重新分類 (note 2) (附註2)	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	
Directors of the Company 本公司董事	29 September 2016 二零一六年九月二十九日	HK\$1.76 1.76港元	19,500,000	-	(500,000)	-	-	19,000,000
Employees 僱員	29 September 2016 二零一六年九月二十九日	HK\$1.76 1.76港元	21,100,000	-	(8,000,000)	-	-	13,100,000
Other eligible persons 其他合資格人士	29 September 2016 二零一六年九月二十九日	HK\$1.76 1.76港元	-	-	8,500,000	-	-	8,500,000
Total 總計			40,600,000	-	-	-	-	40,600,000
Exercisable as at 31 December 2017 於二零一七年十二月三十一日可予行使								40,600,000
Weighted average exercise price 加權平均行使價			HK\$1.76 1.76港元	-	-	-	-	HK\$1.76 1.76港元

Notes:

- (1) The reclassification represents the number of share options transferred between the different categories of grantees as a result of the appointment of two directors of the Company and the resignation of one director of the Company and certain employees during the year ended 31 December 2018.
- (2) The reclassification represents the number of share options transferred between the different categories of grantees as a result of the retirement of one director and the resignation of certain employees during the year ended 31 December 2017.

附註：

- (1) 重新分類指由於截至二零一八年十二月三十一日止年度內本公司兩名董事獲委任以及本公司一名董事及若干僱員辭任而於不同承授人類別之間轉撥購股權之數目。
- (2) 重新分類指由於截至二零一七年十二月三十一日止年度內本公司一名董事退休及若干僱員辭任而於不同承授人類別之間轉撥購股權之數目。

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31. SHARE OPTIONS AND SHARE AWARDS

(continued)

Share option scheme (continued)

In respect of the share options exercised during the year ended 31 December 2018, the weighted average share price of the Company when the share options were exercised was HK\$1.76.

Awarded share schemes

On 31 March 2008, the Board approved the establishment of two share incentive award schemes, namely the VC Share Award Scheme Trust (the "Share Subscription Scheme") and the VC Share Purchase Scheme Trust (the "Share Purchase Scheme") (the Share Purchase Scheme and the Share Subscription Scheme collectively are referred to as the "Share Award Schemes"). The Share Subscription Scheme will subscribe for new shares whereas the Share Purchase Scheme utilises shares purchased in the market. The directors of the Company and any subsidiaries of the Company will be entitled to participate in the Share Purchase Scheme but not the Share Subscription Scheme.

The purpose of each of the Share Subscription Scheme and the Share Purchase Scheme is to encourage and facilitate the acquisition and holding of shares in the Company, by and for the benefit of employees of the Company and any subsidiaries of the Company (excluding directors of the Company and any subsidiaries and other connected persons of the Company in respect of the Share Subscription Scheme). The Board may determine from time to time to award shares in order to recognise the contribution of certain employees, to seek to retain them for the continued operation and development of the Group, and to attract suitable personnel for the further development of the Group.

31. 購股權及股份獎勵(續)

購股權計劃(續)

就於截至二零一八年十二月三十一日止年度內行使之購股權而言，於該等購股權獲行使時本公司之加權平均股價為1.76港元。

股份獎勵計劃

於二零零八年三月三十一日，董事會批准設立兩項股份獎勵計劃，即滙盈股份獎勵計劃信託(「股份認購計劃」)及滙盈股份購買計劃信託(「股份購買計劃」)(股份購買計劃及股份認購計劃統稱為股份獎勵計劃)。股份認購計劃將認購新股份，而股份購買計劃乃動用在市場上所購買之股份。本公司及其任何附屬公司之董事將有權參與股份購買計劃，但不可參與股份認購計劃。

股份認購計劃及股份購買計劃均旨在鼓勵及促進本公司及任何附屬公司之有關僱員(就股份認購計劃而言，不包括本公司及其任何附屬公司之董事及本公司之其他關連人士)為其本身利益而購入及持有本公司之股份。董事會可不時決定授出獎勵股份，藉以肯定若干僱員之貢獻、挽留彼等繼續為本集團之營運及發展效力，以及招攬合適人員加入本集團，進一步推動本集團之發展。

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31. SHARE OPTIONS AND SHARE AWARDS**(continued)****Awarded share schemes (continued)***Share Subscription Scheme*

The Share Subscription Scheme is a form of a share incentive award scheme known as The VC Share Award Scheme Trust. The directors of the Company and any subsidiaries and other connected persons of the Company will not be entitled to participate in the Share Subscription Scheme. The number of shares to be issued under the Share Subscription Scheme is limited to one per cent of the ordinary issued share capital of the Company from time to time (excluding shares which have already been transferred to employees on vesting).

Vesting of the shares will be conditional on the selected employee remaining as an employee of the Company or a subsidiary until the vesting date. The Board also has the discretion to stipulate such other conditions in respect of a particular employee which will apply to the vesting of the shares. No share was granted through the Share Subscription Scheme since its establishment.

Share Purchase Scheme

The Share Purchase Scheme is a form of a share incentive award scheme known as The VC Share Purchase Scheme Trust. The directors and employees of the Company and any subsidiaries of the Company will be entitled to participate in the Share Purchase Scheme. The number of shares to be issued under the Share Purchase Scheme is limited to two per cent of the ordinary issued share capital of the Company from time to time (excluding shares which have already been transferred to employees on vesting).

31. 購股權及股份獎勵(續)**股份獎勵計劃(續)***股份認購計劃*

股份認購計劃為一項名為滙盈股份獎勵計劃信託之股份獎勵計劃。本公司及任何附屬公司之董事及本公司之其他關連人士將無權參與股份認購計劃。根據股份認購計劃發行之股份數目乃限於本公司不時之已發行普通股本(不包括已於歸屬時轉讓予僱員之股份)之百分之一。

股份之歸屬須以所選定僱員於截至歸屬日期止依然為本公司或附屬公司之僱員為條件。董事會亦可酌情附加適用於特定僱員歸屬股份之其他條件。自設立以來，概無透過股份認購計劃授出股份。

股份購買計劃

股份購買計劃乃一項名為滙盈股份購買計劃信託之股份獎勵計劃。本公司及其任何附屬公司之董事及僱員將有權參與股份購買計劃。根據股份購買計劃發行之股份數目乃限於本公司不時之已發行普通股本(不包括已於歸屬時轉讓予僱員之股份)之百分之二。

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31. SHARE OPTIONS AND SHARE AWARDS

(continued)

Awarded share schemes (continued)

Share Purchase Scheme (continued)

Vesting of the shares will be conditional on the selected employee remaining as the Director or an employee of the Company or a subsidiary until the vesting date. The Board also has the discretion to stipulate such other conditions in respect of a particular Director or an employee which will apply to the vesting of the shares.

For the years ended 31 December 2018 and 2017, there was no movement or outstanding awarded shares under the Share Purchase Scheme.

32. COMMITMENTS

(a) Capital commitments

As at the end of the reporting period, the Group's commitments contracted but not provided for in respect of capital contribution to a joint venture and purchase of property and equipment 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
Capital contribution to a joint venture (note)	502,850	525,056
Purchase of property and equipment	1,979	470
	504,829	525,526

31. 購股權及股份獎勵(續)

股份獎勵計劃(續)

股份購買計劃(續)

股份之歸屬須以所選定僱員於截至歸屬日期止依然為本公司或附屬公司之董事或僱員為條件。董事會亦可酌情附加適用於特定董事或僱員歸屬股份之其他條件。

截至二零一八年及二零一七年十二月三十一日止年度，股份購買計劃項下概無任何獎勵股份餘額，亦無任何變動。

32. 承擔

(a) 資本承擔

於報告期末，本集團就向合營企業注資以及購買物業及設備已訂約但未撥備之承擔如下：

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32. COMMITMENTS (continued)**(a) Capital commitments (continued)***Note:*

In July 2016, VC Brokerage entered into a joint venture agreement (the "Joint Venture Agreement") with three independent third parties to establish a joint venture, in which the principal activity is securities broking in Guangxi, the PRC (the "JV Company"). Pursuant to the Joint Venture Agreement, VC Brokerage will contribute RMB445 million (equivalent to approximately HK\$503 million (2017: equivalent to approximately HK\$525 million)), representing 44.5% shareholding in the JV Company. Meanwhile, the Company entered into a placing agreement (the "Placing Agreement") with a placing agent to procure on a best effort basis, to not less than six independent parties, to subscribe for the convertible bonds in the aggregate principal amount of up to HK\$850 million during the placing period, to finance the investment of the JV Company.

The Joint Venture Agreement and the Placing Agreement will become effective upon (i) the Company having obtained the approval and authorisation from its shareholders and the relevant regulatory authorities about the Joint Venture Agreement and the Placing Agreement; and (ii) VC Brokerage having obtained the approval and authorisation from the relevant regulatory authorities for establishment of the JV Company. On 26 October 2016, the approval and authorisation from the shareholders of the Company in relation to the Joint Venture Agreement and the Placing Agreement had been obtained. As at the date of this report, the application of the formation of the JV Company is still under China Securities Regulatory Commission's review.

32. 承擔(續)**(a) 資本承擔(續)***附註:*

於二零一六年七月，滙盈證券與三名獨立第三方訂立一份合營協議（「合營協議」），以於中國廣西省成立一間主要從事證券經紀活動之合營企業（「合營公司」）。根據合營協議，滙盈證券將出資人民幣445,000,000元（相當於約503,000,000港元（二零一七年：相當於約525,000,000港元）），佔合營公司股權之44.5%。此外，本公司與配售代理訂立一份配售協議（「配售協議」），以按竭盡所能基準於配售期間促使不少於六名獨立人士認購總本金額最多達850,000,000港元之可換股債券，以為合營公司之投資提供資金。

合營協議及配售協議將於(i)本公司已就合營協議及配售協議取得本公司股東及有關監管當局批准及授權；及(ii)滙盈證券已就成立合營公司取得有關監管當局批准及授權時生效。於二零一六年十月二十六日，合營協議及配售協議已獲得本公司股東批准及授權。於本報告日期，中國證券監督管理委員會仍在審批成立合營公司之申請。

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32. COMMITMENTS (continued)

(b) Commitments under operating leases

As at 31 December 2018 and 2017, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rental premises which fall due 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
Within one year	一年內	7,345	10,267
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	9,320	1,233
		16,665	11,500

Operating lease payments represent rentals payable by the Group for its office premises, apartments and car parking spaces. As at 31 December 2018, rentals are fixed for lease terms of 0.5 to 3 years (2017: 1 to 3 years).

經營租金指本集團就其寫字樓物業、公寓及泊車位應付之租金。於二零一八年十二月三十一日，租期固定為0.5至3年(二零一七年：1至3年)。

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure each group entity will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt (comprising short-term bank borrowings) and equity attributable to owners of the Company (comprising issued share capital and reserves).

32. 承擔(續)

(b) 經營租賃承擔

於二零一八年及二零一七年十二月三十一日，本集團就租賃物業之不可撤銷經營租賃承擔到期之日後最低租金如下：

33. 資本風險管理

本集團的資本管理乃旨在確保各集團實體將可以持續方式經營，同時透過適當平衡資本與負債結構為股東帶來最大回報。本集團之整體策略與過往年度維持不變。

本集團的資本結構包括債務(包括短期銀行借款)及本公司擁有人應佔權益(包括已發行股本及儲備)。

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33. CAPITAL RISK MANAGEMENT (continued)

The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group manages its overall capital structure through the drawdown and repayment of short-term bank borrowings, payment of dividends and issuance of new shares.

Several subsidiaries of the Group (the "Regulated Subsidiaries") are registered with the Hong Kong Securities and Futures Commission (the "SFC") for the business they operate in. The Regulated Subsidiaries are subject to liquid capital requirements under the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R") adopted by the SFC. Under the SF(FR)R, the Regulated Subsidiaries must maintain their liquid capital (assets and liabilities adjusted as determined by the SF(FR)R) in excess of HK\$3 million or 5% of their total adjusted liabilities, whichever is higher. The required information is filed with the SFC on a monthly basis. The Regulated Subsidiaries have no non-compliance with the liquid capital requirements imposed by the SF(FR)R during the year.

33. 資本風險管理(續)

管理層透過考量資本成本及與各類資本有關的風險檢討資本結構。為此，本集團透過提取及償還短期銀行借款、派付股息及新股發行，管理其整體資本架構。

本集團若干附屬公司(「受規管附屬公司」)就其所經營業務向香港證券及期貨事務監察委員會(「證監會」)註冊。受規管附屬公司受證監會採納之香港《證券及期貨(財務資源)規則》(「財務資源規則」)之流動資金規定所規範。根據財務資源規則，受規管附屬公司的流動資金(資產與負債，經財務資源規則決定予以調整)必須維持於3,000,000港元或其經調整負債總額之5%(以較高者為準)以上。此外，亦須每月向證監會提交所需資料。年內，受規管附屬公司並無違反財務資源規則訂明之流動資金規定。

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34. FINANCIAL INSTRUMENTS

Categories of financial instruments

34. 金融票據

金融票據類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	財務資產		
Financial assets at amortised costs/loans and receivables (including bank balances and cash)	按攤銷成本列賬之財務資產／貸款及應收賬款（包括銀行結餘及現金）	364,825	495,495
Financial assets held for trading	持作買賣財務資產	-	272,728
Financial assets at FVTOCI	按公平值列賬及在其他全面收入表處理之財務資產	207,084	-
Financial assets at FVTPL	按公平值列賬及在損益賬處理之財務資產	544,363	-
Financial assets designated as at FVTPL	指定為按公平值列賬及在損益賬處理之財務資產	-	63,315
Available-for-sale investments	可供出售投資	-	-
Financial liabilities	財務負債		
Amortised cost	已攤銷成本	97,343	85,385

Financial risk management objectives and policies

The Group's major financial instruments include rental and utility deposits, financial assets at FVTPL, financial assets at FVTOCI, accounts receivable, deposits and other receivables, financial assets designated as at FVTPL, financial assets held for trading, pledged bank deposits, bank balances and cash, accounts payable, accrued liabilities and other payables, short-term bank borrowings and convertible bonds. Details of these financial instruments are disclosed in their respective notes. The risks associated with these financial instruments include market 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.

財務風險管理之宗旨及政策

本集團之主要金融票據包括租金及水電按金、按公平值列賬及在損益賬處理之財務資產、按公平值列賬及在其他全面收入表處理之財務資產、應收賬款、按金及其他應收賬款、指定為按公平值列賬及在損益賬處理之財務資產、持作買賣財務資產、已抵押銀行存款、銀行結餘及現金、應付賬款、應計負債及其他應付賬款、短期銀行借款及可換股債券。該等金融票據之詳情於相關附註中披露。與該等金融票據相關之風險包括市場風險、信貸風險及流動資金風險。如何減輕該等風險之政策載列如下。管理層對該等風險進行管理及監察，確保及時有效實行適當措施。

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34. FINANCIAL INSTRUMENTS (continued)**Financial risk management objectives and policies (continued)***Market risk*

Currency risk

It is the Group's policy for each group entity to operate in local currencies as far as possible to minimise currency risks. Almost all of the Group's principal businesses are conducted in Hong Kong dollars which is also the functional currency of the respective entities of the Group, with small amounts of bank deposits denominated in foreign currency. Since the impact of foreign exchange exposure is minimal, no hedging against foreign currency exposure has been carried out by the Group for the year. Accordingly, no sensitivity analysis on currency risk was presented.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to convertible bonds included in financial assets at FVTPL (see note 21), fixed-rate accounts receivable from money lending business (see note 22) and pledged bank deposits (see note 23). The management considered that the risk is insignificant.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate accounts receivable from brokerage and financing business such as cash clients, margin clients (see note 22), and short-term bank borrowings (see note 26). Bank balances are excluded from the interest rate sensitivity analysis as they are not sensitive to the change in market interest rates.

34. 金融票據(續)**財務風險管理之宗旨及政策(續)***市場風險*

貨幣風險

本集團之政策為各集團實體均盡可能以當地貨幣經營，以減低貨幣風險。本集團絕大部分之主要業務均以本集團各實體之功能貨幣港元進行，只有少數銀行存款以外幣列值。由於外匯風險之影響屬微不足道，因此本集團於本年度並無為外幣風險進行對沖。因此，並無呈列貨幣風險之敏感度分析。

利率風險

本集團面對計入按公平值列賬及在損益賬處理之財務資產之可換股債券(見附註21)、放債服務定息應收賬款(見附註22)及已抵押銀行存款(見附註23)有關的公平值利率風險。管理層認為風險並不重大。

本集團亦面對現金客戶及保證金客戶(見附註22)等浮息應收經紀及融資業務賬款以及短期銀行借款(見附註26)有關的現金流利率風險。利率敏感度分析並不計及銀行結餘，因其對市場利率變動之敏感度不大。

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34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

The Group currently does not have any interest rate hedging policy. It is the Group's policy to keep accounts receivable from brokerage and financing business and short-term bank borrowing at floating rate as to minimise the cash flow interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of the variable-rate accounts receivable from brokerage and financing business and variable-rate bank borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding were outstanding for the whole year. A 10 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points (2017: 10 basis points) higher/lower and all other variables were held constant, the Group's loss before tax would decrease/increase by approximately HK\$90,000 (2017: HK\$75,000) for the year ended 31 December 2018. This is mainly attributable to the Group's exposure to interest rates on its variable-rate accounts receivable from brokerage and financing business and variable-rate bank borrowing.

34. 金融票據(續)

財務風險管理之宗旨及政策(續)

市場風險(續)

利率風險(續)

本集團現時並無任何利率對沖政策。本集團之政策為將應收經紀及融資業務賬款及短期銀行借款保持以浮動利率計息藉以將現金流量利率風險減至最低。

本集團面對之財務負債利率風險於本附註流動資金風險管理一節詳述。本集團之現金流量利率風險主要集中於浮息應收經紀及融資業務賬款及短期銀行借款之利率波動。

敏感度分析

以下敏感度分析乃根據非衍生工具利率風險而釐定。該分析乃假設尚未結算之金融票據乃於整個年度均無結算而編製。內部向主要管理人員匯報利率風險時乃使用上升或下降10個基點，即管理層評估有可能發生之合理利率變動。

倘利率上升/下降10個基點(二零一七年：10個基點)而所有其他不定因素均保持不變，則本集團截至二零一八年十二月三十一日止年度之除稅前虧損會減少/增加約90,000港元(二零一七年：75,000港元)。這主要源自本集團所面對浮息應收經紀及融資業務賬款及短期銀行借款之利率風險。

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34. FINANCIAL INSTRUMENTS (continued)**Financial risk management objectives and policies (continued)***Market risk (continued)*

Other price risk

The Group is exposed to equity price risk through the Group's investments in listed equity securities and convertible bonds which are classified as financial assets at FVTPL (see note 21) as at 31 December 2018. The fair value of the convertible bonds is affected by the share price of the issuer of the convertible bonds, which is used as an input to the valuation model. If the market price of the listed equity securities and the convertible bonds issuer's shares, with all other variables held constant, is 5% higher/lower as at 31 December 2018 (2017: 5% higher/lower), the Group's loss before tax would have decreased by approximately HK\$22,830,000 or increased by approximately HK\$22,504,000 respectively for the year ended 31 December 2018 (2017: decreased/increased by HK\$16,802,000) as a result of the change in fair values of the listed equity securities and convertible bonds.

Credit risk

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 credit risk of our Group mainly arises from accounts receivable, deposits and other receivables, pledged bank deposits and bank balances. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

34. 金融票據(續)**財務風險管理之宗旨及政策(續)***市場風險(續)*

其他價格風險

於二零一八年十二月三十一日，本集團因分類為按公平值列賬及在損益賬處理之財務資產之上市股本證券及可換股債券投資(見附註21)而承受股本價格風險。可換股債券之公平值受可換股債券發行人之股價(用作估值模式之輸入數據)影響。倘於二零一八年十二月三十一日上市股本證券及可換股債券發行人之股價市價上升/下跌5%(二零一七年：上升/下跌5%)而所有其他不定因素均保持不變，則本集團於截至二零一八年十二月三十一日止年度之除稅前虧損會由於上市股本證券及可換股債券之公平值變動而分別減少約22,830,000港元或增加約22,504,000港元(二零一七年：減少/增加16,802,000港元)。

信貸風險

於二零一八年十二月三十一日，由於交易對手未能履行責任導致本集團須承受會產生財務損失之最大信貸風險，為產生自綜合財務狀況表所列各已確認財務資產之賬面值。

本集團之信貸風險主要產生自應收賬款、按金及其他應收賬款已抵押銀行存款及銀行結餘。此等結餘之賬面值為本集團就財務資產承受最大之信貸風險。

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34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts and receivables from margin clients with shortfalls in relation to the business of VC Brokerage, the indirect wholly owned subsidiary of the Company. In addition, the Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate loss allowance are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For money lending business of VC Finance Limited ("VC Finance"), the indirect wholly owned subsidiary of the Company, the Group closely evaluates the borrowers' credit rating, financial background and repayment abilities so as to minimise the Group's exposure to credit risk. The assessment is based on a close monitoring and evaluation of the collectability of individual account and on the management's judgement, including the current creditworthiness of the borrowers, collateral value and the past collection history of each individual borrower with VC Finance and other entities of the Group. The Group will take necessary action to follow up the overdue loans and ensure that adequate loss allowance are made for individual loans. As at 31 December 2018, the Group recognised a loss allowance of approximately HK\$40,469,000 for the loans with ECL.

As at 31 December 2017, impairment loss of approximately HK\$33,243,000 was recognised when there was objective evidence of impairment loss.

34. 金融票據(續)

財務風險管理之宗旨及政策(續)

信貸風險(續)

為了將信貸風險減至最低，本集團管理層已委派專責小組負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進措施收回本公司間接全資附屬公司滙盈證券有關之逾期債務及保證金客戶欠付之應收賬款。此外，本集團會於各報告期末評估各應收賬款之可收回金額，以確保就不可收回金額作出足夠虧損準備。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

就本公司間接全資附屬公司滙盈財務有限公司(「滙盈財務」)之放債業務而言，為盡量減低本集團之信貸風險，本集團密切評估借款人之信貸評級、財務背景及還款能力。有關評估乃基於對個別賬項可收回成數之密切監察及評估，以及管理層之判斷(包括借款人現時之信用、各個別借款人之抵押品價值及過往向滙盈財務及本集團實體還款記錄)。本集團將採取必要行動以跟進逾期貸款及確保會就個別貸款作出足夠虧損準備。於二零一八年十二月三十一日，本集團已就有預期信貸虧損之貸款確認約40,469,000港元之虧損準備。

於二零一七年十二月三十一日，約33,243,000港元減值虧損於出現減值虧損之客觀證據時確認。

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34. FINANCIAL INSTRUMENTS (continued)**Financial risk management objectives and policies (continued)***Credit risk (continued)*

Starting from 1 January 2018, for accounts receivable, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on an individual basis for customer with significant balances and collectively by using a provision matrix with reference to past default experience of the accounts receivable, adjusted for factors that are specific to the accounts receivable, latest collateral valuation, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The accounts receivable from margin clients and money lending services are pledged by listed securities. The maximum exposure to credit risk in respect of the accounts receivable at the end of the reporting period, without taking into account the collateral is disclosed in note 22. The management considers that the credit risk arising from the accounts receivable is significantly mitigated by the listed equity securities held as collateral, with reference to the market value of the listed equity securities at 31 December 2018.

Management considered deposits and other receivables to be low credit risk and thus the impairment provision recognised during the year was limited to 12-month ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

34. 金融票據(續)**財務風險管理之宗旨及政策(續)***信貸風險(續)*

自二零一八年一月一日，就應收賬款而言，本集團應用香港財務報告準則第9號之簡化方法計量整個存續期預期信貸虧損之虧損準備。本集團參考應收賬款過往之違約經驗採用撥備方陣對有大額結餘之客戶按個別基準及集體釐定預期信貸虧損，並就應收賬款獨有之因素、抵押品最近期估值、整體經濟狀況以及於報告日期對現行及預測狀況發展方向之評估作出調整。

應收保證金客戶賬款及放債服務之應收賬款乃以上市證券作抵押。於報告期末，就該等應收賬款所承擔之最大信貸風險(並無計及抵押品)於附註22披露。管理層認為，參考上市股本證券於二零一八年十二月三十一日之市值，應收賬款產生之信貸風險已大幅降低。

管理層認為，按金及其他應收賬款之信貸風險偏低，因此於年內確認之減值撥備僅限於十二個月預期信貸虧損。

流動資金之信貸風險有限，因交易對手為國際信貸評級機構賦予高信貸評級之銀行。

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34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

34. 金融票據(續)

財務風險管理之宗旨及政策(續)

信貸風險(續)

本集團於初步確認在資產時考慮違約之可能性，及評估於報告期間內信貸風險有否持續顯著增加。於評估信貸風險有否顯著增加時，本集團將報告日期資產發生違約風險與初步確認日期發生違約風險作比較。本集團亦考慮可獲得之合理及支持前瞻性資料。尤其是結合以下指標：

- 內部信貸評級
- 外部信貸評級
- 業務、財務或經濟環境之實際或預期發生重大不利變化，而預期足以導致借款人履行責任之能力產生重大變化
- 借款人經營業績實際或預期發生重大變化
- 支持責任之抵押品價值或第三方擔保或信貸增益之質素發生重大變化

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34. FINANCIAL INSTRUMENTS (continued)**Financial risk management objectives and policies (continued)***Credit risk (continued)*

- significant increase in credit risk on other financial instruments of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

The Group's exposure to credit risk

In order to minimise credit risk, the Group has tasked its credit committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit department uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

34. 金融票據(續)**財務風險管理之宗旨及政策(續)***信貸風險(續)*

- 借款人其他金融票據之信貸風險發生重大變化
- 借款人之預期表現或行為發生重大變化，包括集團內借款人之付款情況之變化及借款人經營業績之變化

本集團面對之信貸風險

為盡量降低信貸風險，本集團已委派其信貸委員會制訂及維持本集團信貸風險等級，以根據違約風險程度將風險分類。信貸評級資料由獨立評級機構提供(如可得)，否則信貸部門使用其他公開可得財務資料及本集團自有交易記錄對其主要客戶及其他債務人評級。本集團持續監察其風險及其交易對手之信貸評級，並將所達成之交易總值在經核准交易對手間攤分。

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34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group's current credit risk grading framework comprises the following categories:

34. 金融票據(續)

財務風險管理之宗旨及政策(續)

信貸風險(續)

本集團現行信貸風險評級框架包括以下類別：

Category 類別	Description 描述	Basis for recognising ECL 確認預期信貸虧損之依據
Performing 良好	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1) 違約風險低或自初步確認以來信貸風險並無顯著增加，且無信貸減值之財務資產(為第1階段)	12-month ECL 十二個月預期信貸虧損
Doubtful 懷疑	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2) 自初步確認以來信貸風險顯著增加但並無信貸減值之財務資產(為第2階段)	Lifetime ECL – not credit impaired 整個存續期預期信貸虧損—無信貸減值
Default 違約	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3) 當一項或多項對財務資產估計未來現金流量有不利影響之事件發生時，該資產即被評定為信貸減值(為第3階段)	Lifetime ECL – credit impaired 整個存續期預期信貸虧損—信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難，因而本集團收回款項之希望渺茫	Amount is written off 該款項已撇銷

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34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades.

34. 金融票據(續)

財務風險管理之宗旨及政策(續)

信貸風險(續)

下表根據信貸風險評級詳列本集團財務資產之信貸質素及本集團所面對最大之信貸風險。

31 December 2018	External credit rating	Internal credit rating	12-month or lifetime ECL 十二個月或整個存續期 預期信貸虧損	Gross carrying amount	Loss allowance	Net carrying amount
二零一八年十二月三十一日	外部信貸評級	內部信貸評級	預期信貸虧損	賬面總值 HK\$'000 千港元	虧損準備 HK\$'000 千港元	賬面淨值 HK\$'000 千港元
Rental and utility deposits 租金及水電按金	N/A 不適用	Performing 良好	12-month ECL 十二個月預期信貸虧損	1,578	–	1,578
Accounts receivable 應收賬款	N/A 不適用	N/A 不適用	Lifetime ECL (Simplified approach) 整個存續期預期信貸 虧損(簡化方法)	22,274	–	22,274
Accounts receivable 應收賬款	N/A 不適用	Performing 良好	12-month ECL 十二個月預期信貸虧損	112,572	–	112,572
Accounts receivable 應收賬款	N/A 不適用	Doubtful 懷疑	Lifetime ECL – not credit impaired 整個存續期預期信貸 虧損 – 並無信貸減值	20,332	(3,249)	17,083
Accounts receivable 應收賬款	N/A 不適用	Default 違約	Lifetime ECL – credit impaired 整個存續期預期信貸 虧損 – 信貸減值	58,805	(42,807)	15,998
Deposits and other receivables 按金及其他應收賬款	N/A 不適用	Performing 良好	12-month ECL 十二個月預期信貸虧損	17,288	–	17,288

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34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The carrying amount of the Group's financial assets at FVTPL as disclosed in note 21 best represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong as at 31 December 2018 and 2017. As at 31 December 2018, the Group has concentration of credit risk on the accounts receivable as the aggregate balances with the five largest clients represent approximately 47% (2017: 60%) of total accounts receivable. However, the fair values of the securities collateral held by the Group for these balances are either in excess to the relevant carrying amounts or has no overdue amounts as at the end of each reporting period. Accordingly, the directors of the Company consider that the Group's credit risk is closely monitored. The Group has no other significant concentration of credit risk.

34. 金融票據(續)

財務風險管理之宗旨及政策(續)

信貸風險(續)

附註21所披露本集團按公平值列賬及在損益賬處理之財務資產之賬面值最能代表相關資產各自面對之最高信貸風險。本集團並無就任何該等結餘持有任何抵押品。

按地域而言，於二零一八年及二零一七年十二月三十一日，本集團之信貸風險主要集中於香港。於二零一八年十二月三十一日，本集團有應收賬款之集中信貸風險，因與五大客戶之總結餘佔應收賬款總額約47%（二零一七年：60%）。然而，本集團就該等結餘持有之抵押證券之公平值高於相關賬面值或於各報告日期並無逾期款項。因此，本公司董事認為本集團之信貸風險已得到密切監察。本集團並無其他高度集中信貸風險。

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34. FINANCIAL INSTRUMENTS (continued)**Financial risk management objectives and policies (continued)***Liquidity risk*

Internally generated cash flows and short-term bank borrowings are the sources of funds to finance the operations of the Group. The Group's banking facilities are subject to floating interest rate and are renewable annually. The Group's liquidity risk management includes making available standby banking facilities and diversifying the funding sources. The Group regularly reviews the major funding positions to ensure adequate financial resources are available to meet their respective financial obligations.

At 31 December 2018, the Group has available unutilised banking facilities of HK\$60,000,000 (2017: HK\$60,000,000) as disclosed in note 26.

Liquidity table

The following tables detail the Group's remaining contractual maturity for their non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities with the earliest date on which the Group are required to settle. The tables include both principal and interest cash flows. To the extent that the interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

34. 金融票據(續)**財務風險管理之宗旨及政策(續)***流動資金風險*

本集團營運所用資金來自內部產生之現金流量及短期銀行借款。本集團之銀行融資乃按浮動利率計息，並按年重續。本集團之流動資金風險管理包括取得備用銀行融資及分散資金來源。本集團定期檢討各主要資金狀況，以確保各財政資源足以迎合其財務承擔所需。

於二零一八年十二月三十一日，誠如附註26所披露，本集團有可動用之未使用銀行融資60,000,000港元(二零一七年：60,000,000港元)。

流動資金表

下表基於本集團非衍生財務負債之協定還款期詳列該等負債的剩餘合約期限。下表為基於本集團於須予結算之最早日期之財務負債之未貼現現金流量編製。下表包括本金及利息現金流量。在利率屬浮動利率的情況下，未貼現金額乃由報告期末利率曲線衍生。

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截至二零一八年十二月三十一日止年度

34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity table (continued)

34. 金融票據(續)

財務風險管理之宗旨及政策(續)

流動資金風險(續)

流動資金表(續)

	Weighted average interest rate (p.a.)	On demand or less than 1 month 於要求時 償還或 一個月以內	1-3 months 一至三個月	3 months to 1 year 三個月至一年	Total undiscounted cash flows 未貼現現金 流量總額	Total carrying amount 賬面總值
	%	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017						
		於二零一七年 十二月三十一日				
Non-derivative financial liabilities		非衍生財務負債				
Accounts payable	–	應付賬款	36,891	–	36,891	36,891
Other payables	–	其他應付賬款	6,898	1,355	8,494	8,494
Short-term bank borrowings	3.22	短期銀行借款	40,011	–	40,011	40,000
			83,800	1,355	85,396	85,385

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34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring and non-recurring measurement, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

34. 金融票據(續)

於綜合財務狀況表確認之公平值計量

下表載列於各報告期末公平值計量之金融票據有關經常性及非經常性計量之分析，乃基於根據本集團會計政策該公平值之可觀察程度而劃分入第1至3級。本公司董事認為於綜合財務報表按攤銷成本列賬之財務資產及財務負債之賬面值與其公平值相若。

		31 December 2018			
		二零一八年十二月三十一日			
		Level 1	Level 2	Level 3	Total
		第1級	第2級	第3級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial assets at FVTPL	按公平值列賬及 在損益賬處理之 財務資產				
Convertible bonds	可換股債券	-	-	224,573	224,573
Derivative financial asset	衍生財務資產	-	-	79,508	79,508
Listed equity securities	上市股本證券	240,282	-	-	240,282
Financial assets at FVTOCI	按公平值列賬及 在其他全面收入表 處理之財務資產				
Unlisted equity securities	非上市股本證券	-	-	207,084	207,084
Total	總計	240,282	-	511,165	751,447

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For the year ended 31 December 2018

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34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement recognised in the consolidated statement of financial position (continued)

34. 金融票據(續)

於綜合財務狀況表確認之公平值計量(續)

		31 December 2017			
		二零一七年十二月三十一日			
		Level 1	Level 2	Level 3	Total
		第1級	第2級	第3級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial assets designated as at FVTPL	指定為按公平值列賬及在損益賬處理之財務資產				
Listed equity securities	上市股本證券	63,315	–	–	63,315
Financial assets held for trading	持作買賣財務資產				
Listed equity securities	上市股本證券	272,728	–	–	272,728
Available-for-sale investments	可供出售投資				
Unlisted equity securities	非上市股本證券	–	–	–	–
Total	總計	336,043	–	–	336,043

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34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement recognised in the consolidated statement of financial position (continued)

During the year ended 31 December 2017, the financial assets designated as at FVTPL was transferred from Level 2 to Level 1 of the fair value hierarchy upon the listing of the related financial assets on the Stock Exchange and the fair value of the listed shares are thereafter determined based on the quoted market price available on the Stock Exchange. Details of the financial assets are disclosed in note 21.

During the year ended 31 December 2018, there were no transfers between levels of the fair value hierarchy.

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The valuation techniques and inputs used in the fair value measurements of each financial instrument on a recurring basis are set out below:

34. 金融票據(續)

於綜合財務狀況表確認之公平值計量(續)

於截至二零一七年十二月三十一日止年度，指定為按公平值列賬及在損益賬處理之財務資產已於相關財務資產於聯交所上市時而於公平值層級之第2級轉移至第1級，上市股份之公平值其後乃按於聯交所取得之市場報價釐定。該財務資產之詳情於附註21中披露。

於截至二零一八年十二月三十一日止年度，各公平值層級之間概無轉移。

按經常性基準以公平值計量之財務資產及財務負債之公平值

各金融票據按經常性基準之公平值計量所用之估值技術及輸入數據載列如下：

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34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement recognised in the consolidated statement of financial position (continued)

34. 金融票據(續)

於綜合財務狀況表確認之公平值計量(續)

Financial instruments	Fair value hierarchy	Fair values as at 31 December	Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
金融票據	公平值層級	公平值，於十二月三十一日	估值技術及主要輸入數據	重大不可觀察輸入數據	主要輸入數據及重大不可觀察輸入數據與公平值之關係
		2018 二零一八年 HK\$'000 千港元			
		2017 二零一七年 HK\$'000 千港元			
Financial assets at FVTPL 按公平值列賬及在損益賬 處理之財務資產					
Convertible bonds	Level 3	224,573	- Binomial option pricing model: by reference to the risk free of 1.73% and effective interest rate of 12%	Volatility of 45%	The higher the volatility, the higher of the fair value of conversion option derivative component of the CBs
可換股債券	第3級	224,573	- 二項式期權定價模式： 參考無風險利率1.73% 及實際利率12%	波幅45%	波幅愈高，則可換股債券換股 期權衍生部分之公平值愈高

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For the year ended 31 December 2018

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34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement recognised in the consolidated statement of financial position (continued)

34. 金融票據 (續)

於綜合財務狀況表確認之公平值計量 (續)

	Fair value hierarchy	Fair values as at 31 December	Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
金融票據	公平值層級	公平值，於十二月三十一日	估值技術及主要輸入數據	重大不可觀察輸入數據	主要輸入數據及重大不可觀察輸入數據與公平值之關係
		2018 二零一八年 HK\$'000 千港元			
		2017 二零一七年 HK\$'000 千港元			
Derivative financial asset	Level 3	79,508	- Binomial option pricing model: by reference to the risk free of 1.73% and effective interest rate of 12%	Volatility of 45%	The higher the volatility, the lower of the fair value of derivative financial asset
衍生財務資產	第3級	79,508	- 二項式期權定價模式：參考無風險利率1.73%及實際利率12%	波幅45%	波幅愈高，則衍生財務資產之公平值愈低
Listed equity securities	Level 1	240,282	336,043 Quoted bid prices in an active market	N/A	N/A
上市股本證券	第1級	240,282	336,043 活躍市場所報買入價	不適用	不適用
Financial assets at FVTOCI 按公平值列賬及在其他全面收入表處理之財務資產					
Unlisted equity securities	Level 2	207,084	- Recent transaction price	N/A	N/A
非上市股本證券	第2級	207,084	- 近期交易價格	不適用	不適用

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34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement recognised in the consolidated statement of financial position (continued)

Reconciliation of Level 3 fair value measurements of financial assets on recurring basis is as follows:

34. 金融票據(續)

於綜合財務狀況表確認之公平值計量(續)

按經常性基準以第3級公平值計量之財務資產對賬：

		Financial assets at FVTPL 按公平值列賬及在損益賬 處理之財務資產		
		Convertible bonds 可換股債券 HK\$'000 千港元	Derivative financial asset 衍生 財務資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As 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	—	—	—
Purchases	購買	439,213	28,035	467,248
Fair value (loss) gain recognised in profit or loss	在損益賬確認 之公平值 (虧損)收益	(214,640)	51,473	(163,167)
At 31 December 2018	於二零一八年 十二月三十一日	224,573	79,508	304,081

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34. FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

Under the agreement of continuous net settlement made between the Group and HKSCC and brokers, the Group has a legally enforceable right to set off the money obligation receivable and payable with HKSCC and brokers on the same settlement date and the Group intends to set off on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payable with brokerage clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to brokerage clients that are due to be settled on delivery versus payment basis, amounts due from/to HKSCC, brokers and brokerage clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group, deposit placed with HKSCC and brokers do not meet the criteria for offsetting in the statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

34. 金融票據(續)

財務資產及財務負債抵銷

下表載列之披露資料包括屬於以下情況之財務資產及財務負債：

- 於本集團綜合財務狀況表內抵銷；或
- 受涵蓋同類金融票據並可強制執行之淨額對銷總安排或同類協議所規限，不論其是否於本集團綜合財務狀況表內抵銷。

根據本集團與香港結算及經紀作出之持續淨額結算協議，本集團擁有可依法強制執行之權利，將與香港結算及經紀之間在同一個結算日到期且本集團有意按淨額基準抵銷之應收及應付賬款責任抵銷。

此外，本集團擁有可依法強制執行之權利，將與經紀客戶之間在同一個結算日到期且本集團有意按淨額基準抵銷之應收及應付賬款抵銷。

除於同一日到期結算之結餘予以抵銷外，到期按貨銀對付基準結算之應收／應付經紀客戶賬款、並非於同一日結算之應收／應付香港結算、經紀及經紀客戶賬款、本集團收取之財務抵押品(包括現金及證券)，以及存放於香港結算及經紀之按金，一概不符合於財務狀況表內抵銷之標準，因抵銷已確認金額之權利僅於違約事件後方可強制執行。

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34. FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities
(continued)

As at 31 December 2018

34. 金融票據(續)

財務資產及財務負債抵銷(續)

於二零一八年十二月三十一日

	Gross amounts of accounts payable set off in the consolidated statement of financial position 於綜合 財務狀況 表內抵銷之 應收 賬款總額 HK\$'000 千港元	Net amounts of accounts receivable in the consolidated statement of financial position 於綜合 財務狀況 表內之應收 賬款淨額 HK\$'000 千港元	Related amounts not set off in the consolidated statement of financial position Financial instruments 並無於綜合財務狀況表 內抵銷之相關款額 金融票據 HK\$'000 千港元	Collateral received 已收抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Accounts receivable arising from the ordinary course of business of dealing in securities transactions	在 日常業務過程中 因進行買賣證券交易 而產生之應收賬款				
	159,255	(17,101)	142,154	(266)	(140,906)

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34. FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities
(continued)

As at 31 December 2018 (continued)

34. 金融票據(續)

財務資產及財務負債抵銷(續)

於二零一八年十二月三十一日(續)

	Gross amounts of accounts receivable set off in the consolidated statement of financial position	Net amounts of accounts payable in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position	Financial instruments	Collateral pledged	Net amount
	於綜合 財務狀況 表內 應付 賬款總額	於綜合 財務狀況 表內之應付 賬款淨額	並無於綜合財務狀況表 內抵銷之相關款額	金融票據	已質押之 抵押品	淨額
	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
Accounts payable arising from the ordinary course of business of dealing in securities transactions	41,491	(17,101)	24,390	(266)	(400)	23,724
		在日常業務過程中 因進行買賣證券交易 而產生之應付賬款				

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34. FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities
(continued)

As at 31 December 2017

34. 金融票據(續)

財務資產及財務負債抵銷(續)

於二零一七年十二月三十一日

	Gross amounts of accounts payable set off in the consolidated statement of financial position 於綜合 財務狀況 表內抵銷之 應收 賬款總額 HK\$'000 千港元	Gross amounts of accounts receivable 於綜合 財務狀況 表內抵銷之 應付賬款總額 HK\$'000 千港元	Net amounts of accounts receivable in the consolidated statement of financial position 於綜合 財務狀況 表內之應收 賬款淨額 HK\$'000 千港元	Related amounts not set off in the consolidated statement of financial position Financial instruments 並無於綜合財務狀況表 內抵銷之相關款額 金融票據 HK\$'000 千港元	Collateral received 已收抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Accounts receivable arising from the ordinary course of business of dealing in securities transactions		在日常業務過程中 因進行買賣證券交易 而產生之應收賬款				
	178,668	(45,088)	133,580	(16,493)	(102,036)	15,051

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34. FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities
(continued)

As at 31 December 2017 (continued)

34. 金融票據(續)

財務資產及財務負債抵銷(續)

於二零一七年十二月三十一日(續)

	Gross amounts of accounts receivable set off in the consolidated statement of financial position 於綜合 財務狀況 表內抵銷之 應付 賬款總額 HK\$'000 千港元	Gross amounts of accounts payable 於綜合 財務狀況 表內抵銷之 應收賬款總額 HK\$'000 千港元	Net amounts of accounts payable in the consolidated statement of financial position 於綜合 財務狀況 表內之應付 賬款淨額 HK\$'000 千港元	Related amounts not set off in the consolidated statement of financial position Financial instruments 並無於綜合財務狀況表 內抵銷之相關款額 已質押之 金融票據 HK\$'000 千港元	Collateral pledged 抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Accounts payable arising from the ordinary course of business of dealing in securities transactions		在日常業務過程中 因進行買賣證券交易 而產生之應付賬款				
	81,979	(45,088)	36,891	(16,493)	(817)	19,581

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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. EVENT AFTER THE REPORTING PERIOD

The Group has the following events after the reporting period:

- (a) Regarding the acquisition of the entire issued equity interest in and the sale loan of Bright Element Investments Limited as disclosed in the section "Business Review" of this annual report, as certain conditions precedent of the acquisition under the agreement has not been fulfilled in full (or waived) on or before the extended long stop date falling on 31 January 2019, the agreement has lapsed and the acquisition would not proceed.
- (b) On 27 February 2019, Massive Benefit (HK) Limited (the "Investor"), an indirect wholly owned subsidiary of the Company, Beijing Sky Jingshi Investment Co., Ltd. (the "Existing Shareholder A"), Beijing Taihe Zhongcheng Management Technology Center (the "Existing Shareholder B") and Beijing Shuntong Taida Aviation Ground Service Co., Ltd. (the "Target Company") entered into an investment agreement pursuant to which the Target Company has agreed to conditionally increase its registered capital by RMB2,117,600, and the Investor has agreed to conditionally make a capital investment of RMB15,000,000 in cash to subscribe for the increased registered capital in the Target Company. Upon completion, the Investor will directly hold 15% equity interest in the Target Company and accordingly, the Company will thereby indirectly hold 15% equity interest in the Target Company. The Target Company, the Existing Shareholder A and the Existing Shareholder B covenant that the aggregate minimum net profit before tax of the Target Company during the two financial years ending 31 December 2020 will be RMB28,000,000. Upon fulfillment of the profit guarantee, the Investor will

35. 報告期後事項

本集團於報告期後進行以下事件：

- (a) 就上文本年報「業務回顧」一節所披露收購Bright Element Investments Limited全部已發行股本權益及待售貸款一事，由於相關協議項下收購事項之若干先決條件未能於經延後最後截止日期（即二零一九年一月三十一日）或之前悉數達成（或獲豁免），因此相關協議已告失效，而收購事項將不會繼續進行。
- (b) 於二零一九年二月二十七日，本公司之間接全資附屬公司灝益（香港）有限公司（「投資者」）、北京天空晶世投資有限公司（「現有股東甲」）、北京泰合眾成管理科技中心（有限合夥）（「現有股東乙」）及北京順通泰達航空地面服務有限公司（「目標公司」）訂立投資協議，據此，目標公司已同意有條件地將其註冊資本增資人民幣2,117,600元，而投資者已同意有條件地以現金人民幣15,000,000元作出資本投資以認購目標公司之註冊資本增資。於完成後，投資者將直接持有目標公司之15%股權，因此，本公司將間接持有目標公司之15%股權。目標公司、現有股東甲及現有股東乙已訂立契諾，據此，目標公司截至二零二零年十二月三十一日止兩個財政年度之合計最低除稅前純利將為人民幣28,000,000元。於

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35. EVENT AFTER THE REPORTING PERIOD

(continued)

(b) (continued)

be entitled to subscribe for a further 5% equity interest in the Target Company at the capital investment of RMB5,000,000, whereby the Investor will directly hold 20% equity interest in the Target Company and accordingly, the Company will thereby indirectly hold 20% equity interest in the Target Company. The Target Company is principally engaged in provision of aviation ground services.

(c) On 27 March 2019, VC Financial Group Limited, a direct wholly owned subsidiary of the Company, entered into a memorandum of understanding (the "2019 MOU") with Mr. Lo Ping Hung Eric ("Mr. Lo") to acquire from Mr. Lo the entire equity interest in Experts Management Limited, an insurance broker company. The consideration for the proposed acquisition is approximately HK\$2 million.

36. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

<p>Brokerage commission income earned from certain directors of the Group or close family members of or entities controlled by these directors and key management</p>	<p>向本集團若干董事或該等董事之近親或其控制之實體及主要管理人員所賺取之經紀佣金收入</p>
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The balances with related parties are set out in notes 22 and 25.

35. 報告期後事項(續)

(b) (續)

符合溢利保證後，投資者將有權以人民幣5,000,000元之資本投資額外認購目標公司5%股權，屆時投資者將直接持有目標公司之20%股權，據此，本公司將可間接持有目標公司之20%股權。目標公司主要從事提供航空地面服務。

(c) 於二零一九年三月二十七日，本公司之直接全資附屬公司滙盈金融集團有限公司與盧炳雄先生(「盧先生」)訂立一份諒解備忘錄(「二零一九年備忘錄」)，以向盧先生收購保險經紀公司Experts Management Limited之全部股本權益。建議收購事項之代價將約為2,000,000港元。

36. 關聯方交易

年內，本集團曾與關聯方進行以下交易：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<p>Brokerage commission income earned from certain directors of the Group or close family members of or entities controlled by these directors and key management</p>	112	125

與關聯方之往來結餘載於附註22及25。

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36. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management personnel during the year is as follows:

36. 關聯方交易(續)

主要管理人員之報酬

年內本公司董事及其他管理層要員之酬金如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short term benefits	短期福利	17,458	17,140
Share-based payments	以股份為基礎付款	4,007	—
Post employment benefits	離職後福利	127	119
Other long term benefits	其他長期福利	154	33
		21,746	17,292

The remuneration is determined by the Remuneration Committee of the Company having regard to the performance of individuals and market trends.

酬金乃由本公司薪酬委員會考慮到個別人士表現及市場趨勢後釐定。

滙盈控股有限公司

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37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

37. 本公司之財務狀況表

		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 assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	(i)	2,668	2,668
Financial assets at FVTPL	按公平值列賬及在損益賬處理之財務資產		304,081	–
Amounts due from a subsidiary	應收附屬公司款項	(ii)	469,200	397,200
			775,949	399,868
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		3,221	395
Financial assets held for trading	持作買賣財務資產		–	250,152
Financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之財務資產		98,572	–
Amounts due from subsidiaries	應收附屬公司款項	(iii)	408,042	225,703
Bank balances	銀行結餘		24,848	12,933
			534,683	489,183
Current liabilities	流動負債			
Accrued liabilities and other payables	應計負債及其他應付賬款		2,166	2,039
Amounts due to subsidiaries	應付附屬公司款項	(iii)	242,526	173,543
			244,692	175,582
Net current assets	流動資產淨額		289,991	313,601
Total assets less current liabilities	總資產減流動負債		1,065,940	713,469
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券		26,116	–
Deferred tax liabilities	遞延稅項負債		1,136	–
			27,252	–
Net assets	資產淨額		1,038,688	713,469
Capital and reserves	資本及儲備			
Share capital	股本	33	1,579,813	849,937
Reserves	儲備	(iv)	(541,125)	(136,468)
Total equity	權益總額		1,038,688	713,469

The Company's statement of financial position was approved and authorised for issue by the board of directors on 28 March 2019 and is signed on its behalf by:

本公司之財務狀況表經董事會於二零一九年三月二十八日批准授權刊行，並由下列董事代表簽署：

Fu Yiu Man, Peter
符耀文
Director
董事

Tin Ka Pak, Timmy
田家柏
Director
董事

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37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes:

- (i) As at 31 December 2018, investments in subsidiaries are carried at cost of approximately HK\$2,668,000 (2017: HK\$2,668,000). No impairment loss was recognised for the year ended 31 December 2018 (2017: HK\$8,700,000).
- (ii) As at 31 December 2018, the amounts from a subsidiary of approximately HK\$469,200,000 (2017: HK\$397,200,000) are unsecured and interest-free. The directors of the Company do not expect repayments from a subsidiary within next twelve months from the end of the reporting period.
- (iii) As at 31 December 2018, the amounts due from subsidiaries included loan and interest of approximately HK\$79,326,000 (2017: HK\$130,477,000), in which a loan of approximately HK\$18,208,000 (2017: HK\$18,208,000) is unsecured, interest-bearing at Hong Kong dollar prime rate plus 1.25% (2017: plus 1.25%) per annum and repayable on demand and a loan of approximately HK\$57,800,000 (2017: HK\$108,800,000) is unsecured, interest-bearing at Hong Kong dollar prime rate plus 5.75% (2017: plus 3.75% or 5.75%) per annum and repayable within one year as at the end of the reporting date. The remaining amounts due from subsidiaries of approximately HK\$328,716,000 (2017: HK\$95,226,000) are unsecured, interest-free and repayable on demand.

The amounts due to subsidiaries included loan and interest of approximately HK\$239,172,000 (2017: HK\$170,087,000) are unsecured, interest-bearing at Hong Kong dollar prime rate plus 7% (2017: plus 7%) per annum and repayable on demand. The remaining amounts due to subsidiaries of approximately HK\$3,354,000 (2017: HK\$3,456,000) are unsecured, interest free and repayable on demand.

37. 本公司之財務狀況表(續)

附註：

- (i) 於二零一八年十二月三十一日，於附屬公司之投資按約2,668,000港元(二零一七年：2,668,000港元)之成本列賬。截至二零一八年十二月三十一日止年度概無確認減值虧損(二零一七年：8,700,000港元)。
- (ii) 於二零一八年十二月三十一日，約469,200,000港元(二零一七年：397,200,000港元)之應收附屬公司款項為無抵押及不計息。本公司董事並不預期附屬公司於報告期末起計十二個月之內還款。
- (iii) 於二零一八年十二月三十一日，約79,326,000港元(二零一七年：130,477,000港元)之應收附屬公司款項(包括貸款及利息)中，約18,208,000港元(二零一七年：18,208,000港元)貸款為無抵押、按港元最優惠利率加1.25厘(二零一七年：加1.25厘)之年利率計息，須於要求時償還，另外約57,800,000港元(二零一七年：108,800,000港元)貸款為無抵押、按港元最優惠利率加5.75厘(二零一七年：加3.75厘或5.75厘)之年利率計息，須於報告期末後一年內償還。其餘約328,716,000港元(二零一七年：95,226,000港元)之應收附屬公司款項為無抵押、不計息及須於要求時償還。
- 約239,172,000港元(二零一七年：170,087,000港元)之應付附屬公司款項(包括貸款及利息)為無抵押、按港元最優惠利率加7厘(二零一七年：加7厘)之年利率計息，須於要求時償還。其餘約3,354,000港元(二零一七年：3,456,000港元)之應付附屬公司款項為無抵押、不計息及須於要求時償還。

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37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes: (continued)

(iv) Movement in the Company's capital and reserves

37. 本公司之財務狀況表(續)

附註：(續)

(iv) 本公司資本及儲備變動

		Share capital	Capital reserve	Convertible bonds reserve	Accumulated losses	Share option reserve	Total
		股本	股本儲備	可換股債券儲備	累計虧損	購股權儲備	總計
		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
At 1 January 2018	於二零一八年一月一日	849,937	123,758	-	(280,632)	20,406	713,469
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	-	-	-	(453,418)	-	(453,418)
Recognition of equity-settled share option expenses	確認以股本支付之購股權開支	-	-	-	-	31,322	31,322
Issue of shares upon exercise of share options	因行使購股權而發行股份	431	-	-	-	(97)	334
Recognition of equity component of convertible bonds	確認可換股債券權益部分	-	-	310,819	-	-	310,819
Deferred tax liabilities on recognition of equity component of convertible bonds	確認可換股債券之權益部分之遞延稅項負債	-	-	(24,593)	-	-	(24,593)
Issue of shares upon conversion of convertible bonds	因可換股債券換股而發行股份	656,821	-	(291,808)	-	-	365,013
Release of deferred tax liabilities on conversion of convertible bonds	撥回可換股債券換股之遞延稅項負債	-	-	23,118	-	-	23,118
Issue of shares by top-up placement and subscription	因以先舊後新方式配售及認購而發行股份	73,811	-	-	-	-	73,811
Transaction costs attributable to issue of shares by top-up placement and subscription	因以先舊後新方式配售及認購而發行股份之交易成本	(1,187)	-	-	-	-	(1,187)
At 31 December 2018	於二零一八年十二月三十一日	1,579,813	123,758	17,536	(734,050)	51,631	1,038,688

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37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes: (continued)

(iv) Movement in the Company's capital and reserves (continued)

37. 本公司之財務狀況表(續)

附註：(續)

(iv) 本公司資本及儲備變動(續)

		Share capital	Capital reserve	Convertible bonds reserve	Accumulated losses	Share option reserve	Total
		股本	股本儲備	可換股債券儲備	累計虧損	購股權儲備	總計
		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
At 1 January 2017	於二零一七年一月一日	732,829	123,758	-	(185,699)	20,406	691,294
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	-	-	-	(94,933)	-	(94,933)
Issue of shares by placement	因配售而發行股份	120,120	-	-	-	-	120,120
Transaction costs attributable to issue of shares by placement	因配售而發行股份之交易成本	(3,012)	-	-	-	-	(3,012)
At 31 December 2017	於二零一七年十二月三十一日	849,937	123,758	-	(280,632)	20,406	713,469

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Group's principal subsidiaries as at the end of each reporting period are set out below:

38. 本公司之主要附屬公司詳情

於報告期末，本集團之主要附屬公司詳情載列如下：

Name of subsidiary	Place of incorporation	Class of shares held	Paid up issued ordinary share capital 繳足已發行	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company	Principal activities and place of operation	
				本公司所持有權權益比例		本公司所持投票權比例				
附屬公司名稱	成立地點	所持股份類別	普通股本	Directly 直接	Indirectly 間接	31 December 十二月三十一日		主要業務及經營地點		
				2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
				%	%	%	%	%	%	
VC Financial Group Limited 滙盈金融集團有限公司	BVI 英屬處女群島	Ordinary share 普通股	US\$1 1美元	100%	100%	N/A 不適用	N/A 不適用	100%	100%	Investment holding in Hong Kong 於香港投資控股
VC Brokerage Limited 滙盈證券有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$400,000,000 400,000,000港元	N/A 不適用	N/A 不適用	100%	100%	100%	100%	Provision of brokerage and securities margin financing services in Hong Kong 於香港提供經紀及證券保證金融服務
VC Futures Limited 滙盈期貨有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$30,000,000 30,000,000港元	N/A 不適用	N/A 不適用	100%	100%	100%	100%	Provision of futures and options contracts dealing services in Hong Kong 於香港提供期貨及期權合約買賣服務

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Details of the Group's principal subsidiaries as at the end of each reporting period are set out below: (continued)

38. 本公司之主要附屬公司詳情(續)

於報告期末，本集團之主要附屬公司詳情載列如下：(續)

Name of subsidiary	Place of incorporation	Class of shares held	Paid up issued ordinary share capital 繳足已發行普通股本	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company		Principal activities and place of operation
				本公司所持有權益比例		本公司所持投票權比例		31 December		
附屬公司名稱	成立地點	所持股份類別	普通股本	Directly 直接	Indirectly 間接	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	主要業務及經營地點
				%	%	%	%	%	%	
VC Capital Limited 滙盈融資有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$68,000,000 68,000,000港元	N/A 不適用	N/A 不適用	100%	100%	100%	100%	Provision of corporate finance and advisory services in Hong Kong 於香港提供企業融資及顧問服務
VC Asset Management Limited 滙盈資產管理有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$35,000,000 35,000,000港元	N/A 不適用	N/A 不適用	100%	100%	100%	100%	Provision of asset management services to clients in Hong Kong 於香港向客戶提供資產管理服務
VC Finance Limited 滙盈財務有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$1,000,000 1,000,000港元	N/A 不適用	N/A 不適用	100%	100%	100%	100%	Money lending in Hong Kong 於香港放債

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Details of the Group's principal subsidiaries as at the end of each reporting period are set out below: (continued)

38. 本公司之主要附屬公司詳情(續)

於報告期末，本集團之主要附屬公司詳情載列如下：(續)

Name of subsidiary	Place of incorporation	Class of shares held	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of ownership interest held by the Company		Proportion of voting power held by the Company	Principal activities and place of operation	
				本公司所持擁有權權益比例	本公司所持投票權比例			
附屬公司名稱	成立地點	所持股份類別	普通股本	本公司所持擁有權權益比例	本公司所持投票權比例	本公司所持投票權比例	主要業務及經營地點	
				Directly	Indirectly	31 December		
				直接	間接	十二月三十一日		
				2018	2017	2018	2017	
				二零一八年	二零一七年	二零一八年	二零一七年	
				%	%	%	%	
VC Corporate Services Limited 滙盈秘書服務有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$100 100港元	N/A 不適用	N/A 不適用	100%	100%	Corporate services in Hong Kong 於香港提供公司服務
VC Services Limited 滙盈服務有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 10,000港元	100%	100%	N/A 不適用	N/A 不適用	Provision of management services to group companies in Hong Kong 於香港向集團公司提供管理服務
VC Research Limited 滙盈研究有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$500,000 500,000港元	N/A 不適用	N/A 不適用	100%	100%	Provision of research services in Hong Kong 於香港提供研究服務

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Details of the Group's principal subsidiaries as at the end of each reporting period are set out below: (continued)

38. 本公司之主要附屬公司詳情(續)

於報告期末，本集團之主要附屬公司詳情載列如下：(續)

Name of subsidiary	Place of incorporation	Class of shares held	Paid up issued ordinary share capital 繳足已發行普通股	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company		Principal activities and place of operation
				本公司所持有權益比例		本公司所持投票權比例		31 December		
附屬公司名稱	成立地點	所持股份類別	普通股	Directly 直接	Indirectly 間接	31 December 十二月三十一日				
				2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
				%	%	%	%	%	%	
Easy Task Holdings Limited	BVI 英屬處女群島	Ordinary shares 普通股	US\$1 1美元	N/A 不適用	N/A 不適用	100%	100%	100%	100%	Investment holding in Hong Kong 於香港投資控股
Century Race Investments Limited	BVI 英屬處女群島	Ordinary shares 普通股	US\$1 1美元	N/A 不適用	N/A 不適用	100%	100%	100%	100%	Investment holding in Hong Kong 於香港投資控股
Apex Treasure International Limited	BVI 英屬處女群島	Ordinary shares 普通股	US\$1 1美元	N/A 不適用	N/A 不適用	100%	N/A 不適用	100%	N/A 不適用	Investment holding in Hong Kong 於香港投資控股
Initial Honour Limited	BVI 英屬處女群島	Ordinary shares 普通股	US\$1 1美元	N/A 不適用	N/A 不適用	100%	N/A 不適用	100%	N/A 不適用	Investment holding in Hong Kong 於香港投資控股

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

上表列出本公司董事認為主要影響本集團業績或資產之本集團附屬公司。本公司董事認為，列出其他附屬公司之詳情將令篇幅過於冗長。

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. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries are either inactive or investment holding companies. A summary of these subsidiaries are set out as follows:

Principal activities 主要業務	Place of incorporation 註冊成立地點	Number of subsidiaries 附屬公司數目	
		2018 二零一八年	2017 二零一七年
Investment holding 投資控股	Hong Kong 香港	6	6
Investment holding 投資控股	BVI 英屬處女群島	10	6
		16	12

39. COMPARATIVE FIGURES

Net realised and unrealised loss on financial assets held for trading, fair value change on financial assets designated as at FVTPL and impairment loss on accounts receivable, net were previously included in the other gain and losses in the consolidated statement of profit or loss and other comprehensive income. To conform to current year's presentation, the above amounts for the year ended 31 December 2018 have been separately disclosed in the consolidated statement of profit or loss and other comprehensive income to facilitate a better presentation.

38. 本公司之主要附屬公司詳情(續)

於報告期末，本公司有其他對本集團而言並不重要之附屬公司。該等附屬公司當中大部分均暫無營業或為投資控股公司。該等附屬公司之概要載列如下：

39. 比較數字

持作買賣財務資產之已變現及未變現虧損淨額、指定為按公平值列賬及在損益賬處理之財務資產公平值變動及應收賬款減值虧損淨額先前乃計入綜合損益及其他全面收入表之其他收益及虧損。為使與本年度之呈列一致，於截至二零一八年十二月三十一日止年度上述款額已於綜合損益及其他全面收入表分開披露以便於呈列。

FIVE YEARS' FINANCIAL SUMMARY

五個年度之財務摘要

A summary of the consolidated results and of the consolidated assets and liabilities of the Group of the past five financial years is set out below.

本集團過去五個財政年度之綜合業績以及綜合資產及負債摘要載列如下。

		For the year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年
		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
Consolidated results 綜合業績						
Revenue	收益	50,474	53,685	56,283	79,795	78,154
Loss before tax	除稅前虧損	(485,975)	(66,778)	(56,735)	(12,543)	(8,080)
Income tax (expense) credit	所得稅(開支)抵免	(341)	(698)	19	(32)	(223)
Loss for the year	年度虧損	(486,316)	(67,476)	(56,716)	(12,575)	(8,303)
Other comprehensive income for the year	年度其他全面收入	-	-	-	-	955
Total comprehensive expense for the year attributable to owners of the Company	本公司擁有人應佔年度全面開支總額	(486,316)	(67,476)	(56,716)	(12,575)	(7,348)
Loss per share (HK cents)	每股虧損(港仙)					
Basic	基本	(49.36)	(9.48)	(9.39)	(2.43)	(2.01)
Diluted	攤薄	(49.36)	(9.48)	(9.39)	(2.43)	(2.01)

		As at 31 December 於十二月三十一日				
		2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年
		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
Consolidated assets and liabilities 綜合資產及負債						
Total assets	總資產	1,138,480	846,132	785,840	734,486	631,858
Total liabilities	總負債	(99,218)	(93,947)	(85,990)	(94,027)	(130,614)
Total equity	總權益	1,039,262	752,185	699,850	640,459	501,244

