

STOCK CODE

股份代號

376

Yunfeng Financial Group Limited
雲鋒金融集團有限公司

2019 | Interim Report
中期報告



云鋒金融

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Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "**Corporate Communications**") via the Company Website and who for any reason have difficulty in receiving or gaining access to the interim report posted on the Company Website will promptly upon request be sent the interim report in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) of Corporate Communications.

Shareholders may send their request to receive the interim report in printed form, and/or to change their choice of the means of receipt of Corporate Communications by notice in writing to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by sending an email to the share registrar of the Company at yunfeng.ecom@computershare.com.hk.

本中期報告的中、英文本已登載於本公司網站 www.yff.com (「本公司網站」)。

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BOARD OF DIRECTORS

Chairman

Mr. Yu Feng (*Non-Executive Director*)

Executive Directors

Ms. Li Ting (*Chief Executive Officer*)
Mr. Huang Xin

Non-Executive Directors

Mr. Adnan Omar Ahmed
Ms. Hai Olivia Ou
Mr. Gareth Ross

Independent Non-Executive Directors

Mr. Qi Daqing
Mr. Chu Chung Yue, Howard
Mr. Xiao Feng (appointed on 28 March 2019)

AUDIT COMMITTEE

Mr. Chu Chung Yue, Howard (*Chairman*)
Mr. Qi Daqing
Mr. Xiao Feng

REMUNERATION COMMITTEE

Mr. Qi Daqing (*Chairman*)
Mr. Huang Xin
Mr. Chu Chung Yue, Howard
Mr. Xiao Feng

NOMINATION COMMITTEE

Mr. Yu Feng (*Chairman*)
Mr. Qi Daqing
Mr. Chu Chung Yue, Howard

AUTHORISED REPRESENTATIVES

Ms. Li Ting
Mr. Chan Man Ko

董事會

主席

虞鋒先生 (*非執行董事*)

執行董事

李婷女士 (*行政總裁*)
黃鑫先生

非執行董事

Adnan Omar Ahmed 先生
海歐女士
Gareth Ross 先生

獨立非執行董事

齊大慶先生
朱宗宇先生
肖風先生 (於二零一九年三月二十八日獲委任)

審核委員會

朱宗宇先生 (*主席*)
齊大慶先生
肖風先生

薪酬委員會

齊大慶先生 (*主席*)
黃鑫先生
朱宗宇先生
肖風先生

提名委員會

虞鋒先生 (*主席*)
齊大慶先生
朱宗宇先生

授權代表

李婷女士
陳文告先生

COMPANY SECRETARY

Mr. Chan Man Ko

AUDITOR

KPMG
Certified Public Accountants

BANKERS

Bank of Communications
China Construction Bank (Asia)
Bank of China (Hong Kong)
China Minsheng Banking Corporation Limited
The Hongkong and Shanghai Banking
Corporation Limited

REGISTERED AND PRINCIPAL OFFICE

Suites 3201-3204
One Exchange Square
8 Connaught Place
Hong Kong

SHARE REGISTRAR

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183 Queen's Road East
Wanchai, Hong Kong

WEBSITE

<http://www.yff.com>

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公司秘書

陳文告先生

核數師

畢馬威會計師事務所
執業會計師

主要往來銀行

交通銀行
中國建設銀行(亞洲)
中國銀行(香港)
中國民生銀行
滙豐銀行

註冊及主要辦事處

香港
康樂廣場八號
交易廣場一座
3201至3204室

股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712-1716室

網站

<http://www.yff.com>

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Management Discussion and Analysis

管理層討論及分析

The board of directors (the “Board”) of Yunfeng Financial Group Limited (the “Company”) submit herewith the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2019 (the “First Half of 2019” or the “Period”), together with the comparative figures for the corresponding period in 2018 (the “Prior Period”).

As disclosed in the announcement of the Company dated 16 November 2018, the Company has completed the acquisition of 60% of the issued share capital of YF Life Insurance International Limited (formerly known as MassMutual Asia Limited) (“YF Life”). With the insurance business becoming dominant in the Group’s financial result, the Group’s financial result for the Period is considered not directly comparable to that of the Prior Period and readers are reminded to take this into consideration while reading through the interim report.

FINANCIAL RESULT REVIEW

Significant financial information

Consolidated profit and loss analysis for the period ended 30 June, HK\$ million

Income	收入	2019 二零一九年	2018 二零一八年	Change % 變化%
Premiums and fee income	保費及費用收入	2,381.8	—	NA無
Total operating profit/(loss)	經營溢利／(虧損)總額	331.9	(72.9)	NA無
Net profit/(loss) attributable to the owners	擁有人應佔溢利／(虧損)淨額	82.0	(186.3)	NA無
Basic profit/(loss) per share (HK\$) (Note 1)	每股基本溢利／(虧損) (港元)(附註1)	0.03	(0.08)	NA無

雲鋒金融集團有限公司(「本公司」)董事會提呈本公司及其附屬公司(統稱「本集團」)截至二零一九年六月三十日止六個月(「二零一九年上半年」或「本期間」)之未經審核簡明綜合中期業績和財務狀況連同二零一八年相應期間(「過往期間」)的比較數字。

如於本公司日期為二零一八年十一月十六日之公告所披露，本公司已完成收購萬通保險國際有限公司(前稱美國萬通保險亞洲有限公司)(「萬通保險」)已發行之60%股本。隨著保險業務在本集團財務業績中佔據主導地位，因此本集團於本期間的財務業績與過往期間視為不具直接可比性，我們提醒讀者在閱讀中期報告時考慮這一點。

財務表現

重大財務信息

截至六月三十日止六個月的綜合損益分析，百萬港元

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESULT REVIEW (Continued)

財務表現(續)

Significant financial information (Continued)

重大財務信息(續)

Consolidated financial position analysis, HK\$ million

綜合財務狀況分析，百萬港元

		At 30 June 2019 二零一九年 六月 三十日	At 31 December 2018 二零一八年 十二月 三十一日	Change % 變化%
Total assets	資產總額	67,888.7	63,033.4	7.7
Total equity	權益總額	16,003.4	15,329.7	4.4
Owner's equity	擁有人權益	9,382.3	9,220.8	1.8
Owner's equity per share (HK\$) (Note 2)	擁有人每股權益(港元) (附註2)	2.91	2.86	1.7

Note 1: the denominator is weighted average number of ordinary shares of the Company

附註1：分母為本公司普通股的加權平均數。

Note 2: the denominator is total issued shares

附註2：分母為已發行股份總數。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESULT REVIEW (Continued)

財務表現(續)

Significant financial information (Continued)

重大財務信息(續)

Analysis on profit/(loss) for six months period ended 30 June, HK\$ million

截至六月三十日止六個月的溢利/(虧損)分析，百萬港元

		2019 二零一九年	2018 二零一八年	Change % 變化%
YF Life segment operating profit	萬通保險分部經營溢利	401.8	—	NA 無
Other financial services and corporate segment operating loss	其他金融服務和公司分部經營虧損	(69.9)	(72.9)	(4.1)
Total operating profit/(loss)	經營溢利/(虧損)總額	331.9	(72.9)	NA 無
Adjust for the following profit or loss and expenses impact:	調整以下損益及費用影響：			
— Realised capital gain/loss and short-term derivatives market value fluctuation	— 已實現資本收益/虧損和短期衍生工具市場價值波動	(66.0)	—	NA 無
— Staff share award amortisation expense	— 員工股份獎勵計劃攤銷	3.7	(111.6)	NA 無
— Legal and professional fee and other expenses for acquisition of YF Life	— 收購萬通保險的法律和專業顧問費及其他費用	(16.1)	(1.8)	8.9 times 倍
— Finance cost (Note 1)	— 融資成本(附註1)	(29.6)	—	NA 無
— Consolidation adjustments (Note 2)	— 合併調整(附註2)	(12.7)	—	NA 無
Profit/(loss) for the period	本期間溢利/(虧損)	211.2	(186.3)	NA 無
Less: non-controlling interests	減：非控股權益	(129.2)	—	NA 無
Net profit/(loss) attributable to the owners	擁有人應佔溢利/(虧損)淨額	82.0	(186.3)	NA 無

Note 1: The amount includes bank interest expenses and other finance expenses incurred for the capital required in the Group's strategic investment.

附註1：該金額包括本集團戰略投資所需資本產生的銀行利息費用和其他財務費用。

Note 2: The consolidation adjustments represent the financial impact arising from the acquisition of YF Life.

附註2：合併調整指收購萬通保險產生的財務影響。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESULT REVIEW (Continued)

財務表現(續)

Significant financial information (Continued)

重大財務信息(續)

Changes in owner's equity

擁有人權益變動

HK\$ million

百萬港元

2019
二零一九年

Balance at 1 January	一月一日之餘額	15,329.7
Adoption of new accounting standard	採納新會計準則	(11.0)
Share based payment transaction	以股份權益為結算基礎的交易	(3.7)
Capital injection to YF Life	注資萬通保險	328.0
Profit for the Period	本期間溢利	211.2
Others comprehensive income and others	其他綜合收益及其他	149.2
Balance at 30 June	六月三十日之餘額	16,003.4
Attributable to:	應佔權益：	
– Equity shareholders of the Company	– 本公司權益股東	9,382.3
– Non-controlling interests	– 非控股權益	6,621.1
Total equity	權益總額	16,003.4

BUSINESS REVIEW

業務回顧

Overview

概要

The Group's major sources of revenue includes those insurance related and other financial businesses including subscription fees and management fees for products launched by the Group, platform fees for distribution of third-parties products, administration fee for employees stock ownership plan management services, brokerage commission income and corporate advisory fee income etc. With the acquisition of YF Life, the Group has consolidated the YF Life's financial result for the Period. With the insurance business becoming dominant in the Group's financial result and the other Group's businesses remain in the stage of building up customer base and size of asset under management, the Group's financial result for the Period is considered not directly comparable to that of the Prior Period.

本集團的主營業務收入來源包括保險相關及其他金融業務，包括發行產品的認購費及管理費、分銷第三方產品的平台費、員工持股服務管理費、經紀佣金收入及企業諮詢服務費等。收購萬通保險後，本集團已合併本期間的萬通保險財務業績。隨著保險業務在本集團財務業績中佔據主導地位，而集團的其他業務仍處於逐步建立客戶群和基金管理資產規模階段，因此本集團於本期間的財務業績與過往期間視為不具直接可比性，我們提醒讀者在閱讀公告時考慮這一點。

BUSINESS REVIEW (Continued)

Overview (Continued)

For the Period, the Group's main income stream amounted to HK\$2,392.4 million including HK\$2,381.7 million premiums and fee income (Prior Period: nil) and HK\$10.7 million (Prior Period: HK\$15.5 million) service income from other financial services. The overall income (after premiums ceded to reinsurer and change in unearned revenue liability) was HK\$3,566.4 million (Prior Period: HK\$66.2 million) including net investment income after overlay adjustment of HK\$1,653.9 million (Prior Period: HK\$44.7 million), representing an overall increase in total income of 53.9 times and an increase of 37 times compared to the Prior Period respectively. The insurance business contributed a total income of HK\$3,510.9 million (Prior Period: nil) including net investment income of HK\$1,609 million (Prior Period: nil). Excluding the insurance business, the Group's total income was HK\$56.4 million (Prior Period: HK\$66.2 million) including the net investment income of HK\$45.1 million (Prior Period: HK\$44.7 million), representing a decrease of 14.8% and an increase of 0.9% compared to the Prior Period respectively. The decrease of total income excluding insurance business was mainly attributable to the decrease of consultancy and advisory service income and weakening external economic outlook.

The increase in overall operating expense is mainly caused by the consolidation of YF Life and partially offset by the decrease in amortisation expense in relation to Pool B share awards granted by the Company compared to the Prior Period. If the financial impact in relation to the YF Life acquisition, the amortisation expense in relation to share awards and finance cost are excluded, the net loss attributable to equity shareholders of the Company for the Period would be HK\$69.9 million (Prior Period: HK\$72.9 million) representing a decrease of 4.1% compared to the Prior Period. Taking into account the newly acquired insurance business, amortisation expense of share awards and finance cost, the profit attributable to equity shareholders of the Company for the Period is HK\$82.0 million compared to HK\$186.3 million of loss attributable to equity shareholder of the Company in the Prior Period, representing a significant improvement in financial result compared to the Prior Period.

業務回顧(續)

概要(續)

於本期間，本集團的主要收入為23.9億港元，其中包括23.8億港元保費及手續費收入（過往期間：無）及來自其他金融服務1,070萬港元（過往期間：1,550萬港元）服務收入。整體收入在（扣除分出保費及未到期收入責任變動後）為35.7億港元（過往期間：6,620萬港元），其中包括經覆蓋調整後的淨投資收入16.5億港元（過往期間：4,470萬港元），與過往期間相比，收入總額整體增加53.9倍，淨投資收入增加37倍。保險業務貢獻收入總額為35.1億港元（過往期間：無），包括淨投資收入16.1億港元（過往期間：無）。撇除保險業務，本集團的收入總額（包括淨投資收入）和收益分別為5,640萬港元（過往期間：6,620萬港元）及4,510萬港元（過往期間：4,470萬港元），與過往期間相比分別減少14.8%及增加0.9%。不計保險業務的收入總額減少主要是由於顧問及諮詢服務收入減少以及疲軟的外部經濟前景所致。

整體營業開支上升主要是由於萬通保險的合併以及過往期間公司授出的B組員工股份獎勵計劃相關的攤銷費用減少所致。如果除去萬通保險的合併相關財務影響，員工股份獎勵計劃的攤銷費用及融資成本，則本期間本公司權益股東應佔虧損淨額為6,990萬港元（過往期間：7,290萬港元），與過往期間相比，減少4.1%。綜合新收購保險業務，股份獎勵的攤銷費用及融資成本，本公司本期間的權益股東應佔溢利為8,200萬港元，而過往期間本公司的權益股東應佔虧損為1.9億港元，與過往期間相比，財務業績大幅提升。

BUSINESS REVIEW (Continued)

Insurance business review

To facilitate a more thorough and comprehensive review, the insurance business, YF Life related financial data below is presented on a half year basis and excluded the fair value accounting adjustments made on the acquisition and intragroup transaction elimination.

Overview

During the First Half of 2019, our insurance business remained as authorized insurer licensed to carry on life and annuity, linked long term, permanent health, and retirement scheme management long term insurance businesses in Hong Kong. It also operates in Macau through a branch office and is licensed to sell life insurance products in Macau.

Our insurance business division maintained diversified product suite includes three flagship products: (i) the “FLEXI-ULife Prime Saver”, an enhanced universal life insurance plan; (ii) the “MY Lifetime Annuity” and the “Infinity Saver”, providing guaranteed lifetime annuity income to act as a safety net during the customer’s retirement; and (iii) the PrimeHealth series which are critical illness products covering more than 100 illnesses.

As of 30 June 2019, the tied agency force consisted of approximately 2,753 (31 December 2018: 2,701) agents in Hong Kong and Macau. In addition to tied agency force, we also utilize brokers and agency intermediaries as well as banks and other financial institutions to distribute insurance products. The insurance business division has approximately 405 (31 December 2018: 379) employees and more than 479,000 (31 December 2018: 470,000) in-force individual policies.

業務回顧(續)

保險業務回顧

為便於進行更徹底和全面的審閱，下述萬通保險的保險業務相關財務資料基於半年進行列示，不含對收購以及集團內部交易抵銷進行的公允價值會計調整。

概要

於二零一九年上半年，在保險業務方面，我們仍然獲授權在香港從事壽險和年金險、連結式長期險、永久健康保險及退休計劃管理長期保險業務。本集團還通過分支機構在澳門運營，並獲准在澳門銷售人壽保險產品。

我們的保險業務分部持有多元化的產品系列，包括三類旗艦產品：(i) 首選靈活萬用壽險計劃，這是一個增強型萬用壽險計劃；(ii) 萬通終身年金以及富饒傳承儲蓄計劃，這是一個為客戶退休期間提供保障的終身年金收入計劃；(iii) 首選健康保障系列，是一個覆蓋100多種疾病的嚴重疾病保障系列。

截至二零一九年六月三十日，獨家代理在香港和澳門約有2,753個(二零一八年十二月三十一日：2,701個)。除了獨家代理外，我們還利用經紀人和代理中介以及銀行和其他金融機構來分銷保險產品。保險業務分部約有405名(二零一八年十二月三十一日：379名)員工和超過479,000個(二零一八年十二月三十一日：470,000個)有效個別投保人。

BUSINESS REVIEW (Continued)

Overview (Continued)

During the First Half of 2019, our insurance division continues to develop its tied agency, brokerage and agency intermediary and bancassurance distribution channels to increase penetration in the market, to broaden its access to potential customers and to meet the evolving preferences of existing customers. Tied agency is the most significant distribution channel in terms of premium and fee income contribution and we plan to continue to steadily grow its tied agency force. We also seek to expand its brokerage and agency intermediary distribution channel to serve sophisticated customers who we believe are more receptive to independent advice. In order to expand the bancassurance distribution channel, we will aim to establish new partnerships with suitable banks and financial institutions. Furthermore, we aim to continue enriching our comprehensive and diversified product portfolios and improve the information capability and usage of digital platforms to match the preferences of the customers. By a carefully planned and thorough step-by-step integration, management is confident that the insurance division will greatly contribute to the Group's financial services ecosystem vision to provide wider range of products and services to the customer base and provide significant crossing-selling opportunities.

Total premium and fee income

Total premium and fee income ("TPI") measures its business volumes by referring to the total TPI reported under the Insurance Ordinance ("IO"). TPI consists of full amount of single premium, first year regular premium and renewal regular premium before reinsurance, and includes deposits and contributions for contracts. In preparing the financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), YF Life chooses to unbundle the deposit component of insurance contracts from TPI and such deposit component is credited directly to the policyholders' deposit upon receipt. Therefore, the revenue recognized in the financial statements prepared under HKFRS is less than TPI.

業務回顧(續)

概要(續)

於二零一九年上半年，我們的保險分部繼續發展獨家代理、經紀和代理中介以及銀行保險分銷渠道，以增加市場滲透率，擴大潛在客戶群並滿足現有客戶不斷變化的偏好。在保費及費用收入貢獻方面，獨家代理是最重要的分銷渠道，我們計劃繼續穩步發展獨家代理。我們還尋求擴大經紀和代理中介分銷渠道，以服務我們認為更樂於接受獨立建議的高端客戶。為了擴大銀行保險分銷渠道，我們的目標是與相關銀行和金融機構建立新的合作夥伴關係。此外，我們將繼續豐富本公司的綜合及多元化產品組合，並提高數據平台的信息能力和使用率，以匹配客戶偏好。通過精心策劃和全面的逐步整合，管理層相信保險分部將極大地促進本集團的金融服務生態系統願景，為客戶群提供更廣泛的產品和服務，同時提供重要的交叉銷售機會。

保費和手續費收入總額

保費及費用收入總額通過參考《保險業條例》報告的保費及費用收入總額來計量其業務量。保費及費用收入總額包括整付保費全額、首年年繳保費和再保之前的續保期繳保費，包括儲蓄和供款。根據《香港財務報告準則》編制財務報表時，萬通保險選擇從保費及費用收入中分拆保險合同的儲金部分，而該等儲金部分於收到後直接計入保單持有人的存款。因此，根據《香港財務報告準則》編制的財務報表中確認的收益低於保費及費用收入總額。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

業務回顧(續)

Total premium and fee income (Continued)

保費和手續費收入總額(續)

		For the six months period ended 30 June	
		截至六月三十日止六個月期間	
		2019	2018
		二零一九年	二零一八年
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Total premium and fee income reported under the IO	根據《保險業條例》報告的保費及費用收入總額	3,713	3,566
Less: Premium deposits separated out from insurance contracts and recognition of fee income	減：從保險合同中單獨區分的保費儲金和費用收入確認	(1,331)	(1,500)
Premium and fee income recognized in the income statements of HKFRS	在基於《香港財務報告準則》的收益表中確認的保費及費用收入	2,382	2,066

Management considers TPI as one of the important measures of the Group's operating performance and believes they are frequently used by analysts, investors and other interested parties in the evaluation of insurance companies. Management also uses TPI as additional measurement tools for purposes of business decision-making. TPI is not measures of operating performance under HKFRS and should not be considered as a substitute for, or superior to, profit before tax in accordance with HKFRS.

管理層認為保費及費用收入總額是本集團經營業績的重要指標之一，而且認為分析師、投資者及其他相關方在評估保險公司時經常使用該指標。管理層還使用保費及費用收入總額作為業務決策目的之附加計量工具。根據《香港財務報告準則》，保費及費用收入總額並非經營業績的指標，亦不應視作代替或優先於基於《香港財務報告準則》的除稅前溢利。

Business volume

業務量

The tables below set forth the TPI of the Insurance business by (i) geographical region, (ii) distribution channel and (iii) product type based on internal records.

下表基於內部記錄按(i)地理區域，(ii)分銷渠道和(iii)產品類型載列了保險業務的保費及費用收入總額。

(i) By geographical region

(i) 按地理區域

		For the six months period ended 30 June			
		截至六月三十日止六個月期間			
		2019		2018	
		二零一九年		二零一八年	
		HK\$ million	%	HK\$ million	%
		百萬港元	%	百萬港元	%
Hong Kong	香港	3,139	85	3,041	85
Macau	澳門	574	15	525	15
		3,713	100	3,566	100

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

業務回顧(續)

Business volume (Continued)

業務量(續)

(ii) By distribution channel

(ii) 按分銷渠道

		For the six months period ended 30 June 截至六月三十日止六個月期間					
		2019 二零一九年 HK\$ million 百萬港元			2018 二零一八年 HK\$ million 百萬港元		
		Hong Kong 香港	Macau 澳門	Total 合計	Hong Kong 香港	Macau 澳門	Total 合計
Tied agency	獨家代理	1,922	514	2,436	1,905	453	2,358
Brokers and non-tied agency	經紀人和非獨家代理	955	11	966	910	15	925
Banks and other financial institutions	銀行和其他金融機構	262	49	311	226	57	283
		3,139	574	3,713	3,041	525	3,566

(iii) By product type

(iii) 按產品類型

		For the six months period ended 30 June 截至六月三十日止六個月期間					
		2019 二零一九年 HK\$ million 百萬港元			2018 二零一八年 HK\$ million 百萬港元		
		Hong Kong 香港	Macau 澳門	Total 合計	Hong Kong 香港	Macau 澳門	Total 合計
Regular premium – First year	定期保費 – 首年	366	106	472	407	100	507
Regular premium – Renewal	定期保費 – 續期	2,497	440	2,937	2,418	383	2,801
Single premium	整付保費	275	27	302	215	41	256
Fee income	費用收入	1	1	2	1	1	2
		3,139	574	3,713	3,041	525	3,566

BUSINESS REVIEW (Continued)

Business volume (Continued)

Embedded value and value of new business

The Embedded Value method is a commonly adopted alternative method of measuring the value and profitability of a life insurance company. Embedded Value is an actuarially determined estimate of the economic value of a life insurance business based on a particular set of assumptions as to future experience, excluding any economic value attributable to future new business. Value of New Business represents an actuarially determined estimate of the economic value arising from new life insurance business issued in the relevant 12-month period.

We adopted a traditional deterministic discounted cash flow methodology to determine the components of embedded value. This methodology makes implicit allowance for the time value of options and guarantees and other risks associated with the realisation of the expected future distributable earnings through the use of a risk adjusted discount rate and is consistent with the industry practice in the market.

The embedded value of the insurance business as at 30 June 2019 is HK\$16,305 million (31 December 2018: HK\$15,131 million) with breakdown as below.

業務回顧(續)

業務量(續)

內含價值和新業務價值

內含價值法是計量人壽保險公司價值和盈利能力的常用替代方法。內含價值是基於對未來經驗的一組特定假設的精算確定的人壽保險業務的經濟價值，不含未來新業務的任何經濟價值。新業務價值是指在相關12個月期間內發行的新人壽保險業務產生的經濟價值的精算確定估計。

我們採用傳統的確定性貼現現金流量法確定內含價值的組成部分。該方法通過使用風險調整貼現率，就期權和擔保的時間價值以及實現預計未來可分配收益相關的其他風險計提內含準備，並與市場行業慣例一致。

截至二零一九年六月三十日，保險業務的內含價值為163.1億港元(二零一八年十二月三十一日：151.3億港元)，詳情如下。

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管理層討論及分析

BUSINESS REVIEW (Continued)

業務回顧(續)

Business volume (Continued)

業務量(續)

Embedded value and value of new business (Continued)

內含價值和新業務價值(續)

HK\$ million

百萬港元

		30 June	31 December	
		2019	2018	Change %
		二零一九年	二零一八年	
		六月	十二月	
		三十日	三十一日	變化%
Adjusted Net Worth ("ANW") (note 1)	經調整淨值(附註1)	6,353	5,825	9
Value of in-force ("VIF") business after CoC (note 2)	有效業務扣除資本成本之後的價值(附註2)	9,952	9,306	7
Embedded value	內含價值	16,305	15,131	8

Note 1 The ANW represents the net asset value on Hong Kong statutory basis, with marked-to-market adjustment to certain assets. The ANW growth is mainly driven by capital injection of HK\$820 million from YF Life's shareholders completed on 14 May 2019 and partially offset by increase in liabilities arising from market interest rate drop.

附註1 經調整淨值指香港法定基準之上的資產淨值，含有我們保險業務分部的若干資產進行按市值計價調整。經調整淨值增長由萬通保險股東於二零一九年五月十四日作出為數8.2億港元的注資以及部分增長被市場利率下降引起的負債增加所抵消。

Note 2 The VIF is the present value of future estimated after-tax statutory profits from in-force business, discounted at the risk discount rate. The VIF growth is driven by new business acquired and favourable actual experience, partly offset by future economic assumption update.

附註2 有效業務價值是指有效業務的未來估計稅後法定利潤的現值，以風險貼現率予以貼現。有效業務價值由新收購業務以及有利的實際經驗，部分被未來經濟假設更新所抵銷產生。

For further detailed discussion of embedded value of insurance division, please refer to the Embedded Value section.

有關保險分部內含價值的進一步詳細討論及變動分析，請參閱內含價值部分。

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管理層討論及分析

BUSINESS REVIEW (Continued)

Key financial data of insurance business segment

The key financial data of insurance segment is presented under HKFRS on a half year basis before any fair value adjustment arising from the acquisition accounting policy and intra-group eliminations:

業務回顧(續)

保險業務分部主要財務數據

保險分部的主要財務資料基於收購會計政策和集團內抵銷產生的任何公允價值調整前根據《香港財務報告準則》按半年呈報。

		For the six months period ended 30 June		
		2019	2018	Change %
		二零一九年	二零一八年	變化 %
		HK\$ million	HK\$ million	
		百萬港元	百萬港元	
Income	收入			
Premiums and fee income	保費及費用收入	2,382	2,066	15
Premiums ceded to reinsurer	分出保費	(323)	(290)	11
Net premium and fee income	保費及費用收入淨額	2,059	1,776	16
Change in unearned revenue liability	未到期收入責任變動	(360)	(330)	9
Net earned premium and fee income	滿期保費及費用收入淨額	1,699	1,446	17
Net investment and other (loss)/ income (note a)	投資和其他(虧損)/收入淨額(附註a)	1,759	589	199
Reinsurance commission and profit	再保險佣金和溢利	16	7	129
Benefits, losses and expenses	收益、虧損和費用			
Net policyholders benefit (note b)	淨保戶給付(附註b)	1,760	819	115
Commission and related expenses	佣金和相關費用	536	515	4
Deferral and amortisation of deferred acquisition costs	遞延保單獲得成本的遞延和攤銷	(423)	(379)	12
Management and other expenses (note c)	管理及其他開支(附註c)	348	264	32
Change in future policyholder benefits (note d)	未來保單持有人給付變動(附註d)	893	603	48
Profit before taxation before disposal of MM Japan	處置萬通日本前的除稅前溢利	360	220	64
Taxation	稅項	24	23	4
Profit after taxation before disposal of MM Japan	處置萬通日本前的除稅後溢利	336	197	71

BUSINESS REVIEW (Continued)

Key financial data of insurance business segment (Continued)

Note a: the balance includes net investment and other income, interest income from bank deposits and other operating income excluding the HK\$589 million disposal gain of equity interest in MassMutual Life Insurance Company K.K. (“MM Japan”) in 2018. The increase of the balance mainly arises from more investment gain from investment-linked policies.

Note b: the balance includes net claims, policy benefits and surrenders, interest credited to policyholders’ deposits and dividends to policyholders. The increase of the balance mainly arises from more investment gain passing to the policyholders of investment-linked policies.

Note c: the balance includes management expenses, investment management fee and other operating expense. The increase of the balance mainly arises from inflation, increase of supporting staff and marketing expense.

Note d: the balance includes change in future policyholders’ benefits to both insurance and investment contracts. The increase of the balance mainly arises from new business and natural growth of inforce portfolio.

業務回顧(續)

保險業務分部主要財務數據(續)

附註 a: 餘額包括投資淨額和其他收入、銀行存款利息收入和其他經營收入，不含二零一八年 MassMutual Life Insurance Company K.K. (「萬通日本」) 股權為數 5.9 億港元的處置收益。餘額的增加主要是由於投資相連壽險保單的投資收益增加所致。

附註 b: 餘額包括賠款淨額、保單收益和退保金，保單持有人的存款應計利息和保單持有人股息。餘額的增加主要是由於向投資相連壽險保單持有人分配的投資收益增加所致。

附註 c: 餘額包括管理費用、投資管理費和其他營業開支。餘額的增加主要來自於通脹、支持人員以及營銷費用增加。

附註 d: 餘額包括未來保單持有人於保險和投資合同的收益變化。餘額的增加主要來自於新業務和有效組合的自然增長。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Operating profit

For management decision making and internal performance management purpose, the Group refers to the operating profit which excludes the realised capital gain/loss and short-term derivatives market value fluctuation and profit and loss due to one-off event. The operating profit for the Period grew by 10% to HK\$402 million.

業務回顧(續)

經營溢利

本集團以經營溢利(不包括已實現資本收益/虧損及短期衍生工具市場價值波動及一次性事項所產生的損益)作為管理層決策及內部履約管理目的。期內經營溢利增長10%至4.02億港元。

		For the six months period ended 30 June		
		截至六月三十日止六個月期間		
		2019	2018	Change %
		二零一九年	二零一八年	變化%
		HK\$ million	HK\$ million	
		百萬港元	百萬港元	
Operating profit (Note 1)	經營溢利(附註1)	402	364	10
Adjust for the following profit or loss and expenses impact:	調整以下損益及費用影響:			
— Realised capital gain/loss and short-term derivatives market value fluctuation	— 已實現資本收益/虧損和短期衍生工具市場價值波動	(66)	(167)	(60)
Profit before one-off adjustment	— 一次性調整前溢利	336	197	71
— One-off adjustment (Note 2)	— 一次性調整(附註2)	—	589	N/A無
Profit for the Period	本期間溢利	336	786	(57)

Note 1: Operating profit represents profit generated from core business activities.

附註1: 經營溢利指由核心業務活動產生的溢利。

Note 2: One-off adjustment represents the disposal gain of equity interest in MM Japan.

附註2: 一次性調整指萬通日本的股權處置收益。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Assets and liabilities

The following table sets out the key financial information with respect to the assets and liabilities employed by the insurance division before any fair value adjustment arising from the acquisition accounting policy and intra-group eliminations.

業務回顧(續)

資產和負債

下表載列了收購會計政策產生的任何公允價值調整和集團內部抵銷之前，保險分部所使用的資產和負債的主要財務信息。

		As at 30 June 2019	As at 31 December 2018
		於二零一九年 六月 三十日	於二零一八年 十二月 三十一日
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Investments	投資	49,942	43,354
Cash and deposits	現金和存款	2,997	4,595
Deferred acquisition costs	遞延保單獲得成本	8,483	9,640
Other assets	其他資產	1,449	905
Total assets	資產總額	62,871	58,494
Insurance contract provisions	保險合同準備金	44,489	42,652
Investment contract liabilities	投資合同負債	4,560	4,479
Other payable	其他應付款項	1,710	1,160
Total liabilities	負債總額	50,759	48,291
Net assets	資產淨值	12,112	10,203

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Investment assets

The table below sets forth the asset allocation of the investment portfolio of insurance division for the six months period ended 30 June 2019 and the year ended 31 December 2018.

		As at 30 June 2019	As at 31 December 2018
		於二零一九年 六月 三十日	於二零一八年 十二月 三十一日
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Debt securities	債務證券	33,670	27,679
Mortgage loans	抵押貸款	7,176	7,358
Equity securities	權益證券	1,523	1,379
Cash and deposits	現金和存款	2,997	4,595
		45,366	41,011
Unit trusts	單位信托	7,573	6,938
		52,939	47,949

As at 30 June 2019, 90% (31 December 2018: 90%) of the debt securities invested have Standard and Poor's rating of BBB or above or equivalent rating from other reputable rating agencies.

The table below sets forth the total investment income based on internal records:

		For the six months period ended 30 June	
		截至六月三十日止六個月期間 2019	2018
		二零一九年	二零一八年
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Interest income and others	利息收入和其他	812	643
Dividend income	股息收入	26	36

The investment income excludes income arising from investment-linked products.

業務回顧(續)

投資資產

下表載列了截至二零一九年六月三十日止六個月及二零一八年十二月三十一日止年度保險部門投資組合的資產分配。

截至二零一九年六月三十日，投資債務證券的90% (二零一八年十二月三十一日：90%) 具有標準普爾評級BBB或以上或其他信譽良好的評級機構的同等評級。

下表載列了基於內部記錄的投資收益總額：

投資收入不含投資相連壽險產生的收入。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Key operational data of the insurance division

The table below sets forth certain other key operational data of the insurance division.

		As at 30 June 2019	As at 31 December 2018
		於二零一九年 六月 三十日	於二零一八年 十二月 三十一日
Number of employees	僱員數量		
– Hong Kong	– 香港	385	361
– Macau	– 澳門	20	18
Number of tied agents	獨家代理數量		
– Hong Kong	– 香港	1,807	1,764
– Macau	– 澳門	946	937
Number of brokers and non-tied agents	經紀人和非獨家代理數量	487	472
Number of bancassurance partners	銀行保險合作夥伴數量	5	6

Financial strength and solvency margin

The table below sets forth a summary of the total available capital and solvency ratio, the ratio expressed as a percentage, of the surplus to the required solvency margin of the legal entity carried out the insurance business related activities, as determined at the relevant time in accordance with the IO.

		As at 30 June 2019	As at 31 December 2018
		於二零一九年 六月 三十日	於二零一八年 十二月 三十一日
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Total available capital	可用資本總額	6,846	5,574
Regulatory minimum capital	最低法定資本	1,950	1,827
Solvency ratio	償債率	351%	305%

The solvency ratio was 351 per cent at 30 June 2019, up by 46 BPS compared with 305 per cent at 31 December 2018. The higher solvency ratio was mainly driven by a capital injection.

業務回顧(續)

保險分部的主要經營數據

下表載列了保險分部的其他主要經營數據。

財務實力和償付能力

下表載列了可用資本總額和償付比率情況，償付比率為根據保險業條例規定的標準於相關時間確定的法律實體執行保險業務相關活動所需償付能力的盈餘百分比。

於二零一九年六月三十日，償債率為351%，比二零一八年十二月三十一日的305%增加了46個基點。償債率上升主要是由注資造成。

OTHER FINANCIAL SERVICE BUSINESS

Brokerage business

During the Period, the turnover of brokerage business of the Group amounted to HK\$4,228.7 million (Prior Period: HK\$2,554.7 million), representing an increase of 65.5%. Bond trading was introduced in addition to the brokerage business, thus enriching the product line. On the other hand, the Group laid out the establishment of quantitative platform and low-latency trading system while continuing to devote great efforts to support the result of the research department, thus laying a more solid foundation for its future To-B business and To-C business.

Corporate finance consultancy service

The Group's corporate finance business provides financial consultancy service primarily to Hong Kong listed companies. In the First Half of 2019, our service team has also successfully liaised with a number of other potential clients and proactively engaged in communication with clients with respect to potential transactions such as fund raising, investors seeking, listing preparation and underwriting for engagement opportunities.

Employee stock ownership plan administration

In the First Half of 2019, the "Youyu eKeeper" system can support the management of a number of incentive plans including exercise of share options, restricted shares, employee benefit trusts, etc., covering functions including stock trading, plan monitoring, data management, accounting and financial statements, which enable enterprises to significantly increase management efficiency and reduce costs. Leveraging on the Group's business strengths in Hong Kong stock brokerage business, employees can also utilize our equity financing and easy trading services upon exercise of their share options to enhance and maximize their returns.

"Youyu eKeeper" has been providing one-stop Employees' Share Ownership Plan ("ESOP") management service for two years. Currently, it has accumulated tens of corporate clients and is well received by the corporates and their employees. The ESOP management service can capture plenty of high-quality users with strong potential for growth of personal wealth and great loyalty to Yunfeng platform.

其他金融服務業務

經紀業務

本集團於本期間內經紀業務的交易總額為42.3億港元(過往期間:25.5億港元),增幅為65.5%。此外,除經紀業務外,還引入了債券交易,從而豐富了產品線。另一方面,本集團還著手建立量化平台和低延遲交易系統,同時繼續投入大量精力支持研發部門的成果,為其未來的B端業務和C端業務奠定更堅實的基礎。

企業融資諮詢服務

本集團的企業融資業務主要為香港上市公司提供財務顧問服務。於二零一九年上半年,我們的服務團隊成功與若干其他潛在客戶取得聯絡,並積極與客戶就籌資、投資者尋求、上市準備以及承保等潛在交易進行溝通,以贏取項目機會。

員工持股計劃管理

於二零一九年上半年,「有魚持股」系統可支持多項激勵計劃的管理,包括行使股票期權、限制性股票、員工福利信託等,涵蓋股票交易、計劃監控、數據管理、會計和財務報表等職能,促使企業顯著提高管理效率,降低成本。憑藉本集團在香港股票經紀業務方面的業務優勢,員工還可以在行使其股票期權時使用股權融資和便捷交易服務,從而最大限度地提升和獲得回報。

「有魚持股」已經提供了兩年的一站式員工持股計劃管理服務。目前,本集團已經積累了數十家企業客戶,且深受企業及其員工的歡迎。員工持股計劃管理服務有助於吸引大量高素質用戶,這些用戶具有強大的個人財富增長潛力和對雲鋒平台的高度忠誠。

OTHER FINANCIAL SERVICE BUSINESS

(Continued)

Fintech

In the First Half of 2019, the Fintech business department was established to formulate solutions for different financial institutions. On the other hand, the team also drives the initiatives to upgrade its technology level and develop a brand-new sales and online policy signing platform for our insurance business, YF Life. Management considers the platform would enable agency teams to provide better and more efficient services for clients. With good progress being made, the platform is expected to go online in the second half of the year.

Asset management

In the First Half of 2019, the Group's asset management business continued to enhance its existing advantages in overseas asset allocation. At the same time, we capture the unique opportunities brought about by the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area and strengthen the cooperation with various institutions in the market with the aim to actively expand and achieve long-term business development goal. Under the Group's overall To-B business strategy, the Youyu Wealth platform focused on identifying competitive advantages to complement the cooperation with different financial institutions and achieve positive result. With our traditional advantages in global mutual fund allocation, the Group launches discretionary multi-asset strategies services involving Qualified Domestic Institutional Investor products. Based on the business opportunities brought about by the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area and the unique financial market position of Hong Kong, the Group issued three fund products investing in anchor IPO shares and US dollar debenture of PRC-based issuer to high-net-worth and institutional clients. In terms of asset management, three Majik fund products focusing on overseas alternative assets and Youyu Note product are well operated.

其他金融服務業務(續)

金融科技

於二零一九年上半年，金融科技業務部成立，為不同的金融機構定制解決方案。另一方面，該團隊還推出了技術水平升級的舉措，同時為萬通保險的保險業務開發了一個全新的銷售和線上保單簽約平台。管理層認為該平台將促使代理團隊為客戶提供更優質、更高效的服務。當前該平台已取得良好進展，預計將於下半年上線。

資產管理

於二零一九年上半年，本集團資產管理業務繼續鞏固在全球海外資產配置方面的既有優勢，同時捕捉粵港澳灣區發展規劃帶來的獨特機會，加強與市場上的各類機構合作，積極拓展，業務取得長足發展。基於本集團的整體B端業務戰略的確認，有魚智投基金平臺重點開展了與金融機構優勢互補，強強合作的業務模式，效果良好。基於公司在全球共同基金配置方面的傳統優勢，本集團發行了還實現了基於多資產策略的合格的境內機構投資者產品和全權資產委託業務的突破。基於粵港澳灣區發展規劃和香港獨特金融市場地位帶來的業務機會，於上半年公司發行了三個基金產品，分別投資于中資美元債權和內地赴港上市股票的錨定份額，受到了來自高淨值及機構類客戶的追捧。存量資產管理方面，三個專注於海外另類資產投資的有魚基金產品和有魚票據產品運營良好。

OTHER FINANCIAL SERVICE BUSINESS

(Continued)

Asset management (Continued)

In the second half of 2019, the asset management business will closely monitor global market trends to capture and seize investment opportunities through issue of new asset management products to serve high-net-worth clients and institutional clients. Under To-B business model, we will continue to foster our current cooperation with fund platforms and financial institutions to achieve breakthroughs in asset under management scale and intermediary business revenue. At the same time, our team will focus on the development of high quantity orders placing service for the institutional clients and devise new To-B business model.

PROSPECT

With the “Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area” announced by the CPC Central Committee and the State Council on 18 February 2019, Hong Kong will take opportunities to fully leverage its advantages as the global offshore RMB business hub and the international asset management center. “Shanghai Connect” and “Shenzhen Connect” are actively enhancing the interconnection mechanism with the domestic financial markets. The mainland and Hong Kong governments are discussing the “Insurance Connect”, which is believed that it can further promote the activities of the financial markets and insurance businesses in Guangdong, Hong Kong and Macau.

Looking forward, the volatility of the financial market in the second half of 2019 will continue. A number of uncertainties, including Sino-US trade dispute, no-deal Brexit, and the recent demonstrations in Hong Kong, have intensified market negative sentiment, and the Company will carefully respond to challenges. With a foothold in Hong Kong, the Company will grasp the opportunities emerging in the Greater Bay Area, connect China with foreign countries, empower financial institutions with technologies and forge a one-stop professional financial platform.

其他金融服務業務(續)

資產管理(續)

於二零一九年下半年，資產管理業務方面將密切關注全球市場走勢，捕捉和把握投資機會，適時發行新的資產管理產品，持續做好高淨值客戶和機構客戶的服務。在B端業務，將繼續深化基金平台與金融機構的合作模式，實現資產管理規模和中間業務收入的重點突破。同時將重點開發機構客戶基金批量下單業務，拓展新型B端業務業務模式。

展望

隨著中共中央、國務院於二零一九年二月十八日公佈《粵港澳大灣區發展規劃綱要》，香港充分發揮全球離岸人民幣業務樞紐和國際資產管理中心的優勢，「滬港通」、「深港通」積極加強與內地金融市場的互聯互通機制，內地與香港政府正商討「保險通」，相信能進一步推動粵港澳三地金融市場和保險業務的活動。

展望二零一九年下半年金融市場將繼續波動，中美貿易戰、英國無協議脫歐，以及香港示威活動持續等不明朗因素加劇了市場負面情緒，公司將審慎應對各項挑戰。公司的定位秉持立足香港，把握大灣區機遇，連接中外，利用科技賦能金融機構，打造一站式專業金融平台。

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, the Group had fixed bank deposits with original maturity over 3 months and cash and cash equivalents amounting to HK\$3,878.1 million (31 December 2018: HK\$5,443.5 million). As at 30 June 2019, the Group has HK\$1,804.6 million (31 December 2018: HK\$1,198.2 million) bank borrowing outstanding. The Group's gearing ratio was 10.11% (31 December 2018: 7.25%), which was measured as total debt excluding those operation related liabilities to total debt excluding those operation related liabilities plus equity.

CAPITAL STRUCTURE

Details of movements in share capital of the Company during the Period are set out in the statement of changes in equity to the financial statements.

FOREIGN EXCHANGE RISK

The Group has assets and liabilities denominated in currencies other than its functional currency and that are subject to fluctuation in foreign exchange amounts in the different currencies. The Group is exposed to currency risk arising from various currency exposures mainly to the extent of its investments and bank balances in multi currencies. Management of the Group monitors the foreign exchange exposure and will hedge significant foreign currency exposure should the need arise as set out in note 4 to the condensed consolidated interim financial statements.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group did not have any material acquisitions or disposals of subsidiaries and associates during the Period.

CHARGE ON ASSETS

At the end of the Period, the Group did not have any charges on assets, other than a security deposit of HK\$300,000 (31 December 2018: HK\$300,000) for banking facilities, HK\$4,524,359,000 of investment together with HK\$225,548,000 of fixed bank deposit (31 December 2018: HK\$3,760,043,000 of investment together with HK\$259,250,000 of fixed bank deposit) in favour of Autoridade Monetaria de Macau to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

流動資金及財務資源

於二零一九年六月三十日，本集團之原定期限多於三個月之銀行存款和現金及現金等值項目合共為38.8億港元(二零一八年十二月三十一日：54.4億港元)。本集團之未償還銀行借貸為18億港元(二零一八年十二月三十一日：12億港元)。本集團之資產負債比率為10.11%(二零一八年十二月三十一日為7.25%)，以不含經營相關負債的債務總額與不含與經營相關的負債和權益總和相比計量。

資本架構

本期間本公司股本變動詳情載於財務報表之權益變動表。

外匯風險

本集團擁有以其功能貨幣以外的貨幣計價的資產和負債，並受不同貨幣的外匯金額波動影響。本集團須承受其以多種貨幣為單位的投資及銀行餘額所產生的貨幣風險。本集團管理層監察外匯風險，並於有需要時根據簡明綜合中期財務報表附註4所述對沖重大外幣風險。

附屬公司及聯營公司之重大收購及出售

本集團於本期間並無任何附屬公司及聯營公司之重大收購及出售。

資產抵押

於本期間內，除就銀行融資額度提供之保證金300,000港元(二零一八年十二月三十一日：300,000港元)，以及根據《澳門保險條例》規定，為數4,524,359,000港元的投資以及225,548,000港元的固定銀行存款(二零一八年十二月三十一日：為數3,760,043,000港元的投資以及259,250,000港元的固定銀行存款)已抵押於澳門金融管理局，作為本集團技術準備金的擔保外，本集團無任何資產抵押。

COMMITMENTS

Details of segments are set out in note 28 to the condensed consolidated interim financial statements.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2019 and 31 December 2018.

STAFFING AND REMUNERATION

As at 30 June 2019, the Group employed 621 (31 December 2018: 609) full-time employees mainly located in Hong Kong, Macau and the People's Republic of China and stringently abided by the relevant labour laws and regulations. To foster a motivated and skilled working team, the Group provides on-the-job training and competitive remuneration packages including salaries and discretionary bonuses for employees.

The remuneration policy and package, including the share options and share awards (if any), of the Group's employees are maintained at market level and are reviewed annually by the management. There have been no significant changes in the employment, training or development policies of the Group since the publication of the annual report for the year ended 31 December 2018.

INTERIM DIVIDEND

The Board did not declare the payment of an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

承擔

分部信息詳情載於簡明綜合中期財務報表附註28。

或然負債

本集團於二零一九年六月三十日及二零一八年十二月三十一日並無任何重大或然負債。

員工及薪酬

於二零一九年六月三十日，本集團僱用621名（二零一八年十二月三十一日：609名）全職僱員，主要位於香港、澳門及中國大陸。本集團嚴格遵循相關勞動法律法規。為培養積極及有能力的工作團隊，本集團提供在職培訓及具競爭力的薪酬待遇，包括薪金及僱員酌情花紅。

本集團僱員之薪酬政策及待遇（包括購股權及股份獎勵，如有）維持於市場水平，並每年由管理層進行檢討。自二零一八年十二月三十一日止年度報公佈以來，本集團的僱傭情況、培訓或發展政策並無重大變動。

中期股息

董事會不宣派截至二零一九年六月三十日止六個月中期股息（截至二零一八年六月三十日止六個月：無）。

Management Discussion and Analysis

管理層討論及分析

ADJUSTMENT IN USE OF PROCEEDS FROM SUBSCRIPTION SHARES

The proceeds from subscription shares have been utilised subsequent to the subscription as set out under the section “Use of Proceeds” of the Company’s circular dated 18 August 2015 (the “Circular”) and subsequent adjustment in use of proceeds as set out in the announcements of the Company dated 18 October 2016 and 29 August 2019.

調整股份認購所得款項用途

根據本公司於二零一五年八月十八日通函「所得款項用途」之擬定用途使用及本公司於日期為二零一六年十月十八日及二零一九年八月二十九日公告所載之「調整所得款項用途」使用。

		Use of Proceeds after adjustments	Unutilised Proceeds up to 31 December 2018 至二零一八年十二月三十一日 止尚未使用款項 HK\$ million 百萬港元	Actual usage from 1 January 2019 to 30 June 2019 自二零一九年一月一日至二零一九年六月三十日止使用情況 HK\$ million 百萬港元	Unutilised Proceeds up to 30 June 2019 二零一九年六月三十日 止尚未使用款項 HK\$ million 百萬港元
Setting up new branches and IT infrastructure	設立新分行及資訊科技基礎建設	333.2	96.6	41.6	55.0
Recruitment of professionals	招聘專業人士	59.9	—	—	—
Establishment of a private wealth management platform	設立私人財富管理平台	179.0	107.1	27.1	80.0
Development of a financial services ecosystem	金融服務生態系統之發展	135.0	84.5	7.1	77.4
General capital management	自有資金管理	2,970.9	—	—	—
Total:	總計：	3,678.0	288.2	75.8	212.4

ADJUSTMENT IN USE OF PROCEEDS FROM SUBSCRIPTION SHARES *(Continued)*

Regarding to the proposed use of HK\$55 million in setting up new branches as set out in the paragraph headed “Use of proceeds” in the Circular, it remains unutilised as at 31 December 2018 and 30 June 2019. In view of uncertainty with the domestic economic environment, it is considered that setting up physical new branches is no longer the optimal way to use the proceeds. Therefore, the board considers applying the unutilised proceed to set up and further enhance the IT infrastructure to facilitate the integration of YF Life operation and related operation system upgrade going forward to be more beneficial to the overall business development. Other than as stated above, the original proposed application of the funds remains unchanged. The Board considers the above adjustment in the use of the net Proceeds is fair and reasonable and in the best interests of the Company and the shareholders as a whole. With the adjustment on unutilised proceed discussed above, the unutilised proceeds up to 30 June 2019 are expected to be fully utilised by the end of year 2020.

EVENTS AFTER REPORTING PERIOD

Details of events after reporting period are set out in note 33 to the condensed consolidated interim financial statements.

調整股份認購所得款項用途(續)

公告所載之「所得款項用途」一段有關擬定用於設立新分支機構的5,500萬港元，截至二零一八年十二月三十一日及二零一九年六月三十日，尚未使用。鑑於本地的經濟環境充滿不確定性，本公司認為建立新的實體分支機構不再是使用所得款項的最佳方式。因此，董事會考慮將未動用所得款項用於建立和進一步提升資訊科技基礎設施，以促進萬通保險業務與相關操作系統升級的整合更有利於整體業務發展。除上述款項，其餘款項的原擬定用途將維持不變。董事會認為，上述所得款項用途之調整屬公平合理，並符合本公司及其股東之整體最佳利益。根據上文所述的未動用所得款項調整，截至二零一九年六月三十日未動用所得款項預計將於二零二零年底完全耗盡。

報告期後的事件

報告期後的事件詳情載於簡明綜合中期財務報表附註33。

1. BACKGROUND

The Group mainly consists of two major segments including life insurance business and other financial services in the areas of investment holding, asset management, pensions, other businesses and corporate services. Life insurance business is operated by YF Life Insurance International Limited (“YF Life”), a 60% owned subsidiary, which becomes the most significant part of the Group in terms of total asset and profitability. To provide additional information of the insurance business, the Group disclosed the Embedded Value (“EV”) of the segment.

2. BASIS OF PREPARATION

We adopted a traditional deterministic discounted cash flow methodology to determine the components of Embedded Value and the New Business Value. This methodology makes implicit allowance for the time value of options and guarantees and other risks associated with the realisation of the expected future distributable earnings through the use of a risk adjusted discount rate and is consistent with the industry practice in the market.

The Group has appointed PricewaterhouseCoopers (“PwC”), an international firm of consulting actuaries, to examine whether the methodology and assumptions used by us in the preparation of the Embedded Value as at 30 June 2019 are consistent with standards generally adopted by insurance companies in Hong Kong and the preparation basis adopted for the Embedded Value as at 31 December 2018.

3. CAUTIONARY STATEMENT

The calculations of Embedded Value and the New Business Value of insurance business segment are based on certain assumptions with respect to future experience. Thus, the actual results could differ significantly from what is envisioned when these calculations were made. In addition, the insurance business segment is held through a 60% owned subsidiary of the Group. With the Embedded Value and the New Business Value of the insurance business being presented on a 100% basis below, the related value assessment should be considered accordingly.

1. 背景

本集團主要有兩個分部：人壽保險業務和其他金融服務，涵蓋投資控股、資產管理、退休金、其他業務和企業服務等領域。人壽保險業務由擁有60%權益的附屬公司萬通保險經營，該公司在資產總額和盈利能力方面已成為本集團的最重要組成部分。為提供保險業務的其他資料，本集團披露該分部的內含價值。

2. 編制基準

我們採用傳統的確定性貼現現金流量法確定內含價值和新業務價值的組成部分。該方法通過使用風險調整貼現率，就期權和擔保的時間價值以及實現預計未來可分配收益相關的其他風險計提內含準備，並與市場行業慣例一致。

本集團已委任國際諮詢精算師事務所——羅兵咸永道有限公司（「羅兵咸永道」）審核我們編制於二零一九年六月三十日的內含價值時所採用的方法及假設是否與香港保險公司通常採用的標準及用於二零一八年十二月三十一日的內涵價值的編制基準一致。

3. 提示聲明

保險業務分部的內含價值和新業務價值根據未來經驗的有關假設進行計算。因此，實際結果可能與進行這些計算時所作的設想有明顯差異。此外，保險業務分部由本集團擁有60%權益的附屬公司持有。保險業務的內含價值和新業務價值以100%基準呈報如下，因此應相應考慮相關的價值評估。

4. EMBEDDED VALUE OF YF LIFE

4.1 Embedded value

		30 June 2019 二零一九年 六月三十日 <i>HK\$ million</i> 百萬港元	31 December 2018 二零一八年 十二月三十一日 <i>HK\$ million</i> 百萬港元
Adjusted Net Worth	經調整淨值	6,353	5,825
Value of in-force business before cost of capital	有效業務扣除資本成本前的價值	11,870	11,126
Cost of capital	資本成本	(1,918)	(1,820)
Embedded value	內含價值	16,305	15,131
Attributable to:	應佔權益：		
Owners of the Company	本公司權益股東	9,783	9,079
Non-controlling interests	非控股權益	6,522	6,052
Embedded value	內含價值	16,305	15,131

4.2 New business value

		For the past 6 months as of 30 June 2019 截至 二零一九年 六月三十日 止六個月 <i>HK\$ million</i> 百萬港元	For the past 6 months as of 30 June 2018 截至 二零一八年 六月三十日 止六個月 <i>HK\$ million</i> 百萬港元
New Business Value after cost of capital	扣除資本成本後的新業務價值	226	221

4. 萬通保險內含價值

4.1 內含價值

		30 June 2019 二零一九年 六月三十日 <i>HK\$ million</i> 百萬港元	31 December 2018 二零一八年 十二月三十一日 <i>HK\$ million</i> 百萬港元
Adjusted Net Worth	經調整淨值	6,353	5,825
Value of in-force business before cost of capital	有效業務扣除資本成本前的價值	11,870	11,126
Cost of capital	資本成本	(1,918)	(1,820)
Embedded value	內含價值	16,305	15,131
Attributable to:	應佔權益：		
Owners of the Company	本公司權益股東	9,783	9,079
Non-controlling interests	非控股權益	6,522	6,052
Embedded value	內含價值	16,305	15,131

4.2 新業務價值

		For the past 6 months as of 30 June 2019 截至 二零一九年 六月三十日 止六個月 <i>HK\$ million</i> 百萬港元	For the past 6 months as of 30 June 2018 截至 二零一八年 六月三十日 止六個月 <i>HK\$ million</i> 百萬港元
New Business Value after cost of capital	扣除資本成本後的新業務價值	226	221

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2019, the interests and short positions of each director of Yunfeng Financial Group Limited (the "Company") (the "Director") and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, or known to the Company, were as follows:

Long positions in the ordinary shares of the Company ("Shares") and the underlying Shares:

Name of Director 董事姓名	Capacity/ Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	
		Long position 好倉	Percentage of shareholding 持股百分比
Mr. Yu Feng (note) 虞鋒先生(附註)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	41.66%
Ms. Li Ting 李婷女士	Beneficial owner/Beneficial interest 實益擁有人／實益權益	18,550,000	0.58%

Note:

Mr. Yu Feng, Chairman of the Group and non-executive Director, was interested in 1,342,976,000 Shares through Jade Passion Limited ("Jade Passion"), a company which is owned as to 73.21% of its issued share capital by Key Imagination Limited ("Key Imagination"). 91% of the issued share capital of Key Imagination is owned by Yunfeng Financial Holdings Limited ("YFHL"), the issued share capital of which in turn, is owned as to 70.15% by Mr. Yu Feng.

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券中擁有之權益及／或淡倉

於二零一九年六月三十日，雲鋒金融集團有限公司(「本公司」)各董事(「董事」)及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例證券及期貨條例第XV部)之股份、相關股份及債券中擁有已記錄於本公司須根據證券及期貨條例第352條存置之登記冊內，或已根據證券及期貨條例第XV部或聯交所證券上市規則(「上市規則」)下上市公司董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)，或本公司已知悉之權益及淡倉如下：

於本公司普通股(「股份」)及相關股份之好倉：

附註：

本集團主席兼本公司非執行董事虞鋒先生透過 Jade Passion Limited (「Jade Passion」)於1,342,976,000股股份中擁有權益，Key Imagination Limited (「Key Imagination」)擁有Jade Passion已發行股本之73.21%，雲鋒金融控股有限公司(「雲鋒金融控股」)擁有Key Imagination已發行股本之91%，而虞鋒先生擁有雲鋒金融控股已發行股本之70.15%。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (Continued)

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券中擁有之權益及／或淡倉(續)

Long positions in the shares and the underlying shares of associated corporations:

於相聯法團股份及相關股份之好倉：

Name of Associated Corporation 相聯法團名稱	Name of Director 董事姓名	Capacity/Nature of Interests 身份／權益性質	Number of Shares held in Associated Corporation 於相關法團所持股份數目	
			Long position 好倉	Percentage of shareholding 持股百分比
Yunfeng Financial Holdings Limited 雲鋒金融控股有限公司	Mr. Yu Feng 虞鋒先生	Beneficial owner/Beneficial interest 實益擁有人／實益權益	94	70.15%
Key Imagination Limited	Mr. Yu Feng (Note 1) 虞鋒先生(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	9,100	91%
	Mr. Huang Xin (Note 2) 黃鑫先生(附註2)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	900	9%
Jade Passion Limited	Mr. Yu Feng (Note 1) 虞鋒先生(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	7,321	73.21%

Notes:

附註：

- (1) Mr. Yu Feng, Chairman of the Group and non-executive Director, was interested in 9,100 shares, representing 91% of equity interest in Key Imagination through YFHL, the substantial shareholder of the Company. Mr. Yu Feng was also interested in 7,321 shares, representing 73.21% of equity interest in Jade Passion through Key Imagination. Both Key Imagination and Jade Passion are substantial shareholders of the Company.
- (2) Mr. Huang Xin, an executive Director, is the sole shareholder of Perfect Merit Limited which owns 900 shares, representing 9% of the equity interest in Key Imagination.

- (1) 本集團主席兼本公司非執行董事虞鋒先生透過本公司之主要股東雲鋒金融控股於Key Imagination擁有9,100股股份，佔Key Imagination之91%股權。虞鋒先生亦透過Key Imagination於Jade Passion擁有7,321股股份，佔Jade Passion之73.21%股權。Key Imagination及Jade Passion均為本公司之主要股東。
- (2) 本公司之執行董事黃鑫先生為Perfect Merit Limited之唯一股東，Perfect Merit Limited擁有Key Imagination 900股股份，佔Key Imagination之9%股權。

Save as disclosed above, as at 30 June 2019, none of the Directors and chief executive of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

除上文所披露者外，於二零一九年六月三十日，概無本公司董事及主要行政人員及／或任何彼等各自之聯繫人士於本公司及／或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有任何已記錄於本公司須根據證券及期貨條例第352條存置之登記冊內，或已根據證券及期貨條例第XV部或本公司採納之標準守則已知會本公司及聯交所之權益或淡倉。

LONG-TERM INCENTIVE SCHEMES

The Company has adopted the share option scheme and share award schemes to recognise the contributions of certain employees or Directors and help to retain them for the Group's operations and further development.

Share Option Scheme

The share option scheme (the "Share Option Scheme") was adopted by the Company on 21 July 2011 with a useful life of ten years from the date of adoption. Summary of the Share Option Scheme is set out in the 2018 annual report.

During the six months ended 30 June 2019, no share options were granted and as at 30 June 2019, no share options were outstanding.

Share Award Schemes

The Board had approved the adoption of two share award schemes respectively on 30 October 2014 (the "2014 Share Award Scheme") and on 12 December 2016 (the "2016 Share Award Scheme").

The maximum number of shares that can be issued or purchased under the 2016 Share Award Scheme and the 2014 Share Award Scheme is 10% of the Shares in issue from time to time (i.e. 322,332,639 Shares, representing 10% of total issued Shares as at the date of this report).

2014 Share Award Scheme

Since the date of adoption of 2014 Share Award Scheme (i.e. 30 October 2014) (the "2014 Adoption Date") and up to the date of this report, a total of 9,330,239 Shares have been awarded under the 2014 Share Award Scheme, representing about 2.09% of the total number of Shares in issue as at the 2014 Adoption Date and about 0.29% of the total issued Shares as at the date of this report.

During the six months ended 30 June 2019, no Shares had been awarded under the 2014 Share Award Scheme and as at 30 June 2019, 26,667 Shares were held by the trustee under the 2014 Share Award Scheme. There is no movement in the number of shares awarded under the 2014 Share Award Scheme.

長期激勵計劃

本公司已採納購股權計劃及股份獎勵計劃以認可部分員工的貢獻及為集團的營運及進一步發展保留員工及董事。

購股權計劃

本公司於二零一一年七月二十一日採納購股權計劃(「購股權計劃」)，自採納日期起使用期限為十年。購股權計劃的概要載於二零一八年年報。

於截至二零一九年六月三十日止六個月，概無授出購股權，而於二零一九年六月三十日，概無購股權尚未行使。

股份獎勵計劃

董事會分別於二零一四年十月三十日(「二零一四年股份獎勵計劃」)及二零一六年十二月十二日(「二零一六年股份獎勵計劃」)批准通過兩項股份獎勵計劃。

根據二零一六年股份獎勵計劃及二零一四年股份獎勵計劃可發行或購買之最高股份數目為本公司不時發行股份數目的10%(即322,332,639股股份，相當於本報告日期已發行股份之10%)。

二零一四年股份獎勵計劃

自採納二零一四年股份獎勵計劃日期起(即二零一四年十月三十日)(「二零一四年採納日期」)及截至本報告日期，已根據二零一四年股份獎勵計劃授出合共9,330,239股股份，相當於二零一四年採納日期已發行股份數目總數約2.09%，及於報告日期已發行股份數目總數約0.29%。

於截至二零一九年六月三十日止六個月，概無根據二零一四年股份獎勵計劃授出股份，且於二零一九年六月三十日，信託人根據二零一四年股份獎勵計劃持有26,667股股份。於期內，根據二零一四年股份獎勵計劃已授出獎勵股份數目並沒有變動。

LONG-TERM INCENTIVE SCHEMES
(Continued)

2016 Share Award Scheme

Since the date of adoption of 2016 Share Award Scheme (i.e. 12 December 2016) (the “2016 Adoption Date”) and up to the date of this report, 9,330,239 Shares have been awarded pursuant to the 2014 Share Award Scheme while 43,040,000 Shares have been awarded pursuant to the 2016 Share Award Scheme, representing in aggregate about 2.18% of the total number of Shares in issue as at the 2016 Adoption Date and about 1.62% of the total issued shares as at the date of this report.

During the six months ended 30 June 2019, no Shares had been awarded under the 2016 Share Award Scheme. As at 30 June 2019, 15,395,000 Shares were held by the trustee under the 2016 Share Award Scheme. Details of movements in the number of shares awarded under the 2016 Share Award Scheme are disclosed in Note 26(i) to the condensed consolidated interim financial statements.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Save as disclosed in this report, at no time during the six months ended 30 June 2019 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors (including their respective spouses and children under the age of 18) to acquire benefits by means of the acquisition of the shares or debentures of, the Company or any other body corporate.

長期激勵計劃(續)

二零一六年股份獎勵計劃

自採納二零一六年股份獎勵計劃日期起(即二零一六年十二月十二日)(「二零一六年採納日期」)及截至本報告日期,已根據二零一四年股份獎勵計劃授出9,330,239股股份及根據二零一六年股份獎勵計劃授出43,040,000股股份,相當於二零一六年採納日期已發行股份數目總數約2.18%,及於報告日期已發行股份數目總數約1.62%。

截至二零一九年六月三十日止六個月,概無根據二零一六年股份獎勵計劃授出股份。於二零一九年六月三十日,信託人根據二零一六年股份獎勵計劃持有15,395,000股股份。根據二零一六年股份獎勵計劃已授出獎勵股份數目之變動載於簡明綜合財務報表附註26(i)。

董事購買股份之權利

除本報告所披露者外,於截至二零一九年六月三十日止六個月內任何時間,本公司或其任何附屬公司或相聯法團概無訂立任何安排,致令董事(包括彼等各自之配偶及18歲以下之子女)可藉購入本公司或其任何法團之股份或債券而獲利。

**SUBSTANTIAL SHAREHOLDERS' AND
OTHER PERSONS' INTERESTS IN SHARES**

主要股東及其他人士於股份之權益

As at 30 June 2019, the Company had been notified of the following substantial shareholders' and other persons' interests, being 5% or more of the Company's issued shares that are recorded in the register under Section 336 of the SFO.

於二零一九年六月三十日，本公司獲知會下列主要股東及其他人士權益，即根據證券及期貨條例第336條存置於登記冊內之本公司已發行股份中5%或以上之權益。

Name of Substantial Shareholder 主要股東姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	
		Long position 好倉	Percentage of shareholding 持股百分比
Mr. Yu Feng (Note 1) 虞鋒先生(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	41.66%
Yunfeng Financial Holdings Limited (Note 1) 雲鋒金融控股有限公司(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	41.66%
Key Imagination Limited (Note 1) Key Imagination Limited (附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	41.66%
Jade Passion Limited (Note 1) Jade Passion Limited (附註1)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	1,342,976,000	41.66%
Massachusetts Mutual Life Insurance Company (Note 2) Massachusetts Mutual Life Insurance Company (附註2)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	800,000,000	24.82%
MassMutual International LLC (Note 2) MassMutual International LLC (附註2)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	800,000,000	24.82%
Ms. Lian Yi (Note 3) 連軼女士(附註3)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	167,872,000	5.21%
Clear Expert Limited (Note 3) Clear Expert Limited (附註3)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	167,872,000	5.21%
Violet Passion Holdings Limited (Note 3) Violet Passion Holdings Limited (附註3)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	167,872,000	5.21%

**SUBSTANTIAL SHAREHOLDERS' AND
OTHER PERSONS' INTERESTS IN SHARES**
(Continued)

Notes:

- (1) Mr. Yu Feng, Chairman of the Group and a non-executive Director, was interested in 1,342,976,000 Shares through Jade Passion, a company which is owned as to 73.21% of its issued share capital by Key Imagination. 91% of the issued share capital of Key Imagination is owned by YFHL, the issued share capital of which in turn, is owned as to 70.15% by Mr. Yu Feng.
- (2) Massachusetts Mutual Life Insurance Company was interested in 800,000,000 Shares through its 100% controlled corporation "MassMutual International LLC".
- (3) Ms. Lian Yi was interested in 167,872,000 Shares through Violet Passion Holdings Limited, a wholly-owned subsidiary of Clear Expert Limited, which in turn is a company wholly-owned by Ms. Lian Yi.

Save as disclosed above, as at 30 June 2019, there were no other persons who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

**PURCHASE, SALE OR REDEMPTION OF THE
LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

During the six months ended 30 June 2019, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code"), as set out in Appendix 14 to the Listing Rules, except for a deviation which is summarised below:

主要股東及其他人士於股份之權益(續)

附註：

- (1) 本集團主席兼本公司非執行董事虞鋒先生透過 Jade Passion 擁有 1,342,976,000 股股份之權益，Key Imagination 擁有 Jade Passion 已發行股本之 73.21%，雲鋒金融控股擁有 Key Imagination 已發行股本之 91%，而虞鋒先生擁有雲鋒金融控股已發行股本之 70.15%。
- (2) Massachusetts Mutual Life Insurance Company 透過其 100% 控股公司 MassMutual International LLC 擁有 800,000,000 股股份。
- (3) 連軼女士透過 Violet Passion Holdings Limited (Clear Expert Limited 之全資附屬公司) 於 167,872,000 股股份中擁有權益，而 Clear Expert Limited 則由連軼女士全資擁有。

除上文所披露者外，於二零一九年六月三十日，概無其他人士於本公司之股份或相關股份中擁有須根據證券及期貨條例第 2 及第 3 部向本公司披露，或根據證券及期貨條例第 336 條記錄於本公司存置之登記冊內之權益或淡倉。

購買、出售或贖回本公司上市證券

於截至二零一九年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

企業管治

截至二零一九年六月三十日止六個月，本公司已遵守上市規則附錄十四所載之相關企業管治守則(「企業管治守則」)條文，惟下文所述之偏離除外：

CORPORATE GOVERNANCE (Continued)

Code Provision A.4.1

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from this provision because the non-executive Directors and independent non-executive Directors do not currently have specific terms of appointment. However, the articles of association of the Company states that one-third of the Directors for the time being or, if the number is not a multiple of three, then, the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Directors shall be subject to retirement by rotation at least once every three years at each annual general meeting, and offer themselves for re-election. As such, the Board considers that sufficient measures have been put in place to ensure the Company's corporate governance practice in this aspect provides sufficient protection for the interests of shareholders to a standard commensurate with that of the code.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding director's securities transactions with terms no less exacting than the required standard set out in the Model Code. Following specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standards as stated in the Model Code throughout the six months ended 30 June 2019.

AUDIT COMMITTEE

The audit committee of the Company is chaired by Mr. Chu Chung Yue, Howard, with members of Mr. Qi Daqing and Mr. Xiao Feng. The audit committee of the Company has adopted the terms of reference which are in line with the CG Code.

This unaudited condensed consolidated interim financial results and statements of the Group for the six months ended 30 June 2019 have been reviewed by the audit committee of the Company.

CHANGES OF DIRECTORS' INFORMATION

There is no change in the information of the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2018 annual report and up to the date of this Interim Report.

企業管治(續)

守則條文第 A.4.1 條

根據守則條文第 A.4.1 條，非執行董事應以指定任期聘任並須接受重選。由於目前本公司之非執行董事及獨立非執行董事並無指定任期，故本公司偏離此條文。然而，根據本公司之組織章程細則，當時三分之一之在任董事(倘人數並非三之倍數，則最接近但不少於三分之一之人數)須輪值卸任。於每屆股東週年大會上，每位董事需要至少每三年須輪席退任一次，並膺選連任。因此，董事會認為此方面已採取足夠措施確保本公司之企業管治常規可充分保障股東之權益，並符合該守則條文所規定的標準。

進行證券交易之行為守則

本公司已採納一套有關董事進行證券交易之行為守則，其條款不遜於標準守則所載之交易必守標準。經本公司作出具體查詢後，全體本公司董事已確認，彼等於截至二零一九年六月三十日止六個月一直遵守標準守則列明之交易必守標準。

審核委員會

本公司之審核委員會由朱宗宇先生擔任主席，成員包括齊大慶先生及肖風先生。審核委員會已採納與企業管治守則一致之職權範圍。

審核委員會已審閱本集團截至二零一九年六月三十日止六個月之本未經審核簡明綜合中期財務報表。

董事資料之變動

自刊發本公司二零一八年年報以來及直至本中期報告日期，概無董事資料變動須根據上市規則第 13.51B(1) 條予以披露。

**REVIEW REPORT TO THE BOARD OF
DIRECTORS OF YUNFENG FINANCIAL
GROUP LIMITED**

(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial statements set out on pages 39 to 116 which comprise the condensed consolidated statement of financial position of Yunfeng Financial Group Limited (the “Company”) and its subsidiaries (the “Group”) as of 30 June 2019 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of these interim financial statements in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion on these interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial statements consist of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

**審閱報告
致雲鋒金融集團有限公司董事會**

(於香港註冊成立的有限公司)

引言

我們已審閱載於第39頁至116頁雲鋒金融集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的中期財務報表，此中期財務報表包括於二零一九年六月三十日的簡明綜合財務狀況表和截至該日止六個月期間的簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表和簡明綜合現金流量表，以及主要會計政策概要及其他附註解釋。香港聯合交易所有限公司證券上市規則規定，中期財務報表的編制必須符合當中有關條文，以及由香港會計師公會頒佈的《香港會計準則》第34號「中期財務報告」。董事須負責根據《香港會計準則》第34號編制及呈報的中期財務報表。

我們的責任是根據我們的審閱對中期財務報表發表結論，並按照雙方所協定的委聘條款僅向全體董事會報告。除此之外，我們的報告不可用作其他用途。我們不會就本報告的內容，對任何其他人士負責或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則》第2410號「由實體的獨立核數師執行的中期財務資料審閱」進行審閱。審閱中期財務報表包括由主要負責財務和會計事務的人員作出查詢，並應用分析性和其他審閱程序。由於審閱範圍遠少於根據《香港審計準則》進行審核的範圍，故不能保證我們會知悉在審核中可能發現的所有重大事項。因此，我們不會發表審核意見。

**REVIEW REPORT TO THE BOARD OF
DIRECTORS OF YUNFENG FINANCIAL
GROUP LIMITED (Continued)**
(Incorporated in Hong Kong with limited liability)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements as at 30 June 2019 are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, Interim financial reporting.

Other matter

Our review was conducted for the purpose of forming a conclusion on the interim financial statements taken as a whole. The reconciliation between HKFRSs and US generally accepted accounting principles included in note 30 is presented for purposes of additional analysis and is not required as part of the interim financial statements. Such information has been subjected to the review procedures applied in the review of the interim financial statements and, based on our review, nothing has come to our attention that causes us to believe that such information is not fairly stated, in all material respects, in relation to the interim financial statements taken as a whole.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 August 2019

審閱報告
致雲鋒金融集團有限公司董事會(續)

(於香港註冊成立的有限公司)

結論

根據我們的審閱，我們並無發現任何事項令我們相信截至二零一九年六月三十日的中期財務報表在各重大方面未有根據《香港會計準則》第34號「中期財務報告」編制。

其他事項

我們的審閱是為了對整體中期財務報表發表結論。附註30所載《香港財務報告準則》與美國公認會計準則之間的對賬乃為額外分析而呈列，並非中期財務報表的必要組成部分。該等資料經過執行中期財務報表審閱所採用的審閱程序，就中期財務報表整體而言，我們並無發現任何事項令我們相信該等資料在所有重大方面未有中肯地呈列。

畢馬威會計師事務所
執業會計師

香港中環
遮打道10號
太子大廈8樓

二零一九年八月二十九日

Condensed Consolidated Income Statement

簡明綜合收益表

for the six months ended 30 June 2019 截至二零一九年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 (Note 30) (附註 30)
Income	收入	Note 附註	
Premiums and fee income	保費及費用收入		2,381,792
Premiums ceded to reinsurer	分出保費		(323,445)
Net premium and fee income	保費及費用收入		2,058,347
Change in unearned revenue liability	未到期收入責任變動		(331,606)
Net earned premium and fee income	滿期保費及費用收入淨額		1,726,741
Brokerage commission, interest and other service income	經紀佣金、利息收入和 其他服務收入		4,126
Subscription, management and rebate fee income	認購、管理費及 回扣收入		5,837
Consultancy and advisory income	顧問及諮詢費		687
Net investment income	投資收入淨額	5(a)	1,755,726
Overlay adjustment	覆蓋調整		(101,838)
Other income	其他收入	5(b)	159,554
Reinsurance commission and profit	再保險佣金和溢利		15,592
Total income	收入總額		3,566,425
Benefits, losses and expenses	收益、虧損和費用		
Net policyholders benefit	淨保戶給付	6	(1,760,475)
Commission and related expenses	佣金和相關費用		(533,641)
Deferral and amortisation of deferred acquisition costs and value of business acquired	遞延保單獲得成本及 收購業務的價值的遞延 和攤銷		352,697
Management and other expenses	管理及其他開支		(468,807)
Change in future policyholder benefits	保單持有人收益變動		(897,632)
Total benefits, losses and expenses	收益、虧損和費用總額		(3,307,858)

Condensed Consolidated Income Statement

簡明綜合收益表

for the six months ended 30 June 2019 截至二零一九年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 (Note 30) (附註 30)
	Note 附註		
Finance cost	融資成本	(46,988)	(6,649)
Share of result in an associate	聯營公司業績份額	(1,114)	—
Profit/(loss) before taxation	除稅前溢利／(虧損)	210,465	(185,309)
Tax credit/(expenses)	稅項抵免／(開支)	746	(970)
Profit/(loss) after taxation	除稅後溢利／(虧損)	211,211	(186,279)
Profit/(loss) for the period attributable to:	下列各方應佔溢利／(虧損):		
— Equity shareholders of the Company	— 本公司權益股東	82,001	(186,279)
— Non-controlling interests	— 非控股權益	129,210	—
		211,211	(186,279)
Earnings/(loss) per share attributable to equity shareholders of the Company	本公司權益股東應佔每股溢利／(虧損)		
Basic (HK\$)	基本(港元)	0.03	(0.08)
Diluted (HK\$)	攤薄(港元)	0.03	(0.08)

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日通過追溯調整法初始採用了《香港財務報告準則》第16號。根據該方法，本集團並未對比較數據進行重述。請參閱附註3。

The notes on pages 46 to 116 form part of this interim financial report.

第46頁至116頁的附註為本中期財務報表的組成部分。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元
Profit/(loss) for the period after taxation	本期間稅後溢利／(虧損)	211,211	(186,279)
Other comprehensive income for the period	本期間其他綜合收益		
Item that will not be reclassified subsequently to profit or loss:	其後不會重新分類為損益的項目：		
Equity investment at fair value through other comprehensive income-net movement in fair value reserve (non-recycling)	以公允價值計量且其變動計入其他綜合收益的股權投資－公允價值儲備變動淨額(不可轉回)	3,044	(2,968)
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類為損益的項目：		
Net movement in the fair value reserve during the period recognised in other comprehensive income	本期間內在其他綜合收益中確認的公允價值儲備變動淨額	867,722	—
Financial asset at fair value through profit or loss under overlay adjustment	覆蓋調整下以公允價值計量且其變動計入損益之金融資產	101,838	—
Exchange differences arising on translation of results of foreign operations	換算外國業務業績產生之匯兌差額	(2,244)	(959)
Unrealised loss related to amortisation of deferred acquisition costs	遞延保單獲得成本攤銷相關的未變現虧損	(1,169,524)	—
Unrealised gain related to amortisation of unearned revenue liability — Insurance contract provisions	未到期收入責任攤銷相關的未變現收益－保險合同準備金	323,716	—
Unrealised gain related to amortisation of unearned revenue liability — Investment contract liabilities	未到期收入責任攤銷相關的未變現收益－投資合同負債	24,711	—
		149,263	(3,927)
Total comprehensive income for the period	本期間全面收益總額	360,474	(190,206)
Total comprehensive income for the period attributable to:	本期間應佔全面收益總額：		
— Equity shareholders of the Company	— 本公司權益股東	171,880	(190,206)
— Non-controlling interests	— 非控股權益	188,594	—
		360,474	(190,206)

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日通過追溯調整法初始採用了《香港財務報告準則》第16號。根據該方法，本集團並未對比較數據進行重述。請參閱附註3。

The notes on pages 46 to 116 form part of this interim financial statements.

第46頁至116頁的附註為本中期財務報表的組成部分。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2019 於二零一九年六月三十日
(Expressed in Hong Kong dollars) (以港幣列示)

			At 30 June 2019 於二零一九年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
		Note 附註		
Assets	資產			
Property and equipment	物業及設備	12	450,129	133,946
Statutory deposits	法定存款		3,497	3,285
Deferred tax asset	遞延稅項資產		184	184
Investments in associates	於聯營公司的投資		63,764	64,846
Goodwill and intangible assets	商譽及無形資產	13	3,822,746	3,827,449
Deferred acquisition costs and value of business acquired	遞延保單獲得成本及收購業務的價值	13	7,739,354	8,556,181
Investments	投資	14	50,354,988	43,632,718
Advance reinsurance premiums	預付再保險保費		116,571	10,652
Reinsurers' share of outstanding claims	未決賠款之再保險公司份額		47,469	31,202
Insurance and reinsurance receivables	應收保費及分保賬款	15	297,532	243,612
Other account receivables and accrued income	其他應收賬款及應計收入	16	71,434	95,870
Other receivables, deposits and prepayment	其他應收款、按金及預付款項	17	634,502	549,903
Bank balance — trust and segregated accounts	銀行餘額 — 信託及獨立賬戶	18	408,471	440,083
Fixed bank deposits with original maturity over 3 months	原定期限多於三個月的銀行定期存款	18	259,250	259,250
Cash and cash equivalents	現金及現金等值項目	18	3,618,855	5,184,229
			67,888,746	63,033,410
Liabilities	負債			
Insurance contract provisions	保險合同準備金	19	42,186,911	39,362,136
Investment contract liabilities	投資合同負債	20	4,291,739	4,131,951
Outstanding claims	未決賠款		154,723	123,823
Reinsurance premium payables	應付再保險保費		414,619	314,011
Other account payables	其他應付賬款	21	449,888	521,864
Other payables and accrued expenses	其他應付款項和應計開支	22	918,819	824,592
Tax payable	應付稅項		28,788	6,189
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入損益之金融負債	23	633,921	503,130
Lease liabilities	租賃負債		323,559	15,254
Deferred tax liabilities	遞延稅項負債		677,748	702,577
Bank borrowings	銀行借款	24	1,804,610	1,198,226
			51,885,325	47,703,753
NET ASSETS	資產淨值		16,003,421	15,329,657

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2019 於二零一九年六月三十日
(Expressed in Hong Kong dollars) (以港幣列示)

		Note	At 30 June 2019 於二零一九年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
		附註		
CAPITAL AND RESERVES	資本和儲備			
Share capital	股本	25	9,829,094	9,829,094
Reserves	儲備		(446,767)	(608,324)
			9,382,327	9,220,770
Non-controlling interests	非控股權益		6,621,094	6,108,887
TOTAL EQUITY	權益總額		16,003,421	15,329,657

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日通過追溯調整法初始採用了《香港財務報告準則》第16號。根據該方法，本集團並未對比較數據進行重述。請參閱附註3。

The notes on pages 46 to 116 form part of this interim financial statements.

第46頁至116頁的附註為本中期財務報表的組成部分。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港幣列示)

Attributable to equity shareholders of the Company
本公司權益持有人應佔

	Share capital 股本 HK\$'000 千港元	Shares held by share award scheme 獎勵計劃持有之股份 HK\$'000 千港元	Share-based payment reserve 以股份為基礎之付款撥備 HK\$'000 千港元	Asset revaluation reserve 資產重估撥備 HK\$'000 千港元	Fair value Reserve (recycling) 公平價值撥備(可重新分類) HK\$'000 千港元	Fair value Reserve (non-recycling) 公平價值撥備(不可重新分類) HK\$'000 千港元	Exchange reserve 匯兌撥備 HK\$'000 千港元	Statutory and capital reserve 法定及資本撥備 HK\$'000 千港元	Accumulated loss 累計虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2018 Changes in equity for the six months ended 30 June 2018:	4,629,094	(105,550)	30,743	2,650	-	(684)	1,811	1,446	(423,259)	4,136,251	-	4,136,251
Share repurchased under share award scheme 根據股份獎勵計劃回購之股份	-	(110,209)	-	-	-	-	-	-	-	(110,209)	-	(110,209)
Equity settled share-based transactions 以股份為基礎之結算交易	-	-	111,633	-	-	-	-	-	-	111,633	-	111,633
Shares vested and cancelled under share award scheme 根據股份獎勵計劃歸屬及銷燬之股份	-	132,529	(121,031)	-	-	-	-	-	(11,498)	(186,279)	-	(186,279)
Loss for the period 本集團其他全面收益	-	-	-	-	-	(2,968)	(959)	-	(7)	(3,927)	-	(3,927)
Other comprehensive income for the period 本集團其他全面收益	-	-	-	-	-	-	-	7	-	-	-	-
Appropriation to statutory and capital reserve 撥充法定及資本撥備	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2018 and 1 July 2018	4,629,094	(83,230)	21,345	2,650	-	(3,652)	862	1,453	(621,046)	3,947,469	-	3,947,469
Changes in equity for the six months ended 31 December 2018:	5,200,000	-	-	-	-	-	-	64,000	-	5,264,000	5,240,000	10,504,000
Acquisition of subsidiaries 收購附屬公司	-	-	-	-	-	-	-	-	-	-	800,000	800,000
Capital contribution to non-wholly owned subsidiary 向非全資附屬公司注資	-	-	7,607	-	-	-	-	-	-	7,607	-	7,607
Equity settled share-based transactions 以股份為基礎之結算交易	-	-	-	-	-	-	-	-	-	-	-	-
Shares vested and cancelled under share award scheme 根據股份獎勵計劃歸屬及銷燬之股份	-	-	(919)	-	-	-	-	-	919	(18,123)	-	-
Profit/(loss) for the period 本集團其他全面收益	-	-	-	-	-	-	(7,336)	-	(18,123)	19,817	50,247	32,124
Other comprehensive income for the period 本集團其他全面收益	-	-	-	-	27,959	(804)	-	-	(430)	-	18,640	38,457
Appropriation to statutory and capital reserve 撥充法定及資本撥備	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2018 First adoption of HKFRS 16 (note 3)	9,829,094	(83,230)	28,033	2,650	27,959	(4,456)	(6,486)	65,883	(638,677)	9,220,770	6,108,887	15,329,657
Adjusted balance at 1 January 2019 Changes in equity for the six months ended 30 June 2019:	9,829,094	(83,230)	28,033	2,650	27,959	(4,456)	(6,486)	65,883	(645,257)	9,214,190	6,104,500	15,318,690
Capital contribution to a non-wholly owned subsidiary 向非全資附屬公司注資	-	-	-	-	-	-	-	-	-	-	328,000	328,000
Share repurchased under share award scheme 根據股份獎勵計劃回購之股份	-	-	(3,743)	-	-	-	-	-	-	(3,743)	-	(3,743)
Equity settled share-based transactions 以股份為基礎之結算交易	-	-	-	-	-	-	-	-	-	-	-	-
Shares vested under share award scheme 根據股份獎勵計劃歸屬之股份	-	-	-	-	-	-	-	-	82,001	82,001	123,210	211,211
Profit for the period 本集團其他全面收益	-	-	-	-	89,079	3,044	(2,244)	-	(200)	89,879	59,384	149,263
Other comprehensive income for the period 本集團其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation to statutory and capital reserve 撥充法定及資本撥備	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	9,829,094	(83,230)	24,290	2,650	117,038	(1,412)	(8,730)	66,083	(583,456)	9,382,327	6,821,094	16,003,421

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日通過追溯調整法初始採用了《香港財務報告準則》第16號。根據該方法，本集團並未對比較數據進行重述。請參閱附註3。

The notes on pages 46 to 116 form part of this interim financial statements.

第46頁至116頁的附註為本中期財務報表的組成部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 (Note 30) (附註30)
Net cash generated/(used in) from operating activities	經營活動產生/(耗用)的現金淨額	786,359	(157,359)
Purchases of investments	投資購入	(8,351,624)	(641,677)
Proceeds from disposal of investments	處置投資所得收益	3,457,838	1,361,324
Other investing activities	其他投資活動	18,272	9,032
Net cash (used in)/generated from investing activities	投資活動(耗用)/產生的現金淨額	(4,875,514)	728,679
Bank loan drawdown	銀行貸款提取	600,000	—
Capital injection from non-controlling interest to a subsidiary	非控股權益向一家附屬公司的注資	328,000	—
Policyholders' account deposits	保單持有人的賬戶儲金	2,366,545	—
Policyholders' account withdrawals	保單持有人的賬戶提取	(765,482)	—
Other financing activities	其他融資活動	(6,351)	(88,912)
Net cash generated from/(used in) financing activities	融資活動所產生/(耗用)的現金淨額	2,522,712	(88,912)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額	(1,566,443)	482,408
Cash and cash equivalents at 1 January	於一月一日的現金及現金等值項目	5,184,229	2,182,374
Effect of foreign exchange rate changes	外幣匯率變動的影響	1,069	(2,347)
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等值項目	3,618,855	2,662,435

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日通過追溯調整法初始採用了《香港財務報告準則》第16號。根據該方法，本集團並未對比較數據進行重述。請參閱附註3。

The notes on pages 46 to 116 form part of this interim financial statements.

第46頁至116頁的附註為本中期財務報表的組成部分。

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

1 GENERAL INFORMATION

Yunfeng Financial Group Limited (the “Company”) is a limited liability company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is Suites 3201-3204, One Exchange Square, 8 Connaught Place, Central, Hong Kong. The condensed consolidated interim financial statements for the period ended 30 June 2019 comprises the Company and its subsidiaries (collectively the “Group”) and the Group’s interest in associates and a joint venture.

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company’s audit committee and the Company’s independent auditor, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on pages 37 and 38. These condensed consolidated interim financial statements have been approved for issuance by the Board on 29 August 2019.

The financial information relating to the financial year ended 31 December 2018 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

1 一般資料

雲鋒金融集團有限公司(「本公司」)乃於香港註冊成立之有限公司，其股份在香港聯合交易所有限公司上市。本公司之註冊辦事處位於香港中環康樂廣場8號交易廣場1座3201-3204室。截至二零一九年六月三十日止期間之簡明綜合中期財務報表包括本公司及其附屬公司(統稱「本集團」)及本集團於聯營公司及一家合營公司之權益。

本簡明綜合中期財務報表未經審核，惟已由本公司之審核委員會及本公司之獨立核數師畢馬威會計師事務所根據香港會計師公會(「香港會計師公會」)所頒佈之《香港審閱業務準則》第2410號「獨立核數師對中期財務資訊的審閱」進行審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第37至38頁。此等簡明綜合中期財務報表已於二零一九年八月二十九日獲董事會批准刊發。

中期財務報表載有截至二零一八年十二月三十一日止之財務資料作為比較資料，該等資料不構成本公司該財政年度之法定年度綜合財務報表，反之乃採自相關財務報表。根據香港《公司條例》(第622章)第436條而須披露之該等法定財務報表之其他資料如下：

本公司已根據香港《公司條例》第662(3)條及其附表6第3部分之要求，向公司註冊處處長呈交截至二零一八年十二月三十一日止年度之財務報表。

本公司的核數師已就該等財務報表出具核數師報告。該核數師報告為無保留意見的核數師報告；其中不包含核數師在不出具保留意見的情況下以強調的方式提請使用者注意的任何事項，亦不包含根據《公司條例》第406(2)、407(2)或(3)條作出的聲明。

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

2 BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated interim financial statements for the six months ended 30 June 2019 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the HKICPA. The condensed consolidated interim financial statements should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

(b) Basis of measurement

The measurement basis used in the preparation of the condensed consolidated interim financial statements is the historical cost basis except that investments in certain debt and equity securities and derivative financial instruments are stated at their fair values.

The condensed consolidated interim financial statements are presented in Hong Kong dollars (“HKD”), and all values are stated to the nearest thousand (HK\$’000s), unless otherwise stated.

(c) Use of estimates and judgements

The preparation of condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 編制基準

(a) 合規聲明

本截至二零一九年六月三十日止六個月之簡明綜合中期財務報表乃根據《香港聯合交易所有限公司證券上市規則》之適用披露條文編製，包括符合香港會計師公會所頒佈之《香港會計準則》第34號「中期財務報告」。本簡明綜合中期財務報表應與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(根據《香港財務報告準則》編製)一併閱讀。

(b) 計量基準

除於若干債務和權益證券以及衍生金融工具的投資按其公允價值列賬外，編製本簡明綜合中期財務報表所採用之計量基準為歷史成本基準。

本簡明綜合中期財務報表乃以港元(「港元」)列賬，除另有說明者外，所有數值均以最接近之千位(千港元)列值。

(c) 運用估計及判斷

編製符合《香港會計準則》第34號之簡明綜合中期財務報表時，管理層須作出判斷、估計及假設，有關判斷、估計及假設會影響會計政策之應用及年初至今的資產、負債、收入及開支之呈報金額。該等估計及相關假設乃建基於過往經驗及其他在有關情況下被認為合理之各種因素，從而作為判斷未能從其他來源確定之資產及負債之賬面值之基準。實際結果可能有別於估計數額。

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

2 BASIS OF PREPARATION (Continued)

(c) Use of estimates and judgements (Continued)

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

(d) Determination of consolidation scope

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns.

An investor's initial assessment of control or its status as a principal or an agent would not change simply because of a change in market conditions (e.g. a change in the investee's returns driven by market conditions), unless the change in market conditions changes one or more of the three elements of control listed above or changes the overall relationship between a principal and an agent.

At the end of each reporting period, the Group assesses the variable returns arising from other equities and uses plenty of judgments, in combination with historical exposure to variable returns, to determine the consolidation scope.

2 編制基準(續)

(c) 運用估計及判斷(續)

本集團會持續檢討該等估計及相關假設。會計估計之修訂如只影響該修訂期，則於該修訂期內確認；修訂如影響本期間及未來期間，則於修訂期間及未來期間確認。

(d) 合併範圍的確定

評估本集團作為投資者是否控制投資對象時，須考慮一切事實及情況。控制原則包括三個控制權要素：(a)對投資對象的權力；(b)因參與投資對象而承擔或享有可變回報的風險或權利；及(c)運用對投資對象的權力影響投資者的回報金額的能力。

投資者控制權之初步評估或其作為主事人或代理人之身份不會僅僅因為市況的改變(例如市況帶動投資對象回報的改變)而出現變動，除非市況變動使上文列示的三項控制權要素中的一項或多項要素發生變化，或使主事人與代理人的整體關係發生變化。

本集團在各報告期末評估其他權益產生的可變回報，並運用大量判斷，同時結合過往可變回報之風險以確定合併範圍。

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

2 BASIS OF PREPARATION (Continued)

(e) Classification and Fair value of derivative and financial instruments

Under HKFRS 9, classification of financial instruments depends on the contractual cashflow characteristics (the Solely Payment of Principal and Interest (“SPPI”) criteria) and driven by the business model of the entity. A financial asset that does not meet the SPPI criterion is always measured at fair value through profit or loss (“FVPL”), unless it is an equity instrument for which an entity applies the election to measure at fair value through other comprehensive income (“FVOCI”). Management judgement is involved throughout the assessment.

The Group selects appropriate valuation techniques for financial instruments which are classified as level 2 and 3 investments in accordance with the Group’s significant accounting policies. Note 4 provides detailed information about the key assumptions used in the determination of the fair value of material financial instruments.

(f) Expected credit loss estimation

The Group selects appropriate methodology and assumptions in accordance with the Group’s significant accounting policies.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in preparing the condensed consolidated interim financial statements are the same as those applied in preparing the consolidated financial statements for the year ended 31 December 2018, as disclosed in the annual report and financial statements for the year ended 31 December 2018 except for the following which are first time being applied for the period.

The changes in accounting policies are also expected to be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2019.

The Group has initially adopted HKFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group’s financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 編制基準(續)

(e) 衍生工具及金融工具之分類及公允價值

根據《香港財務報告準則》第9號，金融工具的分類取決於合同現金流量特徵(本金及利息的獨立支付(「SPPI」)標準)，並由實體的業務模式所驅動。不符合SPPI標準的金融資產始終以公允價值計量且其變動計入當期損益，除非該實體通過其他綜合收益將該選擇用於公允價值計量的權益工具。整個評估都涉及管理層的判斷。

本集團對根據本集團的主要會計政策分類為第二層級及第三層級投資的金融工具選用適當的估值技術。附註4載有釐定重大金融工具公允價值之主要假設之詳細資料。

(f) 預期信用損失估計

本集團對根據本集團的主要會計政策選用適當的方法和假設。

3 主要會計政策

除了以下第一次應用會計政策的內容，編製本簡明中期財務報表所應用之會計政策與編製截至二零一八年十二月三十一日止年度之綜合財務報表所應用之會計政策(誠如截至二零一八年十二月三十一日止年度之年報及財務報表所披露)一致。

會計政策變動預期亦會反映於本集團截至二零一九年十二月三十一日止年度的綜合財務報表。

本集團已於二零一九年一月一日起開始採納《香港財務報告準則》第16號「租賃」。若干其他新訂準則自二零一九年一月一日起生效，但對本集團的財務報表並無重大影響。本集團並無採用任何於本會計期間尚未生效的新訂準則或詮釋。

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated loss at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

(a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under HK(IFRIC) 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC) 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

3 主要會計政策(續)

《香港財務報告準則》第16號引入了對承租人採取的單一的資產負債表內的會計模型。因此，本集團作為承租人就使用標的資產的權利確認使用權資產，同時就其支付租賃付款額的義務確認租賃負債。

出租人會計處理與原有的會計政策相似。本集團已採用追溯調整法來採用《香港財務報告準則》第16號，並將初始採用的累積影響確認為於二零一九年一月一日的累計虧損。因此，二零一八年列報的比較數字並未重述，即按照之前根據《香港會計準則》第17號所呈報的內容予以列示，相關詮釋亦是如此。有關會計準則變動之詳情披露如下：

(a) 租賃定義

本集團以往在合同開始日根據香港(國際財務報告詮釋委員會) – 詮釋第4號「釐定安排是否包含租賃」。當前本集團根據租賃的新定義來評估合同是否為租賃或包含租賃。根據《香港財務報告準則》第16號，如果合同在一段時期內為換取對價而轉讓一項可辨認資產使用的控制權，則該合同為租賃或包含租賃。

過渡至《香港財務報告準則》第16號時，本集團選擇採用簡便實務操作方法，以繼續沿用原準則對交易是否屬於租賃所做的評估。本集團僅將《香港財務報告準則》第16號應用於此前識別為租賃的合同。根據《香港會計準則》第17號和香港(國際財務報告詮釋委員會) – 詮釋第4號未識別為租賃的合同沒有作重新評估。因此，本集團僅將《香港財務報告準則》第16號的租賃定義應用於二零一九年一月一日當日或之後訂立或修訂的合同。

於開始或重新評估包含租賃的合同時，本集團基於其單獨售價的相對比例將合同的對價分攤至各租賃部分和非租賃部分。然而，對於本集團作為承租人的物業租賃，本集團已選擇不拆分非租賃部分，而是將租賃和與非租賃部分作為單一的租賃部分進行會計處理。

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3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) As a lessee

The Group leases many assets, including properties and IT equipment.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases — i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. IT equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment', the same line item as it presents underlying assets of the same nature that it owns. The carrying amounts of additional right-of-use assets recognised on 1 January 2019 and their respective carrying amounts on 30 June 2019 are as below.

		Property and equipment 物業及設備 HK\$'000 千港元
Balance at 1 January 2019	於二零一九年一月一日的餘額	296,540
Balance at 30 June 2019	於二零一九年六月三十日的餘額	247,982

The Group presents lease liabilities as lease liabilities in the statement of financial position.

3 主要會計政策(續)

(b) 作為承租人

本集團租賃多項資產，包括物業和IT設備。

作為承租人，本集團以往根據租賃是否實質上將與資產所有權有關的全部風險和報酬轉移給本集團的評估，將租賃分類為經營租賃或融資租賃。根據《香港財務報告準則》第16號，本集團確認大部分租賃的使用權資產和租賃負債，即該等租賃為表內資產和負債。

然而，本集團已選擇不確認某些低價值資產(如IT資產)租賃的使用權資產和租賃負債。本集團在租賃期內按照直線法將與該類租賃相關的租賃付款額確認為費用。

本集團列示不符合「物業和設備」的投資物業定義的使用權資產，恰如其列示所擁有相同性質標的資產的相同行項目。於二零一九年一月一日確認的其他使用權資產的賬面價值及其於二零一九年六月三十日的賬面價值如下。

本集團在財務狀況表中將租賃負債列示為融資租賃負債。

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3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) As a lessee (Continued)

(i) Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

3 主要會計政策(續)

(b) 作為承租人(續)

(i) 主要會計政策

在租賃開始日，本集團確認了一項使用權資產和一項租賃負債。使用權資產按成本進行初始計量，其後按成本減去任何累計折舊及減值虧損計量，並就租賃負債的若干重新計量進行調整。使用權資產根據本集團的會計政策按成本進行初始計量，其後按公允價值計量。

租賃負債按照租賃期開始日尚未支付的租賃付款額的現值進行初始計量，折現率為租賃內含利率。若無法確定租賃內含利率，採用本集團增量借款利率作為折現率。一般情況下，本集團採用增量借款利率作為貼現率。

租賃負債隨後根據租賃負債的利率成本增加和租賃付款額減少。若指數或比率發生變動導致未來租賃付款額發生變動，或根據擔保餘值預計的應付金額發生變動，或合理確定行使購買選擇權或續租選擇權或者合理確定不行使終止選擇權的評估發生變動(如適當)，租賃負債將進行重新計量。

本集團已運用判斷，釐定其為承租人的某些包含續租選擇權的租賃合同的租賃期。本集團是否合理確定行使該選擇權的評估影響著租賃期，這對已確認的租賃負債和使用權資產金額產生重大影響。

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3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) As a lessee (Continued)

(ii) Transition

Previously, the Group classified property leases as operating leases under HKAS 17. These include office building. The leases typically run for a period of 2 to 3 years.

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if HKFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application — the Group applied this approach to its largest property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments — the Group applied this approach to all other leases.

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

3 主要會計政策(續)

(b) 作為承租人(續)

(ii) 過渡

本集團早前根據《香港審計準則》第17號將物業租賃劃歸為經營租賃。這些物業租賃包括寫字樓。其租賃期限一般為兩至三年。

於過渡期間，以剩餘租賃付款額按二零一九年一月一日本集團的增量借款利率折現的現值，對根據《香港會計準則》第17號劃歸分為經營租賃的租賃負債進行計量。使用權資產的計量按照：

- 視同自租賃期開始日已採用《香港財務報告準則》第16號、並按初始採用日的承租人增量借款利率進行折現的賬面價值 — 此方法應用於本集團最大的物業租賃；或者
- 與租賃負債相等的金額，根據任何預付或應計的租賃付款額的金額進行調整 — 此方法應用於本集團其他所有租賃。

將《香港財務報告準則》第16號應用於此前根據《香港會計準則》第17號劃分為經營租賃的租賃時，本集團採用以下簡單實務操作方法。

- 應用豁免不確認租賃期不超過12個月的租賃的使用權資產和負債。
- 在初始採用日計量使用權資產時不包括初始直接費用。
- 使用後見之明，如果合同包含續租或終止租賃的選擇權，則可在確定租賃期時使用後見之明。

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3 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) As a lessee (Continued)

(ii) Transition (Continued)

The Group leases a number of items of operating system. These leases were classified as finance leases under HKAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under HKAS 17 immediately before that date.

(c) Impacts on financial statements

(i) Impacts on transition

On transition to HKFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in accumulated loss. The impact on transition is summarised below.

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Right-of-use assets presented in property and equipment	於物業及設備列示的使用權資產	296,540
Reclassification from prepayment	預付款重新分類／遞延的租賃資產	(1,643)
Lease liabilities	租賃負債	308,301
Derecognition of other liability	終止確認其他負債	(2,437)
Accumulated losses	累計虧損	(6,580)
Non-controlling interest	非控股權益	(4,387)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019.

在計量劃歸為經營租賃的租賃負債時，本集團以二零一九年一月一日的增量借款利率貼現其租賃付款。

3 主要會計政策(續)

(b) 作為承租人(續)

(ii) 過渡(續)

本集團租賃多項操作系統。該等租賃根據《香港會計準則》第17號劃歸為融資租賃。就該等融資租賃而言，於二零一九年一月一日的使用權資產及租賃負債的賬面價值乃根據《香港會計準則》第17號下按該日期之前的租賃資產及租賃負債的賬面價值釐定。

(c) 對財務報表的影響

(i) 對過渡的影響

過渡至《香港財務報告準則》第16號後，本集團確認了其他使用權資產和其他租賃負債，並確認了累計虧損的差異。對過渡的影響匯總如下：

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3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3 主要會計政策(續)

(c) Impacts on financial statements (Continued)

(c) 對財務報表的影響(續)

(i) Impacts on transition (Continued)

(i) 對過渡的影響(續)

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	在綜合財務報表中披露的於二零一八年十二月三十一日的經營租賃承擔	255,167
Discounted using the incremental borrowing rate at 1 January 2019	使用二零一九年一月一日的增量借款利率貼現	(26,906)
Finance lease liabilities recognised as at 31 December 2018	於二零一八年十二月三十一日確認的融資租賃負債	15,254
— Recognition exemption for leases with less than 12 months of lease term at transition	— 過渡時租賃期少於12個月的確認豁免	(7,158)
— Extension options reasonably certain to be exercised	— 將合理行使的延期選擇	87,198
Lease liabilities recognised at 1 January 2019	於二零一九年一月一日確認的租賃負債	323,555

(ii) Impacts for the period

(ii) 對本期間的影響

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised HK\$247,982,000 of right-of-use assets and HK\$261,745,000 of lease liabilities as at 30 June 2019.

由於初始採用《香港財務報告準則》第16號，對於此前被劃分為經營租賃的租賃，本集團於二零一九年六月三十日確認247,982,000港元的使用權資產和261,745,000港元的租賃負債。

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised HK\$48,558,000 of depreciation charges and HK\$4,628,000 of interest costs from these leases.

此外，對於《香港財務報告準則》第16號下的租賃，本集團已確認折舊和利率成本，而非經營租賃費用。截至二零一九年六月三十日止六個月期間，本集團確認了該類租賃的48,558,000港元折舊費用和4,628,000港元的利率成本。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT

(a) Risk management objectives and policies for mitigating insurance and financial risk

The Group operates in a business environment which is subject to various risks and uncertainties. Such risks and uncertainties can be classified into two categories, insurance risks and financial risks.

(i) Insurance risks

The Group manages insurance risks through prudent pricing guidelines, reinsurance and underwriting management and monitoring internal and external emerging trends and issues.

The Group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and, as such, it is believed that this reduces the variability of the outcome. This strategy is cascaded down to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write in order to ensure appropriate risk selection within the portfolio. Adherence to the underwriting authorities is monitored through a scheduled underwriting audit. In addition, the Group has an Underwriting Committee to establish policies and procedures to supervise and assess the insurance risks and to periodically review and monitor the overall underwriting management process. The Group also has a Claims Settlement Committee to establish policies and procedures to supervise the claims settlement policy. The committee monitors the adequacy of the Group's reserves for the settlement of claims, reviews significant claims or major events, and investigates any fraudulent claims.

4 保險和金融風險管理

(a) 風險管理目標及降低保險和金融風險的政策

本集團在一個受各種風險和不確定因素影響的商業環境中運作。這些風險和不確定性可劃歸為兩類：保險風險和金融風險。

(i) 保險風險

本集團通過審慎的定價指引、再保險和承保管理以及監控內部和外部的新興趨勢和課題來管理保險風險。

本集團尋求多元化的承保策略，以確保平衡的投資組合，並以多年來類似風險的大量投資組合為基礎，因此相信這會降低結果的可變性。該策略通過詳細的承保職權下達到個別承保人員，該承保職權規定了任何一個承保人員可以承保的限額，以確保在投資組合中進行適當的風險選擇。通過預定的承保審計監督對承保職權的遵守情況。此外，本集團還設有承保委員會，負責制定監管和評估保險風險的政策和程序，並定期審查和監督整個承保管理流程。本集團還設立了理賠委員會，以制定監督理賠政策的政策和程序。該委員會負責監督集團儲備金的充足性，以解決賠款、審查重大賠款或重大事件，並調查任何欺詐性賠款。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(i) Insurance risks (Continued)

The Group reinsures a portion of the risks it underwrites in order to control its exposure to losses to avoid the risk of concentration and to protect capital resources. Such transfers of risks do not relieve the Group of its primary liability and, as such, failure of reinsurers to honour their obligations could result in losses. The Group reduces this risk by evaluating the financial condition of reinsurers and monitoring for possible concentrations of credit risk. The Group has a Reinsurance Committee to establish policies and procedures to properly and regularly supervise and review proposed and existing reinsurance activities covering ceded risks to reinsurers. The committee also periodically reviews and monitors the financial stability of reinsurers.

(ii) Financial risks

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. These risks are limited by the Group's financial management policies and practices described below.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(i) 對過渡的影響(續)

本集團分出再保其承保的部分風險，以控制其虧損風險，以避免集中風險並保護資本資源。這種風險轉移並不能減輕集團的主要責任，因此，再保險公司未能履行其義務可能會導致損失。本集團通過評估再保險公司的財務狀況和監控可能出現的信用風險集中度來降低風險。本集團設有再保險委員會，以制定政策和程序，以適當和定期監督和審查建議和現有的再保險活動，包括對再保險公司的分出風險。該委員會還定期審查和監督再保險公司的財務穩定性。

(ii) 金融風險

本集團須在正常業務過程中承受信貸、流動資金、利率和貨幣風險。本集團亦須承受在其他實體的權益投資價格波動所產生的股價風險。該等風險通過下述本集團的金融管理政策和慣例予以限制。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(1) Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- amounts due from issuers of debt securities;
- bank balances;
- insurance and reinsurance receivables;
- commercial and residential mortgage loans;
- other unsecured receivables; and
- derivative financial instruments.

The Group manages its financial assets to limit credit risk by diversifying its portfolio among various security types and industry sectors. The Group has an Investment Committee to supervise and control investments and related financial matters. Investment policies and guidelines have to be approved by the committee. In addition, the committee periodically reviews investment strategies and investment performance.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(1) 信用風險

本集團須承受信用風險，該風險是交易對手未能全數償還到期金額的風險。本集團須承受信用風險的主要方面有：

- 應收債務證券發行人的金額；
- 銀行餘額；
- 應收保費及分保賬款；
- 商業及住宅抵押貸款；
- 其他無抵押應收款項；以及
- 衍生金融工具。

本集團管理其金融資產，通過在各種證券類型和行業領域實現投資組合多元化來限制信用風險。本集團設有投資委員會，負責監督和控制投資及相關金融事宜。投資政策和指引必須獲得委員會的批准。此外，委員會定期審閱投資策略和投資業績。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(1) Credit risk (Continued)

The Group's debt securities represented investments in asset-backed and mortgage-backed securities in the United States of America and PRC which are exposed to sub-prime credit risks. The Group does not originate any residential mortgages but invests in residential mortgage loan pools which may contain mortgages of subprime credit quality. Residential mortgage loan pools are pools of homogeneous residential mortgage loans substantially backed by Federal Housing Administration and Veterans Administration guarantees.

In respect of bank balances, all of them are due from authorised institutions in Hong Kong, Macau, the People's Republic of China, the United Kingdom and the United States of America. Management periodically reviews the credit ratings of these authorised institutions.

With respect to the recoveries due from reinsurers, the Group is exposed to the credit risk that the amounts due under a reinsurance contract may not be paid. In respect of loans to policyholders, direct premium receivables and other loans to agents and staff, management monitors the repayment status on an ongoing basis. Other unsecured receivables mainly comprise accrued interest income on debt securities, where the credit risks are limited by the diversification of its investment portfolio as mentioned above.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(1) 信用風險(續)

本集團債務證券指於美國和中國的資產支持證券和抵押證券的投資，這些證券須承受次級信用風險。本集團並未發起任何住宅抵押貸款，而是投資於可能包含次貸信用質量抵押的住宅抵押貸款池。住宅抵押貸款池是由聯邦住宅管理局和退伍軍人管理局擔保的同質住宅抵押貸款池。

就銀行餘額而言，所有款項均來自香港、澳門、中國大陸、英國及美國的授權機構。管理層定期檢討這些授權機構的信用評級。

就應收再保險公司的款項而言，本集團須承受信用風險，即可能無法收回再保險合同項下的應付金額。就向保單持有人提供的貸款、直接應收保費及向代理及員工提供的其他貸款，管理層持續監控還款狀態。其他無抵押應收款項主要包括債務證券的應計利息收入，其中信用風險受上文所述投資組合多元化的限制。

最高信用風險承擔指扣除任何減值準備後的財務狀況表內各項金融資產的賬面價值。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(2) Liquidity risk

The Group has to meet daily calls on its cash resources, notably from claims arising from its life insurance contracts. There is therefore a risk that cash will not be available to settle liabilities when due. The Group manages this risk by setting a minimum level of liquidity cash that will be available to cover claims maturities and surrenders.

(3) Interest rate risk

Interest rate risk is the potential for interest rates to change, which can cause fluctuations in the value of investments and in the amounts due to policyholders. To the extent that fluctuations in interest rates cause the duration of assets and liabilities to differ, the Group controls its exposure to this risk by, among other things, asset and liability matching techniques that account for the cash flow characteristics of the assets and liabilities.

(4) Currency risk

The Group's currency exchange risk is mainly related to certain policies that are not written in the United States dollars. However, most of the policies are denominated in the United States dollars. As the Group's investments are primarily made in the United States dollars, coupled with the fact that the Hong Kong dollars are pegged to the United States dollars, management does not believe that the currency risk is material. For investments made in non-United States dollars, the Group mitigates currency risk through the use of cross-currency swaps and forward contracts. Cross-currency swaps are used to minimize currency risk for certain non-United States dollar assets and liabilities through a prespecified exchange of interest and principal. Forward contracts are used to hedge movements in exchange rates.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(2) 流動資金風險

本集團須滿足日常現金資源請求，主要源自壽險合同索賠。因此須承受現金不足以結算到期負債的風險。本集團通過設定可用於支付索賠期滿和退保金的最低流動資金水平來管理此風險。

(3) 利率風險

利率風險是利率變化的可能性，其可能導致投資價值和應付保單持有人金額的波動。如果利率波動導致資產和負債的期間差異，則本集團通過資產和負債匹配技術(其中包括資產和負債的現金流量特徵)控制其風險敞口。

(4) 貨幣風險

本集團的貨幣風險主要與並非以美元計價的保單有關。但大多數保單仍以美元計價。由於本集團的投資主要以美元計價，加上港元與美元掛鈎，管理層認為貨幣風險並不重大。就並非以美元計價的投資而言，本集團通過使用交叉貨幣掉期及遠期合同降低貨幣風險。交叉貨幣掉期用於通過預定利息和本金交換來最小化某些非美元資產和負債的貨幣風險。遠期合同用於對沖匯率變動。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk

The Group is exposed to equity price changes arising from equity investments and derivative instruments classified as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss held by the Group. Gains and losses arising from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are dealt with in condensed consolidated income statement.

The portfolio of unit trusts backing linked insurance contracts, which the Group carries on its condensed consolidated statement of financial position at fair value, has exposure to price risk. However, such price risk is fully borne by the policyholders as the benefits payable are linked to the price of the securities.

The portfolio of unit trusts backing non-linked insurance contracts, which the Group carries on its condensed consolidated statement of financial position at fair value, also has exposure to price risk. This risk is defined as the potential loss in market value resulting from an adverse change in prices.

For the other investment under fair value hierarchy level 2 and 3 that is either backing linked insurance contract and those that are not related to insurance contracts, their price risk impact on the Group's profit or total equity is further analysed under fair value measurement.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險

本集團須承擔本集團持有被劃歸為以公允價值計量且其變動計入損益之金融資產之股本投資及衍生工具及以公允價值計量且其變動計入損益之金融負債所產生之股價變動風險。以公允價值計量且其變動計入損益之金融資產及金融負債公允價值變動產生之盈虧乃於簡明綜合收益表中處理。

單位信託支持連結式保險合同的投資組合(本集團按公允價值在其簡明綜合財務狀況表中列報)存在價格風險。由於應付給付與證券價格掛鉤，價格風險完全由保單持有人承擔。

單位信託支持非連結式保險合同的投資組合(本集團按公允價值在其簡明綜合財務狀況表中列報)也存在價格風險。該風險被定義為價格的不利變化導致的市場價值潛在損失。

對於其他第二層級和第三層級公允價值計量的投資，即支持型連結式保險合同或與保險合同無關的投資，其價格風險對本集團利潤或股權總額的影響在公允價值計量下作出進一步分析。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4 保險和金融風險管理(續)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) Financial risks (Continued)

(ii) 金融風險(續)

(5) Equity price risk (Continued)

(5) 股價風險(續)

Fair value measurement

公允價值計量

- (1) Financial assets and liabilities measured at fair value

- (1) 按公允價值計量的金融資產及負債

Fair value hierarchy

公允價值層級

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

下表呈列本集團於報告期末按經常基準所計量的金融工具公允價值。該等金融工具已歸入《香港財務報告準則》第13號「公允價值計量」所界定的三個公允價值層級。本集團參照以下估值方法所採用的輸入值的可觀察程度和重要性，從而釐定公允價值計量數值所應歸屬的層級：

Level 1 valuations:
第一層級估值：

Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

公允價值僅使用第一層級輸入數據(即於計量日期之相同資產或負債在活躍市場之未經調整報價)計算

Level 2 valuations:
第二層級估值：

Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

使用第二層級輸入值(即未達第一層級的可觀察輸入值)，並捨棄重大不可觀察輸入值來計量公允價值。不可觀察輸入值是指欠缺市場數據的輸入值

Level 3 valuations:
第三層級估值：

Fair value measured using significant Unobservable inputs

公允價值使用重大不可觀察之輸入數據計算

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

The Group has established and maintained policies and guidelines that govern its valuation methodologies and their consistent application. These policies and guidelines address the use of inputs, price source hierarchies and provide controls around the valuation processes.

These controls include appropriate review and analysis of prices against market activity or indicators for reasonableness, approval of price source changes, price overrides, methodology changes and classification of fair value hierarchy levels. The valuation policies and guidelines are reviewed and updated as appropriate.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

本集團已制定及維持管理其估值方法及其一致應用的政策及指引。該等政策和指引涉及輸入值、價格來源層級的使用，並就估值流程進行控制。

該等控制包括對市場活動價格或合理性指標、價格來源變化的審批、價格撤銷、方法變更和公允價值層級分類進行適當審閱和分析。估值政策和指引進行審閱和更新(如適當)。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Annually, the Group conducts reviews of the primary pricing vendors to validate that the inputs used in that vendors' pricing process are deemed to be market observable as defined in the standard. While the Group was not provided access to proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also included an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process the Group continues to perform for each reporting period.

In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. The Group believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (exit prices) and are classified appropriately in the hierarchy.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

本集團每年對主要定價供應商進行審閱，以驗證該供應商定價流程中使用的輸入值是否被視為標準中定義的市場可觀察數據。雖然本集團未獲得供應商的私有模型，但審閱工作包括對各資產類別的定價流程、方法和控制流程以及所提供價格的層次進行現場預檢。審閱工作還包括抽檢各資產類別的個別證券、信用評級層次和各持續期間的基本輸入值和假設，本集團於每個報告期間繼續執行此流程。

此外，定價供應商已針對所有抵押估值制定了既定質詢流程，這有助於識別和處理超出預期範圍的價格。本集團認為，從定價供應商獲取的價格能代表於計量日出售資產將收到的價格(脫手價)，並於公允價值層級中進行了適當分類。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

The Group reviews the fair value hierarchy classification at each reporting period. Overall, reclassifications between levels occur when there are changes in the observability of inputs and market activity used in the valuation of a financial asset or liability. Such reclassifications are reported as transfers between levels at the beginning of the reporting period in which the changes occur. Given the types of assets classified as Level 1 (primarily equity securities and mutual fund investments), transfers between Level 1 and Level 2 measurement categories are expected to be infrequent. There were no such transfers during any period presented. Transfers into and out of Level 3 are summarized in the schedule of changes in Level 3 assets and liabilities.

The fair value of short-term debt instruments, maturity less than 30 days, is assumed to be equal to the book value. The Group generally uses unadjusted quotable market prices from independent brokers, when available, to determine the fair value of debt instruments with a maturity greater than 30 days.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

本集團於各報告期檢討公允價值層級分類。總體而言，當金融資產或負債的估值中使用的輸入值和市場活動的可觀察性發生變化時，會發生各層級之間的重新分類。該重新分類呈報為發生變化的報告期初各層級之間的轉移。鑒於劃歸為第一層級(主要是股本證券和共同基金投資)的資產類型，預計第一層級和第二層級計量類別之間的轉移很少。列示的任何期間均未發生該類轉移。轉入和轉出第三層級已在第三層級資產和負債的變化表中進行概括。

短期債務工具(到期日小於30天)的公允價值假設等於賬面值。本集團一般使用獨立經紀商的未經調整的可引用市場價格(如有)確定到期日超過30天的債務工具的公允價值。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

	Fair value measurements as at 30 June 2019 categorised into 於二零一九年六月三十日之 公平價值計量歸類為			Fair value measurements as at 31 December 2018 categorised into 於二零一八年十二月三十一日之 公平價值計量歸類為		
	Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元	Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元
Recurring fair value measurement	按經常基準所計量的公允價值					
Assets/(liabilities)	資產/(負債)					
Financial assets at fair value through profit or loss:	以公允價值計量且其變動計入損益之金融資產					
– Private credit and other trust product type funds	–	–	646,440	–	–	538,613
– Credit linked obligation note	–	–	28,901	–	–	27,275
– Leveraged and structured note investment	–	2,268,268	5,119	–	1,799,058	88,980
– Unit trust	566,095	6,999,277	7,991	553,299	6,373,169	11,834
– Interest in a joint venture	–	–	103,543	–	–	79,128
– Insurance contract related partnership investment	–	46,039	1,477,228	–	–	1,378,578
– Unlisted fund/share option	–	275	–	–	248	–
Financial asset at fair value through other comprehensive income	按公允價值計入其他綜合收益之金融資產					
– Debt securities	–	9,738,531	4,070,484	–	6,710,854	3,626,407
– Perpetual capital measured at fair value	–	75,504	–	–	73,213	–
Financial liabilities designated at fair value through profit or loss:	指定以公允價值計入損益之金融負債					
– Preference share liability	–	–	(390,535)	–	–	(315,588)
– Third-party interests in consolidated	–	–	(243,386)	–	–	(187,542)
– Investment contract liabilities	–	(4,291,739)	–	–	(4,131,951)	–
	566,095	14,836,155	5,705,785	553,299	10,824,591	5,247,685

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 except for those disclosed under the movement during the period in the balance of Level 3 fair value measurements. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 and Level 3 fair value measurements for those insurance contract related assets and liabilities

The Group determines the estimated fair value of its investments using primarily the market approach or the income approach. The use of quoted prices for identical assets and matrix pricing or other similar techniques are examples of market approaches, while the use of discounted cash flow methodologies is an example of the income approach. The Group attempts to maximise the use of observable inputs and minimise the use of unobservable inputs in selecting whether the market or the income approach is used.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

第一層級與第二層級之間並無轉移，或第三層級亦並無轉入或轉出，除了那些包括在第三層級公允價值計量的餘額變動外。本集團的政策是在公允價值層級之間出現轉移的報告期末確認有關變動。

第二層級和第三層級公允價值計量所用的估值技術和輸入值保險合同相關資產和負債

本集團主要使用市場法或收入法確定其投資的估計公允價值。使用相同資產的報價和矩陣定價或其他類似技術是市場方法的典例，而貼現現金流量法的使用則是收入法的代表。本集團試圖最大限度地使用可觀察輸入值，並儘量減少使用不可觀察輸入值來選擇是否使用市場法或收入法。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Valuation techniques and inputs used in Level 2 and Level 3 fair value measurements for those insurance contract related assets and liabilities (Continued)

The use of different assumptions or valuation methodologies may have a material impact on the estimated fair value amounts. For the periods presented, there were no significant changes to the Group's valuation techniques.

For level 2 debt securities, valuations are based primarily on quoted prices in markets that are not active, or using matrix pricing or other similar techniques using standard market observable inputs such as the benchmark U.S. Treasury yield curve, the spreads versus the U.S. Treasury curve for the identical security and comparable securities that are actively traded.

For level 2 corporate securities, valuations are based primarily on quoted prices in markets that are not active, broker quotes or using matrix pricing or other similar techniques that use standard market observable inputs such as benchmark yields, spreads versus benchmark yields, new issuances, issuer rating, duration, and trades of identical or comparable securities.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第二層級和第三層級公允價值計量所用的估值技術和輸入值保險合同相關資產和負債(續)

使用不同的假設或估值方法可能對估計公允價值金額產生重大影響。就呈報期間而言，本集團的估值技術並無重大變動。

第二層級債務證券估值主要基於非活躍市場的報價，或使用矩陣定價或使用標準市場可觀察輸入值等其他類似技術，這些輸入值如基準美國國債收益率曲線、活躍交易的相同證券和可比證券的美國收益率曲線的利差。

第二層級公司證券估值主要基於非活躍市場的報價、經紀商報價或使用矩陣定價或使用標準市場可觀察輸入值等其他類似技術，這些輸入值如基準收益率、利差與基準收益率、新發行、發行人評級、持續時間、相同或可比證券的交易。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Valuation techniques and inputs used in Level 2 and Level 3 fair value measurements for those insurance contract related assets and liabilities (Continued)

For level 2 unit trusts and equity securities, valuations are based on quoted market prices adjusted for certain factors, such as foreign market differential.

For level 2 derivative financial instrument, observable significant inputs to the valuation of derivative financial instruments include Overnight Indexed Swap and London InterBank Offered Rate basis curves, interest rate volatility, swap yield curve, currency spot rates, cross currency basis curves and dividend yield curves.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第二層級和第三層級公允價值計量所用的估值技術和輸入值保險合同相關資產和負債(續)

第二層級單位信托和權益證券估值主要基於就某些因素(國外市場差價)調整的市場報價。

第二層級衍生金融工具估值的重要輸入值包括隔夜指數掉期和倫敦銀行同業拆息率的基準曲線、利率波動、掉期收益率曲線、貨幣即期匯率、交叉貨幣基準曲線和股息收益率曲線。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第三層級公允價值計量的信息

		Valuation techniques	Significant unobservable inputs	Range 範圍		Weighted average
				Min	Max	
		估值技術	重大不可觀察輸入值	最小值	最大值	加權平均數
		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
Financial assets:	金融資產：					
Financial asset at fair value through profit or loss under overlay adjustment	在覆蓋調整下以公允價值計量且其變動計入損益之金融資產					
– Partnership investment	– 合夥投資	Net asset value	Net asset value	NA	NA	NA
		資產淨值	資產淨值	無	無	無
Financial asset at fair value through other comprehensive income:	以公允價值計量且其變動計入其他綜合收益之金融資產					
– Corporate securities	– 企業債券	Matrix pricing and DCF	Credit spread	66BPS	1,150BPS	146BPS
		矩陣定價以及貼現現金流量	信用利差	66個基點	1,150個基點	146個基點

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

A description of the sensitivity of the estimated fair value to changes in the significant unobservable inputs for the more significant Level 3 insurance contract related asset and liability classes is as follows:

Partnership interest – the fair value estimation is based on the net asset value attributable to the Group determined by the respective fund managers. If such net asset value attributable to the Group is not yet readily available, adjustments to the fair value of the funds are made based on the latest net asset value with adjustments based on subsequent contribution made and distribution received by the Group. As at 30 June 2019, it is estimated that with all other variables held constant, a decrease/increase in net asset value by 10% would have increased/decreased the Group's other comprehensive income by HK\$147,723,000 (31 December 2018: HK\$137,858,000) under the overlay approach.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第三層級公允價值計量的信息(續)

對於較為重要的第三層級保險合同相關資產和負債等級，估計公允價值對重大不可觀察變動的變化的敏感性描述如下：

合夥基金權益 – 公允價值估計乃基於相應基金經理確定的本集團應佔資產淨值。倘本集團應佔之資產淨值尚未可供使用，本集團根據最新資產淨值並根據之後作出對基金之出資及基金作出分派對基金公允價值作出適當調整。於二零一九年六月三十日，倘所有其他可變因素保持不變，估計資產淨值減少／增加10%，基於覆蓋方法下，本集團的其他綜合收益將增加／減少147,723,000港元(二零一八年十二月三十一日：137,858,000港元)。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

Corporate securities — Internally-priced corporate securities classified in Level 3 include certain below investment grade watch list and distressed fixed maturity securities. For securities where discounted cash flows are used, the primary unobservable input is the internally-developed discount rate. Significant increases in the discount rate would result in a significantly lower fair value, with the opposite being true for decreases in the discount rate. In certain cases, the Group uses an estimated liquidation value of the borrower or underlying assets. The Group also applies market comparables, such as earnings before interest, taxes, depreciation and amortisation (EBITDA) multiples for certain securities. In isolation, an increase in the value of these inputs would result in an increase in fair value, with the opposite being true for decreases in the value of these inputs. As at 30 June 2019, it is estimated that with all other variables held constant, a decrease/increase in credit spread by 100 BPS would have increased/decreased the Group's other comprehensive income by HK\$242,823,000 (31 December 2018: HK\$219,955,000).

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第三層級公允價值計量的信息(續)

企業證券 — 分類為第三層級的內部定價公司證券包括某些低於投資級別的監管名單和不良固定到期證券。對於使用貼現現金流量的證券，主要的不可觀察輸入值是內部制定的貼現率。貼現率的顯著增加將導致公允價值顯著降低，反之亦然。在某些情況下，本集團使用借款人或相關資產的估計清算價值。本集團亦應用市場可比較數據，如一些證券的息稅折舊攤銷前利潤(EBITDA)倍數。單獨來看，這些輸入值的價值增加將導致公允價值增加，反之亦然。於二零一九年六月三十日，假設所有其他變數維持不變，估計信用利差減少/增加100個基點，本集團的其他綜合收益應會因此增加/減少242,823,000港元(二零一八年十二月三十一日：219,955,000港元)。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4 保險和金融風險管理(續)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) Financial risks (Continued)

(ii) 金融風險(續)

(5) Equity price risk (Continued)

(5) 股價風險(續)

Fair value measurement (Continued)

公允價值計量(續)

(1) Financial assets and liabilities measured at fair value (Continued)

(1) 按公允價值計量的金融資產及負債(續)

Valuation techniques and inputs used in Level 2 and Level 3 fair value measurements for those noninsurance contract related assets and liabilities

第二層級和第三層級公允價值計量所用的估值技術和輸入值非保險合同相關資產和負債

Level 2 perpetual capital investment is based on brokers quote for valuation purpose.

第二層級永續資本投資基於估值所用的經紀商報價。

Information about Level 3 investment

第三層級投資的信息

Unlisted FVPL investment 非上市的以公允價值計量且其變動計入損益的投資	Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入值
Credit linked obligation note 信用連結式負債票據	Price quote 報價	Price quote 報價
Leveraged note investment/ trust products 杠桿票據投資/信託產品	Recent transaction price 最新交易價格	Recent transaction price 最新交易價格
Private credit funds and interest in a joint venture 私人信用基金及於合營企業的權益	Net asset value 資產淨值	Net asset value 資產淨值
Preference share liability 優先股負債	Discounted cashflow 貼現現金流量	Expected distribution from underlying fund investment per annum and net asset value of underlying fund investment 每年相關基金投資以及相關基金投資資產淨值的預期分派
Third-party interests in consolidated funds 於合併基金的第三方權益	Net asset value 資產淨值	Net asset value 資產淨值

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Valuation techniques and inputs used in Level 2 and Level 3 fair value measurements for those noninsurance contract related assets and liabilities (Continued)

A description of the sensitivity of the estimated fair value to changes in the significant unobservable inputs for those non-insurance contract related level 3 asset and liability classes is as follows:

Fund investments — the fair value of private debt securities investment fund and interest in a joint venture holding based on the net asset value attributable to the Group determined by the respective fund managers. If such net asset value attributable to the Group is not yet readily available, adjustments to the fair value of the funds are made based on the latest net asset value with adjustments based on subsequent contribution made and distribution received by the Group.

Credit-linked obligation note investment — the fair value based on price quote provided by the arranger of the note.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第二層級和第三層級公允價值計量所用的估值技術和輸入值非保險合同相關資產和負債(續)

對於非保險合同相關第三層級資產和負債類別，估計公允價值對重大不可觀察輸入值變動的敏感度描述如下：

基金投資 — 相應基金管理人根據本集團應佔有資產淨值確定私人債務證券投資基金及於合營企業控股的權益的公允價值。倘本集團應佔之資產淨值尚未可供使用，本集團根據最新資產淨值並根據之後作出對基金之出資及基金作出分派對基金公允價值作出適當調整。

關於信用續結式票據投資，公允價值基於承銷商提供的報價。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Valuation techniques and inputs used in Level 2 and Level 3 fair value measurements for those noninsurance contract related assets and liabilities (Continued)

Leveraged note investment and trust products – the fair value based on recent transaction prices of those products or price quote provided by brokers.

Preference share liabilities and third parties interest in consolidated funds – the fair value of the financial liabilities are determined mainly based on the fair value of the fund investments and credit linked obligation as the principal investment of the consolidated funds and the effective interest of the third parties in those consolidated funds.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第二層級和第三層級公允價值計量所用的估值技術和輸入值非保險合同相關資產和負債(續)

杠杆票據投資和信託產品 – 基於該等產品的最新交易價格或經紀商提供的報價。

優先股份負債和於納入合併範圍的基金第三方權益 – 金融負債的公允價值主要根據基金投資的公允價值和信用連結式債務作為合併資金的主要投資和第三方於該等合併基金的實際權益確定。

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Valuation techniques and inputs used in Level 2 and Level 3 fair value measurements for those noninsurance contract related assets and liabilities (Continued)

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

第二層級和第三層級公允價值計量所用的估值技術和輸入值非保險合同相關資產和負債(續)

Change in the relevant equity price risk variable:	相關股價風險變量的變化：	30 June 2019 二零一九年 六月三十日		31 December 2018 二零一八年 十二月三十一日	
		%	Effect on profit after tax and retained profit 對稅後溢利和保留溢利的影響 HK\$'000 千港元	%	Effect on profit after tax and retained profit 對稅後溢利和保留溢利的影響 HK\$'000 千港元
Leverage note investment	杠桿票據投資				
Increase	增加	—	—	10	6,361
Decrease	減少	—	—	(10)	(6,361)
Trust type fund products	信託類型基金產品				
Increase	增加	5	1,537	5	1,188
Decrease	減少	(5)	(1,537)	(5)	(1,188)
Joint controlled entity	共同控制實體				
Increase	增加	10	10,354	10	5,741
Decrease	減少	(10)	(10,354)	(10)	(5,741)
Private credit funds	私人信用基金				
Increase	增加	10	61,570	10	50,719
Decrease	減少	(10)	(61,570)	(10)	(50,719)
Credit linked note	信用連結式票據				
Increase	增加	10	2,890	10	2,727
Decrease	減少	(10)	(2,890)	(10)	(2,727)
Preference share liability	優先股負債				
Increase	增加	10	—	10	—
Decrease	減少	(10)	—	(10)	—
Third party interest in consolidated fund	於合併基金的 第三方權益				
Increase	增加	10	(21,821)	10	(18,239)
Decrease	減少	(10)	21,821	(10)	18,239

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4 保險和金融風險管理(續)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) Financial risks (Continued)

(ii) 金融風險(續)

(5) Equity price risk (Continued)

(5) 股價風險(續)

Fair value measurement (Continued)

公允價值計量(續)

(1) Financial assets and liabilities measured at fair value (Continued)

(1) 按公允價值計量的金融資產及負債(續)

The movement during the period in the balance of Level 3 fair value measurements is as follows:

本期間內第三層級公允價值計量的餘額變動如下：

Financial assets at fair value through profit or loss

以公允價值計量且其變動計入損益之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	721,200	—
Transferred from available-for-sale financial assets upon adoption of HKFRS 9	採用《香港財務報告準則》第9號後轉自可供出售金融資產	—	488,518
Deconsolidation of a previously consolidated fund	於之前合併範圍內基金的終止合併	—	(13,265)
Recognition of a joint venture carried at fair value	確認以公允價值入賬的合營企業	—	12,315
Capital injection/purchase	注資/購買	125,021	144,458
Net realised gain	已變現收益淨額	4,636	—
Settlement on disposal	處置結算	(83,299)	—
Exchange alignment	外幣報表折算差額	(1,473)	1,790
Deemed gain on partial disposal	部分出售的已確認收益	—	26
Fair value change of investment	投資的公允價值變動	12,799	(11,647)
At 30 June	於六月三十日	778,884	622,195

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Financial assets at fair value through other comprehensive income (debt securities)

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

以公允價值計量且其變動計入其他綜合收益之金融資產(債務證券)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	3,626,407	—
Acquisition of subsidiaries	購買附屬公司	—	—
Purchase	採購	245,476	—
Settlements	結算	(54,425)	—
Net realised loss to profit or loss	計入損益的已變現淨虧損	(278)	—
Net unrealised gain to other comprehensive income	計入其他綜合收益的已變現淨收益	253,304	—
At 30 June	於六月三十日	4,070,484	—

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4 保險和金融風險管理(續)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) Financial risks (Continued)

(ii) 金融風險(續)

(5) Equity price risk (Continued)

(5) 股價風險(續)

Fair value measurement (Continued)

公允價值計量(續)

(1) Financial assets and liabilities measured at fair value (Continued)

(1) 按公允價值計量的金融資產及負債(續)

Financial assets at fair value through profit or loss under overlay adjustments

在覆蓋調整下以公允價值計量且其變動計入損益之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	1,403,208	—
Cost of investment purchased	購入的投資成本	185,724	—
Distribution received	收到的分配	(118,506)	—
Earnings reinvested	重新投資的收益	31,737	—
Net realised gain	已變現淨收益	930	—
Settlement	結算	(3,802)	—
Net unrealised loss to other comprehensive income	計入其他綜合收益的已變現淨虧損	(1,195)	—
Foreign exchange impact	外匯影響	(81)	—
Transfer into level 3	轉入第三層級	5,119	—
Transfer out of level 3	轉出第三層級	(12,796)	—
At 30 June	於六月三十日	1,490,338	—

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(1) Financial assets and liabilities measured at fair value (Continued)

Financial liabilities at fair value through profit or loss

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

以公允價值計量且其變動計入損益之金融負債

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	503,130	363,677
Share issued/contribution received	股票發行/收到出資	131,787	84,749
Deconsolidation of a consolidated fund	於合併範圍內基金的拆分	—	(3,489)
Partial disposal of interest of a consolidated fund	部分出售於合併範圍的基金權益	—	(1,168)
Distribution to third party investor	分配至第三方投資人	(10,670)	(8,262)
Exchange alignment	外幣報表折算差額	—	2,987
Fair value change	公允價值計變動	9,674	6,345
At 30 June	於六月三十日	633,921	444,839

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

- (2) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2018 and 30 June 2019 except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

- (2) 非按公允價值列賬的金融資產及負債的公允價值

本集團按成本或攤銷成本入賬的金融工具的賬面價值，與其於二零一八年十二月三十一日和二零一九年六月三十日的公允價值分別不大，但當中不包括以下金融工具，其賬面價值、公允價值及公允價值層級披露如下：

		Fair value measurements as at 30 June 2019 categorised into 於二零一九年六月三十日的公允價值計量分類				
		2019 二零一九年		Level 1 第一層級	Level 2 第二層級	Level 3 第三層級
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公允價值 HK\$'000 千港元	Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元
Debt securities	債務證券	17,319,018	19,109,696	—	16,544,168	2,565,528
Mortgage loans	抵押貸款	7,002,275	7,430,569	—	—	7,430,569

		Fair value measurements as at 31 December 2018 categorised into 於二零一八年十二月三十一日的公允價值計量分類				
		2018 二零一八年		Level 1 第一層級	Level 2 第二層級	Level 3 第三層級
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公允價值 HK\$'000 千港元	Level 1 第一層級 HK\$'000 千港元	Level 2 第二層級 HK\$'000 千港元	Level 3 第三層級 HK\$'000 千港元
Debt securities	債務證券	15,188,481	15,566,781	—	13,376,484	2,190,297
Mortgage loans	抵押貸款	7,183,581	7,379,482	—	—	7,379,482

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4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Risk management objectives and policies for mitigating insurance and financial risk (Continued)

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

Fair value measurement (Continued)

(2) Fair value of financial assets and liabilities carried at other than fair value (Continued)

Mortgage loans — The fair value of mortgage loans is established using a discounted cash flow method based on credit rating, maturity and future income. The fair value for impaired mortgage loans is based on the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent. A significant increase/(decrease) in the discount rate would result in a significant decrease/(increase) to the fair value.

4 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

公允價值計量(續)

(2) 非按公允價值列賬的金融資產及負債的公允價值(續)

抵押貸款 — 抵押貸款的公允價值使用基於信用評級、到期日和未來收入的貼現現金流量法確定。已減值抵押貸款的公允價值基於以貸款實際利率貼現的預期未來現金流量的現值或抵押品(如果貸款是抵押品)的公允價值。貼現率的大幅上升/(下降)將導致公允價值的大幅減少/(增加)。

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5(a) NET INVESTMENT INCOME

5(a) 投資收入淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income from unlisted debt securities and mortgage loans	未上市債務證券及抵押貸款之利息收入	862,314	20,323
Bank and other interest income	銀行及其他利息收入	22,036	35,906
Net realised gain/(loss) on disposal of securities designated at fair value through profit or loss	出售指定以公允價值計量且其變動計入損益之證券之已變現收益/(虧損)淨額	107,699	(2,299)
Net unrealised gain/(loss) on financial asset and financial liabilities designated at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產及金融負債之未變現收益/(虧損)淨額	687,265	(25,229)
Net realised loss on fair value through other comprehensive income debt securities	以公允價值計量且其變動計入其他綜合收益之債務證券之已變現虧損淨額	(5,160)	—
Reversal of impairment loss of amortised cost investment	攤銷成本投資之轉回減值虧損	11,778	—
Impairment loss of fair value through other comprehensive income debt securities	以公允價值計量且其變動計入其他綜合收益之債務證券之減值虧損	(40,447)	—
Dividend income	股息收入	61,339	15,235
Net derivative (loss)/gain	衍生工具(虧損)/收益淨額	(52,936)	773
Net unrealised gain of fair value through profit or loss financial assets under overlay approach	覆蓋方法下以公允價值計量且其變動計入損益之金融資產之未變現收益淨額	101,838	—
		1,755,726	44,709

Total interest income on financial assets not at fair value through profit or loss amounted to HK\$865,456,000 for the period ended 30 June 2019 (for the period ended 30 June 2018: HK\$36,237,000).

截至二零一九年六月三十日止期間，不以公允價值計量且其變動計入損益之金融資產之利息收入總額為865,456,000港元(截至二零一八年六月三十日止期間：36,237,000港元)。

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5(b) OTHER INCOME

5(b) 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net gain on disposal of subsidiaries and deemed partial disposal of associates/consolidated funds	出售附屬公司、合併範圍內基金的已確認部分出售的收益淨額	208	2,706
Trustee fee income	托管費收入	12,993	—
Reinsurance premium ceded and other income	分出再保險保費和其他收入	146,353	3,288
		159,554	5,994

6 NET POLICYHOLDERS BENEFIT

6 淨保戶給付

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net claims, policy benefits and surrenders	賠款淨額、保單收益和退保金	231,915	—
Interest credited to policyholders' deposits	保單持有人的存款應計利息	1,525,940	—
Dividends to policyholders	保單持有人股息	2,620	—
		1,760,475	—

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7 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

7 除稅前溢利／(虧損)

除稅前溢利／(虧損)已扣除／(計入):

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Staff costs	員工成本	237,340	193,677

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other operating items	其他經營項目		
Auditors' remuneration	核數師酬金	5,779	1,224
Legal and professional costs	法律及專業顧問費用	4,014	8,125
Operating lease payments — property rentals	經營租賃款項 — 物業租金	5,715	14,924
Amortisation of value of business acquired	收購業務價值的攤銷	102,200	—
Amortisation of deferred acquisition cost	遞延保單獲得成本的攤銷	136,070	—
Depreciation and amortisation on property and equipment and other intangible assets	物業及設備和其他無形資產的折舊及攤銷	67,715	10,631
Impairment loss on:	減值虧損		
— Cash and cash equivalent, fixed bank deposit and trust and segregated accounts	— 現金及現金等值項目、固定銀行存款、信托及獨立賬戶	—	399
— Other account receivables	— 其他應收賬款	24	61
— Other receivables	— 其他應收款	—	142
Information, data and communication expenses	資訊、數據及通訊開支	12,710	13,786
Net exchange loss/(gain)	外匯虧損／(收益)淨額	24,096	(7,945)

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7 PROFIT/(LOSS) BEFORE TAXATION (Continued)

7 除稅前溢利／(虧損)(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance costs	融資成本		
Bank loan interest	銀行貸款利息	29,621	—
Lease liabilities	租賃負債	5,283	221
Preference share liability	優先股負債	11,425	6,418
Other interest expense	其他利息支出	659	10
		46,988	6,649

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

8 綜合收益表之所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表之稅收變動代表：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax	本期稅項		
Hong Kong	香港		
Provision for the year	本年度準備	23,606	—
Over-provision in respect of prior years	以往年度準備過剩	—	—
Overseas	海外		
Provision for the year	本年度準備	263	1,037
Under-provision in respect of prior years	以往年度準備不足	213	22
		24,082	1,059
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異的產生和轉回	(24,828)	(89)
		(746)	970

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8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(a) Taxation in the consolidated income statement represents: (Continued)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2018: 16.5%) to the six months ended 30 June 2019, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2018.

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the period ended 30 June 2019 of HK\$82,001,000 (six months ended 30 June 2018: a loss of HK\$186,279,000), and the weighted average number of shares in issue during the period ended 30 June 2019 of 3,207,904,727 (30 June 2018: 2,391,603,714).

There were no potential dilutive ordinary shares for the six months ended 30 June 2019 therefore basic earnings per share equals to diluted earnings per share six months ended 30 June 2018: basic loss per share equals to diluted loss per share.

10 DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of six months ended 30 June 2019 (2018: nil).

8 綜合收益表之所得稅(續)

(a) 綜合收益表之稅收變動代表：(續)

香港利得稅撥備乃按截至二零一九年六月三十日止六個月的估計年度實際稅率16.5%(二零一八年：16.5%)計算，惟本集團的一間附屬公司符合兩級制利得稅的條件除外。

就該附屬公司而言，首200萬港元的應課稅溢利按8.25%徵稅，餘下應課稅溢利則按16.5%徵稅。該附屬公司的香港利得稅撥備按二零一八年的相同基準計算。

海外附屬公司的稅項亦使用預期適用於相關國家的估計年度實際稅率計算。

9 每股盈利

每股基本盈利乃按截至二零一九年六月三十日止期間之本公司權益股東應佔溢利82,001,000港元(截至二零一八年六月三十日止六個月：虧損186,279,000港元)及截至二零一九年六月三十日止期間內已發行股份之加權平均數3,207,904,727股(二零一八年六月三十日：2,391,603,714股)計算。

截至二零一九年六月三十日止六個月，本集團並無潛在攤薄普通股，因此每股基本盈利等於截至二零一八年六月三十日止六個月的每股攤薄盈利：每股基本虧損等於每股攤薄虧損。

10 股息

董事會並不建議派付截至二零一九年六月三十日止六個月之中期股息(二零一八年：無)。

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簡明綜合中期財務報告附註

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11 SEGMENT REPORTING

The operating segments have been determined based on the reports reviewed by the executive directors of the Company that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns different from those of other operating segments.

As disclosed in the 2018 annual report, the Group is largely dominated by the insurance business after the completion of the YF Life acquisition. As a result, management decided to streamline and regroup the operating segments. Insurance business is considered as an operating segment and other operating segments that existed prior to the acquisition are consolidated as other financial services and corporate to reflect the long term business development focus. Accordingly, comparative figures in prior interim period have been restated to conform to the current interim period's presentation.

Consequently, the Group currently has two operating segments:

- (i) Insurance business — engage in the writing of long term insurance business
- (ii) Other financial services and corporate includes
 - (a) Securities brokerage — engages in securities brokerage and provision of custodian and other services;
 - (b) Asset management — provision of fund and asset management services as well as financing and investing solution for clients;
 - (c) Consultancy and advisory services — provision of corporate advisory, placing and underwriting advisory services to clients;

11 分部報告

經營分部乃根據本公司執行董事所審閱並用於評估表現及作出策略性決定之報告而釐定。本集團之經營業務乃根據其業務性質及所提供之產品及服務個別進行組織及管理。本集團各經營分部代表一個策略性業務單位，提供之產品及服務所承擔之風險及所得之回報與其他經營分部不同。

恰如二零一八年年報所披露，自收購萬通保險以來，本集團的主導業務是保險。因此，管理層決定簡化和重組經營分部。保險業務被視為經營分部，其他於收購之前存在的經營分部合併為其他金融服務和公司服務，以反應長期業務發展目標。因此，過往中期報告的比較數據已重新分類，以符合本期間報告之呈現方式。

所以，本集團現有兩個經營分部：

- (i) 保險業務 — 從事長期保險業務的核保
- (ii) 其他金融服務和公司服務
 - (a) 證券經紀 — 從事證券經紀業務，及提供託管服務和其他服務；
 - (b) 資產管理 — 提供資金和資產管理服務，以及為客戶制定融資和投資解決方案；
 - (c) 顧問及諮詢服務 — 為客戶提供，配售和承銷服務。

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11 SEGMENT REPORTING (Continued)

- (ii) Other financial services and corporate includes (Continued)
- (d) Principal investment — utilise capital 1) to provide funding on developing financial products and the funds managed by wealth management team 2) to improve returns on the Group's capital and cash flow management based on treasury management model that may involve (but shall not be limited to) holding fixed income instruments, high quality equity instruments and other financial investments;
- (e) Financial technology — provision of technology business solution including system setup, upgrade and enhancement to clients; and
- (f) Corporate service includes central administrative and financing functions to support other operating segments.

The accounting policies of the reportable segments are the same as those followed by the Group in the last annual financial statements.

Segment revenue represents the revenue generated by each operating segment from external customers. Inter-segment revenue represents inter-segment services which were transacted with reference to the normal commercial price made to third parties at the then prevailing market prices.

Segment results represent specific operating performance of the reported segments by allocating all specific and related operating and finance costs, excluding other corporate, general administrative, and financial expenses, taxation and non-operating costs. This is the measure reported to the chief operating decision maker, at the relevant times, for the purposes of resource allocation and performance assessment.

11 分部報告(續)

- (ii) 其他金融服務和公司服務(續)
- (d) 主要投資 — 利用資本1) 就開發金融產品以及理財管理團隊管理的基金提供融資2) 基於資金管理模式，這可能涉及(但不限於)持有固定資產收入工具，高級別股權工具和其他金融投資提高集團資本和現金流量管理的回報。
- (e) 金融科技活動 — 向客戶提供技術業務解決方案，包括系統設置、升級和提升；以及
- (f) 公司服務包括支持其他經營分部的核心行政和融資職能。

可報告分部之會計政策與本集團於最近年度財務報表所依循者相同。

分部收入指各經營分部外部客戶產生的收入。分部間收入指參照按當時市價向第三方作出之一般商業價格而進行交易之分部間服務。

分部業績指呈報分部透過分配所有特定及相關經營及財務成本(不包括其他公司、一般行政及財政開支、稅項及非經營成本)計算之特定經營表現。此乃於有關時間匯報予主要經營決策者作資源分配及表現評估用途之衡量基準。

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11 SEGMENT REPORTING (Continued)

11 分部報告(續)

(a) Segment revenue and results

(a) 分部收入及業績

For the period ended 30 June 2019

截至二零一九年六月三十日止期間

		Insurance business 保險業務 HK\$'000 千港元	Other financial services and corporate 其他金融和 公司服務 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Premiums and fee income	保費及費用收入	2,381,792	—	2,381,792
Premiums ceded to reinsurer	分出保費	(323,445)	—	(323,445)
Net premium and fee income	保費及費用收入淨額	2,058,347	—	2,058,347
Change in unearned revenue liability	未到期收入責任變動	(331,606)	—	(331,606)
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務 收入	—	4,126	4,126
Subscription, management and rebate fee income	認購、管理費及回退費收入	—	5,837	5,837
Consultancy and advisory income	顧問及諮詢費收入	—	687	687
Revenue from external party	來自外部人士之收益	1,726,741	10,650	1,737,391
Inter-segment income	分部間收入	907	2,014	2,921
Reportable segment revenue	可報告分部收入	1,727,648	12,664	1,740,312
Allocated net investment income, other operating income and gains	已分配投資收入淨額、其他經營 收入及收益	1,783,262	45,772	1,829,034
Share of result of associates	聯營公司業績份額	—	(1,114)	(1,114)
Allocated operating costs	已分配經營成本	(3,185,193)	(109,515)	(3,294,708)
Allocated finance cost	已分配融資成本	(3,916)	(13,446)	(17,362)
Reportable segment profit/(loss)	可報告分部利潤/(虧損)	321,801	(65,639)	256,162
Elimination of inter-segment (loss)/profit	可報告分部(虧損)/利潤對銷			—
Reportable segment profit derived from Group's external customers	本集團來自外部人士之可報告分部 溢利			256,162
Unallocated legal and professional and other operating expenses	未分配法律及專業及其他營業開支			(45,697)
Taxation	稅項			746
Profit for the period	本期間溢利			211,211
As at 30 June 2019	於二零一九年六月三十日			
Reportable assets	可報告資產	61,737,632	2,406,723	64,144,355
Reportable liabilities	可報告負債	(48,838,186)	(3,022,440)	(51,860,626)
As at 31 December 2018	於二零一八年十二月三十一日			
Reportable assets	可報告資產	56,960,743	2,342,627	59,303,370
Reportable liabilities	可報告負債	(45,351,070)	(2,350,583)	(47,701,653)

Notes to the condensed consolidated interim financial statements

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

11 SEGMENT REPORTING (Continued)

11 分部報告(續)

(a) Segment revenue and results (Continued)

(a) 分部收入及業績(續)

For the period ended 30 June 2018

截至二零一八年六月三十日止期間

		Insurance business 保險業務 HK\$'000 千港元	Other financial services and corporate 其他金融和 公司服務 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Premiums and fee income	保費及費用收入	—	—	—
Premiums ceded to reinsurer	分出保費	—	—	—
Net premium and fee income	保費及費用收入淨額	—	—	—
Change in unearned revenue liability	未到期收入責任變動	—	—	—
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務收入	—	3,410	3,410
Subscription, management and rebate fee income	認購、管理費及回退費收入	—	2,217	2,217
Consultancy and advisory income	顧問及諮詢費收入	—	9,865	9,865
Inter-segment income	分部間收入	—	—	—
Reportable segment revenue	可報告分部收入	—	15,492	15,492
Allocated net investment income, other operating income and gains	已分配投資收入淨額、其他經營收入及收益	—	50,703	50,703
Share of result of associates	聯營公司業績份額	—	—	—
Allocated operating costs	已分配經營成本	—	(242,973)	(242,973)
Allocated finance cost	已分配融資成本	—	(6,649)	(6,649)
Reportable segment profit/(loss)	可報告分部利潤/(虧損)	—	(183,427)	(183,427)
Elimination of inter-segment (loss)/profit	可報告分部(虧損)/利潤對銷	—	—	—
Reportable segment profit derived from Group's external customers	本集團來自外部人士之可報告分部溢利			(183,427)
Unallocated legal and professional and other operating expenses	未分配法律及專業及其他營業開支			(1,882)
Taxation	稅項			(970)
Loss for the period	本期間虧損			(186,279)

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11 SEGMENT REPORTING (Continued)

(b) Geographical segment information

The Group's customers, operation and administration are mainly located in Hong Kong and Macau. Research and development for financial technologies divisions are located in PRC.

(c) Information about major customers

No customer account for more than 10% of the total revenue of the Group for the period ended 30 June 2019.

12 PROPERTY AND EQUIPMENT

Acquisition and disposal of property and equipment

As discussed in note 3, the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognize right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. Further details on the net book value of the Group's additional right-of-use assets by class of underlying asset are set out in note 3.

13 GOODWILL AND VALUE OF BUSINESS ACQUIRED

As of 30 June 2019, the Group is not yet able to complete the valuation of the value of business acquired ("VOBA") of the acquisition for YF Life. The assessment of the fair value of VOBA and the corresponding effects on the insurance contracts provisions at the acquisition date will be subject to finalisation and the accounting for the acquisition will be revised within one year from the acquisition date in accordance with HKFRS 3.

11 分部報告(續)

(b) 地區分部資料

本集團的客戶、經營和行政管理主要位於香港和澳門。金融科技研發分部位於中國大陸。

(c) 有關主要客戶之資料

概無客戶佔本集團截至二零一九年六月三十日止期間之收益總額10%以上。

12 物業及設備

購買及出售物業及設備

如附註3所述，本集團已於二零一九年一月一日通過追溯調整法初始採用了《香港財務報告準則》第16號，以確認早前根據《香港會計準則》第17號劃歸為經營租賃的相關租賃使用權資產。關於本集團其他使用權資產(按標的資產劃分)的賬面淨值的更多詳情，請參閱附註3。

13 商譽及收購業務的價值

截至二零一九年六月三十日，本集團尚未完成對收購萬通保險相關收購業務的價值(「收購業務的價值」)的價值評估。對收購業務的價值的公允價值評估以及對保險合同準備金的相應影響的公允價值評估將有待最終確定，收購之計賬亦將根據《香港財務報告準則》第3號在收購日起一年內修改。

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14 INVESTMENTS

14 投資

		At fair value through other comprehensive income 以公允價值計量 且其變動計入 其他綜合收益 HK\$'000 千港元	At fair value through profit or loss 以公允價值計量 且其變動 計入損益 HK\$'000 千港元	Amortised cost 攤銷成本 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 30 June 2019	二零一九年六月三十日				
Debt securities:	債務證券：				
– Unlisted	– 非上市	13,809,015	2,302,288	17,319,018	33,430,321
Mortgage loans	抵押貸款	–	–	7,002,275	7,002,275
		13,809,015	2,302,288	24,321,293	40,432,596
Equity securities:	權益證券：				
– Unlisted	– 非上市	75,504	–	–	75,504
Fund Investment:	基金投資：				
– Unlisted (note (a))	– 非上市(附註(a))	–	2,273,525	–	2,273,525
Unit trusts:	單位信托：				
– Unlisted	– 非上市	–	7,573,363	–	7,573,363
Total	總額	13,884,519	12,149,176	24,321,293	50,354,988

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

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14 INVESTMENTS (Continued)

14 投資(續)

		At fair value through other comprehensive income 以公允價值計量 且其變動計入 其他綜合收益 HK\$'000 千港元	At fair value through profit or loss 以公允價值計量 且其變動 計入損益 HK\$'000 千港元	Amortised cost 攤銷成本 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2018	二零一八年十二月三十一日				
Debt securities:	債務證券：				
– Unlisted	– 非上市	10,337,261	1,915,313	15,188,481	27,441,055
Mortgage loans	抵押貸款	–	–	7,183,581	7,183,581
		10,337,261	1,915,313	22,372,062	34,624,636
Equity securities:	權益證券：				
– Unlisted	– 非上市	73,213	–	–	73,213
Fund Investment:	基金投資：				
– Unlisted (note (a))	– 非上市(附註(a))	–	1,996,567	–	1,996,567
Unit trusts:	單位信托：				
– Unlisted	– 非上市	–	6,938,302	–	6,938,302
Total	總額	10,410,474	10,850,182	22,372,062	43,632,718

Notes:

(a) On 28 February 2018, the Group has entered a strategic fund management agreement with another well-established financial institution. By sharing the operating and financing decision making power through the agreement, the Group is no longer considered to be the principal of Majik Access USD Fund 2 LP. After the deconsolidation, the Group elects to measure its 34.04% investment holding in Majik Access USD Fund 2 LP held through a venture capital organisation, an indirect wholly owned subsidiary, at fair value through profit or loss as management measures the performance of this jointly controlled entity on a fair value basis and considered to be exempted from applying the equity method. The valuation process and fair value information for the joint venture measured at fair value through profit or loss set out in note 4. During the period, the Group has made an injection of approximately HK\$22.3 million to the joint venture. As of 30 June 2019, the carrying value of the jointly controlled entity amounted to HK\$103.5 million. (31 December 2018: HK\$79.1 million).

附註：

(a) 於二零一八年二月二十八日，本集團與另一家成熟的金融機構簽署了戰略基金管理協議。通過協議分享經營和財務決策權，本集團不再被視為是有魚錦鯉美元基金2號的主要責任人。拆分後，本集團選擇以公允價值計量且其變動計入損益的方法計量通過風險資本組織(間接全資附屬公司)持有於有魚錦鯉美元基金2號的34.04%投資控股，因為管理層以公允價值基準計量該共同控制實體的業績，其被視為免除採用權益法。合營企業的估值流程及公允價值資料以公允價值計量且其變動計入損益，並於附註4所載。於本期間內，本集團已向合營企業注資約2,230萬港元。截至二零一九年六月三十日，共同控制實體的賬面值為1億港元。(二零一八年十二月三十一日：7,901萬港元)。

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14 INVESTMENTS (Continued)

Notes: (Continued)

- (b) Investments of HK\$4,524,359,000 (31 December 2018: HK\$3,760,043,000) have been pledged in favour of Autoridade Monetaria de Macau to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.
- (c) The portion of the investments that is expected to be recoverable within one year is HK\$12,298,862,000 (31 December 2018: HK\$7,793,141,000) and the portion that is expected to be recoverable after more than one year is HK\$38,056,126,000 (31 December 2018: HK\$35,839,577,000).
- (d) As at 30 June 2019, the investments were determined to be impaired on the basis of expected credit losses model. Impairment losses on these investments were recognised in the condensed consolidated income statements in accordance with the Group accounting policy.
- (e) The maturity profile of the Group's debt securities and amortised cost investment is as follows:

14 投資(續)

附註：(續)

- (b) 根據《澳門保險條例》就技術儲備提供保證，為數4,524,359,000港元(二零一八年十二月三十一日：3,760,043,000港元)的投資已抵押給澳門金融管理局。
- (c) 預計一年內可收回的投資部分為12,298,862,000港元(二零一八年十二月三十一日：7,793,141,000港元)，預計一年後可收回的部分為38,056,126,000港元(二零一八年十二月三十一日：35,839,577,000港元)。
- (d) 截至二零一九年六月三十日，根據預期信用損失模型已釐定為減值的投資。這些投資的減值虧損根據本集團的會計政策在簡明綜合收益表中確認。
- (e) 本集團的債務證券及攤銷成本投資的到期情況如下：

		At 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Fixed maturities due in	固定到期期限		
– 1 year or less	– 1年或更短	330,713	642,606
– 1 to 5 years	– 1至5年	3,498,433	2,723,688
– 5 to 10 years	– 5至10年	8,682,926	6,375,965
– More than 10 years	– 10年以上	20,918,249	17,698,796
		33,430,321	27,441,055
Mortgage loans due in	抵押貸款到期期限		
– 1 year	– 1年	70,108	153,501
– 2 years	– 2年	224,334	276,017
– 3 years	– 3年	359,860	365,502
– 4 years	– 4年	198,954	201,069
– 5 years	– 5年	824,452	817,215
– More than 5 years	– 5年以上	5,324,567	5,370,277
		7,002,275	7,183,581

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

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14 INVESTMENTS (Continued)

Notes: (Continued)

- (f) Interests in collective investment schemes
- (i) Included in financial assets designated at fair value through profit or loss on the condensed consolidated statement of financial position are certain investments in collective investment schemes which have been designed so that voting or similar rights are not the dominant factor in deciding who controls these schemes. These collective investment schemes include investments in unit trusts and limited liability partnership established by third parties. These schemes provide the Group with a variety of investment opportunities through managed investment strategies.

Owing to the passive nature of these investments, the maximum exposure to loss from these interests is limited to the associated equity price risk (see note 4) and the capital commitments. The maximum exposure to loss, which represents the maximum loss that the Group could be required to report as a result of its involvement with these collective investment schemes regardless of the probability of the loss being incurred, is equivalent to the carrying amount of these investments.

- (ii) In addition, the Group's subsidiary, YF Life Trustees Limited (formerly known as MassMutual Trustees Limited) is the sponsor of Mass Mandatory Provident Fund scheme ('MPF scheme') as specified in the respective trust deeds. Management fee and trustee fee income that the Group recognised in profit or loss in return for the administration services provided to MPF Scheme that the Group sponsored amounted to HK\$14,865,000 (for six month period ended 30 June 2018: Nil).

The policyholders invest directly into such MPF scheme, as such, the Group did not transfer any of its own assets into these schemes during the reporting period. Management actively monitor the compliance with the respective regulation requirements in order to minimize losses arising from reputational risk and regulatory compliance risk.

14 投資(續)

附註：(續)

- (f) 於集合投資計劃的權益
- (i) 指定在簡明綜合財務狀況表中以公允價值計量且其變動計入損益之金融資產指在集合投資計劃中的某些投資，這些投資的設計使得投票或類似權利不是決定由誰控制這些計劃的主導因素。這些集體投資計劃包括於第三方建立的單位信託和有限責任合夥企業的投資。這些計劃通過管理投資策略為本集團提供各種投資機會。

由於該等投資的被動性，這些利益的最大損失風險敞口僅限於相關的股權價格風險(參閱附註4)和資本承諾。最大損失風險是指本集團因參與這些集合投資計劃而須呈報的最大損失，不論所產生損失的可能性大小，該損失相當於這些投資的賬面價值。

- (ii) 此外，本集團的附屬公司-萬通信託有限公司(前稱美國萬通信託有限公司)為相應信託契約所指明的大眾強制性公積金計劃(「強積金計劃」)的發起人。本集團在損益中確認的管理費及受託人費用，作為向本集團發起的強積金計劃提供行政服務的回報為14,865,000港元(截至二零一八年六月三十日止六個月期間：無)。

保單持有人直接投資於該強積金計劃，因此，本集團於報告期內並無將其任何資產轉移至該等計劃。管理層積極監督與相應監管要求的合規情況，以儘量減少名譽風險和監管合規風險帶來的損失。

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簡明綜合中期財務報告附註

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15 INSURANCE AND REINSURANCE RECEIVABLES

15 應收保費及分保賬款

		Six months ended 30 June 截至六月三十日止六個月	
		At 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Loans to policyholders	向保單持有人作出的貸款	1,856	1,710
Direct premium receivables	應收直接保費	7,807	4,744
Reinsurance receivables	應收再保險賬款	287,869	237,158
		297,532	243,612

At 30 June 2019 and 31 December 2018, none of the insurance and reinsurance receivables were past due or impaired.

All of the insurance and reinsurance receivables are expected to be recovered within one year.

於二零一九年六月三十日及二零一八年十二月三十一日，應收保費及分保賬款均未逾期或減值。

所有應收保費及分保賬款預期可於一年內收回。

16 OTHER ACCOUNT RECEIVABLES AND ACCRUED INCOME

16 其他應收賬款及應計收入

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Other accounts receivable arising from securities brokerage:	證券經紀產生的其他應收賬款：		
— Cash clients	— 現金客戶	28,785	55,842
— Margin clients	— 保證金客戶	28,076	16,930
— Clearing house, brokers, fund managers and dealers	— 清算所、經紀商、基金管理人和交易商	12,045	22,314
		68,906	95,086
Other accounts receivable arising from consultancy and advisory services	諮詢及顧問服務產生的其他應收賬款	2,159	1,959
Other service fees receivables	其他應收服務費	1,900	332
		72,965	97,377
Less: allowance for credit losses	減：信用損失準備	(1,531)	(1,507)
		71,434	95,870

The fair value of other accounts receivable approximates its carrying amount.

其他應收賬款之公允價值與其賬面價值相若。

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16 OTHER ACCOUNT RECEIVABLES AND ACCRUED INCOME (Continued)

16 其他應收賬款及應計收入(續)

(a) Ageing analysis of other accounts receivable

The ageing analysis of other accounts receivable net of credit losses as of the end of the reporting period is as follows:

(a) 其他應收賬款之賬齡分析

於報告期末之其他應收賬款(扣除信用損失)賬齡分析如下：

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Current	流動	70,315	95,019
Less than 1 month past due	逾期1個月以下	110	370
1 to 3 months past due	逾期1至3個月	—	126
More than 3 months past due	逾期3個月以上	1,009	355
Amounts past due	逾期金額	1,119	851
		71,434	95,870

The Group has procedures and policies to assess the client's credit quality and defines credit limits for each client. All client acceptance and credit limit are approved by designated approvers according to the client's credit worthiness.

本集團設有程序及政策評估潛在客戶之信貸質量，並界定各客戶之信貸限額。所有接納客戶之事宜及信貸限額須經指定批核人依據有關客戶之信用審批。

(b) Balance with related parties

At 30 June 2019, the balance of other service fee receivables includes fund management fee of approximately HK\$1,409,000 (2018: HK\$248,000) due from a joint venture of the Group.

(b) 與關聯方的結餘

於二零一九年六月三十日，其他應收服務費的結餘包括約為1,409,000港元(二零一八年：248,000港元)的應收本集團一家合營企業的基金管理費。

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簡明綜合中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

17 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

17 其他應收款項、按金及預付款項

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Utility and rental deposits	水電費及租用按金	38,750	36,831
Loans to agents and staff	向代理及員工作出的貸款	38,102	26,773
Accrued investment income	應計投資收入	446,860	374,123
Prepayment and other deposit	預付款及其他按金	37,861	10,888
Other receivable from non-controlling shareholders of a subsidiary	其他應收一家附屬公司非控股股東的款項	23,894	32,836
Other deposits and receivables	其他按金及應收款項	57,268	77,428
		642,735	558,879
Less: allowance for credit losses	減：信用損失準備	(8,233)	(8,976)
		634,502	549,903

Notes:

- (i) The amount of utility and rental deposits expected to be recovered after more than one year is HK\$22,245,000 (2018: HK\$22,005,000).
- (ii) Except for those mentioned above in (i), all of the other receivables are expected to be recovered within one year.
- (iii) During the period, there was HK\$743,000 (for six month period ended 30 June 2018: none) allowance for credit losses written off.

附註：

- (i) 水電費及租用按金預期將於一年後收回的金額為22,245,000港元(二零一八年：22,005,000港元)。
- (ii) 除上文所述者外，所有其他應收款預計將在一年內收回。
- (iii) 期內註銷的信用損失準備為743,000港元(截至二零一八年六月三十日止六個月：零港元)。

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18 CASH AND CASH EQUIVALENTS, FIXED BANK DEPOSITS WITH ORIGINAL MATURITY OVER 3 MONTHS AND BANK BALANCE – TRUST AND SEGREGATED ACCOUNTS

18 現金及現金等值項目、原定期限多於三個月的定期銀行存款和銀行餘額 — 信託及獨立賬戶

			At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Bank balance — trust and segregated accounts	銀行餘額 — 信託及獨立賬戶			
Deposit with bank	銀行存款	(i)	408,505	440,117
Less: impairment allowance	減：減值準備		(34)	(34)
			408,471	440,083
Fixed bank deposits with original maturity over 3 months	原定期限多於三個月的銀行定期存款			
Deposit with bank	銀行存款	(iii)	259,250	259,250
Less: impairment allowance	減：減值準備		—	—
			259,250	259,250
Cash and cash equivalent	現金及現金等值項目			
Deposit with bank	銀行存款	(ii)	300	300
Fixed bank deposits with original maturity less than 3 months	原定期限多於三個月的銀行定期存款		418,298	1,455,350
Cash at bank and in hand	銀行及手頭現金		3,200,575	3,728,897
Less: impairment allowance	減：減值準備		(318)	(318)
Cash and cash equivalent in the statement of financial position	綜合財務狀況表所示的現金及現金等值項目		3,618,855	5,184,229

Notes to the condensed consolidated interim financial statements

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18 CASH AND CASH EQUIVALENTS, FIXED BANK DEPOSITS WITH ORIGINAL MATURITY OVER 3 MONTHS AND BANK BALANCE – TRUST AND SEGREGATED ACCOUNTS (Continued)

Notes:

- (i) The Group maintains segregated accounts with authorised institutions to hold clients' money arising from its normal course of business of the regulated activities. The cash held on behalf of clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.
- (ii) The Group has made deposit with a bank as security deposit for bank overdraft facilities.
- (iii) As of 30 June 2019, the Group has pledged fixed deposits of HK\$225,548,000 (2018: HK\$259,250,000) to banks in favour of the Autoridade Monetaria de Macau to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

19 INSURANCE CONTRACT PROVISIONS

18 現金及現金等值項目、原定期限多於三個月的定期銀行存款和銀行餘額 – 信託及獨立賬戶(續)

附註：

- (i) 本集團於認可機構開立獨立賬戶，以持有其正常受規管活動業務過程中產生之客戶款項。代客戶持有之現金受《證券及期貨條例下之證券及期貨(客戶款項)》規則限制及規管。
- (ii) 本集團已向一家銀行進行存款作為銀行透支額度的保證金。
- (iii) 根據《澳門保險條例》就技術儲備提供保證，本集團已向多家銀行質押定期存款225,548,000港元(二零一八年：259,250,000港元)並以澳門金融管理局為受惠人。

19 保險合同準備金

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Policyholders' deposits	保單持有人的存款	35,877,873	33,927,093
Future policyholders' benefits	未來保單持有人給付	6,309,038	5,417,950
Unearned revenue liability	未到期收入責任	—	17,093
		42,186,911	39,362,136

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20 INVESTMENT CONTRACT LIABILITIES

20 投資合同負債

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Policyholders' deposits	保單持有人的存款	4,239,249	4,086,277
Future policyholders' benefits	未來保單持有人給付	52,490	45,946
Unearned revenue liability	未到期收入責任	—	(272)
		4,291,739	4,131,951

21 OTHER ACCOUNT PAYABLES

21 其他應付賬款

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Account payables	應付賬款		
— Cash and margin clients	— 現金和保證金客戶	435,401	481,554
— Clearing house, fund managers, brokers and dealers	— 清算所、基金管理人、 經紀及證券商	14,487	40,310
		449,888	521,864

Included in account payables are amounts payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of conducting regulated activities, which amount to HK\$410,528,000 (31 December 2018: HK\$440,787,000). All of the accounts payable are aged and due within one month or on demand.

應付賬款包括就於進行受規管活動過程中為客戶及其他機構收取及持有之信託及獨立銀行餘額而應付客戶及其他機構之款項410,528,000港元(二零一八年十二月三十一日：440,787,000港元)。所有應付賬款之賬齡為於一個月內到期或按要求償還。

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21 OTHER ACCOUNT PAYABLES (Continued)

Balance with related parties

At 30 June 2019, account payables of approximately HK\$25,542,000 (31 December 2018: HK\$38,430,000) are payable to certain key management personnel of the Company and their related companies on normal terms of brokerage and wealth management business of the Group.

22 OTHER PAYABLES AND ACCRUED EXPENSES

Accrued staff costs	應計員工成本	45,110	95,211
Commission payables	應付佣金	76,907	195,483
Derivative financial instruments	衍生金融工具	54,510	49,280
Other payables and accruals	其他應付款項及應計費用	742,292	484,618

All of the commission and other payables and derivative liabilities are expected to be settled within one year.

Balance with related parties

At 30 June 2019, amount of approximately HK\$18,976,000 (31 December 2018: HK\$9,541,000) are payable to MassMutual International LLC ("MMI") who is a substantial shareholder of the Company and its affiliates.

21 其他應付賬款(續)

與關聯方的結餘

於二零一九年六月三十日，按本集團一般經紀及理財業務的一般條款，應付賬款約 25,542,000 港元(二零一八年十二月三十一日：38,430,000 港元)為應付若干本公司主要管理人員及其關聯公司之款項。

22 其他應付款項和應計開支

	At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
	918,819	824,592

所有佣金及其他應付款項預期可於一年內結清。

與關聯方的結餘

於二零一九年六月三十日，應付賬款之 18,976,000 港元(二零一八年十二月三十一日：9,541,000 港元)為應付本公司一家主要股東 — MassMutual International LLC 及其聯營公司之款項。

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23 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

23 以公允價值計量且其變動計入損益之金融負債

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
Designated at fair value through profit or loss	指定按公允價值計入損益		
Preference share liability (note 1)	優先股負債(附註1)	390,535	315,588
Third-party interests in consolidated funds (note 2)	於合併基金的第三方權益(附註2)	243,386	187,542
		633,921	503,130

Notes:

- The total number of preference shares that can be issued under the agreement is 500,000 shares for a total proceed of US\$50,000,000. The subsidiary is obliged to redeem all issued preference shares in 5 years starting from the initial issuance date of the preference shares. At liquidation, after all creditors' claim is satisfied, the asset of the subsidiary should be first distributed to preference shareholders by redeeming all issued shares together with any unpaid preferred share dividends. The preference shares are due for settlement after more than a year from 30 June 2019. During the period, US\$9.7 million proceed obtained from the issue of preference shares at US\$100 per share by a subsidiary of the Group with the proceed being used to fulfil capital contribution to a consolidated fund managed by the Group.
- The third party interests in consolidated fund consist of third-party unit holders' interest in the consolidated fund which is reflected as a liability as the fund is to be dissolved and return all capital to investor in seventh or eighth anniversary of the respective final closing date of the respective funds. The end of term of the consolidated funds are more than a year from 30 June 2019.

附註：

- 根據協議可以發行的優先股總數為500,000股，總計50,000,000美元。附屬公司有義務在優先股初始發行日起5年內贖回所有已發行優先股。清算時，在所有債權人的索賠要求實現後，附屬公司的資產應首先通過贖回所有已發行股份以及任何未支付的優先股股息分配至優先股股東。自二零一九年六月三十日起超過一年後，優先股應結清。於本期間內，本集團附屬公司以每股100美元發行優先股獲得970萬美元，並繼續使用此款項用以就本集團管理的綜合基金提供注資。
- 合併基金的第三方權益包括第三方單位持有人於合併基金的權益，由於基金將被解散，因此列示為負債；並在相應基金最終結算日的第七周年或第八周年將所有資本返還給投資者。合併基金的期限終止為自二零一九年六月三十日起一年以上。

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24 BANK BORROWINGS

The bank loan was unsecured and repayable as follows:

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
After 2 years but within 5 years	2年後但5年內	1,804,610	1,198,226

The bank loan with amount of HK\$300 million was repaid on 2 July 2019.

銀行借款為無擔保貸款，償還詳情如下：

為數3億港元的銀行貸款已於二零一九年七月二日償還。

25 SHARE CAPITAL

Movements of the Company's ordinary shares are set out below:

		At 30 June 2019 於二零一九年六月三十日		At 31 December 2018 於二零一八年十二月三十一日	
		Number of shares 股份數目	Amount 金額 \$'000 千港元	Number of shares 股份數目	Amount 金額 \$'000 千港元
Issued and fully paid:	已發行及繳足	3,223,326,394	9,829,094	3,223,326,394	9,829,094

25 股本

本公司普通股之變動載列如下：

Notes to the condensed consolidated interim financial statements

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26 EMPLOYEE SHARE-BASED ARRANGEMENTS

26 僱員股份安排

(i) Details of the 2016 Share Award Scheme vested, cancelled and modification of service condition to Group A Grantee

(i) 已歸屬、取消及修改服務條件之二零一六年股份獎勵計劃詳情

Grant date on 24 January 2017

授予日：二零一七年一月二十四日

		Number of awarded shares	Number of awarded shares	Number of awarded shares cancelled and forfeited	Number of awarded share remains outstanding
		已授予股份獎勵數目	已歸屬股份獎勵數目	已取消及放棄授予股份數目	尚未行使已授予股份數目
Vesting date	歸屬日期	A	B	C	F=A-B-C
As of 31 December 2017	截至二零一七年十二月三十一日	20,190,000	4,510,000	3,487,500	12,192,500
Movement for the year 2018	二零一八年度變動				
4 May 2017	二零一七年五月四日	—	—	87,500	
4 May 2018	二零一八年五月四日	—	3,372,500	662,500	
4 May 2019	二零一九年五月四日	—	—	862,500	
4 May 2020	二零二零年五月四日	—	—	862,500	
4 May 2017	二零一七年五月四日	5,047,500	4,510,000	537,500	—
4 May 2018	二零一八年五月四日	5,047,500	3,372,500	1,675,000	—
4 May 2019	二零一九年五月四日	5,047,500	—	1,875,000	3,172,500
4 May 2020	二零二零年五月四日	5,047,500	—	1,875,000	3,172,500
As of 31 December 2018	截至二零一八年十二月三十一日	20,190,000	7,882,500	5,962,500	6,345,000
Movement for the period	本期間變動				
4 May 2017	二零一七年五月四日	—	—	—	
4 May 2018	二零一八年五月四日	—	—	—	
4 May 2019	二零一九年五月四日	—	—	1,225,000	
4 May 2020	二零二零年五月四日	—	—	1,200,000	
4 May 2017	二零一七年五月四日	5,047,500	4,510,000	537,500	—
4 May 2018	二零一八年五月四日	5,047,500	3,372,500	1,675,000	—
4 May 2019	二零一九年五月四日	5,047,500	—	3,100,000	1,947,500
4 May 2020	二零二零年五月四日	5,047,500	—	3,075,000	1,972,500
As of 30 June 2019	截至二零一九年六月三十日	20,190,000	7,882,500	8,387,500	3,920,000

The awarded share remains outstanding due to service condition modification.

由於服務條件變化，已授予股份尚未行使。

Notes to the condensed consolidated interim financial statements

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26 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

26 僱員股份安排(續)

(i) Details of the 2016 Share Award Scheme vested, cancelled and modification of service condition to Group A Grantee (Continued)

(i) 已歸屬、取消及修改服務條件之二零一六年股份獎勵計劃詳情(續)

Grant date on 25 April 2018

授予日：二零一八年四月二十五日

		Number of awarded shares and forfeited	Number of awarded shares vested	Number of awarded shares cancelled and forfeited	Number of awarded share remains outstanding
		已授予股份獎 勵數目	已歸屬股份獎 勵數目	已取消及放棄 授予股份數目	尚未行使已授 予股份數目
Vesting date	歸屬日期	A	B	C	F=A-B-C
Movement for the year 2018	二零一八年度變動				
4 May 2018	二零一八年五月四日	712,500	712,500	—	—
4 May 2019	二零一九年五月四日	712,500	—	12,500	700,000
4 May 2020	二零二零年五月四日	712,500	—	12,500	700,000
4 May 2021	二零二一年五月四日	712,500	—	12,500	700,000
As of 31 December 2018	截至二零一八年 十二月三十一日	2,850,000	712,500	37,500	2,100,000
Movement for the period	本期間變動				
4 May 2018	二零一八年五月四日	—	—	—	—
4 May 2019	二零一九年五月四日	—	—	—	—
4 May 2020	二零二零年五月四日	—	—	—	—
4 May 2021	二零二一年五月四日	—	—	—	—
4 May 2018	二零一八年五月四日	712,500	712,500	—	—
4 May 2019	二零一九年五月四日	712,500	—	12,500	700,000
4 May 2020	二零二零年五月四日	712,500	—	12,500	700,000
4 May 2021	二零二一年五月四日	712,500	—	12,500	700,000
As of 30 June 2019	截至二零一九年六月三十日	2,850,000	712,500	37,500	2,100,000

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27 INTERESTS IN STRUCTURED ENTITIES

Interest in consolidated structure entities

The Group had consolidated certain structured entities, mainly funds related to wealth management operation. For those structured entities where the Group is involved as manager or as investor, the Group assesses the extent of controlling power according to relevant group accounting policies.

As at 30 June 2019, the net assets of consolidated fund entities amounted to HK\$713 million (31 December 2018: HK\$550 million) with net carrying interest held by the Group being HK\$470 million (31 December 2018: HK\$362 million).

Interests held by other investors in these consolidated structured entities, mainly fund entities were classified as financial liabilities at fair value through profit or loss on the condensed consolidated statements of financial position with fair value change of financial liability at fair value through profit or loss presented in the condensed consolidated income statements.

At period end, the Group reassessed the control of structured entities and decided whether the Group is still a principal.

Interest in unconsolidated structure entities

Among those structured entities held by the Group where the Group directly or indirectly involves as investment manager or in equivalent capacity, the Group regularly assesses and determines whether:

- the Group is acting as an agent or a principal in these investment funds;
- substantive removal rights held by other parties may remove the Group as an investment fund manager; and
- the investment interests held together with its remuneration from servicing and managing these structured entities create significant exposure to variability of returns in these investment funds.

27 結構化實體的權益

合併結構化實體權益

本集團擁有若干合併入賬的結構化實體，主要包括為財富管理運營的基金產品。對於本集團作為管理人或投資者的該等結構化實體，本集團會根據相關的集團會計政策評估控制權。

於二零一九年六月三十日，綜合基金實體淨資產為7.13億港元(二零一八年十二月三十一日：5.5億港元)，本集團持有淨賬面權益為4.70億港元(二零一八年十二月三十一日：3.62億港元)。

其他投資者持有合併結構化單位的權益，主要為基金實體，在綜合財務狀況表中劃歸為以公允價值計量且其變動計入損益之金融負債，以公允價值計量且其變動計入損益之金融負債之公允價值變動在簡明綜合收益表內列示。

於期末，本集團重新評估對結構化實體的控制，並決定本集團是否仍為主事人。

未合併結構化實體權益

就本集團所持有並由本集團(作為投資管理人)直接或間接參與的投資基金，本集團定期評估及確定：

- 本集團是否作為該等投資基金的代理或主事人；
- 其他各方是否持有可免除本集團作為投資基金管理人職務之實質罷免權；及
- 所持投資權益連同服務及管理該等結構化實體的酬金是否使該等投資基金的回報承受重大變化風險。

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27 INTERESTS IN STRUCTURED ENTITIES

(Continued)

Interest in unconsolidated structure entities (Continued)

In the opinion of the directors, the variable returns that the Group to these structured entities is not significant and the Group is primarily acting as an agent. Therefore, the Group did not consolidate these structured entities.

The Group classified its investment in those unconsolidated entities as FVOCI investments with minimal loss exposure due to small investment amount involved.

28 COMMITMENTS

(a) Capital commitments

As at 30 June 2019, the Group has a total of HK\$20.5 million (31 December 2018: HK\$20.5 million) capital commitment contracted but not provided for.

27 結構化實體的權益(續)

未合併結構化實體權益(續)

董事認為，本集團於該等結構化實體的可變回報並不重大，及本集團主要擔當代理。因此，本集團並未合併這些結構化實體。

本集團將其於未合併實體的投資劃歸為以公允價值計量且其變動計入其他綜合收益的投資，由於涉及投資額小，風險敞口亦很低。

28 承擔

(a) 資本承擔

截至二零一九年六月三十日，本集團合併承擔2,050萬港元(二零一八年十二月三十一日：2,050萬港元)的已簽約但未計提備撥之資本承諾。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

28 COMMITMENTS (Continued)

(b) Investment commitments

- (i) In the normal course of business, the Group enters into commitments to purchase certain investments and capital contribution commitments to third party managed fund investment. The Group has investment commitments contracted for amounted to HK\$2,476,178,000 (31 December 2018: HK\$2,760,775,000).
- (ii) As at 30 June 2019, the Group has capital commitment to a joint venture for an amount of US\$20 million with US\$12.7 million (31 December 2018: US\$9.8 million) has been contributed.
- (iii) As disclosed in the announcement of the Company dated 4 February 2016, Yunfeng Financial Market Limited (“YFM”) (formerly known as Reorient Financial Markets Limited), a wholly owned subsidiary of the Company, entered into a joint venture agreement with Giant Investment Co., Ltd., and Jiangsu YuWell Technology Development Co., Ltd. (“Jiangsu Limited”) on that day. As disclosed in the circular of the Company dated 29 April 2016, the joint venture agreement was superseded and replaced by the amended and restated joint venture agreement entered among YFM, Hangzhou Dr. Herbs Electronics Commerce Company Limited and Jiangsu Limited on 13 April 2016. Upon establishment of the joint venture company after obtaining all necessary approval as defined and disclosed in the circular, YFM is committed to contribute RMB1,290,000,000 of the registered capital of the joint venture company.

28 承擔(續)

(b) 投資承擔

- (i) 在正常業務過程中，本集團作出購買若干投資的承諾，以及向第三方管理基金投資作出出資承諾。本集團已訂約的合同投資承諾為2,476,178,000港元(二零一八年十二月三十一日：2,760,775,000港元)。
- (ii) 截至二零一九年六月三十日，本集團已向一家合資企業作出資本承擔額2,000萬美元，已供款1,270萬美元(二零一八年十二月三十一日：980萬美元)。
- (iii) 誠如二零一六年二月四日刊發之本公司公告所披露，於當日，本公司的全資附屬公司雲鋒金融市場有限公司(「雲鋒金融市場」)(前稱瑞東金融市場有限公司)，與巨人投資有限公司及江蘇魚躍科技發展有限公司(「江蘇公司」)簽立有關成立合營公司的發起人協議。誠如二零一六年四月二十九日本公司通函所披露，於二零一六年四月十三日，雲鋒金融市場與杭州禾博士電子商務有限公司(「禾博士」)和江蘇公司簽立有關成立合營公司的經修訂及重列發起人協議取替及取代有關成立合營公司的發起人協議。誠如通函所定義及披露，雲鋒金融市場在合營企業取得所有必須的批准後為合營企業註冊資本承擔的出資金額為人民幣1,290,000,000元。

Notes to the condensed consolidated interim financial statements

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

29 MATERIAL RELATED PARTY TRANSACTIONS

29 重大關聯方交易

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 \$'000 千港元	2018 二零一八年 \$'000 千港元
Investment management fee paid (note (i))	已付投資管理費 (附註(i))	33,680	—
Transitional services fee paid (note (ii))	已付過渡服務費 (附註(ii))	5,813	—
Policy endorsement fee paid (note (iii))	已付保單批單費 (附註(iii))	2,675	—

(i) The Group paid an investment management fee to an affiliate of a substantial shareholder who appointed a director to the board of the Company, for management service provided to YF Life's investment portfolio.

(ii) The fee is paid to a substantial shareholder, who appointed a director to the board of the Company, for certain treasury and financial reporting services relating to investment or portfolio management and other information technology related services to YF Life.

(iii) The fee is paid to an affiliate of a substantial shareholder, who appointed a director to the board of the Company, for the provision of claims payment endorsement to the life insurance outstanding policies of YF Life until such policies mature.

Except for those disclosed in this report, there is no other significant related party transactions during the period.

(i) 本集團就向萬通保險的投資組合提供的管理服務向一名主要股東(委任為本公司董事會董事)的一家聯營公司支付了投資管理費。

(ii) 就萬通保險有關的投資或投資組合管理及其他資訊技術相關服務的某些資金和財務報告服務，向一名主要股東(委任為本公司董事會董事)支付該筆費用。

(iii) 為萬通保險的人壽保險未付保單提供索賠支付批單，直至該等保單逾期，向一名主要股東(委任為本公司董事會董事)的一家聯營公司支付該筆費用。

除本報告的上述披露外，本期間無其他重大關聯方交易。

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30 RECONCILIATION BETWEEN HKFRSS AND US GAAP

The consolidated financial statements are prepared in accordance with HKFRSSs, which differ from certain aspects from US GAAP. The effects of material differences between the financial statements of the Group prepared under HKFRSSs and US GAAP are as follows:

30 《香港財務報告準則》與美國公認會計準則的對賬

合併財務報表乃根據香港財務報告準則編制，與美國公認會計準則的某些方面不同。根據《香港財務報告準則》編制的本集團財務報表與美國公認會計準則之間的重大差異影響如下：

Consolidated statement of financial position 綜合財務狀況表		As at 30 June 2019 截至二零一九年六月三十日			Amounts under US GAAP 美國公認會計準則下的金額	
		HKFRSSs adjustments 《香港財務報告準則》調整				
		Insurance-related balances reclassification ^[1] 保險相關餘額重新分類 ^[1]	Difference in Impairment basis ^[2] 減值基準差異 ^[2]	Difference in classification and measurement of investments ^[3] 投資分類和計量差異 ^[3]	Differences in lease accounting ^[4] 租賃會計差異 ^[4]	HKS'000 千港元
Assets	資產					
Property and equipment	物業及設備				13,165	463,294
Statutory deposits	法定存款					3,497
Deferred tax assets	遞延稅項資產		(62)			122
Investments in associates	於聯營公司的投資					63,764
Goodwill and Intangible assets	商譽及無形資產					3,822,746
Deferred acquisition costs and value of business acquired	遞延保單獲得成本及收購業務的價值	493,985				8,233,339
Investments	投資		69,502	(95,668)		50,328,822
Advance reinsurance premiums	預付再保險保費					116,571
Reinsurers' share of outstanding claims	未決賠款之再保險公司份額					47,469
Insurance and reinsurance receivables	應收保費及分保賬款	(60,381)				237,151
Other account receivable and accrued income	其他應收賬款及應計收入					71,433
Other receivables, deposit and prepayment	其他應收款、按金和預付款項	(750)	22			633,775
Bank balance – trust and segregated accounts	銀行餘額 – 信託及獨立賬戶		34			408,505
Fixed bank deposits with original maturity over 3 months	原定期限多於三個月的銀行定期存款					259,250
Cash and cash equivalents	現金及現金等值項目		318			3,619,173
Total assets	資產總額					68,308,911

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

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30 RECONCILIATION BETWEEN HKFRSS AND US GAAP (Continued)

30 《香港財務報告準則》與美國公認會計準則的對賬(續)

As at 30 June 2019
截至二零一九年六月三十日

Consolidated statement of financial position		HKFRSS adjustments				Amounts under US GAAP
綜合財務狀況表		《香港財務報告準則》調整				美國公認會計準則下的金額
		Insurance-related balances reclassification ^[1]	Difference in Impairment basis ^[2]	Difference in classification and measurement of investments ^[3]	Differences in lease accounting ^[4]	HK\$'000
		保險相關餘額重新分類 ^[1]	減值基準差異 ^[2]	投資分類和計量差異 ^[3]	租賃會計差異 ^[4]	千港元
Liabilities	負債					
Insurance contract provisions	保險合同準備金	4,284,394				46,471,305
Investment contract liabilities	投資合同負債	(4,291,739)				—
Outstanding claims	未決賠款					154,723
Reinsurance premium payables	應付再保險保費					414,619
Other account payables	其他應付賬款					449,888
Other payables and accrued expense	其他應付款項和應計開支	342,465				1,261,284
Tax payable	應付稅項					28,788
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入損益之金融負債					633,921
Lease liabilities	租賃負債				1,693	325,252
Deferred tax liabilities	遞延稅項負債					677,748
Bank borrowings	銀行借款					1,804,610
Total liabilities	負債總額					52,222,138
Net assets	淨資產					16,086,773
Capital and reserves	資本和儲備					
Share capital	股本					9,829,094
Reserves	儲備	58,640	42,014	(57,402)	7,086	(396,429)
Non-controlling interest	非控股權益	39,094	27,800	(38,266)	4,386	6,654,108
Total equity	權益總額					16,086,773

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

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30 RECONCILIATION BETWEEN HKFRSS AND US GAAP (Continued)

30 《香港財務報告準則》與美國公認會計準則的對賬(續)

As at 30 June 2019
截至二零一九年六月三十日

Consolidated income statement		HKFRSS adjustments				Amounts under US GAAP
綜合收益表		《香港財務報告準則》調整				美國公認會計準則下的金額
		Insurance-related balances reclassification ^[1]	Difference in Impairment basis ^[2]	Difference in classification and measurement of investments ^[3]	Differences in lease accounting ^[4]	HK\$'000
		保險相關餘額重新分類 ^[1]	減值基準差異 ^[2]	投資分類和計量差異 ^[3]	租賃會計差異 ^[4]	千港元
Income	收入					
Premiums and fee income	保費及費用收入					2,381,792
Premiums ceded to reinsurer	分出保費	159,458				(163,987)
Net premium and fee income	保費及費用收入淨額					2,217,805
Change in unearned revenue liability	未到期收入責任變動	18,537				(313,069)
Net earned premium and fee income	滿期保費及費用收入淨額					1,904,736
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務收入					4,126
Subscription, management and rebate fee income	認購、管理費及回扣收入					5,837
Consultancy and advisory income	顧問及諮詢費收入					687
Net investment and other (loss)/income	投資收入和其他(虧損)/收入	(125,037)	69,502	(98,794)		1,760,951
Overlay adjustment	覆蓋調整			101,838		—
Reinsurance commission and profit	再保險佣金和溢利	(5,276)				10,316
Total income	收入總額					3,686,653

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30 RECONCILIATION BETWEEN HKFRSS AND US GAAP (Continued)

30 《香港財務報告準則》與美國公認會計準則的對賬(續)

As at 30 June 2019
截至二零一九年六月三十日

Consolidated income statement		HKFRSS adjustments				Amounts under US GAAP
綜合收益表		《香港財務報告準則》調整				美國公認會計準則下的金額
		Insurance-related balances reclassification ^[1]	Difference in Impairment basis ^[2]	Difference in classification and measurement of investments ^[3]	Differences in lease accounting ^[4]	HK\$'000
		保險相關餘額重新分類 ^[1]	減值基準差異 ^[2]	投資分類和計量差異 ^[3]	租賃會計差異 ^[4]	千港元
Benefits, losses and expenses	收益、虧損和費用					
Net policyholders benefit	淨保戶給付	(6,634)				(1,767,109)
Commission and related expenses	佣金和相關費用					(533,641)
Deferral and amortisation of deferred acquisition costs	遞延保單獲得成本的遞延和攤銷	(43,024)				309,673
Management and other expenses	管理及其他開支	(8,149)			506	(476,450)
Change in future policyholder benefits	保單持有人收益變動	4,530				(893,102)
Total benefits, losses and expenses	收益、虧損和費用總額					(3,360,629)
Finance cost	融資成本					(46,988)
Share of result of an associate	聯營公司業績份額					(1,114)
Profit before taxation	除稅前溢利					277,922
Tax credit	稅項抵免					746
Profit after taxation	除稅後溢利					278,668
Profit attributable to:	下列各方應佔溢利：					
Owners of the Company	本公司權益股東	(3,356)	41,701	3,044	506	123,896
Non-controlling interests	非控股權益	(2,239)	27,801			154,772
						278,668

Notes to the condensed consolidated interim financial statements

簡明綜合中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明，以港幣列示)

30 RECONCILIATION BETWEEN HKFRS AND US GAAP (Continued)

Notes:

- [1] Major differences in relation to insurance-related balance are summarised as follows: financial reinsurance adjustments arising from different classification of reinsurance contracts under HKFRS and US GAAP; difference in value of business acquired recognised under HKFRS and US GAAP and corresponding differences on insurance contract provisions; difference in measurement of deferred acquisition costs and unearned revenue liability due to different amortisation under HKFRS and US GAAP; other miscellaneous differences due to different accounting principles under HKFRS and US GAAP.
- [2] Difference arises from different impairment methodology and basis (expected credit loss model vs. incurred loss model) under HKFRS and US GAAP.
- [3] Difference arises from different classification and subsequent measurement of debt and equity investments under HKFRS and US GAAP.
- [4] Differences in lease accounting are summarised as follows: difference in lease classification and subsequent measurement of right-of-use assets and lease expenses under HKFRS and US GAAP; and difference in transition approach and practical expedient between HKFRS and US GAAP.

31 COMPARATIVE FIGURES

After the completion of the YF Life acquisition, the Group is largely dominated by the insurance business. Accordingly, condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of cash flows, and disclosure notes have been rearranged to conform to the current period's presentation.

32 CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2019 and 31 December 2018.

33 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There is no material non-adjusting event after the reporting period.

30 《香港財務報告準則》與美國公認會計準則的對賬(續)

附註：

- [1] 保險相關餘額的主要差異概述如下：財務再保險調整(再保險合同抵銷收入／費用的重新分類與根據美國公認會計準則(而不是根據擴大後的集團會計政策)的相關保險合同收入／費用的重新分類)；根據美國公認會計準則及《香港財務報告準則》確認收購的業務價值差異及相應的儲備差異；根據美國公認會計準則和《香港財務報告準則》使用不同的折舊和不同的精算計算方法計算的遞延保單獲得成本和未到期收入責任的計量差異；因《香港財務報告準則》和美國公認會計準則下的不同會計原則導致的其他雜項差異。
- [2] 差異源自基於《香港財務報告準則》及美國公認會計準則下不同的減值方法及基準(預期信用損失模型與已發生損失模型)。
- [3] 差異源自基於《香港財務報告準則》及美國公認會計準則下不同的債務和股權投資分類和其後計量。
- [4] 租賃會計差異概述如下：基於《香港財務報告準則》及美國公認會計準則下的租賃分類以及使用權資產和租賃費用的其後計量差異；《香港財務報告準則》及美國公認會計準則之間的過渡方法和實務簡易方法的差異。

31 比較數字

收購萬通保險後，本集團的主導業務是保險。因此，簡明綜合財務狀況表、簡明綜合收益表、簡明綜合現金流量表及披露附註已作出重列，以符合本期間呈列方式。

32 或然負債

本集團於二零一九年六月三十日及二零一八年十二月三十一日並無任何重大或然負債。

33 報告期後非調整事項

在報告期後，並無重大非調整事項。

