



CLSA Premium Limited

(前稱昆侖國際金融集團有限公司)
(Formerly known as KVB Kunlun Financial Group Limited)
(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 6877

2019

ANNUAL REPORT 年報



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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. YUAN Feng (*Deputy Chief Executive Officer*)
Mr. WU Fei

Non-executive Directors

Mr. LI Jiong (*Chairman*)
Mr. Stephen Gregory McCOY
Mr. XU Jianqiang

Independent Non-executive Directors

Mr. WU Jianfeng
Mr. Christopher Wesley SATTERFIELD
Ms. HU Zhaoxia
Mr. JIN Shaoliang

AUDIT COMMITTEE

Ms. HU Zhaoxia (*Committee Chairman*)
Mr. WU Jianfeng
Mr. Christopher Wesley SATTERFIELD

REMUNERATION COMMITTEE

Mr. JIN Shaoliang (*Committee Chairman*)
Mr. YUAN Feng
Mr. WU Jianfeng

NOMINATION COMMITTEE

Mr. LI Jiong (*Committee Chairman*)
Mr. Christopher Wesley SATTERFIELD
Mr. JIN Shaoliang

CORPORATE GOVERNANCE COMMITTEE

Mr. XU Jianqiang (*Committee Chairman*)
Mr. Christopher Wesley SATTERFIELD
Ms. HU Zhaoxia
Mr. JIN Shaoliang

COMPANY SECRETARY

Mr. WONG Tin Yu

AUTHORISED REPRESENTATIVES

Mr. XU Jianqiang
Mr. YUAN Feng

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

董事

執行董事

袁 峰先生 (*副行政總裁*)
吳 飛先生

非執行董事

李 岡先生 (*主席*)
Stephen Gregory McCOY先生
許建強先生

獨立非執行董事

武劍鋒先生
Christopher Wesley SATTERFIELD先生
胡朝霞女士
金紹樑先生

審核委員會

胡朝霞女士 (*委員會主席*)
武劍鋒先生
Christopher Wesley SATTERFIELD先生

薪酬委員會

金紹樑先生 (*委員會主席*)
袁 峰先生
武劍鋒先生

提名委員會

李 岡先生 (*委員會主席*)
Christopher Wesley SATTERFIELD先生
金紹樑先生

企業管治委員會

許建強先生 (*委員會主席*)
Christopher Wesley SATTERFIELD先生
胡朝霞女士
金紹樑先生

公司秘書

黃天宇先生

授權代表

許建強先生
袁 峰先生

註冊辦事處

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

CORPORATE INFORMATION

公司資料

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 7501 & 7508, 75/F
International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

PRINCIPAL BANKERS

Bank of New Zealand
262 Queen Street, Auckland
New Zealand

Bank of Communications Co., Ltd., Hong Kong Branch
20 Pedder Street, Central
Hong Kong

Citibank, N.A.
44th Floor, Citibank Tower
Citibank Plaza
3 Garden Road, Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
Central
Hong Kong

STOCK CODE

6877

COMPANY'S WEBSITE

www.clsapremium.com

總部及香港主要營業地點

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九龍柯士甸道西1號
環球貿易廣場
75樓7501及7508室

開曼群島主要股份過戶及登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

香港股份過戶及登記分處

聯合證券登記有限公司
香港
北角英皇道338號
華懋交易廣場2期
33樓3301-04室

主要往來銀行

Bank of New Zealand
262 Queen Street, Auckland
New Zealand

交通銀行股份有限公司香港分行
香港
中環畢打街20號

花旗銀行
香港
中環花園道3號
花旗銀行廣場
花旗銀行大廈44樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈22樓

股份代號

6877

公司網站

www.clsapremium.com

STATEMENT FROM THE DEPUTY CHIEF EXECUTIVE OFFICER 副行政總裁報告

Dear shareholders of CLSA Premium Limited:

Another year has slipped away. 2019 was a challenging year for the Company, both internally and externally.

In summary, the Group achieved a total annual revenue of approximately HK\$16.1 million (2018: HK\$471.1 million) and incurred a loss of approximately HK\$180.0 million (2018: annual profit of approximately HK\$34.2 million). The Board considers that such substantial loss was attributable to the following factors:

- a reduction in leveraged foreign exchange and other trading income earned from external customers due to a sharp decline in the number of customers and reduced volatility in foreign exchanges, which led to decrease in trading volume of the Group's customers in the period from 1 January 2019 to 31 December 2019 (the "Reporting Period");
- regulatory authorities in different regions, including Australia and Hong Kong, tightened the regulations on leveraged foreign exchange trading, which led to investors' restructuring of their investment portfolios in the Reporting Period; and
- the global economy has entered a synchronized slowdown during the Reporting Period, which affected investors' attitude towards investment in leveraged foreign exchange and commodity products.

Externally, the Group faced more and more tightening of regulations over the Group's operations in New Zealand, Australia and Hong Kong in relation to its online forex margin trading business. The Group, after taking legal advice as to the relevant laws of the PRC, conducted a detailed survey of the Group's existing ethnic Chinese clients. In line with the advice from the Group's legal advisers on the PRC laws and in light of the heightened regulatory expectations of the PRC regulators, the Group took a conservative approach and deemed clients who were unable to provide overseas residential address proof as actual or potential PRC domestic clients and disengaged approximately 95% of its clients who were identified as actual or potential PRC domestic clients.

致CLSA Premium Limited的股東們：

光陰似箭又是一年。對本公司內部和外部而言，二零一九年是充滿挑戰的一年。

總體而言，本集團錄得全年總收入約16,100,000港元（二零一八年：471,100,000港元），並產生虧損約180,000,000港元（二零一八年：年度溢利約34,200,000港元）。董事會認為，錄得重大虧損主要由於下列因素：

- 客戶數目急劇下跌及外匯波動減少，導致由二零一九年一月一日起至二零一九年十二月三十一日止期間（「報告期間」）之本集團客戶成交量減少，因此來自外部客戶的槓桿式外匯及其他交易收入減少；
- 包括澳洲及香港等不同地區的監管機構收緊有關槓桿式外匯交易的規例，導致投資者於報告期間重整其投資組合；及
- 於報告期間，全球經濟同步放緩，影響投資者對槓桿式外匯及商品投資的態度。

就外部而言，本集團於新西蘭、澳洲及香港經營的網上外匯保證金交易業務面臨日趨嚴格的監管。本集團經考慮中國相關法例之法律意見後，對本集團現有的華裔客戶進行詳細調查。根據本公司之中國法律顧問之意見，及鑑於中國監管機構之更嚴謹監管預期，本集團採取保守態度，將未能提供海外住址證明之客戶視作確實或可能是中國境內客戶，而大約95%客戶已被甄別為確實或可能是中國境內客戶，並已被清理。

STATEMENT FROM THE DEPUTY CHIEF EXECUTIVE OFFICER 副行政總裁報告

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Internally, there was substantial change of management during the year. Mr. Liu Stefan ("Mr. Liu") and Mr. Huang Songyuan, resigned on 29 July 2019 due to disagreement with the other members of the Board regarding the matters set out in the Company's announcement dated 29 July 2019. The other executive Directors and independent non-executive Directors resigned/retired on their own accord. Regarding Mr. Liu, the Board has established a sub-committee to review his performance during his time as our chief executive officer and executive Director.


We welcomed the onboarding of our new executive Directors and independent non-executive Directors, who bring in new experience and vitality to the Group. Under the leadership of our new management, we have undergone corporate rebranding during the year and will implement new business plan for our Group's development in 2020.

To pave the way for our future growth, the Company changed its name from "KVB Kunlun Financial Group Limited 昆侖國際金融集團有限公司" to "CLSA Premium Limited" last year and changed its logo to "", in order to rebrand the corporate image of the Group and to differentiate itself from unaffiliated entities that are using a similar name and conducting similar business as the Company. The new company name will better reflect that the Group is part of the substantial shareholder's group of entities, including the CLSA group, and attain synergies by capitalizing on the business know-how and potential of CLSA group and its affiliates.

Under the leadership of the new management of the Company, we spared no effort in fully implementing our new business plan for development. We have completed integrating information technology systems applied across our business and introducing new mobile App, including mobile transaction functions. In addition, through cooperation with new information technology service providers, the Company's internally operating information technology system has been established, and our network security control has been further strengthened. In 2020, we will endeavor to develop/enhance the information technology system applied in our business, so as to provide more stable and higher quality services for our clients.

就內部而言，年內發生重大管理層變動，劉欣諾先生（「劉先生」）及黃頌源先生因本公司日期為二零一九年七月二十九日之公告所載之事宜與董事會其他成員出現意見分歧而已於二零一九年七月二十九日辭任。其他執行董事及獨立非執行董事均已主動地辭任／退任。就劉先生而言，董事會已設立附屬委員會，就劉先生在出任行政總裁及執行董事期間的表現進行審查。

我們歡迎新任執行董事及獨立非執行董事加盟，為本集團帶來新的經驗和活力。在新管理層的領導下，我們於年內進行公司品牌重塑，並將於二零二零年為本集團的發展實施新的業務計劃。

為就我們的未來發展奠定基礎，本公司已於去年將其名稱由「KVB Kunlun Financial Group Limited 昆侖國際金融集團有限公司」更改為「CLSA Premium Limited」，並將其標誌更改為「」，以重塑集團的企業形象，及區分使用與本公司類似名稱及進行類似業務的非聯屬實體。新公司名稱將更佳反映本集團是主要股東集團實體（包括中信里昂集團）的一部分，藉著中信里昂集團及其聯屬公司的業務知識及潛力發揮協同效益。

在本公司新管理層的領導下全力實踐新的業務發展計劃。我們已完成整合業務上應用的資訊科技系統及引入新的手機應用程式，當中包括移動交易功能。此外，透過與新的資訊科技服務供應商合作，本公司內部運作的資訊科技系統亦已重新建立，並進一步加強網路安全控制。於二零二零年將致力開發／改善業務應用的資訊科技系統。務求為客戶提供更穩定及優質的服務。

STATEMENT FROM THE DEPUTY CHIEF EXECUTIVE OFFICER

副行政總裁報告

After we completed the trading system migration with Meta Trader 5, we will be able to offer more products to attract more non-Chinese speaking individual clients and institutional clients to use the Company's services through providing diversified products.

On the other hand, we are recruiting talents with solid experience and knowledge in leveraged foreign exchange and marketing to join the Group, which is conducive to our developing new business plans.

2020 is another year with challenges ahead. Given the outbreak of COVID-19, economic activities have been slowing down globally. The financial market is extremely volatile in the first quarter of 2020. However, we believe panic will be settled in the second half of 2020.

Albeit the current sentiment, the Group is ready for the challenges and to grasp the opportunities ahead. The Group will implement vigorous risk management and enhance its information technology system to cope with the ever changing market. The Group is endeavoured to use information technology such as big data and artificial intelligence to deliver swift, secured and hassle free services to our clients.

In the year ahead, the Group will deliver on our financial commitments to shareholders by maximizing customer satisfaction, expanding current product line and driving sustainable incremental revenue. We also understand the importance of talents and we will continue to bring in more with experience from the industry to build a professional, young and dynamic team.

在完成Meta Trader 5平台交易系統轉移後，我們將能夠提供更多產品，通過提供多元化產品以吸引更多非華語個人客戶及機構客戶使用本公司之服務。

另一方面，我們持續地招聘於槓桿式外匯及行銷活動方面擁有豐富經驗及知識的人才加入本集團，有助我們發展新業務計劃。

二零二零年將會是另一個充滿挑戰的一年。鑒於新型冠狀病毒(COVID-19)的爆發，全球經濟活動持續放緩。二零二零年第一季度金融市場極為波動。然而，我們相信恐慌情緒將於二零二零年下半年得以緩解。

儘管目前的市場情緒，本集團已做好迎接挑戰及把握未來機遇的準備。本集團將實施嚴格的風險管理，並加強其資訊科技系統，以應對瞬息萬變的市場。本集團竭力利用大數據和人工智能等資訊科技為客戶提供快速、安全和無憂的服務。

於來年，本集團將通過最大化提升客戶滿意度，擴大現有產品線以及推動穩健並可持續的增量收入從而履行我們對股東的財務承諾。同時，我們明白人才的重要性並致力網羅具有行業相關經驗的人才，從而打造一支專業、年輕並具有活力的團隊。

YUAN Feng

Executive Director and Deputy Chief Executive Officer

Hong Kong, 24 April 2020

袁峰

執行董事及副行政總裁

香港，二零二零年四月二十四日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

The Board presents the audited consolidated results of the Group for the year ended 31 December 2019, together with the audited comparative figures for the corresponding year in 2018.

BUSINESS REVIEW AND FINANCIAL PERFORMANCE

Business review

We have experienced a difficult year for the period under review. Global growth in 2019 recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries and country-specific factors.

Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. In some cases, these developments magnified cyclical and structural slowdowns already under way. Further pressures came from country-specific weakness in large emerging market economies such as Brazil, India, Mexico, and Russia. Worsening macroeconomic stress related to tighter financial conditions, geopolitical tensions such as Iran, and social unrest such as Venezuela, Libya, Yemen rounded out the difficult picture.

The US-China trade war is an ongoing economic conflict between the world's two largest national economies, the progress of the phase one of US-China trade negotiation was beneficial on the stability of the global macroeconomic and trade environment.

Central banks reacted aggressively to the weaker activity. Over the course of the year, the US Federal Reserve, the European Central Bank (ECB) and large emerging market central banks cut interest rates, while the ECB also restarted asset purchases.

The top three most traded FX pairs in the year under review were USD/JPY, EUR/USD and GBP/USD. For contracts for difference ("CFD") and commodity products, gold was the most popular product traded by our customers, followed by crude oil.

董事會謹此提呈本集團截至二零一九年十二月三十一日止年度之經審核綜合業績，連同二零一八年同期的經審核比較數字。

業務回顧及財務業績

業務回顧

在回顧年度內，我們經歷艱難的一年。二零一九年的全球增長錄得自十年前全球金融危機以來最疲弱的步伐，反映各國之間共同受到的影響及國家特定因素。

貿易壁壘持續上升及相關的不明朗因素對全球商業氣氛及活動帶來壓力。於若干情況下，該等事態發展加劇已經開始的周期性及結構性放緩，而大型新興市場經濟體系（例如巴西、印度、墨西哥及俄羅斯）的國家特定疲弱情況令情況更惡化。嚴峻的金融狀況、伊朗等地緣政治緊張局勢以及委內瑞拉、利比亞和也門等社會動盪相關的宏觀經濟壓力令市場狀況更加艱難。

中美貿易戰是全球兩個最大的國家經濟體之間持續不斷的經濟衝突，中美貿易談判第一階段之進展有利於全球宏觀經濟及貿易環境之穩定。

中央銀行對疲軟的市場活動作出積極反應。於年內，美聯儲、歐洲中央銀行（歐洲央行）及大型新興市場中央銀行均降低利率，而歐洲央行亦重新開始購買資產。

於回顧年度交易量最高的三大外匯組合為美元／日圓、歐元／美元及英鎊／美元。就差價合約（「差價合約」）及商品而言，黃金是最受客戶歡迎的交易產品，其次是原油。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

In the currency market, we can see the Japanese Yen was stable in 2019, trading in a slightly narrower range compared with that of 2018. The highest and the lowest price levels of USD/JPY were observed to be 112.07 and 104.72 respectively, a 735-pips trading range during 2019; this is compared with a price movement of 999-pips in 2018, with the highest level at 114.55 and the lowest at 104.56.

Euro was weak in 2019 as Eurozone economy was sluggish. It went south amid low inflation, shy PMI and the fear of recession in Germany. EUR/USD was traded within a price range of 655-pips, which was narrower than that of 2018. The highest level of EUR/USD was traded at 1.1551, while the lowest level was seen at 1.0896. The price range of EUR/USD in 2018 was 1,339-pips, with highest price at 1.2555 and lowest price at 1.1216.

The uncertainty over Brexit and the general election drove the investors on guard and infused the Pound with significant volatility during 2019. The GBP/USD price moved in a slightly lower range in 2019 than that in 2018. The highest and lowest prices were observed to be 1.3470 and 1.2033 respectively, a range of 1,437-pips. This can be compared with the 1,899-pips range observed in 2018, between the highest level of 1.4377 and the lowest level of 1.2478.

For CFD and commodities, the gold was bullish in 2019. Gold traded within a wider price range of \$276.60 USD/ounce. The highest price of gold was traded at \$1,546.10 USD/ounce and the lowest at \$1,269.5 USD/ounce during the year 2019. The 2018 price range, in comparison, was \$205.76 USD/ounce; with the highest price at \$1,366.15 USD/ounce, and the lowest at \$1,160.39 USD/ounce.

Despite the geopolitical tensions, the crude oil price was stable. The crude oil price range had become much lower in 2019, compared with that of 2018. In 2018, the crude oil was traded in a range of \$34.54 USD/barrel, with the highest price at \$76.9 USD/barrel and the lowest at \$42.36 USD/barrel. The price movement of crude oil in 2019 decreased to \$12.00 USD/barrel, with the highest price traded at \$68.58 USD/barrel and the lowest traded at \$56.58 USD/barrel.

在貨幣市場方面，於二零一九年，日圓匯率穩定，交易價格較二零一八年收窄。於二零一九年，美元／日圓的最高及最低價格水平分別為112.07及104.72，交易差價為735點；於二零一八年的價格波動則為999點，最高水平為114.55及最低水平為104.56。

由於歐元區經濟不景，歐元於二零一九年表現疲弱。由於低通脹、PMI偏低及對德國經濟衰退的擔憂，歐元持續下跌。歐元／美元的交易差價為655點，較二零一八年收窄。歐元／美元的最高水平為1.1551，而最低水平為1.0896。於二零一八年，歐元／美元的差價為1,339點，最高水平為1.2555及最低水平為1.1216。

於二零一九年，英國脫歐和大選的不明朗因素令投資者保持警惕，令英鎊出現重大波動。於二零一九年，英鎊／美元的差價較二零一八年輕微收窄，最高及最低價格水平分別為1.3470及1.2033，差價1,437點，而二零一八年的差價則為1,899點，最高水平為1.4377及最低水平為1.2478。

在差價合約及商品方面，黃金於二零一九年看漲。黃金之主要成交差價增加至276.60美元／盎司。於二零一九年期間，黃金的最高成交價為1,546.10美元／盎司及最低成交價為1,269.5美元／盎司。相較而言，二零一八年的差價為205.76美元／盎司，最高成交價為1,366.15美元／盎司及最低成交價為1,160.39美元／盎司。

儘管地緣政治局勢緊張，原油價格穩定。於二零一九年，原油的差價較二零一八年大幅下跌。於二零一八年，原油的成交差價為34.54美元／桶，而最高成交價為76.9美元／桶及最低成交價為42.36美元／桶。於二零一九年，原油的價格波動下跌至12.00美元／桶，而最高成交價為68.58美元／桶及最低成交價為56.58美元／桶。

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The retail margin FX trading market is highly competitive. This includes international multi-product trading firms, other online trading firms, and financial institutions. We expect the market to remain very competitive in the foreseeable future. We are constantly looking for ways to improve our customer service level and meet the needs of our clients, by providing more trading opportunities in the global financial markets.

Total income

The total income of the Group decreased by approximately 96.6% to approximately HK\$16.1 million for the year ended 31 December 2019 from approximately HK\$471.1 million for the year ended 31 December 2018.

A. Leveraged foreign exchange and other trading income

The leveraged foreign exchange and other trading income of the Group decreased by approximately 96.9% to approximately HK\$11.7 million for the year ended 31 December 2019 from approximately HK\$372.9 million for the year ended 31 December 2018. This was mainly due to the decreased trading volume during the year ended 31 December 2019 as compared to the year ended 31 December 2018.

B. Fee and commission income

The fees and commission income of the Group decreased from approximately HK\$56.4 million for the year ended 31 December 2018 to approximately HK\$3.3 million for the year ended 31 December 2019. The decrease was mainly due to the decrease in commission earning as a result of lower trading volume.

C. Other income

The Group recorded other income of approximately HK\$2.5 million for the year ended 31 December 2019 as compared to other income of approximately HK\$38.4 million for the year ended 31 December 2018.

零零售外匯保證金交易市場競爭激烈，市場競爭對手包括國際多產品交易公司、其他網上交易公司及金融機構。本集團預期於可預見的將來，市場競爭將仍然非常激烈。本集團繼續尋求方法提升客戶服務水平，透過為客戶提供更多於環球金融市場交易投資的機會以滿足客戶需求。

收入總額

本集團的收入總額由截至二零一八年十二月三十一日止年度約471,100,000港元減少約96.6%至截至二零一九年十二月三十一日止年度約16,100,000港元。

A. 槓桿式外匯及其他交易收入

本集團的槓桿式外匯及其他交易收入由截至二零一八年十二月三十一日止年度約372,900,000港元減少約96.9%至截至二零一九年十二月三十一日止年度約11,700,000港元，主要由於截至二零一九年十二月三十一日止年度的成交量相比截至二零一八年十二月三十一日止年度減少所致。

B. 費用及佣金收入

本集團的費用及佣金收入由截至二零一八年十二月三十一日止年度約56,400,000港元減少至截至二零一九年十二月三十一日止年度約3,300,000港元，錄得減少主要由於成交量減少令佣金收益減少所致。

C. 其他收入

本集團於截至二零一九年十二月三十一日止年度錄得其他收入約2,500,000港元，而於截至二零一八年十二月三十一日止年度則錄得其他收入約38,400,000港元。

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The variance was mainly a fair value gain of approximately HK\$26.0 million recorded for the year ended 31 December 2018, on the embedded derivative portion of convertible bonds issued on 12 February 2018 not being repeated in 2019. In addition, the Group recorded a net exchange gain of HK\$9.4 million for the year ended 31 December 2018 where the Group recorded a net exchange loss of HK\$1.9 million for the year ended 31 December 2019. This was mainly due to the year-end translation of monetary assets denominated in foreign currency into local reporting currency by CLSA Premium New Zealand Limited, a wholly-owned subsidiary of the Company.

Referral expenses and other charges

The referral expenses and other charges of the Group decreased by approximately 90.3% to approximately HK\$17.1 million for the year ended 31 December 2019 from approximately HK\$175.8 million for the year ended 31 December 2018. The decrease was mainly due to the decrease in the trading volume of the clients referred by services providers and decreased transaction fees paid to remittance channels.

Staff costs

The staff costs of the Group decreased by approximately 73.1% to approximately HK\$27.4 million for the year ended 31 December 2019 from approximately HK\$101.7 million for the year ended 31 December 2018. The decrease was mainly due to the staff headcount decreased from 53 as at 31 December 2018 to 21 as at 31 December 2019.

Depreciation and amortisation

Depreciation and amortisation increased by approximately 84.4% to approximately HK\$27.1 million for the year ended 31 December 2019 from approximately HK\$14.7 million for the year ended 31 December 2018. The increase was mainly due to the depreciation of right-of-use assets of approximately HK\$11.7 million after the recognition of right-of-use assets of approximately HK\$33.5 million at 1 January 2019, measured at the present value of the corresponding lease payments, following the adoption of new accounting standard for measurement of the lease assets and liabilities that the total lease payments for operating leases were discounted by applying the Group's incremental borrowing rate at the date of initial adoption (i.e. 1 January 2019), details of which are set out in Note 2.2 to the consolidated financial statements.

有關變動主要由於截至二零一八年十二月三十一日止年度就於二零一八年二月十二日發行之可換股債券之嵌入式衍生工具部份錄得公允值收益約26,000,000港元，而於二零一九年並無錄得有關款項。此外，本集團於截至二零一八年十二月三十一日止年度錄得匯兌淨收益9,400,000港元，而於截至二零一九年十二月三十一日止年度則錄得匯兌淨虧損1,900,000港元，主要由於本公司全資附屬公司CLSA Premium New Zealand Limited於年末將以外幣計值的貨幣資產換算為當地呈報貨幣所致。

轉介開支及其他費用

本集團的轉介開支及其他費用由截至二零一八年十二月三十一日止年度約175,800,000港元減少約90.3%至截至二零一九年十二月三十一日止年度約17,100,000港元，錄得減少主要由於服務供應商所轉介客戶的成交量減少及支付予滙款渠道之交易費用減少。

員工成本

本集團的員工成本由截至二零一八年十二月三十一日止年度約101,700,000港元減少約73.1%至截至二零一九年十二月三十一日止年度約27,400,000港元，錄得減少主要由於員工人數由二零一八年十二月三十一日的53名減至二零一九年十二月三十一日的21名所致。

折舊及攤銷

折舊及攤銷由截至二零一八年十二月三十一日止年度約14,700,000港元增加約84.4%至截至二零一九年十二月三十一日止年度約27,100,000港元，錄得增長主要由於採納新會計準則計量租賃資產及負債後，經營租賃之租賃付款總額按於首次採納日期（即二零一九年一月一日）之本集團增量借貸率貼現，於二零一九年一月一日確認使用權資產約33,500,000港元後，按相關租賃付款之現值計量之使用權資產折舊約為11,700,000港元所致，新會計準則之詳情載於綜合財務報表附註2.2。

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Lease payments under land and buildings

Lease payments under land and buildings decreased by approximately 73.2% to approximately HK\$3.8 million for the year ended 31 December 2019 from approximately HK\$14.2 million for the year ended 31 December 2018 as a result of adoption of new accounting standard for measurement of lease assets and liabilities on 1 January 2019.

Administrative and other operating expenses

The administrative and other operating expenses of the Group increased to approximately HK\$107.7 million for the year ended 31 December 2019 from approximately HK\$84.6 million for the year ended 31 December 2018. The increase was mainly due to additional impairment of intangible assets of HK\$37.5 million during the year and the significant increase in professional and consultancy fees from approximately HK\$5.6 million for the year ended 31 December 2018 to approximately HK\$25.0 million for the year ended 31 December 2019 which was mainly due to additional legal expenses in relation to legal actions taken against the Group's former IT service provider which is a connected party of the Group.

Net loss

For the reasons set forth below, the Group incurred a net loss of approximately HK\$180.0 million for the year ended 31 December 2019 compared with a net profit of approximately HK\$34.2 million for the year ended 31 December 2018.

In summary, the decrease in profitability of the Group was primarily contributed by:

- a reduction in leveraged foreign exchange and other trading income earned from external customers owing to decrease in trading volume of the Group's customers during the year under review;
- regulatory authorities in different countries, including Australia and Hong Kong, tightened the regulations on leveraged foreign exchange trading which led to investors' re-consideration on their investment portfolio; and
- the global economy has entered a synchronized slowdown during year under review which affects investors' attitude towards investment in leveraged foreign exchange and commodity products.

土地及樓宇的租賃付款

土地及樓宇的租賃付款由截至二零一八年十二月三十一日止年度約14,200,000港元減少約73.2%至截至二零一九年十二月三十一日止年度約3,800,000港元，乃由於二零一九年一月一日採納新會計準則計量租賃資產及負債所致。

行政及其他經營開支

本集團的行政及其他經營開支由截至二零一八年十二月三十一日止年度約84,600,000港元增加至截至二零一九年十二月三十一日止年度約107,700,000港元，錄得增加主要由於年內無形資產減值增加37,500,000港元以及專業及顧問費由截至二零一八年十二月三十一日止年度約5,600,000港元大幅增加至截至二零一九年十二月三十一日止年度約25,000,000港元，主要由於向本集團前資訊科技服務供應商（曾為本集團之關連人士）採取法律行動相關的額外法律開支。

淨虧損

基於下文所述之理由，本集團於截至二零一九年十二月三十一日止年度產生淨虧損約180,000,000港元，而截至二零一八年十二月三十一日止年度則錄得淨溢利約34,200,000港元。

概括而言，本集團盈利能力下跌乃主要由於：

- 由於本集團客戶於回顧年度期間的交易量減少，因此來自外部客戶之槓桿式外匯交易和其他交易的收入下跌；
- 各地監管機構，包括澳洲及香港，收緊有關槓桿式外匯交易的法規，導致投資者重新調整他們的投資組合；及
- 全球經濟於回顧年度期間同步放緩，影響投資者對槓桿式外匯和商品的投資態度。

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LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the operations of the Group were financed principally by equity capital, cash generated by the Group's business operations, the cash and bank deposits and leases.

As at 31 December 2019, cash and bank balances held by the Group amounted to HK\$379.7 million (2018: HK\$725.4 million). There were no bank borrowings of the Group (2018: nil) and the carrying amount of convertible bonds of the Company amounted to HK\$191.1 million as at 31 December 2018 was redeemed during the year.

GEARING RATIO

The gearing ratio calculated on the basis of net debts (finance lease obligations and convertible bonds) over the total shareholders' equity as at 31 December 2019 was approximately 5.7% (2018: 33.5%).

FOREIGN CURRENCY EXPOSURE

During the year under review, the Group recorded an exchange loss of approximately HK\$1.9 million (2018: exchange gain of approximately HK\$9.4 million). This was mainly due to the year-end translation of monetary assets denominated in foreign currency into local reporting currency by a subsidiary of the Company in New Zealand. The foreign currency risk is managed proactively by regular review of the currency positions in the basket of currency mix. In order to minimize the exposure of the Group to the risk, the Group has hedge strategy based on prevailing market conditions and working capital requirements of subsidiaries.

CAPITAL STRUCTURE

During the year under review, the capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

流動資金及財務資源

於回顧年度，本集團的營運主要由股本、本集團業務營運所得現金、現金及銀行存款以及租賃提供資金。

於二零一九年十二月三十一日，本集團持有的現金及銀行結餘為379,700,000港元（二零一八年：725,400,000港元）。本集團並無任何銀行借貸（二零一八年：無）及本公司於二零一八年十二月三十一日賬面值為191,100,000港元之可換股債券已於年內贖回。

負債比率

負債比率乃根據債務淨額（融資租賃承擔及可換股債券）除以股東權益總額計算，於二零一九年十二月三十一日約為5.7%（二零一八年：33.5%）。

外匯風險

於回顧年度，本集團錄得匯兌虧損約1,900,000港元（二零一八年：匯兌收益約9,400,000港元），主要由於本公司位於紐西蘭的附屬公司於年末將以外幣計值的貨幣資產換算為當地呈報貨幣。本集團透過定期檢討一籃子貨幣組合內的貨幣持倉積極管理外匯風險。為降低本集團所面臨的風險，本集團根據現行市況及附屬公司的營運資金需求運用對沖策略。

資本架構

於回顧年度，本集團的資本架構包括本公司擁有人應佔股權，當中包括已發行股本及儲備。

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REDEMPTION OF CONVERTIBLE BONDS

On 12 February 2018, the Company issued 7.5% convertible bonds (the “Bonds”) with an aggregate principal amount of HK\$200 million to BC Global Fund SPC – BC Fintech Fund SP and PA Investment Funds SPC for the account of PA High Technology Fund SP (collectively the “Bondholders”).

On 7 May 2019, the Bondholders exercised the option of early redemption pursuant to the relevant agreements to request the Company to redeem the full amount of the convertible bonds with redemption date on 15 May 2019. Details on the movement of the convertible bonds were set out in Note 23 to the consolidated financial statements.

NEW PRODUCTS AND SERVICES

During the year under review, there was no new products or services launched.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES DURING THE YEAR UNDER REVIEW

During the year ended 31 December 2019, the Group did not have any significant investments held, material acquisitions and disposals.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group engaged a total of 21 employees (2018: a total of 53). Total staff costs including Directors’ remuneration for the year under review amounting to approximately HK\$27.4 million (2018: HK\$101.7 million). The Group’s remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees. The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed. The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate.

贖回可換股債券

於二零一八年二月十二日，本公司已向 BC Global Fund SPC – BC Fintech Fund SP 及 PA Investment Funds SPC (為 PA High Technology Fund SP 賬戶行事) (統稱「債券持有人」) 發行本金總額 200,000,000 港元之 7.5% 厘息可換股債券 (「債券」)。

於二零一九年五月七日，債券持有人根據相關協議行使提早贖回選擇權，要求本公司贖回贖回日期為二零一九年五月十五日之可換股債券之全部金額。有關可換股債券變動的詳情載於綜合財務報表附註 23。

新產品及服務

於回顧年度，本集團並無推出任何新產品或服務。

回顧年度之重大投資、重大收購及出售附屬公司

截至二零一九年十二月三十一日止年度期間，本集團並無持有任何重大投資、重大收購及出售事項。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團合共聘用 21 名僱員 (二零一八年：合共 53 名)。於回顧年度的員工成本總額 (包括董事酬金) 為約 27,400,000 港元 (二零一八年：101,700,000 港元)。本集團的薪酬政策符合現行市場慣例並根據員工個人的表現及經驗而釐定。本集團根據員工受聘所在地的相關法律法規提供退休福利。本公司已採納購股權計劃，據此，本集團董事及僱員有權參與購股權計劃。

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CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2019, certain bank balances of the Group amounting to approximately HK\$84.1 million (2018: HK\$90.4 million) were used to secure the banking facilities. As at 31 December 2019, the Group did not have any material contingent liabilities.

本集團資產抵押及或然負債

於二零一九年十二月三十一日，本集團若干銀行結餘約84,100,000港元（二零一八年：90,400,000港元）乃用於擔保銀行信貸。於二零一九年十二月三十一日，本集團並無任何重大或然負債。

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

We plan to:

1. rebrand our corporate image to raise market positioning and competitive edge;
2. expand our customer base, in particular, diversify our individual clients to include both overseas Chinese speaking and non-Chinese speaking clients in Australia;
3. expand our customer base to institutional clients by providing competitive solutions to them;
4. expand the range of our financial services and products, provided that it does not compete with the business of the majority shareholders of the Company;
5. continual enhancement of information technology including a new Customer Relationship Management System; and
6. develop the high net worth and sophisticated institutional clients segment.

未來重大投資或資本資產計劃

本集團計劃：

1. 重塑我們的企業形象，以提高市場定位及競爭優勢；
2. 擴大我們的客戶群，尤其是將我們的個人客戶多元化發展至包括於澳洲的華語及非華語客戶；
3. 透過向客戶提供具競爭力的解決方案，將我們的客戶群擴大到機構客戶；
4. 擴大我們的金融服務及產品範圍，只要其範圍不會與本公司大股東之業務構成競爭；
5. 持續提升資訊科技，包括新的客戶關係管理系統；及
6. 開發高淨值及資深機構客戶分部。

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THE VIEW OF THE BOARD AND THE AUDIT COMMITTEE AND THE ACTION TAKEN TO ADDRESS THE DISCLAIMER OF OPINION

The Board has provided all necessary information to the Auditor for preparing the 2019 Annual Results. The Board has from time to time closely communicated with the audit committee of the Company (the “**Audit Committee**”) and the Auditor on the updated business situation and financial performance of the Group, in particular, the issues raised by the Auditor during the Audit Committee meetings held on 27 March 2020 and 23 April 2020. As advised by the Auditor, the disclaimer of opinion was due to denial of the Auditor’s access to the evidence relating to the Group’s information technology related systems databases and servers and the data contained in the databases and servers maintained by Banclogix which are necessary for the purpose of the audit. There were also no other alternative audit procedures that the Auditor could perform to satisfy themselves for issuance of an unmodified opinion. As such the Audit Committee is fully aware of the basis and the reasons for such disclaimer of opinion issued by the Auditor.

The Board and the Audit Committee believe the root cause for the disclaimer of opinion is the uncooperative attitude of Banclogix in response to requests of information which led to inability of the Company’s management to provide the level of information and audit evidence in the below areas to the satisfaction of the Auditor:

1. The accessibility to the data stored on back-ups of the shared drives and file servers;
2. The accessibility to the trading servers which related to the testing of revenue completeness;
3. The accessibility to e-mail data which contained but not limited to correspondence regarding disengagement of PRC clients; and
4. The accessibility to information relating to IT general controls, application controls and report testing.

董事會及審核委員會之意見及對無法表示意見所採取之行動

董事會已向核數師提供編製二零一九年年度業績之所有必要資料。董事會不時與本公司審核委員會（「**審核委員會**」）及核數師就本集團之最新業務狀況及財務表現，尤其是核數師於二零二零年三月二十七日及二零二零年四月二十三日舉行之審核委員會會議上提出之問題進行密切溝通。據核數師告知，核數師被拒絕取閱本集團與資訊科技有關的系統、數據庫和伺服器相關證據及由盛匯所維護之數據庫及伺服器所備存之數據，而有關資料為進行審核所需資料。核數師亦無可進行之其他替代審計程序使其信納及發出無修改意見。因此，審核委員會已充分知悉核數師發出有關無法表示意見之基準及理由。

董事會及審核委員會認為，發出無法表示意見之根本原因為盛匯以不合作態度回應獲取資料之要求，導致本公司管理層無法就以下方面向核數師提供滿意程度之資料及審核證據：

1. 儲存在共用磁碟機及檔案伺服器備份中之資料之訪問權；
2. 與測試收益完整性相關之交易伺服器之訪問權；
3. 載有但不限於與清理中國客戶郵件相關之電子郵件數據之訪問權；及
4. 與資訊科技一般監控、應用程式監控及報告測試相關之資訊之訪問權。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

The Board, including the Audit Committee, has critically reviewed and understand the basis of the opinion put forward by the Auditor. No disagreement had been raised by the Board, including the Audit Committee, and the Audit Committee members have agreed with the Auditor's views and relevant accounting treatment about the annual disclosure and expressed no further comments on it.

To tackle the above issues, the Board has spent tremendous effort to migrate the IT platform completely from Banclogix to under CLSA Limited ("**CLSA**") control since August 2019. The Board has adopted and accomplished different measures of IT platform migration including (i) shared drives and file servers migration – completed in December 2019; (ii) trading servers migration – completed in December 2019; (iii) e-mail migration – completed in October 2019. As disclosed in the Company's announcements dated 9 March 2020 and 23 March 2020, the Company has terminated the Renewed Information Technology Services Agreement with Banclogix and entered into the New Information Technology Services Agreement with CLSA which has taken effect on 17 March 2020. The Board, including the Audit Committee, believes that the above measures already addressed the issues raised by the Auditor under the Disclaimer of Opinion and there is no carry forward effect on the financial statements for the year ending 31 December 2020 given the new IT services provider (i.e. CLSA) has resolved the issues.

董事會(包括審核委員會)已審慎檢討並理解核數師提出意見之依據。董事會(包括審核委員會)並無提出任何異議，而審核委員會成員已同意核數師對年度披露事項之意見及相關會計處理方法，及表示並無就此作出進一步意見。

為解決上述問題，董事會自二零一九年八月起已致力將資訊科技平台由盛匯完全轉移至由中信里昂證券有限公司(「**中信里昂**」)控制。董事會已採取並完成不同資訊科技平台轉移措施，包括(i)共用磁碟機及檔案伺服器轉移—已於二零一九年十二月完成；(ii)交易伺服器轉移—已於二零一九年十二月完成；(iii)電子郵件轉移—已於二零一九年十月完成。誠如本公司日期為二零二零年三月九日及二零二零年三月二十三日之公告所披露，本公司與盛匯已終止經重續資訊科技服務協議，並與中信里昂簽訂新資訊科技服務協議，由二零二零年三月十七日起生效。董事會(包括審核委員會)認為，上述措施已經解決核數師於無法表示意見所提出之問題，由於新資訊科技服務供應商(即中信里昂)已解決有關問題，因此有關問題不會對截至二零二零年十二月三十一日止年度之財務報表帶來延續影響。

EXECUTIVE DIRECTORS

Mr. YUAN Feng, aged 36, was appointed as the deputy chief executive officer of the Group in June 2019, as well as a director of certain subsidiaries of the Company and a responsible officer of CLSA Premium International (HK) Limited. He is also a member of the remuneration committee of the Company. Mr. Yuan is a senior vice president of planning and finance department of CITIC Securities Company Limited ("CITIC Securities"), the controlling shareholder of CITIC Securities Overseas Investment Company Limited ("CITIC Securities Overseas Investment"), which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") since April 2019 and a deputy chief financial officer of CLSA Hong Kong Holdings Limited, which is a wholly-owned subsidiary of CITIC Securities since April 2020. Mr. Yuan previously worked as a senior accountant of finance department of CITIC Corporation Limited from February 2015 to April 2019, and as an audit manager of Deloitte Touche Tohmatsu Limited from July 2008 to July 2014. Mr. Yuan obtained his master's degree in world economics from University of International Relations (國際關係學院) in 2008, and has been a member of The Chinese Institute of Certified Public Accountants since 2014.

Mr. WU Fei, aged 42, was appointed as the general manager of the Group in November 2019. Mr. Wu serves as the deputy head of legal and compliance department of CLSA Limited ("CLSA"), a subsidiary of CITIC Securities, since January 2019 and has been working in compliance department and legal department of CITIC Securities since 2013. Mr. Wu has a doctor's degree in International Law of Peking University.

執行董事

袁峰先生，36歲，於二零一九年六月獲委任為本集團副行政總裁，彼亦為本公司若干附屬公司之董事，並為CLSA Premium International (HK) Limited之負責人員。彼亦為本公司薪酬委員會成員。袁先生於二零一九年四月開始擔任根據證券及期貨條例（「證券及期貨條例」）第XV部屬本公司之主要股東中信證券海外投資有限公司（「中信證券海外投資」）之控股股東中信證券股份有限公司（「中信證券」）計劃財務部高級副總裁，並於二零二零年四月起擔任中信證券之全資附屬公司CLSA Hong Kong Holdings Limited之副首席財務官。袁先生於二零一五年二月至二零一九年四月期間擔任中國中信有限公司財務部高級會計師，於二零零八年七月至二零一四年七月任職德勤華永會計師事務所審計經理。袁先生於二零零八年獲國際關係學院頒授世界經濟專業經濟學碩士學位，並自二零一四年起成為中國註冊會計師協會之會員。

吳飛先生，42歲，於二零一九年十一月獲委任為本集團總經理。吳先生自二零一九年一月擔任中信里昂證券有限公司（「中信里昂」，為中信證券之附屬公司）法律合規部副主管，彼自二零一三年在中信證券合規部及法律部工作。吳先生擁有北京大學國際法學博士學位。

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND SECRETARY

董事、高級管理層及秘書履歷

NON-EXECUTIVE DIRECTORS

Mr. Stephen Gregory McCOY, aged 67, joined the Group in October 2006 as the senior manager of operations and was later appointed the country manager of Australia in 2008. Mr. McCoy resigned as a director of certain subsidiaries of the Company. Mr. McCoy is a non-executive director of other subsidiaries of KVB Kunlun Holdings Limited, which is a substantial shareholder of the Company. Before joining the Group, Mr. McCoy worked at Arab Bank Australia Limited as an internal auditor from May 2002 to December 2003 and later as the head of operations from January 2004 to October 2006 and was responsible for managing the operations department of the bank including treasury settlements, retail operations, loan administration, office administration, trade finance and product compliance in line with regulatory authorities and policies and procedures of the bank and before that, Mr. McCoy worked at Westpac Banking Corporation for over 30 years from February 1969 to April 2001 and last held the position of manager of operational risk. With the previous and current position held by Mr. McCoy in the Group and other companies, Mr. McCoy has obtained over 47 years of combined experience in the financial services industry which is relevant to the operation and development of the Group. Mr. McCoy was appointed as a non-executive Director on 15 April 2011.

Mr. Li Jiong, aged 50, is the Chairman of the Board, the chairman of the nomination committee of the Company and a director of certain subsidiaries of the Company. He concurrently serves as the director of CITIC Securities Overseas Investment and CITIC Securities International USA, LLC., as well as a chief treasury officer and person-in-charge of the treasury department of CITIC Securities. After Mr. Li joined CITIC Securities in 1996, he had served as the manager of the international cooperation division of the information centre of China International Trust Investment Corporation (renamed to CITIC Group Corporation), manager of development department of CITIC International Cooperation Co., Ltd., manager of the bond department, deputy general manager of the treasury department and person-in-charge of the treasury department of CITIC Securities. Mr. Li obtained a bachelor's degree in International Finance from the University of International Business and Economics in 1992 and a master's degree in MBA from Tsinghua University in 2000. Mr. Li was appointed as a non-executive Director on 21 May 2018.

非執行董事

Stephen Gregory McCOY先生，67歲，於二零零六年十月加入本集團擔任營運部高級經理，其後於二零零八年獲委任為澳洲區域經理。McCoy先生已辭任本公司若干附屬公司之董事職務。McCoy先生為本公司之主要股東KVB Kunlun Holdings Limited的其他附屬公司的非執行董事。加入本集團前，McCoy先生於二零零二年五月至二零零三年十二月在Arab Bank Australia Limited擔任內部核數師，隨後於二零零四年一月至二零零六年十月出任營運部主管，負責管理銀行營運部門，包括財務結算、零售業務、貸款管理、行政管理、貿易融資及產品合規（符合監管機構以及銀行政策及程序的規定），而在此之前，McCoy先生於一九六九年二月至二零零一年四月於Westpac Banking Corporation任職逾30年及隨後出任營運風險經理一職。憑藉McCoy先生先前及現時於本集團及其他公司所擔任的職務，McCoy先生於有關本集團營運及發展的金融服務行業獲得逾47年的綜合經驗。McCoy先生於二零一一年四月十五日獲委任為非執行董事。

李岡先生，50歲，為董事會主席、本公司提名委員會主席及本公司若干附屬公司的董事，現為中信證券海外投資及CITIC Securities International USA, LLC.之董事，以及中信證券總司庫兼資金運營部行政負責人。李先生於一九九六年加入中信證券，曾擔任中國國際信託投資公司（後改名為中國中信集團公司）信息中心國際合作處經理、中信國際合作公司開發部經理、中信證券債券部經理、資金運營部副總經理及資金運營部行政負責人。李先生於一九九二年獲對外經濟貿易大學國際金融專業學士學位，其後於二零零零年獲清華大學工商管理碩士學位。李先生於二零一八年五月二十一日獲委任為非執行董事。

Mr. XU Jianqiang, aged 39, is the chairman of the corporate governance committee of the Company and a director of certain subsidiaries of the Company. He currently serves as a deputy head of the equity derivatives business line of CITIC Securities and also a head of Equity Derivatives at CLSA. After Mr. Xu joined CITIC Securities in August 2005, he had served as an analyst of the research department, product development manager of the equity derivatives business line, head of trading of the equity derivatives business line and head of equity derivatives of CITIC Securities International Company Limited. Mr. Xu obtained a bachelor's degree in Mathematics and Applied Mathematics from Peking University in 2003 and a master's degree in Mathematics from the University of British Columbia in 2005. Mr. Xu was appointed as a non-executive Director on 21 May 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WU Jianfeng, aged 44, joined the Group in June 2019. He is a member of each of the Company's audit committee and remuneration committee. Mr. Wu has served as the lead engineer of American Express Company (a company listed on the New York Stock Exchange, stock code: AXP) since 12 September 2019. Mr. Wu served as a senior manager of information technology department, an executive manager of technology center, and as a deputy director of technology center and a director of technology development department of the Shanghai Stock Exchange from 2000 to 2014. Mr. Wu graduated from Tsinghua University (清華大學) and obtained his bachelor's degree of engineering in computer science and technology in 1993 and his doctorate degree of engineering in computer system architecture in 2000.

許建強先生，39歲，為本公司企業管治委員會主席及本公司若干附屬公司的董事，彼現任中信里昂股權衍生品業務線B角及中信里昂證券股權衍生品業務主管。許先生於二零零五年八月加入中信證券，曾任中信證券研究部分析師、衍生品業務線產品開發經理、股權衍生品業務線交易主管及中信證券國際有限公司股權衍生品業務主管。許先生於二零零三年獲北京大學數學與應用數學專業學士學位，於二零零五年獲英屬哥倫比亞大學數學專業碩士學位。許先生於二零一八年五月二十一日獲委任為非執行董事。

獨立非執行董事

武劍鋒先生，44歲，於二零一九年六月加入本集團。彼為本公司審核委員會及薪酬委員會成員。武先生自二零一九年九月十二日起擔任美國運通公司（一間於紐約證券交易所上市的公司，股份代號：AXP）的首席工程師。武先生於二零零零年至二零一四年期間曾任職於上海證券交易所，先後擔任電腦技術部高級經理、技術中心執行經理、技術中心副主任及技術開發部總監。武先生畢業於清華大學，於一九九三年獲授計算機科學與技術工學學士學位，並於二零零零年獲授計算機系統結構工學博士學位。

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND SECRETARY

董事、高級管理層及秘書履歷

Mr. Christopher Wesley SATTERFIELD, aged 47, joined the Group in June 2019. He is a member of each of the Company's audit committee, nomination committee and corporate governance committee. Mr. Satterfield currently serves as an executive director and chief executive officer of China Post & Capital Global Asset Management Limited ("CPG") since September 2015, and is a registered responsible officer of CPG recognized by the Securities and Futures Commission for engaging in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Mr. Satterfield is a chairman of China Post Global (UK) Limited and a director of EBA Investments (Advisory) Limited and RQSI Limited ("RQSI"). He joined RQSI in September 1999, and had served as its president and chief operating officer. Mr. Satterfield graduated from the US Navy Nuclear Field "A" School ("US Navy") in 1992 and received his Honorable Discharge from the US Navy in 1997.

Ms. HU Zhaoxia, aged 68, joined the Group in June 2019. She is the chairman of the audit committee of the Company and a member of the corporate governance committee of the Company. From 2012 to September 2015, Ms. Hu served as the chief financial officer of Zanhua (China) Equipment Leasing Co., Ltd.* (贊華(中國)設備租賃有限公司). Prior to this, from October 1978 to January 2012, Ms. Hu worked as deputy director of the accounting system division, deputy general manager and director of the accounting division of the finance and accounting department of the Head Office of Bank of China; deputy manager of the accounting department and assistant general manager of Bank of China London Branch; deputy general manager of Bank of China Sydney Branch; chief financial officer of the retail banking business department of Bank of China and senior supervisor of the office of the board of supervisors of the Head Office of Bank of China. Ms. Hu graduated from Tianjin University of Finance and Economics (天津財經學院) with major in Finance in 1978 and obtained her senior accountant qualification, which was granted by the committee of assessment of Bank of China in 1992.

Christopher Wesley SATTERFIELD先生，47歲，於二零一九年六月加入本集團。彼為本公司審核委員會、提名委員會及企業管治委員會成員。Satterfield先生自二零一五年九月起於中郵創業國際資產管理有限公司（「中郵國際」）擔任執行董事及行政總裁，並為中郵國際獲證監會認可從事第一類（證券交易）、第四類（就證券提供意見）及第九類（提供資產管理）受規管活動之註冊負責人員。Satterfield先生現亦為China Post Global (UK) Limited之主席及為EBA Investments (Advisory) Limited及RQSI Limited（「RQSI」）之董事。彼於一九九九年九月加入RQSI，曾擔任RQSI之總裁及首席運營官。Satterfield先生一九九二年畢業於US Navy Nuclear Field "A" School（「US Navy」）並於一九九七年榮獲US Navy頒發之榮譽退役證書。

胡朝霞女士，68歲，於二零一九年六月加入本集團。彼為本公司審核委員會主席及本公司企業管治委員會成員。於二零一二年至二零一五年九月期間，胡女士曾擔任贊華（中國）設備租賃有限公司之財務總監。此前在一九七八年十月至二零一二年一月期間，胡女士歷任中國銀行總行財會部之會計制度處副處長、副總經理及帳務處處長、中國銀行倫敦分行之會計部副經理及助理總經理、中國銀行悉尼分行之副總經理、中國銀行零售業務部之財務總監，以及中國銀行總行監事會辦公室之高級監督專員。胡女士於一九七八年畢業於天津財經學院，主修金融學專業，彼於一九九二年獲中國銀行評委會授予高級會計師職銜。

Mr. JIN Shaoliang, aged 59, joined the Group in June 2019. He is the chairman of the remuneration committee of the Company, and a member of each of the Company's nomination committee and corporate governance committee. Mr. Jin worked in Ping An Insurance Group of China ("Ping An") from September 1992 to May 2017 and had held different positions in Ping An, namely director of international business department, general manager of Re-insurance department, deputy general manager of finance department, deputy general manager of strategy corporate department, director of the general actuary office, deputy general manager of strategic development department, investor relations officer, director of the board office and secretary of the board. From 1988 to 1992, he had worked in China Merchants Shekou Industrial Zone Nanhai Petroleum Service Company* (招商局蛇口工業區南海石油服務公司) and Esso China Limited (美國石油公司). From April 2009 to 2013, he served as a non-executive director of the Fortis Group. Mr. Jin received a master's degree in Marine Engineering and a master's degree in Economics and Management of Commercial Enterprises from the Norwegian Institute of Technology in 1984 and 1987 respectively.

COMPANY SECRETARY

Mr. WONG Tin Yu is a Manager of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated Business, Corporate and Investor Services. He has extensive experience in a diversified range of corporate services and has been providing professional secretarial services to many companies listed on The Stock Exchange of Hong Kong Limited for the past 7 years. Mr. Wong is a Chartered Secretary and an Associate of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute in the United Kingdom. Mr. Wong received a Bachelor of Business Administration degree in Finance from Lingnan University in 2012.

金紹樑先生，59歲，於二零一九年六月加入本集團。彼為本公司薪酬委員會主席以及本公司提名委員會及企業管治委員會成員。金先生於一九九二年九月至二零一七年五月期間在中國平安保險(集團)股份有限公司(「中國平安」)任職，並曾於中國平安擔任不同職位，包括國際事業部主任、再保部總經理、財務部副總經理、戰略企業部副總經理、總精算師辦公室主任、戰略拓展部副總經理、投資者關係主管、董事會辦公室主任及董事會秘書。彼於一九八八年至一九九二年期間曾於招商局蛇口工業區南海石油服務公司及美國石油公司任職。彼於二零零九年四月至二零一三年期間曾任富通銀行集團之非執行董事。金先生分別於一九八四年及於一九八七年獲得挪威理工學院海洋工程碩士學位及經濟與企業管理碩士學位。

公司秘書

黃天宇先生為卓佳專業商務有限公司企業服務部經理，該公司為全球性的專業服務公司，為客戶提供商務、企業及投資者綜合服務。彼在多方面的企業服務範疇均擁有豐富經驗，並在過往七年一直為多間在香港聯合交易所有限公司上市的公司提供專業秘書服務。黃先生為特許秘書，以及香港特許秘書公會及英國特許公司治理公會的會士。黃先生於二零一二年取得嶺南大學工商管理(財務)學士學位。

CORPORATE GOVERNANCE REPORT

企業管治報告

CLSA Premium Limited (the “Company”, together with its subsidiaries, the “Group”) is committed to high standards of corporate governance in the interest of its shareholders and other stakeholders. It has continued and will continue to identify and adopt the best corporate governance practices appropriate to the Company.

CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the year ended 31 December 2019, except for the following deviations:

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Li Zhi Da retired as the Chairman of the Board and non-executive Director after the conclusion of the annual general meeting of the Company held on 21 May 2018. Since then, the position of the Chairman has been vacant until the appointment of Mr. Li Jiong as the Chairman of the Board after the conclusion of the annual general meeting held on 27 June 2019 (the “2019 Annual General Meeting”).

Besides, Mr. Liu Stefan has resigned as an executive Director and the chief executive officer of the Company on 29 July 2019. Since then, Mr. Yuan Feng, an executive Director and the deputy chief executive officer of the Company, has assumed the position of the chief executive officer. The Board will keep reviewing the current structure of the Board from time to time. The Board is also identifying a candidate with suitable knowledge, skills and experience, and will make appointment to fill the vacancy of chief executive officer as and when appropriate.

CLSA Premium Limited (「本公司」，連同其附屬公司統稱「本集團」) 致力於高標準的企業管治以符合其股東和其他利益相關者的利益。本公司將繼續往開來竭力制定及採取適合本公司的最佳企業管治規則。

企業管治守則

本公司於截至二零一九年十二月三十一日止年度期間已遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治守則(「企業管治守則」)之所有守則條文，惟下列偏離事項除外：

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。李志達先生已於本公司於二零一八年五月二十一日舉行之股東週年大會結束後退任董事會主席兼非執行董事職務。自此，主席職位一直懸空，直至李冏先生於二零一九年六月二十七日舉行之股東週年大會(「二零一九年股東週年大會」)結束後獲委任為董事會主席。

此外，劉欣諾先生已於二零一九年七月二十九日辭任本公司執行董事兼行政總裁職務。自此，執行董事兼副行政總裁袁峰先生擔任行政總裁之職務。董事會將不時檢討其現行架構。董事會亦正在物色具有合適知識、技能及經驗之人選，及將於適當時候委任適當人選填補行政總裁之空缺。

Pursuant to code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. The chairman should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. At the 2019 Annual General Meeting, the then members of the Board Committees of the Company, were unable to attend that meeting due to other engagements. In view of their absence, the Company had arranged for the management, who are well-versed in the Company's business and affairs, to attend the meeting and communicate with shareholders of the Company.

BOARD OF DIRECTORS

The Board is responsible for the formulation of strategies and policies, including an oversight of the management. The management of the Company is responsible for the day-to-day operations of the Company under the leadership of the Deputy Chief Executive Officer.

As at 31 December 2019, the Board comprised nine Directors, namely (i) Mr. Yuan Feng (as Deputy Chief Executive Officer) and Mr. Wu Fei (as General Manager) as executive Directors; (ii) Mr. Li Jiong (as the Chairman of the Board), Mr. Stephen Gregory McCoy and Mr. Xu Jianqiang as non-executive Directors; and (iii) Mr. Wu Jianfeng, Mr. Christopher Wesley Satterfield, Ms. Hu Zhaoxia and Mr. Jin Shaoliang as independent non-executive Directors. The Company has fulfilled the requirement of Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

Each executive Director has entered into a service agreement with the Company for a specific term, and his term of office is subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the Listing Rules. For all non-executive Directors and independent non-executive Directors, the term of them has been fixed for 3 years and they are also subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the Listing Rules.

根據企業管治守則之守則條文第E.1.2條，董事會主席應出席股東週年大會。主席亦應邀請審核、薪酬、提名及任何其他委員會（如適用）之主席出席。倘若彼等缺席，應邀請委員會之另一名成員出席，或如其未能出席，由其正式委任之代表出席。該等人士應可於股東週年大會上回答問題。於二零一九年股東週年大會上，本公司董事委員會當時之成員由於其他事務未能出席大會。鑑於彼等缺席，本公司已安排熟悉本公司業務及事務之管理層成員出席大會及與股東溝通。

董事會

董事會負責制訂本公司的策略及政策，包括監管管理層的工作。在副行政總裁的帶領下，本公司管理層負責本公司的日常運作。

於二零一九年十二月三十一日，董事會由九名董事組成，即(i)袁峰先生（副行政總裁）及吳飛先生（總經理）作為執行董事；(ii)李冏先生（董事會主席）、Stephen Gregory McCoy先生及許建強先生作為非執行董事；及(iii)武劍鋒先生、Christopher Wesley Satterfield先生、胡朝霞女士及金紹樑先生作為獨立非執行董事。本公司已符合上市規則第3.10(2)條有關最少一名獨立非執行董事須擁有適當專業資格或會計或相關財務管理專業知識之規定。

各執行董事均已與本公司訂立具有特定年期的服務協議，惟其須根據本公司之組織章程細則及上市規則輪值退任及膺選連任。就所有非執行董事及獨立非執行董事而言，彼等的任期固定為三年，而彼等亦須根據本公司之組織章程細則及上市規則輪值退任及膺選連任。

CORPORATE GOVERNANCE REPORT

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There is no relationship (including financial, business, family or material/relevant relationships) among members of the Board.

董事會成員之間概無任何關係(包括財務、業務、親屬或重大／相關關係)。

The biographical details of the Directors are set out in the section of "Biographies of Directors, Senior Management and Secretary" on pages 17 to 21 of this annual report.

董事履歷詳情載於本年報第17頁至21頁「董事、高級管理層及秘書履歷」一節。

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In determining the independence of the independent non-executive Directors, the Board has followed the requirements as set out in the Listing Rules. The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation, the Company is of the view that all the independent non-executive Directors have met the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that they are independent.

獨立非執行董事的獨立性

董事會已按照上市規則的規定，確定獨立非執行董事的獨立性。本公司已經收到每名獨立非執行董事根據上市規則第3.13條的規定作出的有關其獨立性的年度確認。根據有關確認，本公司認為所有獨立非執行董事均已遵守上市規則第3.13條所列明的獨立指引，並認為彼等均為獨立人士。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Li Zhi Da retired as the Chairman of the Board and non-executive Director after the conclusion of the annual general meeting of the Company held on 21 May 2018. Since then, the position of the Chairman has been vacant until the appointment of Mr. Li Jiong as the Chairman of the Board after the conclusion of the 2019 Annual General Meeting.

主席及行政總裁

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。李志達先生已於本公司於二零一八年五月二十一日舉行之股東週年大會結束後退任董事會主席兼非執行董事職務。自此，主席職位一直懸空，直至李冏先生於二零一九年股東週年大會結束後獲委任為董事會主席。

Besides, Mr. Liu Stefan has resigned as an executive Director and the chief executive officer of the Company on 29 July 2019. Since then, Mr. Yuan Feng, an executive Director and the deputy chief executive officer of the Company, has assumed the position of the chief executive officer. The Board will keep reviewing the current structure of the Board from time to time. The Board is also identifying a candidate with suitable knowledge, skills and experience, and will make appointment to fill the vacancy of chief executive officer as and when appropriate.

此外，劉欣諾先生已於二零一九年七月二十九日辭任本公司執行董事兼行政總裁職務。自此，執行董事兼副行政總裁袁峰先生擔任行政總裁之職務。董事會將不時檢討其現行架構。董事會亦正在物色具有合適知識、技能及經驗之人選，及將於適當時候委任適當人選填補行政總裁之空缺。

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. All the retiring Directors shall be eligible for re-election.

Mr. Li Jiong, Mr. Stephen Gregory McCoy and Mr. Xu Jianqiang will retire by rotation at the forthcoming annual general meeting. All of them, being eligible, will offer themselves for re-election.

Mr. Wu Fei, who has been appointed as a Director on 5 November 2019, shall hold office until the forthcoming annual general meeting and, being eligible, will offer himself for re-election.

BOARD AND GENERAL MEETINGS ATTENDANCE

The Board meets regularly and at least four times a year at approximately quarterly intervals. Between scheduled meetings, senior management of the Company from time to time meets with Directors to discuss the businesses of the Group. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

重選退任董事

根據本公司之組織章程細則，於各股東週年大會上，當時三分之一之董事（或倘董事人數並非三或三之倍數，則為最接近但不得少於三分之一）須輪值退任，惟每名董事（包括獲委任特定年期之董事）最少每三年須輪值退任一次。所有退任董事均符合資格膺選連任。

李冏先生、Stephen Gregory McCoy先生及許建強先生將於應屆股東週年大會上輪值退任。彼等均符合資格及願意膺選連任。

吳飛先生（於二零一九年十一月五日獲委任為董事）之任期將直至應屆股東週年大會為止，並符合資格及願意膺選連任。

董事會及股東大會出席情況

董事會定期開會，並每年最少舉行四次會議，約每季度一次。在已編定會期之間，本公司的高級管理層會不時和董事開會討論本集團的經營情況。此外，董事可於其認為需要時取得本集團資料及獨立的專業意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2019, the Board held 18 board meetings and the Company held 2 general meetings, and the attendance records of these meetings are set out below:

截至二零一九年十二月三十一日止年度，董事會共舉行了18次董事會會議，本公司舉行了2次股東大會，該等會議的出席紀錄載列如下：

		Board Meetings Attended/ Eligible to Attend	Annual General Meeting Held on 27 June 2019 Attended/ Eligible to Attend	Extraordinary General Meeting Held on 29 October 2019 Attended/ Eligible to Attend
	董事會會議 出席次數/ 合資格出席次數		出席／符合資格 出席於二零一九年 六月二十七日舉行 之股東週年大會	出席／符合資格 出席於二零一九年 十月二十九日舉行 之股東特別大會
Executive Directors	執行董事			
Mr. Yuan Feng (Deputy Chief Executive Officer) (appointed on 27 June 2019)	袁峰先生(副行政總裁) (於二零一九年六月二十七日獲委任)	11/11	N/A不適用	1/1
Mr. Wu Fei (appointed on 5 November 2019)	吳飛先生 (於二零一九年十一月五日獲委任)	1/1	N/A不適用	N/A不適用
Mr. Liu Stefan (Chief Executive Officer) (resigned on 29 July 2019)	劉欣諾先生(行政總裁) (於二零一九年七月二十九日辭任)	10/10	1/1	N/A不適用
Mr. Huang Songyuan (resigned on 29 July 2019)	黃頌源先生 (於二零一九年七月二十九日辭任)	9/10	1/1	N/A不適用
Mr. Wong Yiu Kit Ernest (Chief Financial Officer) (resigned on 16 August 2019)	黃耀傑先生(首席財務官) (於二零一九年八月十六日辭任)	14/14	1/1	N/A不適用
Non-executive Directors	非執行董事			
Mr. Li Jiong (Chairman)	李岡先生(主席)	15/18	1/1	1/1
Mr. Stephen Gregory McCoy	Stephen Gregory McCoy先生	18/18	1/1	1/1
Mr. Xu Jianqiang	許建強先生	15/18	0/1	1/1
Independent Non-executive Directors	獨立非執行董事			
Mr. Wu Jianfeng (appointed on 27 June 2019)	武劍鋒先生 (於二零一九年六月二十七日獲委任)	11/11	N/A不適用	1/1
Mr. Christopher Wesley Satterfield (appointed on 27 June 2019)	Christopher Wesley Satterfield先生 (於二零一九年六月二十七日獲委任)	9/11	N/A不適用	1/1
Ms. Hu Zhaoxia (appointed on 27 June 2019)	胡朝霞女士 (於二零一九年六月二十七日獲委任)	11/11	N/A不適用	1/1
Mr. Jin Shaoliang (appointed on 27 June 2019)	金紹樑先生 (於二零一九年六月二十七日獲委任)	6/11	N/A不適用	0/1
Ms. Zhao Guixin (retired on 27 June 2019)	趙桂馨女士 (於二零一九年六月二十七日退任)	6/7	0/1	N/A不適用
Mr. Cornelis Jacobus Keyser (retired on 27 June 2019)	Cornelis Jacobus Keyser先生 (於二零一九年六月二十七日退任)	6/7	0/1	N/A不適用
Mr. Lin Wenhui (retired on 27 June 2019)	林文輝先生 (於二零一九年六月二十七日退任)	6/7	0/1	N/A不適用

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in the discharge of their duties while holding office as the Directors and officers of the Company.

董事及高級職員的責任保險

董事及高級職員按董事及高級職員責任保險獲得彌償保證，以保障彼等擔任本公司董事及高級職員履行職責時所產生的任何責任。

SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding transactions in securities of the Company by the Directors and the relevant employees of the Company (including directors or employees of a subsidiary or holding company of the Company) who are likely to possess inside information of the Company and/or its securities.

董事及相關僱員進行的證券交易

本公司已採納載列於上市規則附錄10所載有關上市發行人董事進行證券交易之標準守則（「標準守則」），作為董事及持有本公司及／其證券之內幕消息之本公司相關僱員（包括本公司附屬公司或控股公司之董事或僱員）進行本公司證券交易的行為守則。

Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the Model Code during the year ended 31 December 2019. Besides, no incident of non-compliance of the Model Code by the employees was noted by the Company.

經向各董事作出具體查詢後，所有董事確認，彼等於截至二零一九年十二月三十一日止年度已遵守標準守則。此外，本公司未發現僱員違反標準守則之事件。

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills so as to ensure their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Director.

董事持續培訓及專業發展

根據企業管治守則之守則條文第A.6.5條，全體董事應參加持續專業發展，以發展及更新彼等的知識及技能，以確保彼等向董事會作出知情及恰當的貢獻。本公司應負責安排及資助合適培訓，適切著重董事的角色、職能及責任。

CORPORATE GOVERNANCE REPORT

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During the year ended 31 December 2019, the Company has arranged an in-house seminar for and provided relevant training materials to the Directors. A summary of the records of training received by the then Directors is as follows:

截至二零一九年十二月三十一日止年度，本公司安排了一場內部研討會及提供了相關的培訓資料予董事。當時董事接受培訓的紀錄概要如下：

		Training on Corporate Governance Regulatory Development and/or Other Suitable Topics 有關企業管治、 監管發展 及／或其他合適 主題之培訓	Studying Relevant Publications on Legal and Regulatory Updates 研習法律及 監管最新 資料之刊物
Executive Directors	執行董事		
Mr. Yuan Feng	袁 峰先生	✓	✓
Mr. Wu Fei	吳 飛先生	✓	✓
Mr. Liu Stefan (resigned on 29 July 2019)	劉欣諾先生(於二零一九年 七月二十九日辭任)	✓	✓
Mr. Huang Songyuan (resigned on 29 July 2019)	黃頌源先生(於二零一九年 七月二十九日辭任)	✓	✓
Mr. Wong Yiu Kit Ernest (resigned on 16 August 2019)	黃耀傑先生(於二零一九年 八月十六日辭任)	✓	✓
Non-executive Directors	非執行董事		
Mr. Li Jiong	李 罔先生	✓	✓
Mr. Stephen Gregory McCoy	Stephen Gregory McCoy先生	✓	✓
Mr. Xu Jianqiang	許建強先生		✓
Independent Non-executive Directors	獨立非執行董事		
Mr. Wu Jianfeng	武劍鋒先生	✓	✓
Mr. Christopher Wesley Satterfield	Christopher Wesley Satterfield先生	✓	✓
Ms. Hu Zhaoxia	胡朝霞女士	✓	✓
Mr. Jin Shaoliang	金紹樑先生	✓	✓
Ms. Zhao Guixin (retired on 27 June 2019)	趙桂馨女士(於二零一九年 六月二十七日退任)	N/A不適用	N/A不適用
Mr. Cornelis Jacobus Keyser (retired on 27 June 2019)	Cornelis Jacobus Keyser先生 (於二零一九年六月二十七日退任)	N/A不適用	N/A不適用
Mr. Lin Wenhui (retired on 27 June 2019)	林文輝先生(於二零一九年 六月二十七日退任)	N/A不適用	N/A不適用

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") on 18 December 2012. Written terms of reference in compliance with the CG Code has been adopted. The primary duties of the Remuneration Committee are to evaluate the performance and determine the remuneration packages of the Directors and the senior management of the Group, and evaluate the performance and make recommendations on any other employee benefit arrangement.

The Remuneration Committee currently consists of one executive Director, namely, Mr Yuan Feng, and two independent non-executive Directors, namely, Mr. Jin Shaoliang and Mr. Wu Jianfeng. Mr. Jin Shaoliang is the chairman of the Remuneration Committee. Majority of the members of the Remuneration Committee are independent non-executive Directors.

During the year ended 31 December 2019, the Remuneration Committee held 6 meetings. Details of the attendance of the Remuneration Committee meetings during the year ended 31 December 2019 are set out below:

Committee Member	委員會成員	Attended/Eligible to Attend 出席次數／合資格出席次數
Mr. Jin Shaoliang (Chairman)	金紹樑先生(主席)	3/4
Mr. Yuan Feng	袁 峰先生	4/4
Mr. Wu Jianfeng	武劍鋒先生	4/4
Ms. Zhao Guixin (Former Chairman)	趙桂馨女士(前主席)	2/2
Mr. Cornelis Jacobus Keyser	Cornelis Jacobus Keyser先生	2/2
Mr. Lin Wenhui	林文輝先生	1/2

Note: Ms. Zhao Guixin retired as the Chairman, and Mr. Cornelis Jacobus Keyser and Mr. Lin Wenhui retired as a member of the Remuneration Committee with effect from 27 June 2019. Mr. Jin Shaoliang was appointed as the Chairman, and Mr. Yuan Feng and Mr. Wu Jianfeng were appointed as a member of the Remuneration Committee with effect from 27 June 2019.

During the year ended 31 December 2019, the Remuneration Committee has considered and recommended to the Board, amongst other things, distribution of the 2018 bonus payments for the Directors and the senior management of the Company and the remuneration packages of the newly appointed Directors.

薪酬委員會

本公司於二零一二年十二月十八日成立薪酬委員會(「薪酬委員會」)。書面職權範圍符合企業管治守則規定並已獲採納。薪酬委員會的主要職責為評估本集團董事及高級管理層的表現及釐定彼等的薪酬待遇，以及就任何其他僱員福利安排評估表現及作出建議。

薪酬委員會現時包括一名執行董事，即袁峰先生及兩名獨立非執行董事，即金紹樑先生及武劍鋒先生。金紹樑先生為薪酬委員會主席。薪酬委員會大部分成員為獨立非執行董事。

截至二零一九年十二月三十一日止年度，薪酬委員會舉行了六次會議。截至二零一九年十二月三十一日止年度的薪酬委員會會議的出席紀錄載列如下：

附註：趙桂馨女士已退任薪酬委員會主席，而 Cornelis Jacobus Keyser先生及林文輝先生已退任薪酬委員會成員，由二零一九年六月二十七日起生效。金紹樑先生已獲委任為薪酬委員會主席，而袁峰先生及武劍鋒先生已獲委任為薪酬委員會成員，由二零一九年六月二十七日起生效。

截至二零一九年十二月三十一日止年度，薪酬委員會已考慮並建議董事會(其中包括)向本公司董事及高級管理層派發二零一八年的花紅以及新委任董事之薪酬待遇。

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NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") on 18 December 2012. Written terms of reference in compliance with the CG Code has been adopted. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding nomination of suitable candidate to fill vacancies in the Board.

The Nomination Committee consists of one non-executive Director and the Chairman of the Board, namely, Mr. Li Jiong, and two independent non-executive Directors, namely, Mr. Christopher Wesley Satterfield and Mr. Jin Shaoliang. Mr. Li Jiong is the chairman of the Nomination Committee. Majority of the members of the Nomination Committee are independent non-executive Directors.

During the year ended 31 December 2019, the Nomination Committee held 5 meetings. Details of the attendance of the Nomination Committee meetings are set out below:

提名委員會

本公司於二零一二年十二月十八日成立提名委員會（「提名委員會」）。書面職權範圍符合企業管治守則規定並已獲採納。提名委員會的主要職責為定期檢視董事會的架構、規模及組成，並就提名合適人選以填補董事會空缺向董事會作出建議。

提名委員會現時包括一名非執行董事兼董事會主席，即李冏先生及兩名獨立非執行董事，即 Christopher Wesley Satterfield 先生及金紹樑先生。李冏先生為提名委員會主席。提名委員會大部分成員為獨立非執行董事。

截至二零一九年十二月三十一日止年度，提名委員會舉行了五次會議。提名委員會會議的出席紀錄載列如下：

Committee Member	委員會成員	Attended/Eligible to Attend 出席次數／合資格出席次數
Mr. Li Jiong (<i>Chairman</i>)	李 冏先生(主席)	3/3
Mr. Christopher Wesley Satterfield	Christopher Wesley Satterfield先生	3/3
Mr. Jin Shaoliang	金紹樑先生	2/3
Ms. Zhao Guixin (<i>Former Chairman</i>)	趙桂馨女士(前主席)	2/2
Mr. Cornelis Jacobus Keyser	Cornelis Jacobus Keyser先生	2/2
Mr. Lin Wenhui	林文輝先生	1/2

Note: Ms. Zhao Guixin retired as the Chairman, and Mr. Cornelis Jacobus Keyser and Mr. Lin Wenhui retired as a member of the Nomination Committee with effect from 27 June 2019. Mr. Li Jiong was appointed as the Chairman, and Mr. Christopher Wesley Satterfield and Mr. Jin Shaoliang were appointed as a member of the Nomination Committee with effect from 27 June 2019.

附註：趙桂馨女士已退任提名委員會主席，而 Cornelis Jacobus Keyser 先生及林文輝先生已退任提名委員會成員，由二零一九年六月二十七日起生效。李冏先生已獲委任為提名委員會主席，而 Christopher Wesley Satterfield 先生及金紹樑先生已獲委任為提名委員會成員，由二零一九年六月二十七日起生效。

The Nomination Committee considered and reviewed the independence of the independent non-executive Directors, the structure, size, composition and diversity of the Board, and the attendance records of the Board meetings, committees meetings and general meetings for the year ended 31 December 2019. The Nomination Committee recommended the Board to approve the proposed sequence for re-election of retiring Directors in 2019 annual general meeting. The Nomination Committee also considered and make recommendations to the Board on the proposed appointment of Directors during the year ended 31 December 2019. The Nomination Committee considers that the existing policy for nomination, selection and recommendation for directorship are suitable.

The Company recognises and embraces the benefits of diversity in the boardroom. The Board has therefore adopted a board diversity policy which stated that the Board sees diversity as a wide concept and believes that a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. In informing its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time.

DIRECTOR NOMINATION POLICY

The Company endeavours to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective.

The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

- Character and integrity;
- Personal attributes including professional qualifications, skills, knowledge, experience and expertise that are relevant to the Company's business and corporate strategy, and the ability to provide insights and practical wisdom based on those attributes;
- Willingness to devote adequate time to discharge duties as a Board member, other directorships, memberships of various committees and significant commitments;

提名委員會已考慮並審閱了截至二零一九年十二月三十一日止年度獨立非執行董事之獨立性、董事會之架構、規模、組成及多元化，以及董事會會議、委員會會議及股東大會的出席紀錄。提名委員會已建議董事會批准二零一九年股東週年大會重選退任董事的建議序列。提名委員會亦考慮截至二零一九年十二月三十一日止年度之候任董事及向董事會提出推薦建議。提名委員會認為現行提名、甄選及建議董事人選的政策為合適。

本公司確認並維護董事會多元化的裨益。董事會因此採納董事會多元化政策，表明董事會認為多元化為一個廣泛的概念，並相信多元化的觀點可以通過考慮一些因素而得以實踐，包括但不限於專長、區域和行業經驗、背景、種族、性別和其他素質。在注入多元化的觀點時，本公司將不時根據本身的商業模式和特別需要事宜作考慮。

董事提名政策

本公司致力確保董事會有適當平衡的專長、經驗和多元化觀點，使其能執行本公司之業務策略及董事會之有效運作。

在評估和選擇董事候選人時，提名委員會會考慮(其中包括)以下準則：

- 品格和誠信；
- 個人屬性，包括與公司業務和公司戰略相關的專業資格、技能、知識、經驗和專業知識，以及基於這些屬性而提供見解和實踐智慧的能力；
- 作為董事會成員、擔任其他董事職位、有關委員會成員和重要位置者，願意投入足夠的時間履行職責；

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- For independent non-executive Directors to be appointed in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with senior management of the Company;
- Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and
- Any other perspectives appropriate to the Company's business.
- 在根據上市規則要求而委任獨立非執行董事時，按上市規則中的獨立指引候選人是否可被視為獨立；
- 能夠與其他董事會成員建立良好的工作關係，並為董事會與公司高級管理層的工作關係作出貢獻；
- 董事會多元化政策以及提名委員會為實現董事會多元化而採取的任何可衡量的目標；及
- 關乎公司業務的任何其他方面。

BOARD DIVERSITY POLICY

The Company aims to build and maintain a Board with a diversity of Directors, including but not limited to gender, age, cultural and educational background, or professional experience.

A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account diversity (including gender diversity).

The Nomination Committee will discuss and agree annually measurable objectives for implementing diversity on the Board and recommend them to the Board for adoption. The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this policy.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 18 December 2012 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Company, nominate and monitor external auditor and provide advice and comments to the Directors.

董事會成員多元化政策

公司旨在建立及維持董事會具備多元化的董事，包括(但不限於)性別、年齡、文化及教育背景或專業經驗。

一個真正多元化的董事會應包括並善用董事於技能、地區及行業經驗、背景、種族、性別及其他素質等方面之分別。公司在制定董事會成員的最佳組合時，將考慮上述的分別。所有董事會成員之任命，均以用人惟才為原則，並考慮多元化(包括性別多元化)。

提名委員會每年會討論及同意用作推行董事會多元化的可計量目標，並會建議董事會採納該等可計量目標。提名委員會將每年於企業管治報告內匯報董事會於多元化層面的組成及監察本政策之執行。

審核委員會

本公司於二零一二年十二月十八日成立審核委員會(「審核委員會」)，其書面職權範圍符合企業管治守則所載規定。審核委員會的主要職責為審閱及監察本公司的財務申報程序、風險管理及內部監控系統、提名及監察外聘核數師以及向董事提供建議及意見。

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The Audit Committee currently comprises three independent non-executive Directors, namely, Ms. Hu Zhaoxia, Mr. Wu Jianfeng and Mr. Christopher Wesley Satterfield. Ms. Hu Zhaoxia is the chairperson of the Audit Committee.

The Audit Committee has met the external auditor of the Group to review the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control systems and financial reporting matters including the review of this annual report and financial statements of the Group for the year ended 31 December 2019.

During the year ended 31 December 2019, the Audit Committee held 2 meetings. The attendance records of the Audit Committee meetings during the year ended 31 December 2019 are set out below:

審核委員會現時由三名獨立非執行董事組成，包括胡朝霞女士、武劍鋒先生及Christopher Wesley Satterfield先生。胡朝霞女士為審核委員會主席。

審核委員會已與本集團的外聘核數師會晤，以審閱本集團採納的會計準則及實務並討論核數、風險管理及內部監控系統以及包括審閱本年報及本集團截至二零一九年十二月三十一日止年度的財務報表在內的財務申報事項。

截至二零一九年十二月三十一日止年度，審核委員會舉行了兩次會議。截至二零一九年十二月三十一日止年度的審核委員會會議的出席紀錄載列如下：

Committee Member	委員會成員	Attended/Eligible to Attend 出席次數／合資格出席次數
Ms. Hu Zhaoxia (Chairman)	胡朝霞女士(主席)	1/1
Mr. Wu Jianfeng	武劍鋒先生	1/1
Mr. Christopher Wesley Satterfield	Christopher Wesley Satterfield先生	1/1
Mr. Lin Wenhui (Former Chairman)	林文輝先生(前主席)	1/1
Ms. Zhao Guixin	趙桂馨女士	1/1
Mr. Cornelis Jacobus Keyser	Cornelis Jacobus Keyser先生	1/1

Note: Mr. Lin Wenhui retired as the Chairman, and Ms. Zhao Guixin and Mr. Cornelis Jacobus Keyser retired as a member of the Audit Committee with effect from 27 June 2019. Ms. Hu Zhaoxia was appointed as the Chairman, and Mr. Wu Jianfeng and Mr. Christopher Wesley Satterfield were appointed as a member of the Audit Committee with effect from 27 June 2019.

附註：林文輝先生已退任審核委員會主席，而趙桂馨女士及Cornelis Jacobus Keyser先生已退任審核委員會成員，自二零一九年六月二十七日起生效。胡朝霞女士已獲委任為審核委員會主席，而武劍鋒先生及Christopher Wesley Satterfield先生已獲委任為審核委員會成員，自二零一九年六月二十七日起生效。

During the year ended 31 December 2019, the Audit Committee reviewed with the management and the auditor of the Company their audit findings, the accounting principles and practices adopted by the Company, legal and regulatory compliance, and financial reporting matters. The Audit Committee also considered and made recommendations to the Board on the reappointment of the auditor of the Company.

截至二零一九年十二月三十一日止年度，審核委員會連同本公司管理層及核數師已審閱彼等之審核結果、本公司採納的會計原則及慣例、法律及監管合規情況，以及財務報告事宜。審核委員會亦考慮重新委任核數師並向董事會提出推薦建議。

The audited consolidated results of the Group for the year ended 31 December 2019 have been reviewed by the Audit Committee.

本集團於截至二零一九年十二月三十一日止年度之經審核綜合業績已由審核委員會審閱。

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The Company established a corporate governance committee (the "CG Committee") on 18 December 2012. Written terms of reference in compliance with the CG Code has been adopted. The primary duties of the CG Committee are to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board.

The CG Committee currently consists of one non-executive Director, namely, Mr. Xu Jianqiang, and three independent non-executive Directors, namely, Mr. Christopher Wesley Satterfield, Ms. Hu Zhaoxia and Mr. Jin Shaoliang. Mr. Xu Jianqiang is the chairman of the CG Committee. Majority of the members of CG Committee are independent non-executive Directors.

During the year ended 31 December 2019, the CG Committee held 1 meeting. Details of the attendance of the CG Committee meeting are set out below:

企業管治委員會

本公司於二零一二年十二月十八日設立企業管治委員會（「企業管治委員會」）。書面職權範圍符合企業管治守則規定並獲採納。企業管治委員會的主要職責為制訂及檢視本公司的企業管治政策和措施，以及向董事會提出建議。

企業管治委員會現時包括一名非執行董事，即許建強先生，及三名獨立非執行董事，即 Christopher Wesley Satterfield 先生、胡朝霞女士及金紹樑先生。許建強先生為企業管治委員會主席。企業管治委員會大部分成員為獨立非執行董事。

截至二零一九年十二月三十一日止年度，企業管治委員會舉行了一次會議。企業管治委員會會議的出席紀錄載列如下：

Committee Member	委員會成員	Attended/Eligible to Attend 出席次數／合資格出席次數
Mr. Xu Jianqiang (<i>Chairman</i>)	許建強先生 (<i>主席</i>)	N/A 不適用
Mr. Christopher Wesley Satterfield	Christopher Wesley Satterfield 先生	N/A 不適用
Ms. Hu Zhaoxia	胡朝霞女士	N/A 不適用
Mr. Jin Shaoliang	金紹樑先生	N/A 不適用
Mr. Cornelis Jacobus Keyser (<i>Former Chairman</i>)	Cornelis Jacobus Keyser 先生 (<i>前主席</i>)	0/1
Mr. Liu Stefan	劉欣諾先生	1/1
Ms. Zhao Guixin	趙桂馨女士	0/1
Mr. Lin Wenhui	林文輝先生	1/1

Note: Mr. Cornelis Jacobus Keyser retired as the Chairman, and Mr. Liu Stefan, Ms. Zhao Guixin and Mr. Lin Wenhui retired as/ceased to be a member of the CG Committee with effect from 27 June 2019. Mr. Xu Jianqiang was appointed as the Chairman, and Mr. Christopher Wesley Satterfield, Ms. Hu Zhaoxia and Mr. Jin Shaoliang were appointed as a member of the CG Committee with effect from 27 June 2019.

附註：Cornelis Jacobus Keyser 先生已退任企業管治委員會主席，而劉欣諾先生、趙桂馨女士及林文輝先生已退任／不再為企業管治委員會成員，自二零一九年六月二十七日起生效。許建強先生已獲委任為企業管治委員會主席，而 Christopher Wesley Satterfield 先生、胡朝霞女士及金紹樑先生已獲委任為企業管治委員會成員，自二零一九年六月二十七日起生效。

During the year ended 31 December 2019, the CG Committee considered and reviewed the progress on the implementation of the Group's corporate governance framework. The CG Committee also reviewed the effectiveness of the internal control system of the Company. Besides, the CG Committee considered and reviewed the environmental, social and governance reporting proposal. The CG Committee considers that the existing policies and practices of corporate governance of the Company are suitable.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors ensure the financial statements of the Group are prepared in accordance with the statutory requirements and applicable accounting standards.

The Directors' responsibilities in the preparation of the financial statements and the auditor's responsibilities are set out in the section of "Independent Auditor's Report" on pages 74 to 78 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has overall responsibility for the Group's risk management and internal control systems to safeguard the Company's assets and shareholders' interests, and, with the Audit Committee, for reviewing areas of risk and uncertainty, the operation and effectiveness of the Group's systems of internal control and the procedures by which these are monitored. The Board has engaged an independent external internal controls consultant to provide enterprise risk assessment services and internal control assessment services over certain business processes of the Group during the year to ensure and maintain sound internal control functions by monitoring such internal control systems and procedures so as to ensure that they can provide reasonable assurance against misstatement or loss and to manage risks of failure in the Group's operational systems.

截至二零一九年十二月三十一日止年度，企業管治委員會已考慮並審閱了本公司的企業管治框架的實施進度。企業管治委員會亦審閱了本公司內部監控制度的成效。此外，企業管治委員會考慮並審閱了環境、社會及管治報告建議書。企業管治委員會認為本公司現行政策及企業管治常規為合適。

董事的財務報表責任

董事確保本集團的財務報表乃按照法定要求及適用的會計準則編製。

董事編製財務報表的責任及核數師的責任均載於本年報第74頁至第78頁「獨立核數師報告」一節。

風險管理及內部監控系統

董事會負責本集團整體風險管理及內部監控系統，以保障本公司的資產及股東利益，並與審核委員會檢視本集團內部監控制度有關風險及不確定性、營運及成效及監控此等過程之程序等範疇。董事會已委聘獨立外界內部監控顧問，於年內就本集團若干業務流程提供企業風險評估服務及內部監控評估服務，透過監控該等內部監控制度及程序確保及維持健全的內部監控職能，從而確保該等制度及程序可合理保證無不實陳述或缺失，並管理本集團營運系統故障的風險。

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During the year under review, the Board reviewed all material internal controls, including financial, operational and compliance control. Together with the Audit Committee, the Board received and considered the information from the management, external auditor and the independent external internal controls consultant in respect of the effectiveness of the Group's certain internal control systems and have considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function. The Board is satisfied that the financial, operational, compliance controls, internal audit, risk management and internal controls systems of the Group had been in operation and considered that the Company's risk management and internal control system are effective and adequate.

The risk management and internal control systems are designed to manage but not eliminate business risk, to help safeguard the Group's assets against fraud and other irregularities, and to give reasonable but not absolute assurance against material financial misstatement or loss. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations.

於回顧年內，董事會已審閱所有重要的內部監控措施（包括財政、運營及合規控制）。董事會連同審核委員會已收到及考慮管理層、外聘核數師及獨立外界內部監控顧問有關本集團若干內部監控制度成效之資料，亦已考慮本公司於會計及財務申報職能方面之資源充足度、員工資格及經驗。董事會信納本集團之財務、營運、合規監控、內部審計、風險管理及內部監控制度之運作，並認為本公司之風險管理及內部監控制度有效及合適。

風險管理及內部監控系統旨在管理（而不是消除）經營風險，以幫助保障本集團資產免受欺詐及其他違規，並對避免重大財務錯報或損失給予合理的（但不是絕對的）保證。此外，其應為備存妥善和合理的會計紀錄提供準則，並協助遵守有關規則及法規。

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AUDITOR'S REMUNERATION

The audit works of the Group for the year ended 31 December 2019 were performed by PricewaterhouseCoopers ("PwC").

The total fee paid/payable in respect of the statutory audit and non-audit services provided by PwC is set out in the following table:

核數師酬金

本集團截至二零一九年十二月三十一日止年度的核數工作已由羅兵咸永道會計師事務所（「羅兵咸永道」）進行。

就羅兵咸永道提供的有關法定審核及非審核服務已付／應付的總費用均載於下表：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Audit services	審核服務	4,021	3,223
Non-audit services	非審核服務	307	302
Total	總金額	4,328	3,525

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with shareholders and management.

公司秘書

所有董事均可向公司秘書諮詢有關意見和服務。公司秘書就董事會管治事宜向主席匯報，並負責確保董事會程序獲得遵從，以及促進董事之間及董事與股東及管理層之間的溝通。

CORPORATE GOVERNANCE REPORT

企業管治報告

On 16 August 2019, Mr. Wong Yiu Kit Ernest resigned and Ms. Yu Hiu Kwan, Hilda was appointed as the Company Secretary of the Company. Subsequently on 25 October 2019, Mr. Wong Tin Yu of Tricor Services Limited (an external service provider) was appointed, in place of Ms. Yu Hiu Kwan, Hilda, as the Company Secretary of the Company. The primary contact of Mr. Wong at the Company is Mr. Yuan Feng, an executive Director and the Deputy Chief Executive Officer of the Company. During the year under review, Mr. Wong Tin Yu has taken not less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Pursuant to article 58 of the articles of association of the Company, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

於二零一九年八月十六日，黃耀傑先生已辭任及余曉君女士已獲委任為本公司之公司秘書。隨後，於二零一九年十月二十五日，卓佳專業商務有限公司（一名外部服務供應商）的黃天宇先生獲委任為本公司的公司秘書，以替代余曉君女士。黃先生於本公司的主要聯絡人為本公司執行董事兼副行政總裁袁峰先生。於回顧年內，黃天宇先生已接受不少於15小時的相關專業培訓。

股東權利

根據本公司的組織章程細則第58條，任何一名或多名持有不少於附有權利可於本公司股東大會上投票之本公司繳足股本十分之一（按提交要求召開股東特別大會當日計）的本公司股東應始終有權就該項要求以書面方式呈交董事會或公司秘書，要求董事會就處理該要求所指任何事宜召開股東特別大會；且該大會應於提交有關要求後兩(2)個月內召開。倘董事會未有在提交有關要求後二十一(21)日內召開該大會，呈請人本身可能會以同樣方式提呈要求，而呈請人因董事會未有召開大會而引致的一切合理費用須由本公司向其彌償。

In the event that any shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company would like to call for an extraordinary general meeting, please make a written requisition to the principal office of the Company in Hong Kong from time to time, making attention to "The Board of Directors and the Company Secretary".

There are no provisions allowing shareholders to put forward proposals at the general meetings under the memorandum and articles of association of the Company. If shareholders wish to do so, they may request to convene an extraordinary general meeting as stipulated above and specify the proposals in such written requisition.

For any enquiries, shareholders are welcome to contact the Company by post to the principal office of the Company in Hong Kong, by phone at (852) 2600 7670 or by fax at (852) 3014 6457.

INVESTOR RELATIONS

All corporate communication materials published on the website of the Stock Exchange (www.hkexnews.hk) are posted on the Company's corporate website (www.clsapremium.com) as soon as practicable after their release. The Company's constitutional documents are also available on both websites. During the year ended 31 December 2019, the Memorandum and Articles of Association of the Company have been amended and restated to reflect the change of name of the Company on 31 October 2019. Details of the amendments and restatement are set out in the Company's announcements dated 30 September 2019 and 11 December 2019 and circular dated 4 October 2019.

倘任何持有不少於附有權利可於本公司股東大會上投票之本公司繳足股本十分之一（按提交要求召開股東特別大會當日計）的本公司股東擬召開股東特別大會，請不時以書面方式向本公司於香港的主要辦事處提呈要求，並於封面註明「致董事會及公司秘書」。

本公司的組織章程大綱及細則並無列明股東可在股東大會上提呈建議。有意提呈建議之股東可按上述程序要求召開股東特別大會，並於該等書面請求中訂明建議。

如有任何查詢，歡迎各股東透過郵寄至本公司於香港的主要辦事處、致電(852) 2600 7670或傳真至(852) 3014 6457與本公司聯絡。

投資者關係

所有刊載於聯交所網站(www.hkexnews.hk)的企業通訊資料均會於發出後在可能情況下盡快於本公司的企業網站(www.clsapremium.com)登載。本公司的組織章程文件亦同時載於該兩個網站以供瀏覽。截至二零一九年十二月三十一日止年度，本公司的組織章程大綱及細則已作出修訂及重列，以反映本公司於二零一九年十月三十一日更改名稱的影響。修訂及重列詳情載列於本公司日期為二零一九年九月三十日及二零一九年十二月十一日的公告及日期為二零一九年十月四日的通函。

DIRECTORS' REPORT

董事會報告

The Board presents its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding and the activities of the subsidiaries are set out in note 30 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 31 December 2019 by business and geographical segments are set out in note 5 to the consolidated financial statements.

ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2019 are set out in the section headed "Consolidated Statement of Comprehensive Income" of this annual report.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2019 (2018: Nil).

CHANGE OF COMPANY NAME

On 31 October 2019, the Registrar of Companies in the Cayman Islands issued the Certificate of Incorporation on Change of Name certifying that the change of the Company's name from "KVB Kunlun Financial Group Limited 昆侖國際金融集團有限公司" to "CLSA Premium Limited" (the "Name Change") was approved and registered on 31 October 2019. The Registrar of Companies in Hong Kong issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company on 29 November 2019 confirming the registration of the new Company name "CLSA Premium Limited" in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

CHANGES OF STOCK SHORT NAME AND COMPANY WEBSITE

Following the Name Change becoming effective, the English stock short name for trading in the shares of the Company (the "Shares") on the Stock Exchange was changed from "KVB KUNLUN FG" to "CLSA PREMIUM" and there was no longer any Chinese stock short name after rescinding "昆侖國際金融" with effect from 13 December 2019. The stock code of the Company remains unchanged as "6877".

The official website of the Company was changed to "www.clsapremium.com" with effect from 13 December 2019.

董事會謹此呈報其報告連同本集團截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務及分部資料

本公司之主要業務為投資控股，而附屬公司之業務刊載於綜合財務報表附註30。

本集團截至二零一九年十二月三十一日止年度按業務及地區分部劃分之表現分析載於綜合財務報表附註5。

年度業績

本集團截至二零一九年十二月三十一日止年度之年度業績載於本年報「綜合全面收益表」一節。

末期股息

董事會不建議就截至二零一九年十二月三十一日止年度派發末期股息(二零一八年：無)。

更改公司名稱

於二零一九年十月三十一日，開曼群島公司註冊處處長已發出更改名稱註冊證書，證明本公司名稱由「KVB Kunlun Financial Group Limited 昆侖國際金融集團有限公司」更改為「CLSA Premium Limited」(「更改名稱」)已於二零一九年十月三十一日獲批准及註冊。香港公司註冊處處長已於二零一九年十一月二十九日發出註冊非香港公司變更名稱註冊證明書，確認新公司名稱「CLSA Premium Limited」已根據香港法例第622章公司條例第16部於香港註冊。

更改股份簡稱及公司網站


於建議更改名稱生效後，本公司之股份(「股份」)於聯交所買賣所用之英文股份簡稱將由「KVB KUNLUN FG」變更為「CLSA PREMIUM」，而在刪除「昆侖國際金融」後沒有中文股份簡稱，自二零一九年十二月十三日起生效。本公司股份代號「6877」將維持不變。

本公司之官方網站已更改為「www.clsapremium.com」，自二零一九年十二月十三日起生效。

AMENDMENTS TO AND RESTATEMENT OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Amendments and Restatement of the Company's Memorandum and Articles of Association, which reflect the Name Change by replacing all references in the Memorandum and Articles of Association to the former name of the Company with "CLSA Premium Limited", were registered by the Registrar of Companies in the Cayman Islands on 31 October 2019.

ADOPTION OF NEW COMPANY LOGO

Effective from 11 December 2019, the Company adopted a new company logo "".

CORPORATE REBRANDING AND BUSINESS PLAN

As part of the rebranding exercise of the Group, in late 2019, the Company changed its name, logo and corporate image from "KVB" to "CLSA Premium" and launched a new website, which reflects the new name, new brand and new logo of the Group. The Board considers that the Name Change better reflects that the Group is part of the substantial shareholder's group of entities, being the CLSA group.

The rebranding is part of the Company's plan and vision to better utilize and capitalize on the business know-how and potential synergies with CLSA group and its affiliates. Further, the Company can leverage on the new "CLSA Premium" corporate brand to attract more clients and strengthen its market position and competitive advantage. The Board believes that the new name and logo provide the Company with a fresh corporate image and identity, which will benefit the Group's future business development and is in the interest of the Company and its shareholders as a whole.


CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 June 2020 (Thursday) to 9 June 2020 (Tuesday), both days inclusive, during the period no transfers of Shares will be registered. In order to qualify for attending and voting at the Company's 2020 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. (Hong Kong time) on 3 June 2020 (Wednesday).

修訂及重列本公司之組織章程大綱及細則

修訂及重列本公司之組織章程大綱及細則(方式為將組織章程大綱及細則中所有對本公司前稱之指述替換為「CLSA Premium Limited」以反映更改名稱)已於二零一九年十月三十一日獲開曼群島公司註冊處處長註冊。

採納新公司標誌

自二零一九年十二月十一日起,本公司已採納新公司標誌"".

企業品牌重塑及業務計劃

作為本集團重塑活動的一部分,於二零一九年底,本公司將其名稱、標誌及企業形像由「KVB」更改為「CLSA Premium」,並推出新網站,以反映本集團之新名稱、新品牌及新標誌。董事會認為,更改名稱更佳反映本集團是主要股東集團實體(即中信里昂集團)的一部分。

品牌重塑是本公司計劃及願景的一部分,以更佳善用及藉著中信里昂集團及其聯屬公司的業務知識及潛力發揮協同效益。此外,本公司可藉著新的「CLSA Premium」企業品牌吸引更多客戶,並增強其市場地位及競爭優勢。董事會相信,新名稱及標誌為本公司提供嶄新的公司形象及身份,將有利於本集團的未來業務發展,並符合本公司及其股東的整體利益。

暫停辦理股份過戶登記手續

本公司將於二零二零年六月四日(星期四)至二零二零年六月九日(星期二)(包括首尾兩天)暫停辦理股份過戶登記手續,期間將不會進行任何股份過戶登記。為符合資格參加本公司之二零二零年股東週年大會及於會上投票,所有本公司之股份過戶文件連同相關股票證書須不遲於二零二零年六月三日(星期三)下午四時正(香港時間)送達本公司之香港股份過戶及登記分處聯合證券登記有限公司,地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室,以作登記之用。

DIRECTORS' REPORT

董事會報告

BUSINESS REVIEW

Business Review and Future Prospect

Since the listing of the Shares on the Stock Exchange on 3 July 2013, the Company has been implementing its business plans to accomplish its business objectives. A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the section of "Statement from the Deputy Chief Executive Officer" on pages 4 to 6 of this annual report.

Financial Key Performance Indicators

An analysis of the Group's performance during the year using financial key performance indicators is provided in the section of "Management Discussion and Analysis" on pages 7 to 16 of this annual report.

Principal Risks and Uncertainties

A number of factors may affect the results and business operations of the Group, some of which are inherent to its business and some are affected by the external environment. The Group's major risks are summarized below.

(1) Financial risks

The Group's principal business activities are exposed to a variety of key financial risks including credit risk arising from defaults or deterioration in creditworthiness of counterparties, borrowers and security issuers; market risk (such as interest rate risk and foreign currency risk), and liquidity risk arising from shortage of funds and/or illiquidity of securities. Details of the aforesaid key risks and risk mitigation measures are set out in "Financial Risk Management" in note 3 to the consolidated financial statements.

業務回顧

業務回顧及未來前景

自股份於二零一三年七月三日於聯交所上市以來，本公司已實施其業務計劃，以期達致其業務目標。本集團年內業務回顧及有關本集團未來業務發展之討論載於本年報第4至6頁之「副行政總裁報告」一節。

財務表現關鍵指標

使用財務表現關鍵指標對本集團年內表現之分析載於本年報第7至16頁之「管理層之討論及分析」一節。

主要風險及不明朗因素

本集團的業績及業務營運可能受到多項因素所影響，部份為其業務所固有，部份為受外部環境影響。本集團的主要風險概述於下文。

(1) 財務風險

本集團主要業務活動須承受多項主要財務風險，包括因交易對手、借款人及證券發行人違約或信譽惡化而產生之信貸風險、市場風險（包括利率風險及外幣風險）及因資金短缺及／或證券流通量不足而產生之流動性風險。上述主要風險及降低風險措施之詳情載於綜合財務報表附註3的「財務風險管理」內。

(2) Macro-economic environment

Adverse macro-economic changes may affect the business environment such as the trade war between China and the US and Brexit, which may in turn affect the operating results. It is therefore important that the Group is able to keep track of such changes of macro-economic environment and swiftly adjusts its operating policy and business plan under different market conditions.

(3) Information technology systems

Financial services sector is highly dependent on information technology systems and networks and their security. Any material disruption or slowdown of our IT systems, including a disruption or slowdown caused by our failure to successfully upgrade our systems, system failures, viruses or cyber attacks could cause a loss of data or operation interruption. Therefore, we invest continuously in our IT systems so as to keep up with the technology security.

(4) Legal and compliance risks

We may be subject to legal risks arising from disputes, claims, breach of contracts and legal proceedings. Further, our businesses may be subject to change of laws and regulations, tightening of regulatory compliance requirements and practices of the regulators which are out of our control.

The above is not intended to be an exhaustive list of all principal risks and uncertainties faced by the Group. These may change over time as new risks and uncertainties emerge and others cease to be of concern. The Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to avert or minimise the risks so as to attain sustainable business growth of the Group.

(2) 宏觀經濟環境

宏觀經濟的不利變動可能影響營商環境，例如中美貿易戰及英國脫歐，從而可能影響經營業績。因此，本集團能夠追蹤宏觀經濟環境的變化，並根據不同的市場狀況迅速調整其經營政策及業務計劃非常重要。

(3) 資訊科技系統

金融服務業務非常倚賴資訊科技系統及網絡及安全性。倘若我們的資訊科技系統受到嚴重干擾或速度變慢，包括因系統未能成功升級、系統故障、病毒或網絡攻擊而受到干擾或速度變慢，可能導致數據流失或操作中斷。因此，我們在資訊科技系統方面不斷投資，以追上科技保安的最新發展。

(4) 法律及合規風險

我們可能因糾紛、索賠、違約及法律訴訟而產生法律風險。此外，我們的業務可能受到法例及規例的變更、收緊監管合規要求及監管機構慣例所規限，而我們無法控制。

上文未能盡列本集團面對之所有主要風險及不明朗因素。其可能隨著新風險及不確定因素的出現及其他不再令人關注而不時變動。董事將定期評估本集團之業務目標，並可能因應市場狀況的變動更改或修訂計劃，以避免或減低風險，從而實現本集團的可持續業務增長。

DIRECTORS' REPORT

董事會報告

As disclosed in the announcements dated 31 May 2019, 17 July 2019 and 26 November 2019, as a holder of the Australian Financial Services License, the Group received a letter (the "Letter") from the Australian Securities and Investments Commission dated 18 April 2019 to its licensees which reminded licensees that they were obliged to comply with applicable laws of foreign jurisdictions, and recommended that licensees should seek legal advice to ensure that the products and services they offer to their clients comply with applicable foreign laws. Certain subsidiaries of the Group hold Australian and New Zealand financial services licenses and the online forex margin trading platform of the Group's Australian and New Zealand subsidiaries targeted towards, among others, ethnic Chinese, thus there existed a number of clients with Chinese names (the "Existing Ethnic Chinese Clients"). Further, regulatory authorities in different countries, including Australia and Hong Kong, had tightened the regulations on leveraged foreign exchange trading (the "Tightened Regulatory Requirements"). In view of the Letter and the Tightened Regulatory Requirements, the Company sought legal advice from its lawyers as to the relevant laws of the PRC and conducted a detailed survey of the Group's Existing Ethnic Chinese Clients with a view to identifying anyone who would, or who might possibly be, classified as a PRC domestic client. Any Existing Ethnic Chinese Client identified as an actual or potential PRC domestic client would be disengaged.

In line with the advice of the Company's legal advisers on the PRC laws and in light of the heightened regulatory expectations of the PRC regulators, the Company took a conservative approach and deemed clients who were unable to provide overseas residential address proof as actual or potential PRC domestic clients and disengaged these clients. As a result, approximately 95% of the clients of the Group had been identified as actual or potential PRC domestic clients and had been disengaged.

誠如日期為二零一九年五月三十一日、二零一九年七月十七日及二零一九年十一月二十六日之公告所披露，本集團作為澳洲金融服務牌照的持有者，接獲澳洲證券及投資委員會向其持牌機構發出的日期為二零一九年四月十八日的通函（「該通函」）提醒持牌人，彼等有義務遵守境外司法權區之適用法律，並建議持牌人應徵詢法律意見，以確定彼等向客戶提供之產品及服務符合適用境外法律。本集團若干附屬公司持有澳洲和新西蘭金融服務牌照，而本集團的澳洲和新西蘭附屬公司的網上外匯保證金業務交易平台的主要服務對象是（其中包括）華人，所以存在一定數量中國姓名客戶（「存量華人客戶」）。此外，各地監管機構（包括澳洲及香港）已收緊槓桿式外匯交易之法規（「經收緊監管規定」）。鑒於該通函及經收緊監管規定，本公司已向有關中國法律的律師尋求了法律意見，並就本集團的存量華人客戶進行詳細調查，以甄別任何被分類或有可能被分類為中國境內客戶的人士。任何存量華人客戶如被甄別為確實或可能是中國境內客戶則會被清理。

根據本公司之中國法律顧問之意見，及鑑於中國監管機構之更嚴謹監管預期，本公司採取保守態度，將未能提供海外住址證明之客戶視作確實或可能是中國境內客戶並清理該等客戶。因此，約95%客戶已被甄別為確實或可能是中國境內客戶，並已被清理。

Environmental Policy and Performance

We are committed to protect the environment by introducing a green policy to enhance the awareness of environmental protection among staff. The Group has implemented internal recycling programme for office consumables such as toner cartridges and paper to minimise the operation impact on the environment and natural resources.

The Group has also implemented energy saving practices in offices and branch premises where applicable, such as taking initiatives to reduce paper usage by encouraging the use of websites and online version of corporate communications. As regards reduction of power consumption, we have a policy that lighting, air-conditioners and office equipment shall be turned off when not in use.

Compliance with Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements. The Group has been allocating resources to ensure the Group's ongoing compliance with the updated applicable rules and regulations. During the Reporting Period, the Group had complied with the laws, regulations and regulatory requirements of the places where the Group operates in all material respects including the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and other relevant rules, regulations and guidelines of the regulatory authorities. The Group had maintained all necessary licenses for its businesses throughout the Reporting Period.

Relationships with key stakeholders

The Group's success lies also on the support from key stakeholders, including employees, customers, bankers, service providers and shareholders. Thus, the Group maintains close relationship with our stakeholders.

環保政策及表現

我們透過引入綠色環保政策以提高員工的環保意識，致力於保護環境。本集團內部已實施碳粉匣及紙張等辦公耗材循環利用計劃，以盡量減少營運對環境及自然資源之影響。

本集團亦已於辦公室及分公司（倘適用）實行節能措施，如提倡公司通訊使用網站及在線方式，藉以減少用紙。降低能耗方面，本集團已制定政策，燈、空調及辦公室設備將在不使用時關閉。

遵守法律法規情況

本集團認同遵守監管規定之重要性。本集團已分配資源以確保本集團持續遵守適用之最新規則及規例。於報告期內，據我們所知，本集團在所有重大方面均已遵守本集團經營所在地的法例，規例及監管規定，包括上市規則、香港法例第571章證券及期貨條例、開曼群島法第22章公司法（1961年第3號法律，經綜合及修訂）、香港法律第622章公司條例以及監管機構的其他相關規則、規例及指引。本集團於整個報告期內已為其業務持有所有必要的牌照。

與主要利益相關者之關係

本集團之成功亦有賴於主要利益相關者之支持，包括僱員、客戶、往來銀行、服務供應商及股東。因此，本集團與利益相關者保持緊密關係。

DIRECTORS' REPORT

董事會報告

Employees

The Group treasures our employees as the most important and valuable assets of the Group. The objective of the Group's human resources management is to reward and recognise our employees by providing a competitive remuneration package, appropriate incentives, and opportunities within the Group for career advancement.

The employees are paid a fixed salary and may be granted other allowances based on their position. In addition, discretionary bonuses may also be awarded to our employees based on the employee's performance. We conduct regular appraisals to ensure our employees receive feedback on their performance and discuss with them on their needs.

Customers

The Group is committed to provide excellent services to our customers with a view to maintaining steady business and asset growth as well as long term profitability.

Following the disengagement of Existing Ethnic Chinese Clients, the Group will diversify its client base to include both overseas Chinese speaking and non-Chinese speaking clients in Australia and New Zealand. Besides individual clients, the Group will also expand its services to provide competitive solutions to institutional clients.

僱員

本集團珍視我們的僱員，視彼等為本集團最重要的寶貴資產。本集團人力資源管理之目標為透過提供具競爭力之薪酬待遇、適當之獎勵及本集團內職位晉升之機會以給予我們的僱員獎賞及認可。

僱員已獲支付固定工資，並根據彼等的職位可能獲得其他津貼。此外，僱員亦可根據彼等之表現獲得酌情花紅。我們定期進行評估以確保僱員可根據彼等的表現取得回報，並與彼等討論他們的需要。

客戶

本集團致力於向我們的客戶提供卓越服務，以期維持穩定的業務及資產增長以及長期的盈利能力。

於清理存量華人客戶後，本集團將其客戶群擴大至包括澳洲及新西蘭的華語及非華語客戶。除個人客戶外，本集團亦將服務範圍擴大至為機構客戶提供具競爭力的解決方案。

To facilitate the Group's business plan and development in 2020, the Group will upgrade its information technology systems, including the rolling out of a mobile foreign exchange trading application to make it more convenient for existing and future clients to trade forex products with the Group's companies and to strengthen the Group's competitiveness. Further, the Group will recruit experienced and talented personnel with relevant experience and knowledge in leveraged foreign exchange to strengthen the Group's business. The Group will also launch a variety of marketing activities to rebuild our brand and expand our customer base, including holding seminars with associations in Australia and New Zealand, launching digital marketing campaign and sponsoring events.

Bankers

In order to ensure adequate market penetration and access, the Group has maintained excellent relationship with our bankers and we are able to obtain funds from our bankers as and when necessary.

Service Providers

The Group's good relationships with its key service providers are important in provision of effective and efficient services to our customers and meeting business challenges and regulatory requirements. The key service providers comprise system and equipment vendors, external consultants which provide professional services, and other business partners which provide value-added services to the Group.

Shareholders

One of the corporate goals of the Group is to enhance corporate value to our shareholders. Description of the shareholders' rights and our investor relations can be found in the section of "Corporate Governance Report" on pages 22 to 39 of this annual report.

為促進本集團於二零二零年的業務計劃及發展，本集團將升級其資訊科技系統，包括推出流動外匯交易應用程式，讓現有及未來客戶可更方便買賣本集團旗下公司的外匯產品，並提升本集團之競爭力。此外，本集團將招聘於槓桿式外匯方面擁有相關經驗及知識的人才，以加強本集團的業務。本集團亦將推出各種營銷活動以重塑品牌及擴大客戶群，包括與澳洲及新西蘭的協會舉辦研討會、推出數碼營銷活動及贊助活動。

往來銀行

為確保充分滲透及進入市場，本集團與我們的往來銀行維持良好的關係，並於必要時可自我們的往來銀行取得資金。

服務供應商

於向客戶提供有效及高效的服務以及應對業務挑戰及監管規定方面，本集團與其主要服務供應商維持良好關係至關重要。主要服務供應商包括系統及設備供應商、提供專業服務的外聘顧問及向本集團提供增值服務的其他業務夥伴。

股東

本集團其中一項公司目標乃為我們的股東提升公司價值。有關股東權利及投資者關係之詳情載於本年報第22至39頁之「企業管治報告」一節。

DIRECTORS' REPORT

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CORPORATE GOVERNANCE

Information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital during the year ended 31 December 2019 are set out in note 24 to the consolidated financial statements and the section headed "Consolidated Statement of Changes in Equity" of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands.

RESERVES

Details of the movements in reserves of the Group during the year under review are set out in the section headed "Consolidated Statement of Changes in Equity" of this annual report.

企業管治

有關本公司之企業管治慣例之詳情，已載於本年報之企業管治報告內。

物業、廠房及設備

本集團截至二零一九年十二月三十一日止年度之物業、廠房及設備變動詳情載於綜合財務報表附註12。

股本

截至二零一九年十二月三十一日止年度本公司股本之詳情載於綜合財務報表附註24及本年報「綜合權益變動表」一節。

優先購買權

本公司之組織章程細則或開曼群島法例並無關於優先購買權之規定。

儲備

本集團於回顧年度之儲備變動詳情，載於本年報「綜合權益變動表」一節。

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, the funds in the share premium account and retained earnings of the Company are distributable to the shareholders of the Company subject to the provisions of the memorandum and articles of association of the Company and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

As at 31 December 2019, in the opinion of the Directors, the Company's reserves available for distribution to shareholders were approximately HK\$212 million (2018: approximately HK\$369 million).

DIVIDEND POLICY

The Company has adopted a dividend policy. The dividend payout ratio shall be determined or recommended, as appropriate, by the Board at its absolute discretion after taking into account of the operating results, cash flow, financial condition and capital requirements of the Group, and subject to:

- the articles of association of the Company;
- the applicable restrictions and requirements under the laws of the Cayman Islands; and
- any other applicable laws, rules and regulations.

The Company seeks to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow our shareholders to participate in the Company's profit and for the Company to retain adequate reserves for the Group's future growth.

可供分派儲備

根據開曼群島公司法，本公司於股份溢價賬和保留盈利之資金可用來派發予本公司股東，惟須遵守本公司之組織章程大綱及細則之規定，以及於緊隨建議派發股息日期後，本公司須有足夠資金償還正常業務過程中之到期債務。

於二零一九年十二月三十一日，董事認為，本公司可供分派予股東之儲備約為212,000,000港元（二零一八年：約369,000,000港元）。

股息政策

本公司已採納股息政策。股息派付之比率將由董事會考慮本集團之經營業績、現金流量、財務狀況及資本需求後全權酌情釐定或建議（視乎情況而定），並受以下各項限制：

- 本公司之組織章程細則；
- 開曼群島法律下的適用限制及要求；及
- 其他適用法律、法規及規則。

本公司致力通過可持續的股息政策，在符合股東期望與審慎資本管理兩者之間保持平衡。本公司的股息政策旨在讓股東得以分享本公司的利潤，同時讓本公司預留足夠儲備供本集團日後發展之用。

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The payment and the amount of dividends (if any) will depend on the Group's result of operations, cash flows, financial position, working capital requirements, future expansion plans, general economic conditions, future prospects, statutory and regulatory restrictions on the payment of dividends by the Group, and other factors that the Company may consider relevant. The Company does not have any predetermined dividend distribution proportion or distribution ratio. Any future declarations of dividends may or may not reflect the Company's historical declarations of dividends and will be at the discretion of the Directors taking into account the aforesaid factors.

Any payment of dividend by the Company is also subject to the Companies Law of the Cayman Islands and the constitutional documents, which indicate that dividends may be declared and paid out of the profits, realised or unrealised, or from any reserves set aside from profits. With the sanction of an ordinary resolution, dividends may also be declared and paid out of the share premium account or any other fund or account which can be authorised for this purpose in accordance with the relevant law.

There can be no assurance that dividends of any amount will be declared or distributed in any year.

股息派付及金額（如有）將取決於本集團之經營業績、現金流量、財務狀況、營運資金需求、未來擴展計劃、總體經濟狀況、未來的前景、本集團對派付股息的法定及監管限制以及本集團認為相關的其他因素。本公司並無任何預定股息分派比例或分派比率。任何日後股息宣派未必反映本公司過往股息宣派情況，並由董事考慮上述因素後酌情決定。

本公司派付任何股息亦受開曼群島公司法及章程文件限制，即可自己變現或未變現溢利或自溢利撥出之任何儲備宣派及派付股息。倘通過普通決議案批准，亦可根據相關法律自股份溢價賬或獲授權用作派付股息之任何其他資金或賬目宣派及派付股息。

本公司無法保證將於任何年度宣派或分派任何金額之股息。

MAJOR CUSTOMERS AND SUPPLIERS

For the year under review, the aggregate percentage of purchases attributable to the Group's five largest suppliers is approximately 52% of the total purchases of the Group and the largest supplier included therein amounted to approximately 19%.

For the year under review, the aggregate percentage of sales attributable to the Group's five largest customers accounted for approximately 89% of the total sales of the Group and the largest customer included therein amounted to approximately 71%.

At no time during the year have the Directors, or any of their associates, or any shareholder (which to the knowledge of the Directors own more than 5% of the number of issued Shares) had any interest in these major customers and suppliers.

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

For the year ended 31 December 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

FINANCIAL SUMMARY

A summary of results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Financial Summary" of this annual report.

主要客戶及供應商

於回顧年內，本集團之五大供應商之採購總額佔本集團採購總額約52%，而其中最大供應商佔約19%。

於回顧年內，本集團之五大客戶之銷售總額佔本集團銷售總額約89%，而其中最大客戶佔約71%。

於年內任何時間，董事或彼等任何聯繫人或任何股東（就董事所知擁有已發行股份數目5%以上者）概無於該等主要客戶及供應商擁有任何權益。

購買、出售及贖回本公司之上市證券

截至二零一九年十二月三十一日止年度，本公司及其任何附屬公司並無購買、出售或贖回任何本公司之上市證券。

財務概要

本集團在過往五個財政年度之業績及資產與負債概要，載於本年報「財務概要」一節。

DIRECTORS' REPORT

董事會報告

RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme for the year ended 31 December 2019 are set out in note 2.17 to the consolidated financial statements.

DIRECTORS

During the year ended 31 December 2019 and up to the date of this report, the Board comprises the following Directors:

Executive Directors

Mr. Yuan Feng (*Deputy Chief Executive Officer*)
(Appointed on 27 June 2019)
Mr. Wu Fei (*Appointed on 5 November 2019*)
Mr. Liu Stefan (*Resigned on 29 July 2019*)
Mr. Huang Songyuan (*Resigned on 29 July 2019*)
Mr. Wong Yiu Kit Ernest (*Resigned on 16 August 2019*)

Non-executive Directors

Mr. Li Jiong (*Chairman*)
Mr. Stephen Gregory McCoy
Mr. Xu Jianqiang

Independent Non-executive Directors

Mr. Wu Jianfeng
(Appointed on 27 June 2019)
Mr. Christopher Wesley Satterfield
(Appointed on 27 June 2019)
Ms. Hu Zhaoxia (*Appointed on 27 June 2019*)

Mr. Jin Shaoliang (*Appointed on 27 June 2019*)

Ms. Zhao Guixin (*Retired on 27 June 2019*)

Mr. Cornelis Jacobus Keyser (*Retired on 27 June 2019*)

Mr. Lin Wenhui (*Retired on 27 June 2019*)

退休福利計劃

本集團截至二零一九年十二月三十一日止年度之退休福利計劃詳情載於綜合財務報表附註2.17。

董事

截至二零一九年十二月三十一日止年度及直至本報告日期，董事會包括以下董事：

執行董事

袁 峰先生 (*副行政總裁*)
(於二零一九年六月二十七日獲委任)
吳 飛先生 (*於二零一九年十一月五日獲委任*)
劉欣諾先生 (*於二零一九年七月二十九日辭任*)
黃頌源先生 (*於二零一九年七月二十九日辭任*)
黃耀傑先生 (*於二零一九年八月十六日辭任*)

非執行董事

李 岡先生 (*主席*)
Stephen Gregory McCoy先生
許建強先生

獨立非執行董事

武劍鋒先生
(於二零一九年六月二十七日獲委任)
Christopher Wesley Satterfield先生
(於二零一九年六月二十七日獲委任)
胡朝霞女士
(於二零一九年六月二十七日獲委任)
金紹樑先生
(於二零一九年六月二十七日獲委任)
趙桂馨女士
(於二零一九年六月二十七日退任)
Cornelis Jacobus Keyser先生
(於二零一九年六月二十七日退任)
林文輝先生 (*於二零一九年六月二十七日退任*)

DIRECTORS' REPORT

董事會報告

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Mr. Liu Stefan ("Mr. Liu") and Mr. Huang Songyuan resigned on 29 July 2019 due to disagreement with the other members of the Board regarding the Company's publication of announcement related to certain update on identification and disengagement of PRC domestic clients in respect of the online forex margin trading services provided by the Group's Australia and New Zealand subsidiaries and profit warning announcement for the Company. The Company has established a sub-committee of the Board to review Mr. Liu's performance during his time as chief executive officer and executive Director of the Company. Please refer to the Company's announcements dated 31 May 2019, 17 July 2019, 29 July 2019, 26 November 2019 and 24 January 2020 for further details.

In accordance with article 84 of the articles of association of the Company, one-third of the Directors shall retire from office by rotation but are eligible for re-election at the forthcoming annual general meeting of the Company. Any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting and annual general meeting of the Company respectively, and shall then be eligible for re-election pursuant to article 83(3) of the articles of association of the Company.

In accordance with the Company's articles of association, Mr. Wu Fei, Mr. Li Jiong, Mr. Xu Jianqiang and Mr. Stephen Gregory McCoy will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Further, each of the independent non-executive Directors has confirmed his/her independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules.

劉欣諾先生（「劉先生」）及黃頌源先生因在本公司刊發若干有關本集團澳洲及新西蘭附屬公司所提供之網上外匯保證金交易服務之甄別和清理中國境內客戶的若干最新資料之公告及本公司盈利警告公告上與董事會其他成員出現意見分歧，已於二零一九年七月二十九日辭任。本公司已設立董事會之附屬委員會，就劉先生在出任本公司行政總裁及執行董事期間的表現進行審查。有關進一步詳情，請參閱本公司日期為二零一九年五月三十一日、二零一九年七月十七日、二零一九年七月二十九日、二零一九年十一月二十六日及二零二零年一月二十四日之公告。

根據本公司組織章程細則第84條，三分之一董事須於本公司應屆股東週年大會輪值告退，惟符合資格重選連任。根據本公司組織章程細則第83(3)條，凡獲委任以填補臨時空缺或為董事會新增成員之新董事，均分別只可留任至本公司下一次股東大會及股東週年大會，並符合資格參與重選。

根據本公司之組織章程細則，吳飛先生、李冏先生、許建強先生及Stephen Gregory McCoy先生將退任，並符合資格及願意於應屆股東週年大會上膺選連任。此外，各獨立非執行董事已確認，彼獨立於本公司，而本公司認為，根據上市規則第3.13條所載評估獨立性之指引，彼等均具備獨立性。

DIRECTORS' REPORT

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DIRECTORS' SERVICE CONTRACTS

None of the Directors have entered into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the sections headed "Related Party Transactions" and "Continuing Connected Transactions" and note 31 to the consolidated financial statements of this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business to which any of the Company's subsidiaries and fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the year or at the end of the year.

DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five highest paid individuals are set out in note 29 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the sections headed "Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures" and "Share Option Scheme" below, at no time during the year or at the end of the year has been/was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Company's Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

董事之服務合約

概無董事與本集團任何成員公司訂立本集團不可於一年內免付賠償(法定賠償除外)予以終止之任何服務合約。

董事於交易、安排或合約中的權益

除本年報「關聯方交易」和「持續關連交易」章節以及綜合財務報表附註31所披露者外，本公司任何附屬公司或其同系附屬公司並無訂立對本集團業務屬重大且董事或與董事關連的實體於其中直接或間接擁有重大權益而於年內任何時間或本年度結束時仍然有效之重大交易、安排或合約。

董事及五名最高薪人士的酬金

董事及五名最高薪人士的酬金詳情載於綜合財務報表附註29。

董事購買股份及債券之權利

除於下文「董事及最高行政人員於股份、相關股份及債券之權益及淡倉」及「購股權計劃」所披露者外，於年內任何時間或本年度結束時，本公司、其控股公司或其任何附屬公司或同系附屬公司概無參與任何安排，致使本公司董事可藉購買本公司或任何其他法人團體的股份或債券而獲得利益。

PERMITTED INDEMNITY

Pursuant to the articles of association of the Company, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the Reporting Period. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

DIRECTORS' COMPETING INTERESTS

As at 31 December 2019, none of the Directors and their respective associates (as defined under the Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company as disclosed below, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

獲准許的彌償保證

根據本公司的組織章程細則及受適用法律法規規限，各董事就因履行其任內職責而產生或蒙受或與之有關的所有訴訟、費用、收費、損失、損害及開支，均可獲得本公司以其資產及溢利彌償以及確保不受傷害。有關獲准許的彌償保證條文已於報告期內生效。本公司已為本集團董事及高級職員安排適當的董事及高級職員責任保險。

董事的競爭權益

截至二零一九年十二月三十一日，概無董事、及彼等各自的聯繫人（定義見上市規則）於任何與本集團業務構成或可能構成競爭的業務中擁有任何業務或權益。

股票掛鈎協議

除下文所披露之本公司購股權計劃外，於年內或本年度結束時，本公司概無訂立將會或可能導致本公司發行股份的股票掛鈎協議，或要求本公司訂立任何協議將會或可能導致本公司發行股份的股票掛鈎協議。

DIRECTORS' REPORT

董事會報告

CONVERTIBLE BONDS

Pursuant to subscriptions agreements entered into by the Company on 25 January 2018, on 12 February 2018 (the "Issue Date"), the Company issued convertible bonds with a principal amount of HK\$200 million (the "Bonds") to two subscribers (the "Bondholders"). The convertible bonds entitled the Bondholders to convert them into 326,264,273 ordinary shares of the Company at the conversion price of HK\$0.613 per share of the Company at any time from the day following one year from the Issue Date up to the fifth business day immediately before the second anniversary of the Issue Date (the "Maturity Date") and bear interest at 7.5% per annum. The Company may extend the Maturity Date for a further term of one year by giving notice in writing to all of the Bondholders on or before the Maturity Date and with the prior written consent from Bondholders of not less than 50% of the aggregate principal amount of the Bonds outstanding. Interest rate will be increased to 12% per annum during the extended period. Unless previously redeemed, converted or cancelled, the Company has to redeem the convertible bonds on the Maturity Date (or the extended Maturity Date) at 100% of the outstanding principal amount, together with accrued interest. Further, according to the subscription agreements, the Bondholders may, amongst others, exercise the option to request the Company for early redemption commencing from the day falling one year from the Issue Date.

On 7 May 2019, the Bondholders exercised the option of early redemption to redeem the full amount of the Bonds with redemption date on 15 May 2019.

Further information on the Bonds are set out in note 23 to the consolidated financial statements.

可換股債券

根據本公司於二零一八年一月二十五日訂立之認購協議，於二零一八年二月十二日（「發行日期」），本公司已發行本金額為200,000,000港元之可換股債券（「債券」）予兩名認購人（「債券持有人」）。可換股債券賦予債券持有人權利可於發行日期起計一年後翌日起至緊接發行日期起計滿兩週年前第五個營業日（「到期日」）止期間隨時按換股價每股0.613港元轉換為本公司之326,264,273股普通股，年利率為7.5%。本公司可於到期日或之前透過向全部債券持有人發出書面通知將到期日延長一年，並須取得佔債券之未償還本金總額不少於50%之債券持有人之事先書面同意。於經延長期間之年利率將為12%。除非提前贖回、轉換或註銷，本公司須於到期日（或經延長到期日）按未償還本金額之100%連同應計利息贖回可換股債券。此外，根據認購協議，債券持有人可（其中包括）於發行日期起計一年後行使選擇權要求本公司提早贖回。

於二零一九年五月七日，債券持有人行使提早贖回權要求全額贖回，贖回日期為二零一九年五月十五日之債券。

有關債券之進一步詳情載於綜合財務報表附註23。

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 3 June 2013. A summary of the Scheme is as follows:

(a) Purpose of the Scheme

The purpose of the Scheme is for the Group to attract, retain and motivate talented Participants (as defined below) to strive for future developments and expansion of the Group.

(b) Participants of the Scheme

Under the Scheme, the Board may, at its discretion, invite the following persons as participants (the "Participants") of the Scheme:

- (i) any executive or non-executive Director including any independent non-executive Director or any employee (whether full-time or part-time) of any member of the Group;
- (ii) any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any employee or business associate of the Group;
- (iii) any consultant (in the areas of legal, technical, financial or corporate management) and other adviser to any member of the Group;
- (iv) any supplier of goods and/or services to the Group; or
- (v) any other person whom the Board considers, in its sole discretion, has contributed to the Group.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

購股權計劃

本公司已於二零一三年六月三日採納購股權計劃（「該計劃」）。該計劃之概要如下：

(a) 該計劃目的

該計劃旨在令本集團能招攬、挽留及激勵優秀之參與者（定義見下文），促進本集團日後發展及擴張。

(b) 該計劃之參與者

根據該計劃，董事會可全權酌情決定邀請以下人士參與該計劃（「參與者」）：

- (i) 本集團任何成員公司之任何執行或非執行董事（包括任何獨立非執行董事）或任何全職或兼職僱員；
- (ii) 受益人或對象包括本集團任何僱員或業務聯繫人士之家族、全權酌情或其他信託之任何受託人；
- (iii) 本集團任何成員公司之任何有關法律、技術、財務或企業管理之任何顧問及其他諮詢人；
- (iv) 本集團任何貨品及／或服務供應商；或
- (v) 董事會全權酌情認為對本集團有貢獻之任何其他人士。

於確定各參與者資格基準時，董事會會考慮其酌情認為合適之因素。

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(c) Basis for determining the exercise price and acceptance of offer

The exercise price of an option to subscribe for shares granted under the Scheme shall be a price determined by the Board at its sole discretion and notified to the Participant and shall be no less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option is granted; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date on which an option is granted; and (iii) the nominal value of the Share.

Offer of an option shall be deemed to have been accepted by the grantee when the duplicate of the relevant offer letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) by way of consideration for the grant.

(d) Maximum numbers available for issue

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 10% of the issued share capital of the Company as at the adoption date (the "General Scheme Limit") unless further shareholders' approval is obtained in general meeting, provided that options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the General Scheme Limit.

Notwithstanding the foregoing the total number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other schemes involving the issue or grant of options or similar rights over the Shares or other securities by the Company must not, in aggregate, exceed 30% of the shares of the Company in issue from time to time.

(c) 釐定行使價之基準及接納要約

該計劃下已授出可認購股份之購股權行使價乃由董事會全權酌情釐定後知會參與者，惟其不得低於下列各項之最高者(i)授出購股權當日聯交所每日報價表所列之股份收市價；(ii)緊接授出購股權當日前五個交易日聯交所每日報價表所列之股份平均收市價；及(iii)股份面值。

經承授人正式簽署接受購股權之相關函件副本連同作為獲授購股權之代價以本公司為受益人之1.00港元(或董事會釐定之任何其他貨幣面值)匯款之後，購股權即被視為獲承授人接納。

(d) 可供發行之股份數目上限

本公司因行使根據該計劃將予授出之所有購股權而可發行之股份總數，合共不得超過本公司於採納日期已發行股本之10%（「計劃一般上限」），除非於股東大會上獲股東另行批准則作別論，根據該計劃條款而失效之購股權將不會用於計算該計劃一般上限。

儘管上文所述，本公司因行使根據該計劃以及涉及發行或授出購股權或涉及本公司股份或其他證券之類似權利之任何其他計劃授出而尚未行使其所有購股權而可發行之股份總數，合共不得超過本公司不時已發行股份之30%。

(e) Maximum entitlement of each Participant

For each Participant, the total number of shares issued and to be issued upon exercise of all options granted and further to be granted in any 12-month period (including both exercised and outstanding options) and in the 12-month period up to and including the acceptance date (including exercised, cancelled and outstanding options) shall not in isolation or aggregate exceed 1% of the Shares in issue as at the date of such grant, and any grant of option which would result in such limit being exceeded shall be approved by the Company in general meeting with such Participant and any associate thereof abstaining from voting.

(f) Time of exercise of the option

An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during the period commencing on the first business day from the date of grant of option and expiring at the close of business on a date to be determined and notified by the Directors which shall not be more than 10 years from the date of grant of option.

Unless the Directors otherwise determined and stated at the time of granting the option, there is no minimum period for which an option must be held before it can be exercised.

(g) Remaining life of the Scheme

The Directors shall be entitled at any time within 10 years commencing on 3 July 2013 to offer the grant of an option to any qualifying participants.

(e) 每名參與者可獲授予之最高數目

因行使於任何12個月期間所授出及進一步授出之所有購股權（包括已行使及尚未行使之購股權）及截至接納日期（包括該日）12個月期間內所授出及進一步授出之所有購股權（包括已行使、已註銷及尚未行使之購股權）而向每名參與者已發行及將予發行之股份總數，各自或合共不得超過有關授出日期及任何購股權授出日期之已發行股份之1%。倘若超過該限額，則須於股東大會上獲得本公司批准，而有關參與者及其任何聯繫人必須放棄投票。

(f) 行使購股權之期限

購股權可根據該計劃之條款，自授出購股權日期起計之首個營業日至待董事釐定及通知之營業日結束之期間內（惟不得超過授出購股權日期起計後10年）隨時全部或部分行使。

除非董事於授出購股權時另行釐定及列明，否則對行使購股權前持有購股權之最短期限並無限制。

(g) 該計劃尚餘有效期

董事有權於二零一三年七月三日起計10年內任何時間，向任何合資格參與者提呈授出購股權。

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(h) Movements of the options granted under the Scheme

On 19 August 2015, the Company granted share options to 95 individuals to subscribe for an aggregate of 40,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company. Among the 40,000,000 share options granted, 12,200,000 share options were granted to the then six Directors.

On 29 December 2016, the Company granted share options to 95 individuals to subscribe for an aggregate of 40,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company. Among the 40,000,000 share options granted, 11,750,000 share options were granted to the then six Directors.

On 22 March 2018, the Company granted share options to 82 individuals to subscribe for an aggregate of 40,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company. Among the 40,000,000 share options granted, 12,200,000 share options were granted to the then five Directors.

Details of the movements of the options granted under the Scheme are set out in Note 27 to the consolidated financial statements.

Save as disclosed above and Note 27 to the consolidated financial statements, as at 31 December 2019, none of the Directors, chief executive, deputy chief executive, substantial shareholders of the Company or their respective associates (as defined under the Listing Rules) had any right to subscribe for the shares of the Company under the Scheme.

(h) 根據該計劃授出購股權之變動

於二零一五年八月十九日，本公司向95名人士授出購股權，以認購本公司股本中合共40,000,000股每股0.01港元之普通股。於授出的40,000,000份購股權中，其中12,200,000份購股權授予當時六名董事。

於二零一六年十二月二十九日，本公司向95名人士授出購股權，以認購本公司股本中合共40,000,000股每股0.01港元之普通股。於授出的40,000,000份購股權中，其中11,750,000份購股權授予當時六名董事。

於二零一八年三月二十二日，本公司向82名人士授出購股權，以認購本公司股本中合共40,000,000股每股0.01港元之普通股。於授出的40,000,000份購股權中，其中12,200,000份購股權授予當時五名董事。

根據該計劃授出之購股權變動詳情載於綜合財務報表附註27。

除上文及綜合財務報表附註27披露者外，於二零一九年十二月三十一日，根據該計劃，本公司董事、最高行政人員、副行政總裁、主要股東或彼等各自之聯繫人（定義見上市規則）概無任何認購本公司股份之權利。

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INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, save as disclosed below, none of the Directors nor the chief executive nor the deputy chief executive of the Company had any interests or short positions 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")) which were (i) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (ii) required, pursuant to the Model Code contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於二零一九年十二月三十一日，除下文所披露者外，概無本公司之董事或最高行政人員或副行政總裁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任何(i)根據證券及期貨條例第352條須載入該條例所指之登記冊中之權益或淡倉；或(ii)根據上市規則附錄10所載之標準守則須知會本公司及聯交所之權益或淡倉：

Long positions in shares of the Company:

於本公司股份中之好倉：

Name of director 董事姓名	Capacity 身份	Number of shares/ underlying shares held 所持股份／相關股份數目		Total 總數	Approximate % of the number of issued shares 佔已發行股份 數目概約百分比
		Shares 股份	Options 購股權 (Note) (附註)		
Mr. Stephen Gregory McCoy Stephen Gregory McCoy先生	Beneficial owner 實益擁有人	—	1,000,000	1,000,000	0.05%

Note:

附註：

Those options were granted on 22 March 2018 under the Scheme.

該等購股權於二零一八年三月二十二日根據該計劃授出。

DIRECTORS' REPORT

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

As at 31 December 2019, so far as was known to the Directors of the Company, the following persons (other than the directors or chief executive or deputy chief executive of the Company) had, or were deemed or taken to have, an interest or short position in the shares and underlying shares of the Company which recorded in the register required to be kept by the Company under section 336 of the SFO:

主要股東於股份及相關股份之權益及淡倉

據本公司董事所知，於二零一九年十二月三十一日，以下人士（本公司之董事或最高行政人員或副行政總裁除外）於本公司的股份及相關股份中擁有或被視為或當作擁有記錄於本公司須根據證券及期貨條例第336條所備存的登記冊的權益或淡倉：

Name of substantial shareholder	Capacity	Number of shares/underlying shares held 所持股份／相關股份數目		Derivative interests	Total	Approximate % of the number of issued shares 佔已發行股份數目 概約百分比
		Shares				
主要股東名稱	身份	股份		衍生權益	總數	
CITIC Securities Company Limited ("CITIC Securities") (Note 1) 中信証券股份有限公司（「中信証券」） (附註1)	Interests in controlled corporation 於受控制法團之權益	1,200,310,001		–	1,200,310,001	59.03%
KVB Kunlun Holdings Limited ("KVB Holdings") (Note 2) KVB Kunlun Holdings Limited （「KVB Holdings」）(附註2)	Beneficial owner 實益擁有人	300,000,000		–	300,000,000	14.75%
Mr. Li Zhi Da (Note 2) 李志達先生(附註2)	Interests in controlled corporation 於受控制法團之權益	300,000,000		–	300,000,000	14.75%
Calypso International Investment Co., Limited (Note 3) Calypso International Investment Co., Limited (附註3)	Beneficial owner 實益擁有人	106,525,000		–	106,525,000	5.24%
Hainan Province Cihang Foundation (Note 3) 海南省慈航公益基金會(附註3)	Interests in controlled corporation 於受控制法團之權益	106,525,000		–	106,525,000	5.24%
Cihang Sino-Western Cultural and Educational Exchange Foundation Limited (Note 3) 慈航東西方文教交流基金會有限公司 (附註3)	Interests in controlled corporation 於受控制法團之權益	106,525,000		–	106,525,000	5.24%

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Notes:

1. As CITIC Securities is entitled to control over one-third of the voting power at general meetings of CITIC Securities Overseas Investment Company Limited, CITIC Securities is deemed under the SFO to be interested in the entire 1,200,310,001 shares held by CITIC Securities Overseas Investment Company Limited.
2. As Mr. Li Zhi Da is entitled to control over one-third of the voting power at general meetings of KVB Holdings, he is deemed under the SFO to be interested in the entire 300,000,000 shares held by KVB Holdings.
3. Calypso International Investment Co., Limited was a wholly owned subsidiary of HNA Group (International) Company Limited, which was in turn owned as to 91.09% by HNA Group Co., Ltd. HNA Group Co., Ltd. was held as to 70% by Hainan Traffic Administration Holding Co., Ltd.. Hainan Traffic Administration Holding Co., Ltd. was in turn held as to 50% by Sheng Tang Development (Yangpu) Co., Ltd. Sheng Tang Development (Yangpu) Co., Ltd. was held as to 35% by Tang Dynasty Development Co. Ltd. which was in turn 98% held by Pan-American Aviation Holding Company, which is wholly owned by Cihang Sino-Western Cultural and Educational Exchange Foundation Limited. Cihang Sino-Western Cultural and Educational Exchange Foundation Limited and Hainan Province Cihang Foundation are deemed under the SFO to be interested in entire 106,525,000 shares held by Calypso International Investment Co., Limited.

Save as disclosed above, as at 31 December 2019, the Directors are not aware of any person (other than the directors or chief executive or deputy chief executive of the Company whose interests are set out in the section headed "Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures" above) who has an interest or short position in the shares or underlying shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions", no contract of significance in relation to the Group's business to which any member of the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2019.

附註：

1. 由於中信證券有權於中信證券海外投資有限公司之股東大會上控制超過三分之一的投票權，根據證券及期貨條例，中信證券被視為於中信證券海外投資有限公司持有的全部1,200,310,001股股份中擁有權益。
2. 由於李志達先生有權控制KVB Holdings股東大會上超過三分之一的投票權，根據證券及期貨條例，彼被視為於KVB Holdings全數持有的300,000,000股股份中擁有權益。
3. Calypso International Investment Co., Limited 為海航集團（國際）有限公司之全資附屬公司，而海航集團（國際）有限公司由海航集團有限公司擁有91.09%權益。海航集團有限公司由海南交管控股有限公司持有70%權益，而海南交管控股有限公司由盛唐發展（洋浦）有限公司持有50%權益。盛唐發展（洋浦）有限公司由盛唐發展有限公司持有35%權益，盛唐發展有限公司由Pan-American Aviation Holding Company持有98%權益，而Pan-American Aviation Holding Company由慈航東西方文教交流基金會有限公司全資擁有。根據證券及期貨條例，慈航東西方文教交流基金會有限公司及海南省慈航公益基金會被視為於Calypso International Investment Co., Limited全數持有的106,525,000股股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，董事並不知悉任何人士於（其權益載於上文「董事及最高行政人員於股份、相關股份及債券之權益及淡倉」一節之本公司董事或最高行政人員或副行政總裁除外）本公司股份或相關股份擁有須記錄於根據證券及期貨條例第336條所備存之登記冊之權益或淡倉（包括於購股權之權益（如有））。

重大合約

除「持續關連交易」一節所披露者外，本集團任何成員公司並無訂立對本集團業務屬重大且本公司董事於其中直接或間接擁有重大權益而於截至二零一九年十二月三十一日止年度內仍然有效之重大合約。

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Save as disclosed in the section headed "Continuing Connected Transactions", no contract of significance (including provision of services) between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 December 2019.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2019 are disclosed in note 31 to the consolidated financial statements. Certain of these transactions also constitute continuing connected transactions under the Listing Rules, as identified below.

CONTINUING CONNECTED TRANSACTIONS

Cash Dealing Services

As disclosed in the announcement of the Company dated 28 December 2018, the Company and KVB Kunlun Global Capital Limited, a wholly-owned subsidiary of KVB Kunlun Holdings Limited ("KVB Holdings", a substantial shareholder of the Company) entered into a renewed cash dealing agreement (the "Renewed Cash Dealing Agreement") on 28 December 2018 for a term from 1 January 2019 to 31 December 2021 subject to early termination by either party by giving the other party at least one month's written notice of termination, under which the Company, together with its subsidiaries, would provide cash dealing services including the provision of exchange of currencies at a rate determined at the time of the transaction to KVB Holdings and its associate other than the Group. The annual caps for transactions contemplated under the Renewed Cash Dealing Agreement for each of the three years ended/ending 31 December 2021 in respect of revenue (in terms of net of realised gains, realised losses, unrealised gains and unrealised losses) are HK\$10 million.

除「持續關連交易」一節所披露者外，本公司或其任何附屬公司與控股股東或其任何附屬公司並無訂立於截至二零一九年十二月三十一日止年度內仍然有效之重大合約（包括提供服務）。

管理合約

年內，概無就管理及經營本公司全部或任何絕大部分業務而訂立或訂有任何合約。

關聯方交易

本集團截至二零一九年十二月三十一日止年度之重大關聯方交易披露於綜合財務報表附註31。部分該等交易亦構成上市規則之持續關連交易，其詳情如下。

持續關連交易

現金交易服務

誠如本公司日期為二零一八年十二月二十八日之公告所披露，本公司與昆侖國際環球資本有限公司（KVB Kunlun Holdings Limited（「KVB Holdings」）之全資附屬公司，而KVB Holdings為本公司之主要股東）於二零一八年十二月二十八日訂立經重續現金交易協議（「經重續現金交易協議」），期限自二零一九年一月一日起至二零二一年十二月三十一日止，惟任何一方給予其他方最少一個月之書面終止通知提早終止。據此，本公司及其附屬公司將向KVB Holdings及其聯營公司（本集團除外）提供現金交易服務，包括按交易時所釐定的匯率提供貨幣兌換。截至二零二一年十二月三十一日止三個年度各年，就收入而言，經重續現金交易協議項下擬進行交易的年度上限為（扣除已變現收益、已變現虧損、未變現收益及未變現虧損）10,000,000港元。

Sharing of Overseas Office premises

As disclosed in the announcement of the Company dated 28 December 2018, the Company and KVB Holdings entered into a renewed office licence agreement on 28 December 2018 (the "2018 Renewed Office Licence Agreement") in relation to sharing of office space in Australia and New Zealand, for a term from 1 January 2019 to 31 December 2021, subject to early termination by either party by giving the other party at least one month's written notice of termination. For the services provided by the Group for each of the three years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021, the annual caps of the transactions contemplated under the 2018 Renewed Office Licence Agreement are HK\$2.2 million, HK\$2.3 million and HK\$2.4 million. For the services provided by KVB Holdings and its associates other than the Group for each of the three years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021, the annual caps are HK\$3.3 million, HK\$3.4 million and HK\$3.6 million respectively.

As announced by the Company on 2 March 2020, in order to lower the Group's lease expenses and to improve its financial performance by controlling its expenses, the Company has agreed with KVB Holdings to terminate the 2018 Renewed Office Licence Agreement which took effect on 6 March 2020. The termination of the 2018 Renewed Office Licence Agreement will not have any material adverse effect on the operation and financial position of the Group.

共用海外辦公室物業

誠如本公司日期為二零一八年十二月二十八日之公告所披露，本公司與KVB Holdings於二零一八年十二月二十八日訂立經重續辦公室特許權協議（「二零一八年經重續辦公室特許權協議」），內容有關共享澳洲及新西蘭之辦公室空間，期限自二零一九年一月一日起至二零二一年十二月三十一日止，惟任何一方可給予其他方最少一個月之書面終止通知提早終止。就本集團於截至二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十一日止三年各年所提供之服務而言，二零一八年經重續辦公室特許權協議項下擬進行交易之年度上限為2,200,000港元、2,300,000港元及2,400,000港元。就KVB Holdings及其聯營公司（本集團除外）於截至二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十一日止三年各年所提供之服務而言，年度上限分別為3,300,000港元、3,400,000港元及3,600,000港元。

誠如本公司於二零二零年三月二日所公佈，為減低本集團之租賃開支及透過控制開支改善其財務表現，本公司與KVB Holdings同意終止二零一八年經重續辦公室特許權協議，並已於二零二零年三月六日起生效。終止二零一八年經重續辦公室特許權協議將不會對本集團之營運及財務狀況主造成任何重大影響。

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In order to continue our operations overseas, as announced by the Company on 9 March 2020, CLSA Premium Pty Limited ("CLSA Premium Pty"), an indirect wholly-owned subsidiary of the Company, entered into a service level agreement (the "Australian Service Level Agreement") with CLSA Australia Services Pty Ltd ("CLSA Australia Pty"), a company incorporated in Australia and a wholly-owned subsidiary of CITIC Securities (a controlling shareholder of the Company) for a term of three years from 14 February 2020 to 13 February 2023. Under the Australian Service Level Agreement, CLSA Australia Pty shall provide or procure the provision of (i) sharing of office space and common use of certain facilities at Level 35, Grosvenor Place, 225 George Street, Sydney NSW 2000; and (ii) administrative services including utilities, kitchen consumables and receptionist services to CLSA Premium Pty. The annual cap of the transactions contemplated under the Australian Service Level Agreement for each of the three years ending 31 December 2020, 31 December 2021, 31 December 2022 and the period ending 13 February 2023 is AU\$105,573.77 (approximately HK\$633,443), AU\$120,000 (approximately HK\$720,000), AU\$120,000 (approximately HK\$720,000) and AU\$14,465.75 (approximately HK\$86,795) respectively.

Sharing of Office Premises in Hong Kong

As announced by the Company on 23 March 2020, on 23 March 2020, CLSA Premium International (HK) Limited ("CLSA Premium (HK)"), an indirect wholly-owned subsidiary of the Company, being the tenant under the tenancy agreement in relation to our Hong Kong office dated 28 October 2018 (the "Hong Kong Office Tenancy Agreement"), entered into a service level agreement (the "Hong Kong Service Level Agreement") with CITIC Securities Brokerage (HK) Limited ("CITIC Securities Brokerage (HK)") and CITIC Securities Futures (HK) Limited ("CITIC Securities Futures (HK)"), both being wholly-owned subsidiaries of CITIC Securities for a term from 26 March 2020 to 30 September 2021. Under the Hong Kong Service Level Agreement, CLSA Premium (HK) shall provide or procure the provision of (i) sharing of office space and common use of certain facilities at Nos.7501 & 7507B-7508, Level 75, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong (the "Hong Kong Office"); and (ii) administrative services including utilities, kitchen consumables and receptionist services. The annual cap of the transactions contemplated under the Hong Kong Service Level Agreement for each of the two years ending 31 December 2020 and 31 December 2021 is HK\$2,558,000 and HK\$2,700,000 respectively.

為繼續於海外經營業務，本公司於二零二零年三月九日宣佈，本公司的間接全資附屬公司CLSA Premium Pty Limited (「CLSA Premium Pty」)與CLSA Australia Services Pty Ltd (「CLSA Australia Pty」) (一間於澳洲註冊成立之公司，為中信証券(本公司之控股股東)之全資附屬公司)訂立服務水準協議(「澳洲服務水準協議」)，由二零二零年二月十四日起至二零二三年二月十三日止，為期三年。根據澳洲服務水準協議，CLSA Australia Pty將或將促使向CLSA Premium Pty提供(i)共享位於Level 35, Grosvenor Place, 225 George Street, Sydney NSW 2000的辦公室空間及共同使用若干設施；及(ii)行政服務，包括公用設施、廚房消耗品及接待員服務。根據澳洲服務水準協議擬進行之交易於截至二零二零年十二月三十一日、二零二一年十二月三十一日及二零二二年十二月三十一日止三年各年及截至二零二三年二月十三日止期間之年度上限分別為105,573.77澳元(約633,443港元)、120,000澳元(約720,000港元)、120,000澳元(約720,000港元)及14,465.75澳元(約86,795港元)。

共用香港辦公室物業

誠如本公司於二零二零年三月二十三日公佈，於二零二零年三月二十三日，本公司的間接全資附屬公司CLSA Premium International (HK) Limited (「CLSA Premium (HK)」) (即日期為二零一八年十月二十八日有關香港辦事處之香港辦公室租賃協議(「香港辦公室協議」)下之租戶)與中信証券經紀(香港)有限公司(「中信証券經紀(香港)」)及中信証券期貨(香港)有限公司(「中信証券期貨(香港)」) (均為中信証券之全資附屬公司)訂立服務水準協議(「香港服務水準協議」)，由二零二零年三月二十六日起至二零二一年九月三十日止。根據香港服務水準協議，CLSA Premium (HK)將提供或促使提供(i)共享位於香港九龍柯士甸道西1號環球貿易廣場75樓7501及7507B-7508室(「香港辦公室」)的辦公室空間及共同使用若干設施；及(ii)行政服務，包括公用設施、廚房消耗品及接待員服務。根據香港服務水準協議擬進行之交易於截至二零二零年十二月三十一日及二零二一年十二月三十一日止兩年各年之年度上限分別為2,558,000港元及2,700,000港元。

As the provision of the services under the Hong Kong Service Level Agreement is subject to the permission of the landlord (the "Landlord"), an independent third party, on 20 March 2020, the Company, CLSA Premium (HK), Yorkastle Capital Limited, an indirect wholly owned subsidiary of the Company ("Yorkastle"), CITIC Securities Brokerage (HK), CITIC Securities Futures (HK) and the Landlord entered into a supplemental deed of guarantee and indemnity (the "Supplemental Deed"). Under the Supplemental Deed, the Company, CLSA Premium (HK), Yorkastle, CITIC Securities Brokerage (HK) and CITIC Securities Futures (HK) (i) jointly and severally agree, confirm and undertake with the Landlord that they shall jointly and severally observe and perform all the terms and conditions of the Hong Kong Office Tenancy Agreement, the guarantee and indemnity entered into by the Landlord, CLSA Premium (HK), Yorkastle and the Company on 2 October 2018 (the "2018 Guarantee and Indemnity") and the Supplemental Deed; and (ii) unconditionally and irrevocably warrant and guarantee the payment of all rent and other payments payable under the Hong Kong Office Tenancy Agreement; and (iii) jointly and severally undertake to fully indemnify the Landlord against any loss, damages, demands, suits, actions, proceedings, costs and expenses arising out of or directly or indirectly connected with the breach of the Hong Kong Office Tenancy Agreement or the 2018 Guarantee and Indemnity or the Supplemental Deed or the use or occupation of the Hong Kong Office or the breach of laws or regulations or commission of any offence of investigation by the relevant authorities.

Information Technology Services

Previous Renewed Information Technology Services Agreement

As disclosed in the announcement dated 28 December 2018, the Company and Banclogix System Co., Limited ("Banclogix"), a wholly-owned subsidiary of KVB Holdings, entered into a renewed information technology services agreement (the "Previous Renewed Information Technology Services Agreement") for a term from 1 January 2019 to 31 December 2021 subject to early termination by either party by giving the other party at least three (3) months' written notice of termination. Pursuant to the Previous Renewed Information Technology Services Agreement, Banclogix would from time to time provide software development and maintenance services, information technology infrastructure project management services and information technology infrastructure maintenance services to the Group. The aggregate annual caps for the amounts payable by the Group to Banclogix under the Previous Renewed Information Technology Services Agreement for each of the three years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 are HK\$25 million respectively.

由於根據香港服務水準協議提供服務須待業主（「業主」，獨立第三方）之批准，於二零二零年三月二十日，本公司、CLSA Premium (HK)、本公司的間接全資附屬公司盛城資本有限公司（「盛城」）、中信証券經紀（香港）、中信証券期貨（香港）及業主訂立擔保及彌償保證補充契據（「補充契據」）。根據補充契據，本公司、CLSA Premium(HK)、盛城、中信証券經紀（香港）及中信証券期貨（香港）(i) 共同及個別向業主協定、確認及承諾，彼等將共同及個別遵守及履行香港辦公室租賃協議、業主、CLSA Premium(HK)、盛城及本公司於二零一八年十月二日訂立之擔保及彌償保證權益（「二零一八年擔保及彌償保證」）及補充契據之條款及條件；及(ii)無條件及不可撤回地保證及擔保支付香港辦公室租賃協議下之所有租金及其他應付款項；及(iii)共同及個別承諾就因違反香港辦公室租賃協議或二零一八年擔保及彌償保證或補充契據，或使用或佔用香港辦公室，或違反法例或法規或犯罪而被任何相關機構調查直接或間接產生而導致業主須承擔之任何損失、損害、訴求、起訴、訴訟、法律程序、開銷及費用，全額彌償業主。

資訊科技服務

先前經重續資訊科技服務協議

誠如日期為二零一八年十二月二十八日之公告所披露，本公司與盛匯信息科技有限公司（「盛匯」，KVB Holdings之全資附屬公司）訂立經重續資訊科技服務協議（「先前經重續資訊科技服務協議」），期限自二零一九年一月一日起至二零二一年十二月三十一日止，惟任何一方給予其他方最少三(3)個月書面終止通知提早終止。根據先前經重續資訊科技服務協議，盛匯將不時向本集團提供軟件開發及維護服務、資訊科技基建項目管理服務及資訊科技基建維護服務。根據先前經重續資訊科技服務協議，本集團於截至二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十一日止三年各年應付盛匯之金額之年度上限為25,000,000港元。

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However, as disclosed in the announcement dated 6 August 2019, for the purpose of reviewing the performance of Mr. Liu Stefan ("Mr. Liu") during his time as chief executive officer and executive Director of the Company, the Company had made several requests for data or access to data, on an urgent basis, data relating to the Group, but Banclogix had not provided all of the data requested. As a result, the Group obtained an injunction order (the "Injunction Order") which prohibited Banclogix from, amongst other things, (i) deleting or disposing any data owned by the Group (the "Group's Data") and (ii) damaging, deleting, modifying, destroying or disposing of any back-up tapes or other back-up storage media which contained the Group's Data. As disclosed in the announcement dated 11 September 2019, a hearing (the "Hearing") took place on 9 August 2019 whereby Banclogix offered an undertaking to the Hong Kong High Court not to delete or dispose of the Group's Data and certain back-up tapes. The Company and Banclogix reached an agreement on the precise terms of the undertaking (the "Undertaking") and obtained the approval of the Hong Kong High Court by way of an order on 11 September 2019. According to the Undertaking, amongst other things, Banclogix shall not, directly or indirectly, delete or dispose of any of the Group's Data, or supplied by or originated from the Group and/or its customers in connection with any services provided by Banclogix to the Group under the Previous Renewed Information Technology Services Agreement, and contained or hosted on computer servers, back-up tapes or any other media in Banclogix's possession, custody or power, whether inside or outside Hong Kong and Banclogix shall preserve any and all of the annual back-ups for the last seven years, rotational back-up version containing the Group's Data as at 26 July 2019 and non-rotational back-ups (if any) containing the Group's Data. As disclosed in the announcement dated 24 January 2020, the Company filed a reply evidence in support of its application to continue the Injunction Order obtained by the Company against Banclogix.

As announced by the Company on 23 March 2020, on 19 March 2020, the Company issued a letter of termination to Banclogix to terminate the Previous Renewed Information Technology Services Agreement. The termination of the Previous Renewed Information Technology Services Agreement will not have any material adverse effect on the business operations and financial position of the Group.

然而，誠如日期為二零一九年八月六日之公佈所披露，就劉欣諾先生（「劉先生」）在出任本公司行政總裁及執行董事期間的表現進行審查而言，本公司已多次嘗試緊急要求取得或存取有關本集團的數據，但盛匯至今尚未提供所有所需數據。因此，本集團取得禁制令（「禁制令」），禁止盛匯（其中包括）(i)刪除或處理屬於本集團的數據（「本集團數據」）及(ii)損壞、刪除、修改、銷毀或處置任何載有本集團數據的備份磁帶或任何其他備份儲存媒體。誠如日期為二零一九年九月十一日之公佈所披露，聆訊（「聆訊」）已於二零一九年八月九日舉行，於聆訊上，盛匯向香港高等法院提出其不會刪除或處置本集團的資料及某備份磁帶的承諾。本公司與盛匯就該承諾（「該承諾」）的具體條款達成一致，並於二零一九年九月十一日透過命令取得香港高等法院批准。根據該承諾（其中包括），盛匯將不會，直接或間接地，刪除或處置本集團的任何數據，或由本集團提供或源自本集團及／或其客戶與盛匯根據先前經重續資訊科技服務協議向本集團提供的任何服務有關，並包含或託管於盛匯擁有、保管或供電的電腦伺服器、備份磁帶或任何其他媒體上，不論在香港境內或境外，及盛匯將保留任何及所有過去七年的年度備份，包括截至二零一九年七月二十六日包含本集團數據的自動備份，以及包含本集團數據的非自動備份（如有）。誠如二零二零年一月二十四日之公告所披露，本公司已提交回覆證據，以支持本公司申請繼續取得對盛匯之禁制令。

誠如本公司於二零二零年三月二十三日所公佈，於二零二零年三月十九日，本公司向盛匯發出終止函件，以終止先前經重續資訊科技服務協議。終止先前經重續資訊科技服務協議將不會對本集團之業務營運及財務狀況造成任何重大不利影響。

New Information Technology Service Agreement

In view of such ongoing litigation with Banclogix which has been affecting the Company's normal business operations, it is necessary for the Company to engage a new service provider to provide information technology services to the Group in its ordinary course of business. As announced by the Company on 9 March 2020, on 9 March 2020, the Company entered into an information technology services agreement (the "New Information Technology Services Agreement") with CLSA Limited, a wholly-owned subsidiary of CITIC Securities, for a term of three years from 17 March 2020 to 16 March 2023 whereby CLSA Limited agreed to provide (i) technology infrastructure design, implementation, monitoring, maintenance and remote support services; (ii) software development, implementation, monitoring, maintenance and remote support services; (iii) front office sales trading, dealing, execution system; (iv) website services; (v) market data databases and distribution platforms for all systems; (vi) system access account administration services and reporting, security monitoring, and security consulting services; and (vii) information technology service management services to the Group.

The Company shall pay (i) a fixed annual fees at US\$115,000; (ii) a variable monthly fee based on actual usage of the relevant services, charged at US\$3,635 per user per annum; and (iii) in respect of project management service, a fee charged by cost actually incurred as listed in the Statement of Work as agreed by the relevant Group company and CLSA Limited prior to the start of the project. Unless otherwise specified in the Statement of Work, an amount will be charged at HK\$5,500 per man day. The annual cap of the transactions contemplated under the New Information Technology Services Agreement for each of the three years ending 31 December 2020, 31 December 2021, 31 December 2022 and the period ending 16 March 2023 is HK\$2,422,000, HK\$3,504,000, HK\$4,078,000 and HK\$862,000 respectively.

新資訊科技服務協議

鑑於本公司正在與盛匯進行訴訟(其一直對本公司正常業務運營產生影響),本公司有必要委聘新資訊科技服務提供商以於本集團之日常業務過程中向本集團提供資訊科技服務。誠如本公司於二零二零年三月九日所公佈,二零二零年三月九日,本公司與中信証券之全資附屬公司中信里昂證券有限公司訂立資訊科技服務協議(「新資訊科技服務協議」),由二零二零年三月十七日起至二零二三年三月十六日止,為期三年,據此,中信里昂證券有限公司同意向本集團提供(i)技術基礎設施設計、實施、監控、維護及遠程支援服務;(ii)軟件開發、實施、監控、維護及遠程支援服務;(iii)前台銷售交易、買賣、執行系統;(iv)網站服務;(v)所有系統之市場數據之數據庫及分配平台;(vi)系統接達賬戶行政管理服務以及匯報、安全監控及安全諮詢服務;及(vii)資訊科技服務管理服務。

本公司將支付(i)固定年費115,000美元;(ii)根據相關服務實際用量計算每年按每位用戶3,635美元收取之浮動月費;及(iii)就項目管理服務而言,根據於項目開始前由相關集團公司與中信里昂證券有限公司協定之工作說明書所列,按所產生之實際成本收取費用。除工作說明書另有指定者外,每個工作日將收取5,500港元。根據新資訊科技服務協議擬進行之交易於截至二零二零年十二月三十一日、二零二一年十二月三十一日及二零二二年十二月三十一日止三年各年以及截至二零二三年三月十六日止期間之年度上限分別為2,422,000港元、3,504,000港元、4,078,000港元及862,000港元。

DIRECTORS' REPORT

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All independent non-executive Directors have reviewed and confirmed that the above continuing connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Directors also confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

全體獨立非執行董事已審閱及確認以上持續關連交易乃：

- (i) 於本集團一般日常業務過程中訂立；
- (ii) 按一般商業條款訂立或倘並無足夠可資比較之交易以釐定是否以一般商業條款訂立，則以不遜於本集團提供予獨立第三方或從獨立第三方取得（倘適用）之條款訂立；及
- (iii) 根據公平合理之條款訂立並符合本公司股東整體利益之相關規範協議達成。

董事亦確認本公司已遵守上市規則第14A章之披露規定。

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。

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董事會報告

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In accordance with Rule 14A.56 of the Listing Rules, the auditor must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:

- (1) have not been approved by the Board;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (4) have exceeded the cap.

The auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this section headed "Continuing Connected Transactions" above. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

MATERIAL LITIGATION AND ARBITRATION

Save and except for the legal action against Banclogix as disclosed in the section headed "Continuing Connected Transactions", during the Reporting Period, the Group did not have any material litigation or arbitration.

MATERIAL ACQUISITIONS AND DISPOSALS DURING THE REPORTING PERIOD

The Group did not have any material acquisitions, disposals or asset reorganizations during the Reporting Period.

根據上市規則第14A.56條，核數師須致函董事會，確認有否注意到任何事情，可使彼等相信持續關連交易：

- (1) 並未獲董事會批准；
- (2) 若交易涉及由本集團提供貨品或服務，在各重大方面並無按照本集團之定價政策進行；
- (3) 在各重大方面並無根據規管有關交易之相關協議進行；及
- (4) 超逾上限金額。

核數師已就本集團於上文「持續關連交易」一節披露的持續關連交易，發出無保留意見的函件，當中載有其發現和結論。本公司已將核數師函件副本向聯交所提供。

重大訴訟及仲裁

除「持續關連交易」一節披露針對盛匯之法律行動外，於報告期內，本集團並無何重大訴訟或仲裁。

於報告期間之重大收購及出售

於報告期內，本集團並無任何重大收購、出售或資產重組。

DIRECTORS' REPORT

董事會報告

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in (i) the Company's announcement dated 24 January 2020 regarding the Company filed a reply evidence in support of its application to continue the Injunction Order obtained by the Company against Banclogix; (ii) the Company's announcement dated 2 March 2020 regarding the Company has agreed with KVB Kunlun Holdings to terminate the 2018 Renewed Office Licence Agreement; (iii) the Company's announcement dated 9 March 2020 regarding (a) CLSA Premium Pty has entered into the Australian Service Level Agreement with CLSA Australia Pty; and (b) the Company has entered into the New Information Technology Services Agreement with CLSA Limited; (iv) the Company's announcement dated 23 March 2020 regarding CLSA Premium (HK) has entered into the Hong Kong Service Level Agreement with CITIC Securities Brokerage (HK) and CITIC Securities Futures (HK); and the Company has entered into the Supplemental Deed of guarantee and indemnity with CLSA Premium (HK), Yorkastle, CITIC Securities Brokerage (HK), CITIC Securities Futures (HK) and City Lion Investment Limited (as the Landlord); and (v) the Company's announcement dated 23 March 2020 regarding the Company issued a letter of termination to Banclogix to terminate the Previous Renewed Information Technology Services Agreement on 19 March 2020, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2019 and up to the date of this report.

Effect assessment of the COVID-19 outbreak

Given the outbreak of new COVID-19, economic activities have been slowing down globally. The financial market was extremely volatile in the first quarter of 2020. However, we believe panic will be settled in the second half of 2020. The epidemic will impact business operations of certain industries as well as the overall economy. The Group will closely monitor the situation and assess its impacts on our financial position and operating results.

報告期後事項

除(i)本公司日期為二零二零年一月二十四日之公告，內容有關本公司提交回覆證據，以支持本公司申請繼續取得對盛匯之禁制令；(ii)本公司日期為二零二零年三月二日之公告，內容有關本公司與KVB Kunlun Holdings已同意終止二零一八年經重續辦公室特許權協議；(iii)本公司日期為二零二零年三月九日之公告，內容有關(a) CLSA Premium Pty與CLSA Australia Pty已訂立澳洲服務水準協議；及(b)本公司與中信里昂證券有限公司已訂立新資訊科技服務協議；(iv)本公司日期為二零二零年三月二十三日之公告，內容有關CLSA Premium (HK)與中信証券經紀(香港)及中信証券期貨(香港)訂立香港服務水準協議；及本公司與 CLSA Premium (HK)、盛城、中信証券經紀(香港)、中信証券期貨(香港)及City Lion Investment Limited(作為業主)訂立一份擔保及彌償保證之補充契據；及(v)本公司日期為二零二零年三月二十三日之公告，內容有關本公司於二零二零年三月十九日向盛匯發出終止函件以終止先前經重續資訊科技服務協議所披露者外，董事並不知悉於二零一九年十二月三十一日後直至本報告日期發生任何須予披露之重大事項。

新型冠狀病毒疫情爆發的影響評估

鑒於新型冠狀病毒(COVID-19)的爆發，全球經濟活動持續放緩。二零二零年第一季度市場極為波動。然而，我們相信恐慌情緒將於二零二零年下半年得以緩解。有關疫情將影響多個行業之業務營運及整體經濟。本集團將密切監察情況，並評估其對我們的財務狀況及經營業績之影響。

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SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float during the year ended 31 December 2019.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK\$59,000 (2018: approximately HK\$2,364,000).

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. The Company did not change the auditor during the past 3 financial years.

On behalf of the Board

Yuan Feng

Deputy Chief Executive Officer and Executive Director

Hong Kong, 24 April 2020

足夠公眾持股量

本公司於截至二零一九年十二月三十一日止年度一直維持足夠公眾持股量。

捐款

本集團年內之慈善及其他捐款約59,000港元（二零一八年：約2,364,000港元）。

核數師

財務報表經羅兵咸永道會計師事務所審核，該事務所將於本公司應屆股東週年大會上膺聘連任。本公司於過去三個財政年度並無更換核數師。

代表董事會

袁峰

副行政總裁兼執行董事

香港，二零二零年四月二十四日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

TO THE SHAREHOLDERS OF CLSA PREMIUM LIMITED
(Formerly known as KVB Kunlun Financial Group Limited)
(Incorporated in Cayman Islands with limited liability)

致CLSA PREMIUM LIMITED
(前稱昆侖國際金融集團有限公司) 股東
(於開曼群島註冊成立的有限公司)

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of CLSA Premium Limited (Formerly known as KVB Kunlun Financial Group Limited) (the "Company") and its subsidiaries (the "Group") set out on pages 79 to 191, which comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

無法表示意見

我們受聘審計CLSA Premium Limited (前稱昆侖國際金融集團有限公司) (以下簡稱「貴公司」) 及其附屬公司 (以下統稱「貴集團」) 列載於第79至191頁的綜合財務報表，包括：

- 於二零一九年十二月三十一日的綜合財務狀況表、
- 載至該日止年度的綜合全面收益表、
- 載至該日止年度的綜合權益變動表、
- 載至該日止年度的綜合現金流量表及
- 綜合財務報表附註，包括重要會計政策概要。

我們沒有就貴集團的綜合財務報表發表意見。基於在本報告中「無法表示意見的基礎」部分所述事項的重要性，我們無法獲取充足和適當的審計憑證，以為該等綜合財務報表的審計意見提供基礎。在所有其他方面，我們認為該等綜合財務報表已遵照香港《公司條例》的披露規定妥為擬備。

Basis for Disclaimer of Opinion

The Group's information technology ("IT") related systems, databases and servers (together the "Legacy Systems") are located in Hong Kong, New Zealand, Australia and Singapore. Its transaction data generated from its leveraged foreign exchange and other trading businesses were captured and maintained within the Legacy Systems, which automatically processed transactions and the calculation of the leveraged foreign exchange and other trading income/losses, fee and commission income as well as the related referral expenses. As such, the occurrence, accuracy and completeness of these transaction data were highly dependent on the integrity of the Legacy Systems, which were maintained by Banclogix System Co., Limited ("Banclogix"), the Group's information technology services provider pursuant to the relevant information technology services agreements. Banclogix is a wholly-owned subsidiary of KVB Kunlun Holdings Limited, which is a substantial shareholder of the Company.

During the year of 2019, the Group made several attempts to access certain data stored in and documentations relating to the Legacy Systems but Banclogix has not provided sufficient access since August 2019. The Group migrated to a set of new IT-related systems, databases and servers in December 2019 and started to process and store the data for the relevant business transactions executed since December 2019 using the new systems, and issued a letter of termination on 19 March 2020 to terminate the service agreement with Banclogix.

Because of the above access restrictions, in respect of the Legacy Systems and the Group's leveraged foreign exchange and other trading transactions processed and stored using the Legacy Systems, we were unable to access:

- data and documentations that represented important evidence relevant to our testing of the information technology general controls ("ITGC") of the Group's trading system covering access to system and data, program changes, program development, and IT operations;

無法表示意見的基礎

貴集團與資訊科技有關的系統、數據庫和伺服器(統稱「舊有系統」)存放於香港、新西蘭、澳大利亞和新加坡。舊有系統內備存有槓桿式外匯及其他交易業務的交易數據，系統自動處理各項交易，並負責計算槓桿式外匯買賣及其他交易的收入／虧損、費用和佣金收入及相關轉介開支。因此，該等交易數據的生成、準確性和完整性高度依賴舊有系統的完備性，舊有系統由 貴集團資訊科技服務供應商盛匯信息科技有限公司(「盛匯」)根據相關的資訊科技服務協議提供。盛匯是 貴公司其一主要股東KVB Kunlun Holdings Limited的全資附屬公司。

二零一九年，貴集團多次要求進入舊有系統試圖取閱所儲存的若干資料和文檔，但自二零一九年八月起盛匯未有提供充足的取閱權限。貴集團在二零一九年十二月轉至採用一全新的資訊科技系統、數據庫和伺服器，並自二零一九年十二月起開始採用該新系統處理和儲存業務交易的數據，貴集團其後在二零二零年三月十九日向盛匯發信終止服務協議。

基於上述有關舊有系統的存取限制，就 貴集團過往採用舊有系統處理和儲存槓桿式外匯買賣和其他交易，我們無法取得：

- 與 貴集團交易系統的資訊科技總體控制(「資料總體控制」)的進入系統接觸數據、程式改動、程式開發和資訊科技操作有關的數據和文檔，這些資料構成我們對控制執行測試的重要憑證；

INDEPENDENT AUDITOR'S REPORT

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- data and documentations that represented important evidence relevant to our testing of the information technology application controls ("ITAC") of the Group's trading system covering key system-generated reports and automated calculations within the trading system; and
- databases and servers containing: (a) customer onboarding documentations detailing the commission rates agreed with customers; (b) correspondences with customers on their disengagement during the year ended 31 December 2019; and (c) details of agreements entered into between the Company's wholly-owned subsidiary, CLSA Premium New Zealand Limited and its customer referral agents, for our validation of the accuracy and completeness of transaction data contained in the Legacy Systems. Neither were the physical copies of such data able to be located by management.
- 與 貴集團交易系統的資訊科技應用控制（「資料應用控制」）的關鍵系統生成報告和交易系統內的自動化計算有關的數據和文檔，這些資料構成我們對控制執行測試的重要憑證；及
- 載有下列資料的數據庫和伺服器：(a) 新客戶登記存檔，詳列客戶的收費率；(b)截至二零一九年十二月三十一日止年度內終止客戶服務的通訊；及(c) 貴公司全資附屬公司CLSA Premium New Zealand Limited與其客戶轉介代理人訂立的協議詳情，該等資料可供我們核證舊有系統所儲存交易數據的準確性和完整性。管理層亦未能獲得該等資料的實物原件。

In light of the denial of our access to the evidences relating to the ITGC and ITAC of the Group's Legacy Systems together with the data contained in the databases and servers described above, our audit placed significant reliance on obtaining confirmations directly from third parties as an alternative audit procedure that aimed to provide sufficient appropriate audit evidence about the relevant assertions associated with the Group's leveraged foreign exchange and other trading transactions. External confirmations were sent to customers, on a sample basis, in order to confirm clients' balances as at 31 December 2019 and the customer trading transactions and the related trading income/losses and commission amounts for the year then ended. External confirmations were also sent to referral agents, on a sample basis, in order to confirm their balances as at 31 December 2019 and referral expenses for the year then ended. However, we were unable to obtain a sufficient level of confirmation replies we considered necessary, and there were no other alternative procedures that we could perform to obtain sufficient appropriate audit evidence.

鑑於我們被拒進入 貴集團舊有系統且未能接觸有關的數據庫和伺服器內的資料，我們無法取得有關 貴集團資料總體控制和資料應用控制的憑證，我們的審計重大依賴向第三方取得的直接函證作為替代的審計程序，目的為 貴集團槓桿式外匯買賣和其他交易的核實提供充足和適當的審計憑證。對外函證已按抽樣基準發送至客戶，用以確認截至二零一九年十二月三十一日的客戶結餘，以及截至該日止年度的客戶買賣交易和相關交易收入／虧損及佣金收入。對外函證亦已按抽樣基準發送至轉介代理人，用以確認截至二零一九年十二月三十一日的結餘以及截至該日止年度的轉介開支。然而，我們無法取得我們認為所需的充分函證回覆，亦沒有其他可予執行的替代程序以獲取充分和適當的審計憑證。

INDEPENDENT AUDITOR'S REPORT

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As a result, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to substantiate the occurrence and completeness of the customer trading transactions and the accuracy of the contract prices, the interest rates and the commission rates used to calculate the leveraged foreign exchange and other trading income of HK\$11,667,000 and the fee and commission income of HK\$3,299,000 for the year ended 31 December 2019, and the clients' balances of HK\$56,146,000, derivative financial instruments asset of HK\$11,416,000 and the derivative financial instruments liability of HK\$833,000 as at 31 December 2019. We were also unable to obtain sufficient appropriate audit evidence that we considered necessary to substantiate the occurrence, completeness and accuracy of the referral expenses and other charges of HK\$17,075,000 for the year ended 31 December 2019.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

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

基於上述原因，我們無法取得我們認為必須的充足和適當的審計憑證，以核證截至二零一九年十二月三十一日止年度客戶買賣交易是否確有發生和其完整性，及用以計算槓桿式外匯買賣及其他交易收入港幣11,667,000元以及費用和佣金收入港幣3,299,000元所採用的合約價格、利率和佣金費率是否準確無誤，以及核證截至二零一九年十二月三十一日客戶結餘港幣56,146,000元、衍生金融工具資產港幣11,416,000元和衍生金融工具負債港幣833,000元。我們亦無法取得我們認為必須的充足和適當的審計憑證，以核證截至二零一九年十二月三十一日止年度轉介費開支及其他費用港幣17,075,000元是否確有發生，亦無法確定其完整性和準確性。

董事及審計委員會就綜合財務報表須承擔的責任

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

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

審計委員會須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is FU, Ho Kee.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 April 2020

核數師就審計綜合財務報表承擔的責任

我們的責任，是根據香港會計師公會頒布的《香港審計準則》進行審計，並出具核數師報告。我們僅向閣下（作為整體）按照報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。然而，基於本報告「無法表示意見的基礎」部分所述的事項，我們無法獲取充足和適當的審計憑證，以為該等綜合財務報表的審計意見提供基礎。

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

出具本獨立核數師報告的審計項目合夥人是傅皓基先生。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年四月二十四日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Leveraged foreign exchange and other trading income	槓桿式外匯及其他交易收入	5	11,667	372,940
Cash dealing (expense)/income	現金交易(開支)/收入	5	(1,360)	3,309
Fee and commission income	費用及佣金收入	5	3,299	56,446
Other income	其他收入	6	2,465	38,416
Total income	收入總額		16,071	471,111
Referral expenses and other charges	轉介開支及其他費用		(17,075)	(175,772)
Staff costs	員工成本	7	(27,434)	(101,669)
Depreciation – property, plant and equipment and amortisation of intangible assets	折舊—物業、廠房及設備及無形資產攤銷	12 & 13	(15,442)	(14,681)
Depreciation – right-of-use assets	折舊—使用權資產	14	(11,701)	–
Lease payments under land and buildings	土地及樓宇的租賃付款		(3,756)	(14,228)
Administrative and other operating expenses	行政及其他經營開支	8	(107,735)	(84,576)
Total expenses	開支總額		(183,143)	(390,926)
Operating (loss)/profit	經營(虧損)/溢利		(167,072)	80,185
Finance cost	融資成本		(13,385)	(28,428)
(Loss)/Profit before tax	除稅前(虧損)/溢利		(180,457)	51,757
Income tax credit/(expenses)	所得稅抵免/(開支)	9	469	(17,508)
(Loss)/Profit for the year	年度(虧損)/溢利		(179,988)	34,249
Other comprehensive (expense)/income	其他全面(開支)/收益			
<i>Item that may be reclassified to profit or loss</i>	<i>可能重新分類至損益之項目</i>			
Currency translation difference	貨幣匯兌差額		(1,303)	(15,105)
Other comprehensive expense for the year, net of tax	年度其他全面開支(扣除稅項)		(1,303)	(15,105)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額		(181,291)	19,144
(Loss)/Earnings per share for (loss)/profit attributable to the equity holders of the Company for the year	年度本公司股權持有人應佔(虧損)/溢利之每股(虧損)/盈利			
– Basic (HK cents per share)	– 基本(每股港仙)	11	(8.85)	1.68
– Diluted (HK cents per share)	– 攤薄(每股港仙)	11	(8.85)	1.44

The notes on pages 85 to 191 form part of these consolidated financial statements.

第85至191頁的附註構成該等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	12	物業、廠房及設備	5,900	9,454
Intangible assets	13	無形資產	2	43,835
Right-of-use assets	14	使用權資產	21,894	—
Deferred tax assets	20	遞延稅項資產	1,712	1,719
Total non-current assets		非流動資產總值	29,508	55,008
Current assets		流動資產		
Other receivables, prepayments and deposits	15	其他應收款項、預付款項及按金	8,711	9,692
Tax prepayment		預繳稅項	4,680	4,625
Derivative financial instruments	16	衍生金融工具	11,416	67,400
Balances due from agents	17	應收代理結餘	26,202	21,751
Cash and bank balances and client trust bank balances	18	現金及銀行結餘以及客戶信託銀行結餘	423,727	980,766
Total current assets		流動資產總值	474,736	1,084,234
Total assets		資產總值	504,244	1,139,242
EQUITY AND LIABILITIES		權益及負債		
Equity		權益		
Share capital	24	股本	20,333	20,333
Reserves	25	儲備	336,909	347,541
Retained earnings		保留盈利	33,739	203,832
Total equity		權益總額	390,981	571,706

The notes on pages 85 to 191 form part of these consolidated financial statements.

第85至191頁的附註構成該等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

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			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Current liabilities	流動負債			
Finance lease obligations	融資租賃承擔	19	11,718	42
Tax payable	應繳稅項		2,069	2,633
Other payables and accrued liabilities	其他應付款項及應計負債	21	27,063	31,643
Derivative financial instruments	衍生金融工具	16	833	5,374
Clients' balances	客戶結餘	22	56,146	331,731
Total current liabilities	流動負債總額		97,829	371,423
Non-current liabilities	非流動負債			
Finance lease obligations	融資租賃承擔	19	10,531	146
Deferred tax liabilities	遞延稅項負債	20	4,903	4,902
Convertible bonds	可換股債券	23	–	191,065
Total non-current liabilities	非流動負債總額		15,434	196,113
Total liabilities	負債總額		113,263	567,536
Total equity and liabilities	總權益及負債		504,244	1,139,242

The financial statements on pages 79 to 191 were approved by the Board of Directors on 24 April 2020 and were signed on its behalf

第79至191頁的財務報表已於二零二零年四月二十四日獲董事會批准及由以下董事代為簽署

Yuan Feng
袁峰

Wu Fei
吳飛

The notes on pages 85 to 191 form part of these consolidated financial statements.

第85至191頁的附註構成該等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			Share capital	Share premium	Capital reserve	Share option reserve	Currency translation reserve	Retained earnings	Total equity
			股本	股份溢價	資本儲備	購股權 儲備	貨幣匯兌 儲備	保留盈利	權益總額
Notes			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註			千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(Note 25)				
					(附註25)				
At 1 January 2018	於二零一八年一月一日		20,333	180,493	171,892	18,713	(5,908)	160,664	546,187
Comprehensive income	全面收益								
Profit for the year	年度溢利		-	-	-	-	-	34,249	34,249
Other comprehensive expense for the year	年度其他全面開支		-	-	-	-	(15,105)	-	(15,105)
			20,333	180,493	171,892	18,713	(21,013)	194,913	565,331
Share option scheme	購股權計劃	27	-	-	-	(2,544)	-	8,919	6,375
Balance at 31 December 2018 and 1 January 2019	於二零一八年十二月 三十一日及 二零一九年一月 一日之結餘		20,333	180,493	171,892	16,169	(21,013)	203,832	571,706
Comprehensive expense	全面開支								
Loss for the year	年度虧損		-	-	-	-	-	(179,988)	(179,988)
Other comprehensive expense for the year	年度其他全面開支		-	-	-	-	(1,303)	-	(1,303)
			-	-	-	(9,329)	-	9,895	566
Share option scheme	購股權計劃	27	-	-	-	(9,329)	-	9,895	566
Balance at 31 December 2019	於二零一九年十二月 三十一日之結餘		20,333	180,493	171,892	6,840	(22,316)	33,739	390,981

The notes on pages 85 to 191 form part of these consolidated financial statements.

第85至191頁的附註構成該等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities	經營活動所得現金流量		
(Loss)/Profit before tax	除稅前(虧損)/溢利	(180,457)	51,757
Adjustments for:	調整：		
Depreciation – property, plant and equipment and amortisation of intangible assets	折舊－物業、廠房及設備及無形資產攤銷	15,442	14,681
Depreciation – Right-of-use assets	折舊－使用權資產	11,701	–
Interest income	利息收入	(5,108)	(4,945)
Interest expense	利息開支	13,385	28,428
Gain on disposal of fixed assets	出售固定資產的收益	(11)	–
Impairment of fixed asset	固定資產之減值	400	–
Impairment of intangible asset	無形資產之減值	37,506	2,937
Share option expenses	購股權開支	566	6,375
Fair value gain on the embedded derivative portion of convertible bonds	可換股債券嵌入式衍生工具部份之公允值收益	–	(26,042)
Loss on redemption of the convertible bonds	贖回可換股債券之虧損	981	–
Amortisation of deferred losses on conversion component of convertible bonds	可換股債券轉換部份遞延虧損攤銷	828	1,982
Cash flows from operating activities before working capital changes	營運資金變動前經營活動所得現金流量	(104,767)	75,173
Decrease/(increase) in pledged time deposits	已抵押定期存款減少/(增加)	6,239	(4,344)
Decrease in client trust bank balances	客戶信託銀行結餘減少	211,286	330,514
(Increase)/decrease in balances due from agents	應收代理結餘(增加)/減少	(4,451)	66,226
Decrease in derivative financial instruments	衍生金融工具減少	51,443	46,895
Decrease in other receivables, prepayments and deposits	其他應收款項、預付款項及按金減少	564	2,610
Decrease in clients' balances	客戶結餘減少	(275,585)	(434,451)
Increase/(decrease) in other payables and accrued liabilities	其他應付款項及應計負債增加/(減少)	1,255	(27,464)
Cash (used in)/generated from operations	經營(所用)/所得現金	(114,016)	55,159
Income tax credit/(paid)	所得稅抵免/(已付所得稅)	391	(6,860)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	(113,625)	48,299

The notes on pages 85 to 191 form part of these consolidated financial statements.

第85至191頁的附註構成該等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Cash flows from investing activities		投資活動所得現金流量		
Interest received		已收利息	5,525	4,427
Purchase of property, plant and equipment and intangible assets	12 & 13	購買物業、廠房及設備及無形資產	(6,226)	(27,888)
Proceeds from sale of fixed assets		銷售固定資產所得款項	131	—
Net cash used in investing activities		投資活動所用現金淨額	(570)	(23,461)
Cash flows from financing activities		融資活動所得現金流量		
Repayment of finance lease obligations	26	償還融資租賃承擔	(12,251)	(54)
Interest paid	26	已付利息	(11,375)	(7,468)
(Redemption)/Issuance of convertible bonds	23 & 26	(贖回)/發行可換股債券	(200,000)	200,000
Net cash generated (used in)/from financing activities		融資活動(所用)/所得現金淨額	(223,626)	192,478
Net (decrease)/increase in cash and cash equivalents		現金及現金等價物(減少)/增加淨額	(337,821)	217,316
Cash and cash equivalents at beginning of year		年初現金及現金等價物	635,048	431,736
Effect of foreign exchange rate changes, net		匯率變動影響淨額	(1,693)	(14,004)
Cash and cash equivalents at end of year		年末現金及現金等價物	295,534	635,048

The notes on pages 85 to 191 form part of these consolidated financial statements.

第85至191頁的附註構成該等綜合財務報表的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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1 CORPORATE INFORMATION

1.1 General information

The Company was incorporated in the Cayman Islands on 9 November 2010 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's immediate parent is CITIC Securities Overseas Investment Company Limited (the "CITIC Securities Overseas"), a company incorporated in Hong Kong and its ultimate holding company is CITIC Securities Company Limited (the "CITIC Securities"), a company incorporated in the People's Republic of China. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company and its subsidiaries are principally engaged in the provision of leveraged foreign exchange and other trading, cash dealing business, and other services.

As at 31 December 2019, 59.03% of the total issued shares of the Company are held by CITIC Securities Overseas, 14.75% of issued shares are held by KVB Kunlun Holdings Limited and the remaining 26.22% of issued shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

1 公司資料

1.1 一般資料

本公司於二零一零年十一月九日根據開曼群島公司法第22章(經綜合及修訂的一九六一年第三號法例)於開曼群島註冊成立為獲豁免有限公司。本公司之直接母公司為中信証券海外投資有限公司(「中信証券海外」)，一家於香港註冊成立之公司，其最終控股公司為中信証券股份有限公司(「中信証券」)，一家於中華人民共和國註冊成立之公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司為一間投資控股公司，其附屬公司主要從事提供槓桿式外匯交易及其他交易、現金交易業務及其他服務。

於二零一九年十二月三十一日，本公司已發行股份總數之59.03%由中信証券海外持有、14.75%已發行股份由KVB Kunlun Holdings Limited持有，而餘下26.22%已發行股份於香港聯合交易所有限公司(「聯交所」)主板上市。

除非另有說明，綜合財務報表以港元(「港元」)呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 CORPORATE INFORMATION (continued)

1.2 Significant event

- (i) On 25 January 2018, pursuant to subscriptions agreements (“Agreements”) entered into by the Company, the Company issued convertible bonds with aggregate principal amount of HK\$200,000,000 on 12 February 2018 (“Issue Date”). The convertible bonds entitled the holders to convert them into ordinary shares of the Company at the conversion price of HK\$0.613 (“Conversion Price”) per share of the Company at any time from the day following one year from the Issue Date up to the fifth business day immediately before the second anniversary of the Issue Date (“Maturity Date”) and bear interest at 7.5% per annum. On 7 May 2019, the bonds holders exercised the option of early redemption pursuant to the Agreements to request the Company to redeem the full amount of the convertible bonds with redemption date on 15 May 2019. See Note 23.
- (ii) As a holder of the Australian Financial Services License, the Group received a letter (the “Letter”) from Australian Securities and Investments Commission (“ASIC”) dated 18 April 2019 to its licensees which reminded licensees that they were obliged to comply with applicable laws of foreign jurisdictions, and recommended that licensees should seek legal advice to ensure that the products and services they offer to their clients comply with applicable foreign laws.

1 公司資料(續)

1.2 重大事件

- (i) 於二零一八年一月二十五日，根據本公司訂立之認購協議（「該等協議」），本公司已於二零一八年二月十二日（「發行日期」）發行本金總額為200,000,000港元之可換股債券。可換股債券賦予持有人權利可於發行日期起計一年後翌日起至緊接發行日期起計滿兩週年前第五個營業日（「到期日」）止期間隨時按換股價每股0.613港元（「換股價」）轉換為本公司之普通股，年利率為7.5%。於二零一九年五月七日，債券持有人根據該等協議行使提早贖回權，要求本公司贖回贖回日期為二零一九年五月十五日的可換股債券全部金額。見附註23。
- (ii) 本集團作為澳洲金融服務牌照的持有者，接獲澳洲證券及投資委員會（「澳洲證投會」）向其持牌機構發出的日期為二零一九年四月十八日的通函（「該通函」）提醒持牌人，彼等有義務遵守境外司法權區之適用法律，並建議持牌人應徵詢法律意見，以確定彼等向客戶提供之產品及服務符合適用境外法律。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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1 CORPORATE INFORMATION (continued)

1.2 Significant event (continued)

(ii) (continued)

Certain subsidiaries of the Group hold Australian and New Zealand financial services licenses, and as at the date of this report, the online forex margin trading platform of the Group's Australian and New Zealand subsidiaries is targeted towards, among others, ethnic Chinese, thus there exists a number of clients with Chinese names ("Existing Ethnic Chinese Clients"). In view of the Letter, the board of directors (the "Board") of the Company has sought legal advice from its lawyer as to the laws of the People's Republic of China (the "PRC").

In line with the advice from the Company's legal advisers on the PRC laws, a detailed survey of the Group's Existing Ethnic Chinese Clients will be conducted with a view to identifying anyone who is, or who may possibly be, classified as a PRC domestic client. The Board believes the identification and disengagement of PRC Domestic Clients has been completed in 2019.

1 公司資料(續)

1.2 重大事件(續)

(ii) (續)

本集團若干附屬公司持有澳洲和新西蘭金融服務牌照，而截至本報告日，本集團的澳洲和新西蘭附屬公司的網上外匯保證金業務交易平台的主要服務對象是(其中包括)華人，所以存在一定數量中國姓名客戶(「存量華人客戶」)。鑒於該通函，本公司之董事會(「董事會」)向有關中華人民共和國(「中國」)法律的律師尋求了法律意見。

因應本公司中國法律顧問之意見，本集團已就其存量華人客戶進行詳細調查，以甄別任何被分類或有可能被分類為中國境內客戶的人士。董事會認為，甄別和清理中國境內客戶工作已在二零一九年完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together the “Group”) have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and applicable requirements of the Hong Kong Companies Ordinance (Chapter 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2 重要會計政策概要

編製該等綜合財務報表所採用的主要會計政策載列如下。除另有說明外，該等政策一直適用於所有呈列年度。

2.1 編製基準

本公司及其附屬公司（統稱「本集團」）的綜合財務報表乃根據所有適用香港財務報告準則（「香港財務報告準則」）及香港公司條例（第622章）之適用規定編製。綜合財務報表乃按歷史成本法編製，並經重估按公允值計入損益的金融資產及金融負債（包括衍生工具）所修訂，以公允值列賬。

編製符合香港財務報告準則規定的財務報表須採用若干關鍵會計估計。管理層在應用本集團的會計政策時須作出其判斷。涉及高度判斷或複雜性的範圍，或假設及估計對財務報表而言屬重大的範圍，在附註4內披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重要會計政策概要 (續)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- HKFRS 16 *Leases*

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in note 2.2.1.

- Other amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.1 編製基準 (續)

(a) 本集團採納的新訂及經修訂準則

本集團已於二零一九年一月一日開始之年度報告期間首次應用下列準則及修訂本：

- 香港財務報告準則第16號「租賃」

由於採納香港財務報告準則第16號，本集團必須變更其會計政策。本集團選擇追溯採用新準則，但確認於二零一九年一月一日首次採用該新準則的累計影響。其披露於附註2.2.1。

- 其他修訂本對過往期間確認的金額沒有任何重大影響，並且預計不會對當期或未來期間產生重大影響。

(b) 尚未採納的新準則及詮釋

多項新訂會計準則及詮釋已頒佈但於二零一九年十二月三十一日報告期間並未強制生效及本集團並無提早採納。該等準則預期將不會對實體於本報告期間或未來報告期間及可見將來之交易造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements.

As indicated in note 2.1 above, the Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening Consolidated Statement of Financial Position on 1 January 2019. The new accounting policies are disclosed in note 2.2.1.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2019. The weighted average Group's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2.5%.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date. No measurement adjustments is resulted upon the adoption of HKFRS 16.

2 重要會計政策概要(續)

2.2 會計政策變動

本附註解釋採納香港財務報告準則第16號「租賃」對本集團財務報表產生之影響。

誠如上文附註2.1所示，本集團已採納香港財務報告準則第16號並追溯至二零一九年一月一日，但在該準則特定之過渡條文允許下，並無重列二零一八年報告期的比較數字。新租賃準則所產生的重新分類及調整因此於二零一九年一月一日期初綜合財務狀況表確認。新會計政策已於附註2.2.1披露。

於採納香港財務報告準則第16號後，本集團已就先前根據香港會計準則第17號「租賃」的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按剩餘租賃付款額的現值計量，並使用本集團於二零一九年一月一日的增量借貸利率貼現。本集團於二零一九年一月一日應用於租賃負債的加權平均增量借貸利率為2.5%。

就先前分類為融資租賃之租賃而言，本集團已將租賃資產及租賃負債於緊接過渡前的賬面值於初始應用日期確認為使用權資產及租賃負債的賬面值。香港財務報告準則第16號之計量原則僅於該日期後適用。採納香港財務報告準則第16號並無導致計量調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) **2 重要會計政策概要** (續)

2.2 Changes in accounting policies (continued)

(i) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

2.2 會計政策變動 (續)

(i) *所採用之可行權宜方法*

於初次應用香港財務報告準則第16號時，本集團已採用以下準則所允許的可行權宜方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴先前關於租賃是否虧損的評估，作為進行減值審閱的替代方法 – 於二零一九年一月一日並無虧損性合約；
- 於二零一九年一月一日剩餘租賃期少於12個月的經營租賃會計處理為短期租賃；

本集團亦已選擇不重新評估於首次應用日期合約是否為租賃或包含租賃。相反，就於過渡日期之前訂立的合約而言，本集團依據其採用香港會計準則第17號及詮釋第4號釐定安排是否包含租賃作出的評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重要會計政策概要(續)

2.2 Changes in accounting policies (continued)

(ii) Measurement of lease liabilities

2.2 會計政策變動(續)

(ii) 租賃負債的計量

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露 之經營租賃承擔	37,355
Discounted using the Group's incremental borrowing rate at the date of initial adoption	使用本集團於首次採納日期之增量 借貸利率貼現	35,688
Add: finance lease obligations recognised as at 31 December 2018	加：於二零一八年十二月三十一日 確認之融資租賃承擔	188
(Less): short-term leases not recognised as a liability	(減)：未確認為負債之短期租賃	(1,134)
(Less): low-value lease not recognised as a liability	(減)：未確認為負債之低價值租賃	(1,098)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃 負債	33,644
Of which are:	當中包括：	
Current lease liabilities	流動租賃負債	11,334
Non-current lease liabilities	非流動租賃負債	22,310
		33,644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重要會計政策概要(續)

2.2 Changes in accounting policies (continued)

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Consolidated Statement of Financial Position as at 31 December 2018.

(iv) Adjustments recognised in the Consolidated Statement of Financial Position on 1 January 2019

The change in accounting policy affected the following items in the Consolidated Statement of Financial Position on 1 January 2019:

- right-of-use assets – increase by HK\$33,456,000
- lease liabilities – increase by HK\$33,456,000.

There is no impact on Retained Earnings on 1 January 2019.

2.2 會計政策變動(續)

(iii) 使用權資產的計量

物業租賃之相關使用權資產將按追溯基準計量，猶如一直應用新規則。其他使用權資產將按相等於租賃負債之金額計量，並就於二零一八年十二月三十一日之綜合財務狀況表確認涉及該項租賃之任何預付或應計租賃付款金額作出調整。

(iv) 於二零一九年一月一日於綜合財務狀況表之已確認調整

於二零一九年一月一日，因會計政策變動影響綜合財務狀況表中的下列項目：

- 使用權資產 – 增加33,456,000港元
- 租賃負債 – 增加33,456,000港元。

於二零一九年一月一日對保留盈利並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

2.2.1 Lease

As explained in note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2.2.

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases obligations (note 19). Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (note 32). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

2 重要會計政策概要(續)

2.2 會計政策變動(續)

2.2.1 租賃

如附註2.2所述，本集團已更改其作為承租人的租賃會計政策。新政策已於下文概述及變動影響載於附註2.2。

於二零一八年十二月三十一日前，本集團（作為承租人）擁有絕大部份風險及回報之物業、廠房及設備之租賃乃分類為融資租賃承擔（附註19）。融資租賃在租賃起始時按租賃物業之公允值或（倘屬較低者）按最低租賃付款現值入賬。相應租賃責任在扣除財務費用後計入應付其他短期及長期款項內。每項租金均分攤為負債及融資成本。融資成本於租賃期內在損益表扣除，使融資成本與每個期間的負債餘額之比為常數定期利率。倘無法合理確定本集團於租賃期結束時將取得擁有權，則根據融資租賃購入的物業、廠房及設備按資產可使用年期或資產可使用年期與租賃期兩者之間較短者進行折舊。

大部分擁有權的風險和回報並無轉入本集團（以承租人身份）的租賃已分類為經營租賃（附註32）。根據經營租賃（扣除已收出租人的任何優惠）支付的款項於租期內以直線法計入損益。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用當日會確認為使用權資產及相關負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) **2 重要會計政策概要** (續)

2.2 Changes in accounting policies (continued)

2.2.1 Lease (continued)

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

2.2 會計政策變動 (續)

2.2.1 租賃 (續)

合約可能包含租賃及非租賃部份。本集團按照租賃及非租賃部份相應的獨立價格，將合約代價分配至租賃及非租賃成份。然而，對本集團為承租人的房地產租賃而言，其選擇將租賃及非租賃部份視為單一租賃部份，並無將兩者區分。

租賃產生的資產及負債初始按現值計量。租賃負債包括下列租賃付款的淨現值：

- 固定付款（包括實質固定付款）扣減任何應付租賃優惠；
- 取決於指數或利率的可變租賃付款（初始於開始日期使用指數或利率計量）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

2.2.1 Lease (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by CLSA Premium Limited, which does not have recent third party financing; and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

2 重要會計政策概要(續)

2.2 會計政策變動(續)

2.2.1 租賃(續)

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率(本集團的租賃一般屬此類情況)，則使用承租人增量借貸利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產價值類似的資產所需資金必須支付的利率。

為釐定增量借貸利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動；
- 使用累加法，首先就CLSA Premium Limited所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率；及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

本集團未來可能根據指數或利率增加可變租賃付款額，而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時，租賃負債根據使用權資產進行重新評估及調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) **2 重要會計政策概要** (續)

2.2 Changes in accounting policies (continued)

2.2.1 Lease (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.2 會計政策變動 (續)

2.2.1 租賃 (續)

租賃付款於本金及融資成本之間作出分配。融資成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額；
- 在開始日期或之前支付的任何租賃付款減去已收任何租賃優惠；
- 任何初始直接成本；及
- 修復費用。

使用權資產一般於資產可使用年期或租賃期（以較短者為準）按直線法計算折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年內予以折舊。

與短期租賃設備及汽車以及低價值資產之所有租賃相關的付款以直線法於損益確認為開支。短期租賃為租賃期12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公家具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Subsidiaries

2.3.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

2 重要會計政策概要(續)

2.3 附屬公司

2.3.1 綜合賬目

附屬公司是本集團擁有控制權的全部實體(包括結構實體)。本集團對實體的控制權體現為自實體投資錄得可變回報的風險或權利,並擁有對實體行使權力以影響該等回報金額的能力。附屬公司的賬目自其控制權轉移至本集團之日起全面列入綜合賬目,並於本集團失去其控制權時停止綜合入賬。

本集團採用收購法將業務合併入賬。收購一家附屬公司轉讓的代價為所轉讓資產、所產生的負債及本集團發行的股本權益的公允值。所轉讓的代價包括或然代價安排所產生的任何資產或負債的公允值。

收購相關成本於產生時支銷。

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債,初步以其於收購日期的公允值計量。本集團按逐項收購基準,以公允值或按非控股權益所佔被收購方資產淨值比例確認於被收購方的任何非控股權益。

所轉撥代價、於被收購方的任何非控制性權益金額以及於被收購方的任何先前股權於收購日期的公允值超過本集團應佔所收購可識別淨資產公允值的差額列作商譽。就議價購買而言,倘該差額低於所購入附屬公司的淨資產公允值,則直接在全面收益表中確認有關差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重要會計政策概要(續)

2.3 Subsidiaries (continued)

2.3.1 Consolidation (continued)

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the executive directors and senior management as its chief operating decision maker.

2.3 附屬公司(續)

2.3.1 綜合賬目(續)

公司間的交易、集團公司間的交易結餘及未變現收益予以對銷。未變現虧損亦予以對銷，除非有關交易證明轉撥資產出現減值。附屬公司的會計政策已經變更(倘需要)，以確保與本集團採納的政策相一致。

2.3.2 獨立財務報表

於附屬公司之投資按成本減減值入賬。成本包括投資之直接應佔成本。附屬公司之業績在本公司賬目內按已收及應收股息入賬。

倘自附屬公司收取之股息超出宣派股息期間該附屬公司之全面收益總額，或倘獨立財務報表之投資賬面值超出綜合財務報表所示被投資公司之資產淨值(包括商譽)之賬面值，則須對該等附屬公司之投資進行減值測試。

2.4 分部報告

經營分部的報告方式與提供予主要營運決策人的內部報告方式一致。主要營運決策人為向實體分配資源及評估實體經營分部表現的人士或集團。本集團已釐定執行董事及高級管理層作為其主要營運決策人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each Consolidated Statement of Financial Position presented are translated at the closing rate at the date of that Consolidated Statement of Financial Position;

2 重要會計政策概要 (續)

2.5 外幣兌換

(a) 功能及呈列貨幣

本集團各實體的財務報表所載項目均以有關實體營運的主要經濟環境所用貨幣(「功能貨幣」)計量。

綜合財務報表以本公司的功能及本集團的呈列貨幣港元呈列。

(b) 交易及結餘

外幣交易按交易當日或項目重新計量的估值日期的通行匯率換算為功能貨幣。因該等交易結算及按年結時匯率換算以外幣計值的貨幣資產及負債而產生的外匯盈虧均於綜合全面收益表確認。

(c) 集團公司

本集團旗下所有功能貨幣與呈列貨幣不同的實體(均非使用超高通脹地區的貨幣)的業績及財務狀況按以下方式換算為呈列貨幣：

- (i) 各綜合財務狀況表所呈列的資產及負債按綜合財務狀況表日期的收市匯率換算；

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) **2 重要會計政策概要** (續)

2.5 Foreign currency translation (continued)

(c) Group companies (continued)

- (ii) income and expenses for each consolidated statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

2.5 外幣兌換 (續)

(c) 集團公司 (續)

- (ii) 各綜合全面收益表的收支按平均匯率(除非此平均值並非該等交易日期通行匯率累計影響的合理約數,在此情況下,收支於交易日期換算)換算;及
- (iii) 所有產生的匯兌差額於其他全面收益內確認。

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值(如有)列賬。歷史成本包括收購項目直接應佔開支。

僅當與該項目有關的未來經濟利益很可能流入本集團,而且該項目的成本能可靠計量時,其後成本方可列入資產的賬面值內或確認為獨立資產(如適用)。所有其他維修及保養均於其產生的財政期間於損益表扣除。

物業、廠房及設備於以下估計使用年期採用直線法將成本分配至剩餘價值計算折舊:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment (continued)

Leasehold improvements	10 years or over the lease term, whichever is shorter
Computer equipment	3 to 5 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Consolidated Statement of Financial Position date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in 'other income' in the consolidated statement of comprehensive income.

2.7 Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic lives (3 to 5 years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each Consolidated Statement of Financial Position date.

Intangible assets with indefinite useful lives are tested for impairment annually. Such intangible assets are not amortised. The useful lives of intangible assets with indefinite lives are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2 重要會計政策概要(續)

2.6 物業、廠房及設備(續)

租賃物業裝修	十年或租期(以較短期間為準)
電腦設備	三至五年
傢俱、裝置及設備	三至五年
汽車	三至五年

資產的剩餘價值及使用年期於各綜合財務狀況表日期檢討，並在適當情況下作出調整。當有事件出現或情況改變而顯示賬面值不可回收時，本集團就是否存在減值對資產(受折舊所限)進行檢討。倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至其可收回金額。可收回金額為資產的公允值減銷售成本與使用價值兩者中較高者。

出售時的盈虧乃透過比較所得款項與賬面值而釐定，並計入綜合全面收益表內的「其他收入」。

2.7 無形資產

無形資產的使用年期可評估為有限或無限。年期有限的無形資產於可使用經濟年期(三至五年)內攤銷，並評估是否有跡象顯示無形資產可能出現減值。使用年期有限的無形資產的攤銷期及攤銷方法最少於各綜合財務狀況表日期檢討一次。

無限可用年期的無形資產於每年進行減值測試。該等無形資產不予攤銷。無限可用年期的無形資產的使用年期每年進行檢討以釐定無限可用年期評估是否仍然適用。倘不適用，則對可使用年期從無限評定為有限的變動按預期基準入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重要會計政策概要(續)

2.8 Impairment of non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each Consolidated Statement of Financial Position date.

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.8 非金融資產的減值

無限使用年期的資產毋須攤銷，並每年進行減值測試。每當有事件發生或情況出現轉變，顯示須作出攤銷的資產不可按賬面值收回時，則會審閱有關減值情況。減值虧損按資產賬面值超出其可收回金額的金額確認。可收回金額為資產公允值減銷售成本與使用價值兩者中的較高者。於評估減值時，資產按可獨立識別現金流入（其大致上獨立於其他資產或資產組別的現金流入）（現金產生單位）的最低水平劃分組別。除商譽外，錄得減值的非金融資產於各綜合財務狀況表日期審閱減值可否撥回。

2.9 金融資產

2.9.1 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公允值（透過損益或透過其他全面收益）計量的金融資產；及
- 按攤銷成本計量的金融資產。

該分類取決於管理金融資產的本集團業務模式及現金流量的合約條款。

就按公允值計量的資產而言，收益及虧損將於損益或其他全面收益列賬。

當且僅當本集團管理該等資產的業務模式改變時，方對債務投資進行重新分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

2.9.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.9.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are included directly in consolidated statement of comprehensive income and are reported as “leveraged foreign exchange and other trading income” in the period in which they arise.

Certain financial assets are carried at amortised cost using the effective interest method less impairment if any. The Group’s receivables and “cash and cash equivalents” fall under this category. Amounts receivables are measured subsequently at amortised cost using the effective interest rate method. Interest on loans is included in the consolidated statement of comprehensive income and is reported as net interest income.

2 重要會計政策概要 (續)

2.9 金融資產 (續)

2.9.2 確認及取消確認

金融資產的常規買賣於交易當日 (即本集團承諾購買或出售資產當日) 確認。

金融資產於自金融資產收取現金流量的權利屆滿或轉讓且本集團已實質上轉移所有權的一切風險及回報後取消確認。

2.9.3 計量

於初步確認時，本集團按其公允值加 (倘金融資產並非按公允值計入損益 (按公允值計入損益) 計量) 收購金融資產直接應佔之交易成本計量金融資產。按公允值計入損益列賬的金融資產的交易成本於損益中支銷。「按公允值計入損益之金融資產」類別之公允值變動所產生之收益及虧損直接計入綜合全面收益表，並於產生期間呈列為「槓桿式外匯及其他交易收入」。

若干金融資產以實際利率法按攤銷成本減去減值 (如有) 列賬。本集團的應收款項及「現金及現金等價物」屬於此類別。應收款項隨後使用實際利率法按攤銷成本計量。貸款利息計入綜合全面收益表並呈報為利息收入淨額。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) **2 重要會計政策概要 (續)**

2.9 Financial assets (continued)

2.9.4 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.11 Derivative financial instruments

The Group classifies derivatives as financial assets or financial liabilities at fair value through profit or loss at inception. The Group does not classify any derivatives as hedges in a hedging relationship.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Gains or losses arising from changes in the fair values are recognised in the “leveraged foreign exchange and other trading income” in the period in which they arise.

2.9 金融資產 (續)

2.9.4 減值

本集團按前瞻性基準評估與其按攤銷成本列賬的金融資產相關的預期信貸虧損。所應用的減值方法取決於信貸風險是否顯著增加。

2.10 抵銷金融工具

當存在一項可依法強制執行的權利可抵銷已確認金額且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及負債均可予抵銷，且將有關淨額列入綜合財務狀況表內。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘本公司或對手方一旦出現違約、無償債能力或破產時亦必須可強制執行。

2.11 衍生金融工具

本集團於開始時將衍生工具分類為按公允值計入損益的金融資產或金融負債。本集團並無將任何衍生工具分類作對沖關係中對沖用途。

衍生工具於訂立衍生工具合約當日初步按公允值確認，其後按公允值重新計量。公允值變動所產生的收益或虧損於其產生期間於「槓桿式外匯及其他交易收入」中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, bank deposits with original maturities of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and cash equivalents available for the disposition of the Group and exclude client trust bank balances, and bank deposits held to secure the banking facilities granted to the Group.

2.13 Rental, utility and other deposits

Rental, utility and other deposits held on a long term basis are stated at amortised cost using the effective interest method less impairment if any.

2.14 Financial liabilities

Financial liabilities representing other payables are recognised initially at fair value net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the profit or loss over the period of the other financial liabilities using the effective interest method. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

2.15 Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The derivative component of the convertible bonds is recognised initially at fair value. The liability component is recognised initially at the difference between the fair value of the convertible bonds as a whole and the fair value of the derivative component.

2 重要會計政策概要(續)

2.12 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以下的銀行存款。

就綜合現金流量表而言，現金及現金等價物為可供本集團處置的現金及現金等價物，不包括客戶信託銀行結餘以及為授予本集團的銀行信貸提供擔保而持有的銀行存款。

2.13 租金、公用設施及其他按金

長期持有的租金、公用設施及其他按金按實際利率法以攤銷成本扣減減值(如有)列賬。

2.14 金融負債

金融負債(指其他應付款項)最初以公允值確認並扣除所產生的交易成本。金融負債其後以攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間的差額以實際利率法於其他金融負債期間於損益表內確認。金融負債在所指定的責任解除、註銷或屆滿時終止確認。

2.15 複合金融工具

本公司發行的複合金融工具包括可按持有人的選擇轉換為股本的可轉換債券，而將予發行的股份數目不跟隨其公允值而改變。

可換股債券的衍生組成部分初步按公允值確認。負債組成部分初步按可換股債券整體的公允值與衍生組成部分的公允值之間的差額確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) **2 重要會計政策概要** (續)

2.15 Compound financial instruments (continued)

Subsequent to initial recognition, the liability component of compound financial instruments is measured at amortised cost using the effective interest method. The derivative is subsequently measured at fair value through profit or loss and any gains or losses derived from its changes are recognised in the consolidated profit or loss.

2.16 Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.17 Employee benefits

(a) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the Scheme.

2.15 複合金融工具 (續)

於初始確認後，複合金融工具的負債組成部分採用實際利率法按攤銷成本計量。衍生工具其後按公允值計入損益計量，而因其變動所產生之任何收益或虧損於綜合損益確認。

2.16 撥備

當由於過往事件引致目前出現法定或推定責任，而可能導致日後資源流出以履行責任，並能夠可靠估計責任金額時，則會確認撥備。倘金錢的時間價值重大，撥備會以履行責任預期所需開支的現值列賬。

倘可能毋須流出經濟利益，或金額未能可靠估計，除非流出經濟利益的可能性極低，否則須披露該責任為或然負債。潛在責任的存在僅以發生或不發生一項或多項未來事件確定，除非流出經濟利益的可能性極低，否則亦同時披露為或然負債。

2.17 僱員福利

(a) 退休福利計劃

本集團根據強制性公積金計劃條例，為所有香港僱員設立界定供款的強制性公積金退休福利計劃（「該計劃」）。根據該計劃的規則，供款按僱員基本薪酬的一定百分比作出，並於支付時在損益中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

(a) Retirement benefits scheme (continued)

The employees of the Group's subsidiary, which operates in New Zealand, are eligible to participate in KiwiSaver plan on a voluntary basis. This subsidiary is required to contribute certain percentage of its payroll costs to the fund only if employees are making contribution to KiwiSaver plan. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the fund.

The employees of the Group's subsidiary, which operates in Australia, are required to participate in employee superannuation fund. This subsidiary is required to contribute certain percentage of its payroll costs to the fund. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the fund.

The assets of the Scheme and other plans as described above are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the Scheme and other plans.

(b) Employee level entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the Consolidated Statement of Financial Position date.

(c) Bonus

The Group recognises a liability and an expense for bonuses, in which the bonus scheme is at the discretion of the Group's directors based on the Group performance that takes into consideration the profit attributable to the Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 重要會計政策概要(續)

2.17 僱員福利(續)

(a) 退休福利計劃(續)

本集團紐西蘭附屬公司的僱員均合資格自願參與KiwiSaver計劃。僅當僱員向KiwiSaver計劃作出供款時，該附屬公司須按薪金成本的一定百分比向該基金作出供款。根據該基金的規則，該等供款於應付時在損益中扣除。

本集團澳洲附屬公司的僱員須參與僱員退休基金。該附屬公司須按薪金成本的一定百分比向該基金作出供款。根據該基金的規則，該等供款於應付時在損益中扣除。

該計劃及上文所述其他計劃的資產乃以獨立管理基金方式與本集團的資產分開持有。本集團向該計劃及其他計劃繳納僱主供款時，該等供款即全數歸僱員所有。

(b) 僱員假期權益

僱員的年假權利在僱員享有的有關假期產生時確認。本集團為截至綜合財務狀況表日期止僱員已提供服務產生的年假的估計負債作出撥備。

(c) 花紅

本集團就花紅確認負債及開支，而有關花紅計劃乃本集團董事根據本集團表現酌情制定，並計及於作出若干調整後本集團應佔的溢利。於出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Share-based payment transactions

(a) Equity-settled share-based payment transactions

The Group operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined with reference to the fair value estimated by external valuer under a valuation model commonly used in the market.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each Consolidated Statement of Financial Position date until the vesting date reflects the extent to which the vesting year has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit or loss for a year represents the movement in the cumulative expense recognised as at the beginning and end of that year.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly transaction costs are credited to share capital.

2 重要會計政策概要 (續)

2.18 以股份支付交易

(a) 權益結算股份支付交易

本集團設有一項購股權計劃，為對本集團業務成功作出貢獻之合資格參與者提供鼓勵與獎賞。本集團僱員（包括董事）以股份支付交易之方式收取報酬，而僱員則提供服務作為權益工具之代價（「權益結算交易」）。

與僱員進行權益結算交易之成本乃參考授出購股權當日之公允值計算。公允值乃參考外部估值師根據市場常用估值模型估計公允值釐定。

在評估權益結算交易時，除與本公司股價相關之條件（「市場條件」）（如適用）外，並不考慮任何表現條件。

權益結算交易之成本，連同權益相應增加部分，在服務條件獲得履行之年度（於有關僱員完全有權獲得授予之日（「歸屬日期」）結束）內確認。在歸屬日期前，每個綜合財務狀況表日期確認之權益結算交易之累積開支，反映歸屬年度已到期部分及本集團對最終將會歸屬之權益工具數目之最佳估計。本年度在損益內扣除或進賬，乃反映累積開支於年初與年終確認之變動。

本公司於購股權獲行使時發行新股份。已收所得款項（扣除任何直接交易成本），乃計入股本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Share-based payment transactions (continued)

(a) Equity-settled share-based payment transactions (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(b) Share-based payment transaction among Group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting periods an increase to investment in subsidiaries undertakings, with a corresponding credit to equity in the parent entity accounts.

2 重要會計政策概要 (續)

2.18 以股份支付交易 (續)

(a) 權益結算股份支付交易 (續)

倘股本結算獎勵之條款已修改，則須確認一項最少支出，尤如有關條件並無修改。此外，會就任何修改確認支出，使股份支付的安排總公允值增加，或另行對僱員有所裨益，猶如修訂日期所計量者。

倘若權益結算獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認之獎勵開支，均應立刻確認。然而，若授予新獎勵代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵，均應被視為原獎勵之變更，一如前段所述。

計算每股盈利時，未行使購股權之攤薄效應，反映為額外股份攤薄。

(b) 集團實體間股份支付交易

本公司向本集團附屬公司的僱員授予其股本工具的購股權，被視為資本投入。所獲得僱員服務的公允值乃參考授出日期的公允值計量，於歸屬期內確認為增加對附屬公司的投資，並相應計入母公司實體賬目內的權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重要會計政策概要(續)

2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend on ordinary shares is recognised as a liability in the consolidated financial statements in the period in which it is approved by the shareholders or directors where appropriate.

2.20 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Consolidated Statement of Financial Position date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.19 股本

普通股被分類為權益。直接歸屬於發行新股或購股權的新增成本於扣除稅項後在權益中列為所得款項減少。

普通股股息於獲股東或董事(如適用)批准期間於綜合財務報表內確認為負債。

2.20 所得稅

年內稅項支出包括即期及遞延稅項。稅項在損益確認，惟倘與在其他全面收益確認或直接在權益確認的項目相關的情況除外。在該情況下，稅項亦分別在其他全面收益或直接在權益確認。

(a) 即期所得稅

即期所得稅支出根據本集團附屬公司營運及產生應課稅收入的國家於綜合財務狀況表日期已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Income tax (continued)

(b) Deferred income tax

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Consolidated Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 重要會計政策概要(續)

2.20 所得稅(續)

(b) 遞延所得稅

遞延所得稅採用負債法，就資產及負債的計稅基準與資產及負債於綜合財務報表的賬面值之間產生的暫時性差額予以全數確認。遞延所得稅採用在綜合財務狀況表日期前已頒佈或實質頒佈，並在有關的遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率（及法例）而釐定。

遞延所得稅資產僅於可能有未來應課稅溢利將可用作抵銷暫時性差額時確認。

遞延所得稅按於附屬公司的投資所產生的暫時性差額作出撥備，惟倘遞延所得稅負債撥回暫時性差額的時間由本集團控制，而在可見將來不大可能撥回暫時性差額則除外。

當有法定可執行權力將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債涉及由同一稅務機關向應課稅實體或有意以淨額基準結算結餘的不同應課稅實體徵收所得稅，則可將遞延所得稅資產與負債互相抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.21 Goods and Services Tax (“GST”)

The financial statements have been prepared so that expenses/costs are stated inclusive of GST, where appropriate. The Group is not a registered person in term of the Goods and Services Tax Act 1985 in New Zealand.

2.22 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Leveraged foreign exchange and other trading income, when the services have been rendered;
- (ii) fees and commission income, when the services have been rendered;
- (iii) management fees income, when the services have been rendered; and
- (iv) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

2.23 Cash dealing income

Unleveraged cash dealing services are provided to corporate clients, in particular, those clients engaged in money changing business for the purpose of hedging their cash positions and meeting settlement obligations. The Group is rewarded by the spread between the price quoted to our clients and the price offered by our market makers. Cash dealing income is recognised when cash dealing transactions have been completed by market makers with reference to prevailing exchange rate.

2 重要會計政策概要 (續)

2.21 商品及服務稅 (「商品及服務稅」)

財務報表已編製以使開支／成本列賬時包括商品及服務稅(如適用)。就紐西蘭一九八五年商品及服務稅法而言，本集團並非註冊人。

2.22 收入確認

收入於經濟利益有可能流入本集團及收入能可靠計量時確認，基準如下：

- (i) 槓桿式外匯及其他交易收入，於提供服務時確認；
- (ii) 費用及佣金收入，於提供服務時確認；
- (iii) 管理費收入，於提供服務時確認；及
- (iv) 利息收入，按應計基準以實際利率法確認，方法為於金融工具的預計年期將估計未來現金收入按利率折現至金融資產賬面淨值。

2.23 現金交易收入

本集團向公司客戶提供非槓桿式現金交易服務，尤其是該等為對沖彼等現金頭寸及履行結算責任而參與貨幣兌換業務的客戶。本集團從給予客戶的報價與本集團市場莊家提供的價格中賺取差價。現金交易收入於市場莊家完成交易時並參考現行匯率確認。

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3 FINANCIAL RISK MANAGEMENT

Risk is inherent in the financial service business and sound risk management is a cornerstone of prudent and successful financial practice. The Group acknowledges that a balance must be achieved between risks, control and business growth. The principal financial risks inherent in the Group's business are credit risk, market risk (including interest rate risk and foreign currency risk) and liquidity risk. The Group's overall risk management objective is to enhance shareholder value while retaining exposure within acceptable thresholds in response to changes in markets. The Group has a robust risk management system in place to identify, analyse, assess and manage risks.

The Group's risk management is carried out by the Group Risk Department under policies approved by the Group audit, risk and compliance committee. The Group Risk Department provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating credit risk, market risk, liquidity risk, capital management risk and risk limits setting and monitoring.

The policies for managing each of these risks are summarised below:

3.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from bank balances, balances due from agents, derivative financial instruments and other receivables and deposits. After evaluating the clients' risk profiles, the Group sets stop-out levels to the clients. Once their equity drops to the stop-out level the Group's trading system will automatically liquidate the client's positions. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk is the carrying amounts of these assets. The Group monitors the credit risk exposure of the balances on a regular basis, taking into account the financial position and past experience. The Group did not experience any losses from non-performance by the counterparties. The balances due from agents have no defaults in the past.

3 財務風險管理

金融服務業本身存在風險，因此訂立妥善的風險管理制度，乃企業審慎而成功的做法。本集團知悉風險、控制及業務發展之間須達致平衡。本集團的業務存在的主要金融風險為信貸風險、市場風險（包括利率風險及外匯風險）及流動性風險。本集團的全面風險管理目標為於應對市場變動時，將所面對的風險局限於可接受水平內之餘，同時致力提高股東價值。本集團已建立完善的風險管理系統以識別、分析、評估及管理風險。

本集團風險部根據本集團審核、風險及合規委員會批准的政策管理本集團風險。本集團風險部就全面風險管理制定書面原則，並就涵蓋如降低信貸風險、市場風險、流動性風險、資本管理風險以及設定及監控風險限額等特定範疇制定書面政策。

管理該等風險各自的政策概述如下：

3.1 信貸風險

信貸風險指對手方在其合約責任的失責以致本集團蒙受財務損失的風險。本集團就銀行結餘、應收代理結餘、衍生金融工具以及其他應收款項及按金承受信貸風險。於評估客戶風險狀況後，本集團為客戶設立強制平倉水平。一旦其淨值跌至強制平倉水平，本集團交易系統將自動為客戶平倉。在未計及所持任何抵押品或其他信貸提升情況下，承受的最高信貸風險乃該等資產的賬面值。本集團會定期監察餘額之信貸風險，並考慮財務狀況及過往經驗。本集團並無因對手方未能履約而承受任何虧損。應收代理結餘於過往並無拖欠款項。

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Credit risk (continued)

The Group's bank deposits are held with banks and balances due from agents are held with major financial institutions and Tianjin Precious Metals Exchange Limited ("TPME"). Management reviews the banks and financial institutions' creditworthiness on a regular basis. The banks and financial institutions are of high credit quality and substantially with a rating of grade A or with long established relationships. The Group is also subject to credit risk relating to balance due from TPME, a recognised investment exchange under the Tianjin Municipal People's Government and a related party of the Group. The credit risk relating to the balance is treated as any other receivables in the normal course of business. The Group assessed its credit risk exposure as insignificant as at 31 December 2019.

(a) Impairment of financial assets

The Group has three types of financial assets that are subject to HKFRS 9 expected credit loss assessment:

- Cash and bank balances and client trust bank balances;
- Balances due from agents; and
- Other receivables and deposits.

The Group measures loss allowances for these financial assets at an amount equal to 12-month expected credit losses, which is an estimate of losses that the Group expects will result from a credit event, such as a payment default.

3 財務風險管理 (續)

3.1 信貸風險 (續)

本集團銀行存款由銀行持有，而應收代理結餘由重要金融機構及天津貴金屬交易所有限公司（「天津金屬交易所」）持有。管理層定期審閱銀行及金融機構的信譽。銀行及金融機構具有高信貸質素，大部分評級均為A級或與本集團已建立長期合作關係。本集團亦面對有關應收天津貴金屬交易所結餘的信貸風險，天津貴金屬交易所為天津市人民政府的認可投資交易所及本集團之關聯方。結餘相關的信貸風險被視為於日常業務過程中之任何其他應收款項。於二零一九年十二月三十一日，本集團評估其所承受之信貸風險並不重大。

(a) 金融資產減值

本集團有三類適用於香港財務報告準則第9號預期信貸虧損評估之金融資產：

- 現金及銀行結餘以及客戶信託銀行結餘；
- 應收代理結餘；及
- 其他應收款項及按金。

本集團按相等於12個月的預期信貸虧損計量該等金融資產之虧損撥備，即本集團預期因信貸事件（如拖欠付款）而產生的估計虧損。

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3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Credit risk (continued)

(a) Impairment of financial assets (continued)

To measure the expected credit losses, the Group determines the expected loss rates based on the credit default rates of the debtors of these financial assets with reference to the corresponding credit ratings from internationally renowned credit rating agencies. These rates are further adjusted to reflect the possible changes in the current and forwarding looking macroeconomic factors which may result in different default behavior and credit risks of the debtors. At each reporting date, the credit default rates are updated and changes in the forward-looking estimates are analysed.

As at 31 December 2019, the 12-month ECL calculated by the Group is not material and there has been no significant increase in credit risk since initial recognition.

The movement in the provision for expected credit loss account in respect of cash and bank balances and client trust bank balances, balances due from agents and other receivables and deposits during the year is as follows:

3 財務風險管理 (續)

3.1 信貸風險 (續)

(a) 金融資產減值 (續)

為計量預期信貸虧損，本集團根據該等金融資產之債務人之信貸違約率，參考國際知名信貸評級機構提供的相應信貸評級釐定預期虧損率。該等比率會進一步調整以反映當前及前瞻宏觀經濟因素的可能變化，該等因素可能導致債務人的不同違約行為及信貸風險。在各報告日期，已更新信貸違約率並分析前瞻性估計的變動。

於二零一九年十二月三十一日，本集團所計算之12個月的預期信貸虧損並不重大，自初始確認以來信貸風險並無顯著增加。

年內現金及銀行結餘以及客戶信託銀行結餘、應收代理結餘及其他應收款項及按金之預期信貸虧損賬撥備變動如下：

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3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Credit risk (continued)

(a) Impairment of financial assets (continued)

Consolidated Statement of Financial Position (extract)	綜合財務狀況表(摘錄)	Cash and bank balances and client trust bank balances 現金及銀行 結餘以及客戶 信託銀行結餘	Balances due from agents 應收代理 結餘	Other receivables and deposits 及按金 其他應收款項 及按金	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日結餘	426	574	40	1,040
Impairment losses recognised during the year	年內已確認減值虧損	-	-	-	-
Balance at 1 January 2019	於二零一九年一月一日結餘	426	574	40	1,040
Impairment losses recognised during the year	年內已確認減值虧損	-	-	-	-
Balance at 31 December 2019	於二零一九年十二月三十一日結餘	426	574	40	1,040

3 財務風險管理(續)

3.1 信貸風險(續)

(a) 金融資產減值(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Credit risk (continued)

(b) Maximum exposure to credit risk before collateral held or other credit enhancements

The Group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as at the Consolidated Statement of Financial Position date, in relation to each class of financial assets, is the amounts of those assets before provision for expected credit loss as indicated in the Consolidated Statement of Financial Position. These amounts represent the worst case scenario of credit risk exposure to the Group at 31 December 2019 and 2018, without taking into account any collateral held or other credit enhancements attached.

The amounts of receivables and other assets arising from the course of business of the Group are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other receivables and deposits	其他應收款項及按金	5,253	6,901
Derivative financial instruments	衍生金融工具	11,416	67,400
Balances due from agents	應收代理結餘	26,776	22,325
Cash and bank balances and client trust bank balances	現金及銀行結餘以及客戶信託銀行結餘	424,153	981,192
Total gross amounts	總額合計	467,598	1,077,818

(c) None of the financial assets is either past due or impaired.

3 財務風險管理 (續)

3.1 信貸風險 (續)

(b) 持有抵押品或其他信貸提升前的最高信貸風險值

倘對手方未能於綜合財務狀況表日期履行其責任，則本集團所面臨與各類金融資產相關的最高信貸風險值為綜合財務狀況表內所示該等資產於預期信貸虧損撥備前的金額。該等金額為本集團於二零一九年及二零一八年十二月三十一日所面臨的信貸風險的最差情形，且未計及任何所持抵押品或所附其他信貸提升情況。

於本集團業務過程中產生的應收款項及其他資產金額如下：

(c) 概無金融資產逾期或減值。

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3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Credit risk (continued)

(d) The following table breaks down the Group's major credit exposure at their amounts, as categorised by geographical region as of 31 December 2019 and 2018. The Group has allocated exposures to regions based on the country of domicile of its counterparties. Credit risk exposure by geographical sectors is classified according to the location of counterparties after taking into account the transfer of risk.

As at 31 December 2019

		Hong Kong	Asia Pacific excluding Hong Kong	Europe and other regions	Total
		香港	亞太地區 (不包括香港)	歐洲及 其他地區	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Other receivables and deposits	其他應收款項及按金	4,308	945	-	5,253
Derivative financial instruments	衍生金融工具	2	11,414	-	11,416
Balances due from agents	應收代理結餘	-	26,776	-	26,776
Cash and bank balances and client trust bank balances	現金及銀行結餘以及 客戶信託銀行結餘	157,169	201,447	65,537	424,153
Total	總計	161,479	240,582	65,537	467,598

3 財務風險管理 (續)

3.1 信貸風險 (續)

(d) 下表以金額細分本集團的主要信貸風險，並按截至二零一九年及二零一八年十二月三十一日的地理區域分類。本集團根據其對手方的所在國家分配風險至各地區。按區域劃分的信貸風險經計及轉讓風險後按對手方所在地予以分類。

於二零一九年十二月三十一日

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綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Credit risk (continued)

(d) (continued)

As at 31 December 2018

3 財務風險管理 (續)

3.1 信貸風險 (續)

(d) (續)

於二零一八年十二月三十一日

		Hong Kong 香港 HK\$'000 千港元	Asia Pacific excluding Hong Kong 亞太地區 (不包括香港) HK\$'000 千港元	Europe and other regions 歐洲及 其他地區 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other receivables and deposits	其他應收款項及按金	4,660	2,241	–	6,901
Derivative financial instruments	衍生金融工具	16	67,384	–	67,400
Balances due from agents	應收代理結餘	–	22,325	–	22,325
Cash and bank balances and client trust bank balances	現金及銀行結餘以及 客戶信託銀行結餘	418,442	468,984	93,766	981,192
Total	總計	423,118	560,934	93,766	1,077,818

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3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk

3.2.1 Interest rate risk

The Group is exposed to interest rate risk as the Group invests all surplus funds in accounts with reputable counterparties and is susceptible to movements in call interest rates. Interest rate risk arises from unexpected changes in interest rates that may result in an adverse impact on the Group's current and near future performance. The Group has not used any interest rate swaps nor forward interest rate contracts to hedge its exposure to interest rate risk.

As at 31 December 2019

3 財務風險管理 (續)

3.2 市場風險

3.2.1 利率風險

由於本集團將所有盈餘資金投資於信譽良好對手方的賬戶並受通知存款利率波動的影響，故本集團面對利率風險。利率風險源自利率的意外波動，或會導致對本集團的現時及近期表現產生不利影響。本集團並未利用任何利率掉期或遠期利率合約對沖其利率風險。

於二零一九年十二月三十一日

		Floating interest rate	Fixed interest rate	Non- interest bearing	Provision for expected credit loss	Total
		浮動利率	固定利率	免息	預期信貸 虧損撥備	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產					
Other receivables and deposits	其他應收款項及按金	-	-	5,253	(40)	5,213
Derivative financial instruments	衍生金融工具	-	-	11,416	-	11,416
Balances due from agents	應收代理結餘	5,793	-	20,983	(574)	26,202
Cash and bank balances and client trust bank balances	現金及銀行結餘以及 客戶信託銀行結餘	224,764	195,354	4,035	(426)	423,727
Liabilities	負債					
Finance lease obligations	融資租賃承擔	-	22,249	-	-	22,249
Other payables	其他應付款項	-	-	26,381	-	26,381
Derivative financial instruments	衍生金融工具	-	-	833	-	833
Clients' balances	客戶結餘	-	-	56,146	-	56,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk (continued)

3.2.1 Interest rate risk (continued)

As at 31 December 2018

		Floating interest rate	Fixed interest rate	Non- interest bearing	Provision for expected credit loss 預期信貸 虧損撥備	Total
		浮動利率 HK\$'000 千港元	固定利率 HK\$'000 千港元	免息 HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
Assets	資產					
Other receivables and deposits	其他應收款項及按金	–	–	6,901	(40)	6,861
Derivative financial instruments	衍生金融工具	–	–	67,400	–	67,400
Balances due from agents	應收代理結餘	2,300	–	20,025	(574)	21,751
Cash and bank balances and client trust bank balances	現金及銀行結餘以及客戶信託銀行結餘	810,573	169,045	1,574	(426)	980,766
Liabilities	負債					
Finance lease obligations	融資租賃承擔	–	188	–	–	188
Other payables	其他應付款項	–	5,835	14,350	–	20,185
Derivative financial instruments	衍生金融工具	–	–	5,374	–	5,374
Clients' balances	客戶結餘	–	–	331,731	–	331,731
Convertible bonds	可換股債券	–	191,065	–	–	191,065

Based on the simulations performed and with other variables held constant, should the interest rate increase/decrease by 1%, the loss after taxation for the year ended 31 December 2019 would increase/decrease by approximately HK\$2,306,000 (2018: Profit after taxation HK\$8,129,000) and the equity would increase/decrease by approximately HK\$2,306,000 (2018: HK\$8,129,000).

根據模擬表現而其他可變因素保持不變計算，倘利率提高／下跌1%，則截至二零一九年十二月三十一日止年度的除稅後虧損將增加／減少約2,306,000港元（二零一八年：除稅後溢利8,129,000港元）及權益將增加／減少約2,306,000港元（二零一八年：8,129,000港元）。

3 財務風險管理 (續)

3.2 市場風險 (續)

3.2.1 利率風險 (續)

於二零一八年十二月三十一日

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.2 Market risk *(continued)*

3.2.2 Foreign currency risk

Exchange rate fluctuation is the most significant risk in leveraged foreign exchange trading. The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to New Zealand dollars and Australian dollars. The Group will suffer a loss if it fails to cover a client deal at a better exchange rate. The Group monitors foreign exchange exposure by reviewing the open position of the Group and client trading performance. The risk is measured by the use of sensitivity analysis and cash flow forecasting. Specific risk limits are set to measure and monitor foreign exchange risk. Any excessive foreign exchange risks are passed on to other financial institutions through execution of trades with those institutions. The management sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored on an intra-day basis.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group currently does not have a foreign currency policy to hedge its currency exposure arising from the net assets of the Group's foreign operations.

The Group trades in foreign currencies, commodities and other products through its margin trading business. In order to protect against their exposures to fluctuations in foreign exchange rates and commodity prices, the Group has entered into a number of foreign exchange forward transactions and contracts for difference with the Group's bankers in the normal course of business.

3 財務風險管理 *(續)*

3.2 市場風險 *(續)*

3.2.2 外匯風險

匯率浮動乃槓桿式外匯交易中最重大的風險。本集團的財務狀況及現金流量因應當時匯率變動的影響而承擔風險。本集團承受以紐西蘭元及澳元為主的各種外匯風險。倘本集團未能按更佳匯率進行客戶交易，則將蒙受損失。本集團透過審查本集團的未平倉合約及客戶交易表現監控外匯風險。風險乃通過利用敏感性分析及現金流量預測等方法進行計量。特定風險限制乃為計量及監控外匯風險而設。任何重大外匯風險則透過與其他金融機構進行交易轉移至該等機構。管理層對隔夜及即日持倉貨幣及總額所承擔的風險水平設定限額，於當日時間內予以監察。

本集團持有若干海外業務投資，其資產淨值面臨外幣兌換風險。本集團目前並無制定外幣政策，以對沖因本集團海外業務資產淨值產生的外幣風險。

本集團透過其保證金交易業務進行外幣、商品及其他產品交易。為保障本集團不受匯率及商品價格波動之風險影響，本集團於正常業務過程中與其往來銀行訂立多項外匯遠期交易及差價合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk (continued)

3.2.2 Foreign currency risk (continued)

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 31 December 2019 and 2018. Included in the tables are the assets and liabilities at carrying amounts in HK\$ equivalent, categorised by the original currency.

As at 31 December 2019

		HK\$	NZD	AUD	USD	JPY	RMB	Others	Provision for expected credit loss	Total
		港元	紐西蘭元	澳元	美元	日圓	人民幣	其他	預期信貸 虧損撥備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Assets	資產									
Other receivables and deposits	其他應收款項及按金	3,906	35	-	574	-	738	-	(40)	5,213
Derivative financial instruments	衍生金融工具	-	7,411	4,058	(132)	79	-	-	-	11,416
Balances due from agents	應收代理結餘	221	1,413	1,445	19,908	2,678	581	530	(574)	26,202
Cash and bank balances and client trust bank balances	現金及銀行結餘以及 客戶信託銀行結餘	23,243	13,182	14,596	359,647	1,869	10,160	1,456	(426)	423,727
Liabilities	負債									
Finance lease obligations	融資租賃承擔	18,586	-	3,663	-	-	-	-	-	22,249
Other payables	其他應付款項	10,649	1,989	751	12,946	-	46	-	-	26,381
Derivative financial instruments	衍生金融工具	-	832	1	-	-	-	-	-	833
Clients' balances	客戶結餘	-	15,252	14,398	25,584	912	-	-	-	56,146

3 財務風險管理 (續)

3.2 市場風險 (續)

3.2.2 外匯風險 (續)

下表概述本集團於二零一九年及二零一八年十二月三十一日面臨的外匯風險。下表納入以港元等額賬面值列賬並按原貨幣分類的資產及負債。

於二零一九年十二月三十一日

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3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk (continued)

3.2.2 Foreign currency risk (continued)

As at 31 December 2018

3 財務風險管理 (續)

3.2 市場風險 (續)

3.2.2 外匯風險 (續)

於二零一八年十二月三十一日

		HK\$	NZD	AUD	USD	JPY	RMB	Others	Provision for expected credit loss 預期信貸 虧損撥備	Total 總計
		港元	紐西蘭元	澳元	美元	日圓	人民幣	其他	虧損撥備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Assets		資產								
Other receivables and deposits	其他應收款項及按金	3,971	436	–	939	–	1,555	–	(40)	6,861
Derivative financial instruments	衍生金融工具	–	7,374	8,841	51,185	–	–	–	–	67,400
Balances due from agents	應收代理結餘	212	646	201	18,959	1,206	591	510	(574)	21,751
Cash and bank balances and client trust bank balances	現金及銀行結餘以及 客戶信託銀行結餘	30,781	24,398	34,680	875,825	4,288	9,720	1,500	(426)	980,766
Liabilities		負債								
Finance lease obligations	融資租賃承擔	–	–	188	–	–	–	–	–	188
Other payables	其他應付款項	10,748	728	331	7,864	1	513	–	–	20,185
Derivative financial instruments	衍生金融工具	–	1,100	127	4,147	–	–	–	–	5,374
Clients' balances	客戶結餘	–	23,312	27,549	278,927	1,943	–	–	–	331,731
Convertible bonds	可換股債券	191,065	–	–	–	–	–	–	–	191,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk (continued)

3.2.2 Foreign currency risk (continued)

The following table indicates the impact of management's reasonable expectation on the movement in foreign exchange rate on the Group's profit after taxation and on equity as at 31 December 2019 and 2018:

Foreign currency risk	外匯風險	Movement in foreign currency 外匯波動	2019	Movement in foreign currency 外匯波動	2018
			二零一九年 HK\$'000 千港元		二零一八年 HK\$'000 千港元
AUD	澳元	+/-4%	+/-51	+/-7%	+/-1,087
JPY	日圓	+/-3%	+/-111	+/-4%	+/-142
NZD	紐西蘭元	+/-5%	+/-198	+/-7%	+/-540
RMB	人民幣	+/-3%	+/-343	+/-5%	+/-568

3.3 Liquidity risk

The Group's operations are subject to various statutory liquidity requirements as prescribed by the relevant authorities. The Group has put in place a monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the regulatory requirements. The liquidity risk of the Group is managed by regularly monitoring current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and current working capital to meet its liquidity requirements in the short and longer term. The Group holds sufficient cash and deposits on demand to repay its liabilities.

3 財務風險管理 (續)

3.2 市場風險 (續)

3.2.2 外匯風險 (續)

下表列示管理層的合理預期對二零一九年及二零一八年十二月三十一日本集團除稅後溢利及權益的外匯匯率波動的影響：

3.3 流動性風險

本集團的業務受有關機構規定的各種法定流動資金要求所限。本集團已建立監控系統，確保維持充裕的流動資金為本集團的業務承擔提供資金，及遵守法規要求。本集團透過定期監控目前及預期流動資金要求管理其流動性風險，確保本集團維持足夠的現金儲備及目前營運資金以滿足其短期及長期流動資金要求。本集團持有充足的現金及活期存款償還其負債。

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3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk (continued)

3.3.1 Undiscounted cash flows by contractual maturities

The table below presents the cash flows payable by the Group under financial liabilities by remaining contractual maturities as at 31 December 2019 and 2018. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2019

		Up to 1 month	1-3 months 一至 三個月	3-12 months 十二個月	1-5 years 一至五年	Over 5 years 逾五年	Total contractual cash flows 合約現金流 總額	Carrying amount liabilities 負債 賬面值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Liabilities	負債							
Finance lease obligations	融資租賃承擔	1,011	2,022	9,105	10,673	-	22,811	22,249
Other payables	其他應付款項	17,133	6,330	2,918	-	-	26,381	27,063
Clients' balances	客戶結餘	56,146	-	-	-	-	56,146	56,146
		74,290	8,352	12,023	10,673	-	105,338	105,458
Derivative financial instruments	衍生金融工具	833	-	-	-	-	833	833
		75,123	8,352	12,023	10,673	-	106,171	106,291

3 財務風險管理 (續)

3.3 流動性風險 (續)

3.3.1 按合約到期日劃分的未貼現現金流量

下表呈列本集團於二零一九年及二零一八年十二月三十一日按餘下合約到期日於金融負債項下的應付現金流量。該表所披露的金額為合約未貼現現金流量。

於二零一九年十二月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk (continued)

3.3.1 Undiscounted cash flows by contractual maturities (continued)

As at 31 December 2018

3 財務風險管理 (續)

3.3 流動性風險 (續)

3.3.1 按合約到期日劃分的未貼現現金流量 (續)

於二零一八年十二月三十一日

		Up to 1 month	1-3 months 一至 三個月	3-12 months 十二個月	1-5 years 一至五年	Over 5 years 逾五年	Total contractual cash flows 合約現金流 總額	Carrying amount liabilities 負債 賬面值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Liabilities	負債							
Finance lease obligations	融資租賃承擔	4	9	38	155	–	206	188
Other payables	其他應付款項	14,182	5,842	161	–	–	20,185	31,643
Clients' balances	客戶結餘	331,731	–	–	–	–	331,731	331,731
Debt portion of the convertible bonds	可換股債券之債務部分	–	7,561	7,439	207,561	–	222,561	191,065
		345,917	13,412	7,638	207,716	–	574,683	554,627
Derivative financial instruments	衍生金融工具	5,374	–	–	–	–	5,374	5,374
		351,291	13,412	7,638	207,716	–	580,057	560,001

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3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities

3.4.1 Financial instruments measured at fair value

The following table represents the carrying value of financial instruments measured at fair value at the Consolidated Statement of Financial Position date across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets.

Level 2: fair values measured using quoted price in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.

Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

As at 31 December 2019

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Derivative financial instruments	衍生金融工具	-	11,416	-	11,416
Liabilities	負債				
Derivative financial instruments	衍生金融工具	-	833	-	833

3 財務風險管理 (續)

3.4 金融資產及負債的公允值

3.4.1 按公允值計量的金融工具

下表呈列於綜合財務狀況表日期按香港財務報告準則第7號「金融工具：披露」所界定的公允值等級制度的三個等級中以公允值計量的金融工具的賬面值，每種金融工具的公允值根據其等級最低的重要公允值計量因素確定的類別進行歸類。有關等級定義如下：

第1級（最高等級）：利用在活躍市場中的報價（未經調整）計量公允值。

第2級：公允值計量參照活躍市場類似金融工具的報價，或採用估值技術確定，其全部重要的參數乃直接或間接來源於可觀察市場數據。

第3級（最低等級）：公允值使用估值技術計量，任何重要的參數均不來源於可觀察市場數據。

於二零一九年十二月三十一日

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綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.1 Financial instruments measured at fair value (continued)

As at 31 December 2018

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Derivative financial instruments	衍生金融工具	–	67,400	–	67,400
Liabilities	負債				
Derivative financial instruments	衍生金融工具	–	5,374	–	5,374
Embedded derivative portion of the convertible bonds	可換股債券之嵌入式 衍生工具部份	–	–	13,500	13,500

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value.

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.1 按公允值計量的金融工具 (續)

於二零一八年十二月三十一日

並非於活躍市場買賣之金融工具，其公允值採用估值技術釐定。該等估值技術充分使用可獲得的可觀察市場數據，並盡可能不依賴公司特定估計。倘按公允值計量一項工具所需的全部重要參數均可觀察獲得，則該項工具會被列入第2級。

遠期外匯合約的公允值按報告期末的遠期匯率釐定，所產生的價值將貼現計回現值。

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3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.1 Financial instruments measured at fair value (continued)

The following table summarises the quantitative inputs and assumptions used for valuing convertible bonds which is categorised in Level 3 of the fair value hierarchy as of 31 December 2018:

Description 描述	Fair value at 31 December 2018 於二零一八年 十二月三十一日 的公允值 HK\$'000 千港元	Valuation technique 估值技術	Significant inputs 重大輸入值	Relationship of significant inputs to fair value 重大輸入值與公允值之間的關係
Embedded derivative portion of convertible bonds 可換股債券嵌入式衍生工具部份	13,500	Binomial model 二項式模型	Volatility 波幅	A change in volatility by 5% would increase/(decrease) the fair value by approximately HK\$288,000/ (HK\$86,000) 波幅變動5%，公允值將增加／（減少）約288,000港元／（86,000港元）
			Share price 股價	A change in share price by 5% would increase/(decrease) the fair value by approximately HK\$82,000/ (HK\$63,000) 股價變動5%，公允值將增加／（減少）約82,000港元／（63,000港元）
			Discount rate 貼現率	A change in discount rate by 5% would (decrease)/increase the fair value by approximately (HK\$199,000)/ HK\$208,000 貼現率變動5%，公允值將（減少）／增加約（199,000）港元／208,000港元

3 財務風險管理（續）

3.4 金融資產及負債的公允值（續）

3.4.1 按公允值計量的金融工具（續）

下表概述於二零一八年十二月三十一日公允值層級中第3級的可換股債券估值所採用的量化輸入值和假設：

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綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.1 Financial instruments measured at fair value (continued)

The following table presents the movement in Level 3 instruments for the year ended 31 December 2019:

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.1 按公允值計量的金融工具 (續)

下表呈列截至二零一九年十二月三十一日止年度內第3級工具之變動：

		Embedded derivative portion of the convertible bonds 可換股債券嵌入式 衍生工具部份 HK\$'000 千港元
Opening balance	年初結餘	13,500
Loss on redemption of the convertible bonds	贖回可換股債券之虧損	(14,328)
Amortisation of deferred losses on conversion component	轉換部份遞延虧損攤銷	828
Ending balance	年末結餘	-
Change in fair value for level 3 instruments held at 31 December 2019	於二零一九年十二月三十一日 所持有第3級工具之公允值 變動	-

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3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.1 Financial instruments measured at fair value (continued)

The following table presents the movement in Level 3 instruments for the year ended 31 December 2018:

		Embedded derivative portion of the convertible bonds 可換股債券嵌入式 衍生工具部份 HK\$'000 千港元
Opening balance	年初結餘	—
Upon issuance of convertible bonds	發行可換股債券	42,040
Deferred losses upon issuance	發行後之遞延虧損	(4,480)
Change in fair value included in the statement of comprehensive income	計入全面收益表之公允值變動	(26,042)
Amortisation of deferred losses on conversion component	轉換部份遞延虧損攤銷	1,982
Ending balance	年末結餘	13,500
Change in fair value for level 3 instruments held at 31 December 2018	於二零一八年十二月三十一日 所持有第3級工具之公允值 變動	(26,042)

There have been no significant transfers between level 1, level 2 and level 3 for the year ended 31 December 2019 and 2018.

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.1 按公允值計量的金融工具 (續)

下表呈列截至二零一八年十二月三十一日止年度內第3級工具之變動：

於截至二零一九年及二零一八年十二月三十一日止年度，第1級、第2級及第3級間概無重大轉讓。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.2 Financial assets and liabilities not measured at fair value

As at 31 December 2019 and 2018, the fair value of the Group's financial assets and liabilities not measured at fair value are not materially different from their carrying amounts due to their short maturities.

Balances due from agents and other receivables include the contractual amounts for settlement of trades and other obligations due to the Group.

Clients' balances represent the margin deposits received from clients and the unrealised profit or loss from their trading activities under normal course of business. Their carrying values are a reasonable approximation of fair value.

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.2 並非按公允值計量的金融資產及負債

於二零一九年及二零一八年十二月三十一日，由於本集團並非按公允值計量的金融資產及負債的到期日較短，故其公允值與其賬面值並無重大差異。

應收代理結餘及其他應收款項包括應付本集團用於結付交易的合約款項及其他責任。

客戶結餘指於正常業務過程中收取客戶的保證金存款及彼等進行買賣活動的未變現溢利或虧損。賬面值與其公允值相若。

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3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.3 Offsetting financial assets and financial liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

As at 31 December 2019

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.3 對銷金融資產及金融負債

(a) 金融資產

以下金融資產受抵銷、可強制執行統一淨額結算安排及類似協議規限。

於二零一九年十二月三十一日

Related amounts not set off
in the Consolidated Statement
of Financial Position
並未於綜合財務狀況表
抵銷的相關款項

		Gross amounts of recognised financial liabilities set off in the Consolidated Statement of Financial Position 於綜合財務 狀況表內抵銷 已確認金融 資產總額 HK\$'000 千港元	Net amounts of financial assets presented in the Consolidated Statement of Financial Position 綜合財務 狀況表內 所呈列的 金融資產淨額 HK\$'000 千港元	Financial instruments 金融工具 HK\$'000 千港元	Cash collateral received 已收 現金抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Derivative financial instruments	衍生金融工具	13,089	(1,673)	11,416	-	11,416
Total	總計	13,089	(1,673)	11,416	-	11,416

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.3 Offsetting financial assets and financial liabilities (continued)

(a) Financial assets (continued)

As at 31 December 2018

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.3 對銷金融資產及金融負債 (續)

(a) 金融資產 (續)

於二零一八年十二月三十一日

Related amounts not set off
in the Consolidated Statement of
Financial Position
並未於綜合財務狀況表
抵銷的相關款項

		Gross amounts of recognised financial liabilities set off in the Consolidated Statement of Financial Position 於綜合財務 狀況表內抵銷	Gross amounts of recognised financial assets 已確認金融 資產總額 HK\$'000 千港元	Net amounts of financial assets presented in the Consolidated Statement of Financial Position 綜合財務 狀況表內 所呈列的 金融資產淨額 HK\$'000 千港元	Financial instruments 金融工具 HK\$'000 千港元	Cash collateral received 已收 現金抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Derivative financial instruments	衍生金融工具	108,121	(40,721)	67,400	–	–	67,400
Total	總計	108,121	(40,721)	67,400	–	–	67,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.3 Offsetting financial assets and financial liabilities (continued)

(b) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

As at 31 December 2019

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.3 對銷金融資產及金融負債 (續)

(b) 金融負債

以下金融負債受抵銷、可強制執行統一淨額結算安排及類似協議規限。

於二零一九年十二月三十一日

Related amounts not set off
in the Consolidated Statement
of Financial Position
並未於綜合財務狀況表
抵銷的相關款項

		Gross amounts of recognised financial assets set off in the amounts of recognised financial liabilities	Net amounts of financial liabilities presented in the Consolidated Statement of Financial Position 於綜合財務 狀況表內抵銷 已確認金融 負債總額 HK\$'000 千港元	Consolidated Statement of Financial Position 綜合財務 狀況表內 所呈列的 金融負債淨額 HK\$'000 千港元	Financial instruments 金融工具 HK\$'000 千港元	Cash collateral pledged 已抵押 現金抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Derivative financial instruments	衍生金融工具	(2,506)	1,673	(833)	-	-	(833)
Total	總計	(2,506)	1,673	(833)	-	-	(833)

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

以下金融負債受抵銷、可強制執行統一淨額結算安排及類似協議規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Fair value of financial assets and liabilities (continued)

3.4.3 Offsetting financial assets and financial liabilities (continued)

(b) Financial liabilities (continued)

As at 31 December 2018

3 財務風險管理 (續)

3.4 金融資產及負債的公允值 (續)

3.4.3 對銷金融資產及金融負債 (續)

(b) 金融負債 (續)

於二零一八年十二月三十一日

Related amounts not set off
in the Consolidated Statement of
Financial Position
並未於綜合財務狀況表
抵銷的相關款項

		Gross amounts of recognised financial assets set off in the Consolidated Statement of Financial Position 於綜合財務 狀況表內抵銷	Gross amounts of recognised financial liabilities 已確認金融 負債總額 HK\$'000 千港元	Net amounts of financial liabilities presented in the Consolidated Statement of Financial Position 綜合財務 狀況表內 所呈列的 金融負債淨額 HK\$'000 千港元	Financial instruments 金融工具 HK\$'000 千港元	Cash collateral pledged 已抵押 現金抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Derivative financial instruments	衍生金融工具	(46,095)	40,721	(5,374)	-	-	(5,374)
Total	總計	(46,095)	40,721	(5,374)	-	-	(5,374)

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.4 Fair value of financial assets and liabilities *(continued)*

3.4.3 Offsetting financial assets and financial liabilities
(continued)

(b) Financial liabilities (continued)

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. Per the terms of each agreement, an event of default includes failure by a party to make payment when due; failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after notice of such failure is given to the party; or bankruptcy.

3 財務風險管理 *(續)*

3.4 金融資產及負債的公允值 *(續)*

3.4.3 對銷金融資產及金融負債 *(續)*

(b) 金融負債 *(續)*

就上述受可強制執行統一淨額結算安排或類似安排規限的金融資產及負債而言，本集團與交易對手簽訂的各項協議在雙方選擇按淨額基準結算時，容許淨額結算相關財務資產及負債。在沒有作出該選擇的情況下，金融資產及負債將會按總額基準結算，但一旦統一淨額協議或類似協議的其中一方違約，任何一方均有權選擇按淨額基準結算所有有關金額。根據各項協議的條款，違約事件包括一方未能支付到期款項；任何一方未能履行協議所規定的責任（付款除外），且該訂約方在收到違約通知書後30天期限內未能作出補救措施；或破產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.5 Financial instruments by category

All financial assets and financial liabilities (including cash and bank balances, client trust bank balances, balance due from agents, other receivables and deposits, clients' balances, other payables and finance lease obligations) in the Consolidated Statement of Financial Position are carried at amortised cost using the effective interest method except for the derivative financial instruments which are carried at fair value.

3.6 Capital management

The Group's objectives when managing capital, which is a broader concept than the "equity" on the face of Consolidated Statement of Financial Position, are:

- To comply with the liquid capital requirements under the Securities and Futures Commission in Hong Kong, Australian Securities and Investments Commission in Australia and the Securities Commission in New Zealand for its subsidiaries which are licensed corporations;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To maintain a strong capital base to support the development of its business.

3 財務風險管理 (續)

3.5 按類別劃分的金融工具

綜合財務狀況表內的全部金融資產及金融負債(包括現金及銀行結餘、客戶信託銀行結餘、應收代理結餘、其他應收款項及按金、客戶結餘、其他應付款項及融資租賃承擔)按攤銷成本以實際利率法入賬，惟以公允值入賬的衍生金融工具除外。

3.6 資本管理

本集團資本(概念較綜合財務狀況表的「權益」更為廣闊)管理的目標，即：

- 就屬持牌法團的附屬公司而言，符合香港證券及期貨事務監察委員會、澳洲的澳洲證券與投資管理委員會及紐西蘭證券委員會的流動資金規定；
- 保障本集團的持續經營能力，以繼續為股東及其他利益相關者提供回報及利益；
- 支持本集團的穩定及發展；及
- 維持穩固的資本基礎，以支持其業務發展。

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綜合財務報表附註

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3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Capital management (continued)

The Group's gearing ratio at the Consolidated Statement of Financial Position date is shown below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total debt	債務總額	22,249	191,253
Total equity	權益總值	390,981	571,706
Gearing ratio	負債比率	5.7%	33.5%

Total debt includes finance lease obligations.

All licensed corporations within the Group complied with their required liquid capital during the years ended 2019 and 2018.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 財務風險管理 (續)

3.6 資本管理 (續)

本集團於綜合財務狀況表日期的負債比率如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total debt	債務總額	22,249	191,253
Total equity	權益總值	390,981	571,706
Gearing ratio	負債比率	5.7%	33.5%

債務總額包括融資租賃承擔。

於截至二零一九年及二零一八年止年度，本集團的所有持牌法團已遵守其流動資金規定。

4 重要會計估計及判斷

估計及判斷經持續評估，並以過往經驗及其他因素為基礎，包括在現實情況下相信對未來事件的合理預期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are fair value of share options and derivative portion of the convertible bonds.

The Group determines the fair value of share options at the date at which they are granted and the fair value of derivative portion of the convertible bonds at each reporting date with reference to the fair value estimated under a valuation model which are commonly used in the market. The assumptions used in computing the fair value of the share options are subject to managements' best estimation. Changes in assumptions about these assumptions could affect reported fair value of share options and derivative portion of the convertible bonds. Management use their judgments to make assumptions that are mainly reference to the historical data of comparable listed companies.

More details of the assumptions made are included in Note 23 and 27 to the consolidated financial statements.

4.2 Critical judgements in applying the Group's accounting policies

Management of the Group has not made any significant critical judgements in applying the Group's accounting policies.

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設

本集團會就未來作出估計及假設。由此產生之會計估計顯然很少與相關實際結果相符。估計及假設存在於下一財政年度對資產及負債之賬面值作出重大調整之重大風險為購股權的公允值及可換股債券之衍生工具部份。

本集團參考根據市場通常使用之估值模式估計之公允值釐定購股權於授出日期之公允值及可換股債券衍生工具部份於各報告日期之公允值。計算購股權之公允值所用之假設須由管理層作出最佳估計。就該等假設產生之假設變動可能影響所呈報之購股權公允值及可換股債券之衍生工具部份。管理層運用其判斷，並主要參考可資比較上市公司之歷史數據作出假設。

有關所作出假設之更多詳情載於綜合財務報表附註23及27。

4.2 應用本集團之會計政策時作出之重要判斷

本集團管理層尚未就本集團所應用的會計政策作出任何重要判斷。

5 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors and senior management of the Group. The Group's operating businesses are structured and managed separately according to the natures of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. The Board of Directors considers the business from a geographical and product perspective.

Summary details of the business segments are as follows:

- (a) the margin dealing segments engage in the provision of leveraged foreign exchange, commodity and index trading services in Australia, Hong Kong and New Zealand;
- (b) the unleveraged cash dealing segment engages in the provision of non-leveraged foreign exchange trading services in New Zealand. Unleveraged cash dealing services were provided to corporate clients, in particular, those clients engaged in money changing business for the purpose of hedging their cash positions and meeting settlement obligations. The Group is rewarded by the spread between the price quoted to our clients and the price offered by our market makers; and
- (c) The Mainland China business segment engaged in provision of trading and settlement of precious metals in Mainland China which ceased in 2018.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the years ended 31 December 2019 and 2018.

5 分部報告

經營分部的報告方式與向本集團執行董事及高級管理層提供的內部報告一致。本集團的經營業務乃按其營運性質及所提供服務分開組織及管理。本集團旗下各業務分部均為提供服務的策略業務單位，其服務所承受風險及回報有別於其他業務分部。董事會從地區及產品角度考慮業務。

有關業務分部的詳情概述如下：

- (a) 保證金交易分部從事於澳洲、香港及紐西蘭提供槓桿式外匯、商品及指數交易服務；
- (b) 非槓桿式現金交易分部從事於紐西蘭提供非槓桿式外匯交易服務。本集團向公司客戶提供非槓桿式現金交易服務，尤其是該等為對沖彼等現金頭寸及履行結算責任而參與貨幣兌換業務的客戶。本集團從給予客戶的報價與本集團市場莊家提供的價格中賺取差價；及
- (c) 中國內地業務分部從事於中國內地提供貴金屬交易及結算，已於二零一八年終止。

各分部間的交易（如有）乃參照向第三方收取的價格而進行，有關基準於截至二零一九年及二零一八年十二月三十一日止年度並無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT REPORTING (continued)

The segment information provided to the management for the reportable segments for the years ended 31 December 2019 and 2018 is as follows:

For the year ended 31 December 2019

		New Zealand margin dealing 紐西蘭 保證金交易 HK\$'000 千港元	Hong Kong margin dealing 香港 保證金交易 HK\$'000 千港元	Australia margin dealing 澳洲 保證金交易 HK\$'000 千港元	New Zealand cash dealing 紐西蘭 現金交易 HK\$'000 千港元	Mainland China business 中國內地 業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and other income:	分部收益及其他收入：								
Foreign exchange and other trading income earned from external customers	來自外部客戶的外匯及其他交易收入	13,659	1	(1,999)	(1,360)	-	-	6	10,307
Inter-segment sales	分部間銷售	-	3,478	-	-	-	-	(3,478)	-
Segment revenue	分部收益	13,659	3,479	(1,999)	(1,360)	-	-	(3,472)	10,307
Fee and commission income	費用及佣金收入	3,238	-	61	-	-	-	-	3,299
Other income	其他收入	2,159	-	(203)	-	387	122	-	2,465
Total revenue and other income	收益及其他收入總額	19,056	3,479	(2,141)	(1,360)	387	122	(3,472)	16,071
Segment profit/(loss)	分部溢利/(虧損)	(24,638)	(2,029)	(2,923)	(1,416)	(1,380)	122	-	(32,264)
Other unallocated staff costs	其他未分配員工成本						(9,553)		(9,553)
Other unallocated administrative and operating expenses	其他未分配行政及經營開支						(138,640)		(138,640)
Loss before tax	除稅前虧損								(180,457)
Income tax credit	所得稅抵免								469
Loss for the year	年度虧損								(179,988)
Other segment information:	其他分部資料：								
Depreciation and amortisation	折舊及攤銷	-	1,343	27	-	333	25,440		27,143
Lease payments	租賃付款	-	394	-	-	953	2,409		3,756
Finance cost	融資成本	-	-	-	-	-	13,385		13,385

5 分部報告 (續)

截至二零一九年及二零一八年十二月三十一日止年度，就可報告分部向管理層提供的分部資料如下：

截至二零一九年十二月三十一日止年度

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5 SEGMENT REPORTING (continued)

For the year ended 31 December 2018

5 分部報告 (續)

截至二零一八年十二月三十一日止年度

		New Zealand margin dealing 紐西蘭保證金交易	Hong Kong margin dealing 香港保證金交易	Australia margin dealing 澳洲保證金交易	New Zealand cash dealing 紐西蘭現金交易	Mainland China business 中國內地業務	Unallocated 未分配	Elimination 對銷	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue and other income:	分部收益及其他收入：								
Foreign exchange and other trading income earned from external customers	來自外部客戶的外匯及其他交易收入	365,363	4	7,573	3,309	-	-	-	376,249
Inter-segment sales	分部間銷售	-	119,973	10,484	-	-	-	(130,457)	-
Segment revenue	分部收益	365,363	119,977	18,057	3,309	-	-	(130,457)	376,249
Fee and commission income	費用及佣金收入	54,067	-	78	-	-	2,301	-	56,446
Other income	其他收入	1,587	-	17	37	1,657	35,118	-	38,416
Total revenue and other income	收益及其他收入總額	421,017	119,977	18,152	3,346	1,657	37,419	(130,457)	471,111
Segment profit/(loss)	分部溢利/(虧損)	63,160	106,070	13,034	2,962	(6,062)	37,419		216,583
Other unallocated staff costs	其他未分配員工成本						(35,403)		(35,403)
Other unallocated administrative and operating expenses	其他未分配行政及經營開支						(129,423)		(129,423)
Profit before tax	除稅前溢利								51,757
Income tax expense	所得稅開支								(17,508)
Profit for the year	年度溢利								34,249
Other segment information:	其他分部資料：								
Depreciation of property, plant and equipment and amortisation of intangible assets	物業、廠房及設備折舊及無形資產攤銷	-	110	26	-	1,815	12,730		14,681
Lease payments	租賃付款	-	1,492	-	-	1,816	10,920		14,228
Finance cost	融資成本	-	-	-	-	-	28,428		28,428

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5 SEGMENT REPORTING (continued)

The Company is domiciled in Hong Kong. The Group's major income from external customers is derived from its operations in New Zealand.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
New Zealand	紐西蘭	12,299	368,672
Others	其他	(1,992)	7,577
		10,307	376,249

The locations of its non-current assets (excluding deferred tax assets) are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	22,337	19,446
New Zealand	紐西蘭	271	29,794
Australia	澳洲	5,116	3,240
Mainland China	中國內地	72	809
		27,796	53,289

None of the external customers contributes more than a majority of the Group's trading income individually in the respective years.

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board of Directors as they do not assess performance of reportable segments using information on assets and liabilities.

5 分部報告 (續)

本公司駐於香港。本集團來自外部客戶的主要收入來自其於紐西蘭的經營業務。

其非流動資產 (不包括遞延稅項資產) 分佈如下：

概無外部客戶單獨佔各年度本集團交易收入的絕大部分。

由於董事會並無使用有關資產及負債的資料評估可報告分部的表現，故有關分部資產及負債的資料並無呈報予董事會，因而並無披露有關資料。

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6 OTHER INCOME

6 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income	利息收入	5,108	4,945
Exchange (loss)/gains, net	匯兌(虧損)/收益, 淨額	(1,947)	9,410
Gain on disposal of fixed assets	出售固定資產之收益	11	—
Fair value gain on the embedded derivative portion of the convertible bonds (Note 23)	可換股債券嵌入式衍生工具部份之公允值收益(附註23)	—	26,042
Amortisation of deferred losses on conversion component of the convertible bonds (Note 23)	可換股債券轉換部份之遞延虧損攤銷(附註23)	(828)	(1,982)
Loss on redemption of the convertible bonds (Note 23)	贖回可換股債券之虧損(附註23)	(981)	—
Rental Reimbursement (Note 31)	租金補償(附註31)	1,044	—
Others	其他	58	1
		2,465	38,416

7 STAFF COSTS

7 員工成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Staff costs (including directors' remuneration (Note 29)):	員工成本(包括董事酬金(附註29)):		
Salaries, bonus and allowances	工資、花紅及津貼	26,137	94,143
Pension scheme contributions	退休金計劃供款	731	1,151
Staff option expenses (Note 27)	員工購股權開支(附註27)	566	6,375
		27,434	101,669

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8 ADMINISTRATIVE AND OTHER OPERATING EXPENSES 8 行政及其他經營開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Management fees paid to the then immediate holding company	支付予當時直接控股公司的管理費	619	696
Other office occupation expenses	其他寫字樓租用開支	3,128	3,193
Auditor's remuneration	核數師酬金		
– Audit services	– 審核服務	4,021	3,223
– Non-audit services	– 非審核服務	307	302
Information services expenses	資訊服務開支	2,577	4,136
Professional and consultancy fee	專業及諮詢費	25,007	5,558
Repair and maintenance (including system maintenance)	維修及維護(包括系統維護)	20,044	17,250
Marketing, advertising and promotion expenses	市場推廣、廣告及宣傳開支	7,597	27,166
Handling fee expenses	手續費開支	211	8,349
Travelling expenses	差旅費	2,464	4,255
Entertainment expenses	交際應酬費	370	1,055
Insurance	保險	831	768
Bank charges	銀行費用	875	510
Staff training	員工培訓	37	425
Client's debit balances written off	客戶虧絀結餘撇銷	78	347
Impairment of fixed asset (Note 12)	固定資產之減值(附註12)	400	–
Impairment of intangible asset (Note 13) (Note A)	無形資產之減值(附註13) (附註A)	37,506	2,937
Donations	捐款	59	2,364
Others	其他	1,604	2,042
		107,735	84,576

Note A

As at 31 December 2019, the Group made an impairment provision on intangible assets amounting to HK\$37,506,000 (2018: 2,937,000).

During the year ended 31 December 2019, there was a significant reduction in leveraged foreign exchange and other trading income due to the decreased trading volume. As a result, certain intangible assets benefit to the aforesaid trading business would no longer be used. Accordingly, there was an impairment indicator for these intangible assets owned by the Group.

The Group has reassessed the recoverable amounts of the intangible assets with reference to the higher of fair value less costs of disposal and value in use. Since certain computer software were specifically tailored to the Group, the management considered the fair value less costs of disposal to be very minimal. Based on the assessment, the Group concluded that the recoverable amount of certain software was lower than its carrying amount. Therefore, provision for impairment of intangible assets of HK\$37,506,000 have been made to these computer software held by each of the cash generating units in New Zealand, Australia and Hong Kong.

附註A

於二零一九年十二月三十一日，本集團已就無形資產作出減值撥備37,506,000港元(二零一八年：2,937,000港元)。

截至二零一九年十二月三十一日止年度期間，由於交易量減少，導致槓桿式外匯及其他交易收入大幅減少。因此，有利於上述交易業務之若干無形資產將不再被使用。因此，本集團所持有之該等無形資產出現減值。

本集團參考公允值減出售成本與使用價值兩者中之較高者重新評估無形資產之可收回金額。由於若干電腦軟件是專門為本集團度身定制，管理層認為公允值減出售成本將會極微。根據評估，本集團認為，若干軟件之可收回金額低於其賬面值。因此，已就紐西蘭、澳洲及香港各現金產生單位所持有之該等電腦軟件作出無形資產減值撥備37,506,000港元。

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9 INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit during the years. Taxation on overseas profits has been calculated on the estimated assessable profit during the years at the rates of taxation prevailing in the countries in which the Group operates. The income tax expenses of the Group are charged at a tax rate of 28% (2018: 28%) in New Zealand, 30% (2018: 30%) in Australia and 25% (2018: 25%) in Mainland China in accordance with the local tax authorities.

9 所得稅(抵免)/開支

香港利得稅乃按年內的估計應課稅溢利以16.5%(二零一八年: 16.5%)的稅率計提撥備。海外溢利的稅項已按年內估計應課稅溢利以本集團經營所在國家通行的稅率計算。根據當地稅務機關, 本集團於紐西蘭、澳洲及中國內地的所得稅開支分別按28%(二零一八年: 28%)、30%(二零一八年: 30%)及25%(二零一八年: 25%)的稅率計算。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax:	即期稅項:		
Charge for the year	年內支出	64	16,064
Over-provision in prior year	去年超額撥備	(533)	(402)
Others	其他	-	486
Deferred tax:	遞延稅項:		
Charge for the year (Note 20)	年內扣除(附註20)	-	1,360
Income tax (credit)/expense	所得稅(抵免)/開支	(469)	17,508
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(180,457)	51,757
Tax at the Hong Kong statutory tax rate	按香港法定稅率計算的稅項	(29,701)	8,540
Effect of different taxation rates in other countries	其他國家不同稅率的影響	(11,596)	4,319
Income not subject to tax	無須課稅收入	(478)	(4,780)
Expenses not deductible for tax	不可扣稅開支	6,812	8,116
Temporary differences not recognised	未確認暫時性差額	35,027	1,229
Over-provision in prior year	去年超額撥備	(533)	(402)
Others	其他	-	486
Income tax (credit)/expense	所得稅(抵免)/開支	(469)	17,508

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10 DIVIDENDS

The Board does not declare the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

10 股息

董事會不宣派截至二零一九年十二月三十一日止年度的任何股息(二零一八年：無)。

11 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

11 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利按本公司股權持有人應佔溢利除以於各期間已發行普通股的加權平均數計算。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss)/Profit attributable to equity holders of the Company	本公司股權持有人應佔 (虧損)/溢利	(179,988)	34,249
		No. of shares 股份數目	No. of shares 股份數目
Weighted average number of ordinary shares in issue (Note 24)	已發行普通股的加權平均數 (附註24)	2,033,290,000	2,033,290,000
Basic (loss)/earnings per share (HK cents)	每股基本(虧損)/盈利 (港仙)	(8.85)	1.68

(b) Diluted (loss)/earnings per share

The calculation of diluted earnings per share is based on the profit for the year attributable to equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the years, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares under the share option scheme and convertible bonds into ordinary shares.

(b) 每股攤薄(虧損)/盈利

每股攤薄盈利乃根據年內本公司股權持有人應佔溢利計算。用作計算之普通股加權平均數為年內已發行普通股數目，及假設根據購股權計劃及可換股債券被視為行使或轉換所有具攤薄影響的潛在普通股為普通股而不收代價發行的普通股加權平均數。

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綜合財務報表附註

11 (LOSS)/EARNINGS PER SHARE (continued)

11 每股(虧損)/盈利(續)

(b) Diluted (loss)/earnings per share (continued)

(b) 每股攤薄(虧損)/盈利(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss)/Profit attributable to equity holders of the Company	本公司股權持有人應佔(虧損)/溢利	(179,988)	34,249
Finance cost on convertible bonds, net of tax (Note 23)	可換股債券之融資成本，扣除稅項(附註23)	-	23,713
Fair value gain on the embedded derivative portion of the convertible bonds (Note 6)	可換股債券嵌入式衍生工具部份之公允值收益(附註6)	-	(26,042)
Amortisation of deferred losses on conversion component of the convertible bonds (Note 6)	可換股債券轉換部份之遞延虧損攤銷(附註6)	-	1,982
Adjusted (loss)/profit attributable to equity holders of the Company	已調整的本公司股權持有人應佔(虧損)/溢利	(179,988)	33,902
		No. of shares 股份數目	No. of shares 股份數目
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數	2,033,290,000	2,033,290,000
Adjustments for convertible bonds (Note 23)	可換股債券調整(附註23)	-	326,264,273
Weighted average number of shares for the purpose for calculating diluted earnings per share	計算每股攤薄盈利的股份加權平均數	2,033,290,000	2,359,554,273
Diluted (loss)/earnings per share (HK cents)	每股攤薄(虧損)/盈利(港仙)	(8.85)	1.44

Note:

Share options are not included in the computation of diluted (loss)/earnings per share for the years ended 31 December 2019 and 2018 as those were anti-dilutive.

附註：

由於購股權具反攤薄影響，故計算截至二零一九年及二零一八年十二月三十一日止年度之每股攤薄(虧損)/盈利時並無計算在內。

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12 PROPERTY, PLANT AND EQUIPMENT

12 物業、廠房及設備

		Furniture, fixtures and equipment 傢俱、裝置 及設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Leasehold improvements 租賃裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日					
Cost	成本	8,602	17,191	11,305	4,067	41,165
Accumulated depreciation	累計折舊	(7,403)	(11,517)	(10,517)	(2,009)	(31,446)
Net carrying amount	賬面淨值	1,199	5,674	788	2,058	9,719
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度					
Opening net carrying amount	年初賬面淨值	1,199	5,674	788	2,058	9,719
Exchange adjustments	匯兌調整	(42)	(85)	7	(21)	(141)
Additions	添置	220	1,366	2,828	-	4,414
Depreciation	折舊	(549)	(2,404)	(1,043)	(542)	(4,538)
Closing net carrying amount	年末賬面淨值	828	4,551	2,580	1,495	9,454
As at 31 December 2018	於二零一八年十二月三十一日					
Cost	成本	8,348	17,881	13,637	3,934	43,800
Accumulated depreciation	累計折舊	(7,520)	(13,330)	(11,057)	(2,439)	(34,346)
Net carrying amount	賬面淨值	828	4,551	2,580	1,495	9,454
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Opening net carrying amount	年初賬面淨值	828	4,551	2,580	1,495	9,454
Exchange adjustments	匯兌調整	(6)	(11)	(27)	(2)	(46)
Additions	添置	-	919	62	-	981
Disposals	出售	-	-	-	(120)	(120)
Depreciation	折舊	(342)	(1,964)	(1,226)	(437)	(3,969)
Impairment	減值	(120)	(280)	-	-	(400)
Closing net carrying amount	年末賬面淨值	360	3,215	1,389	936	5,900
As at 31 December 2019	於二零一九年十二月三十一日					
Cost	成本	8,322	18,756	13,635	3,507	44,220
Accumulated depreciation and impairment	累計折舊及減值	(7,962)	(15,541)	(12,246)	(2,571)	(38,320)
Net carrying amount	賬面淨值	360	3,215	1,389	936	5,900

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13 INTANGIBLE ASSETS

13 無形資產

		Computer software 電腦軟件 HK\$'000 千港元	Trading right 交易權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日			
Cost	成本	52,702	1,802	54,504
Accumulated amortisation	累計攤銷	(18,206)	(1,802)	(20,008)
Net carrying amount	賬面淨值	34,496	–	34,496
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨值	34,496	–	34,496
Exchange adjustments	匯兌調整	(1,055)	–	(1,055)
Additions	添置	23,474	–	23,474
Amortisation	攤銷	(10,143)	–	(10,143)
Impairment (Note 8)	減值(附註8)	(2,937)	–	(2,937)
Closing net carrying amount	年末賬面淨值	43,835	–	43,835
As at 31 December 2018	於二零一八年十二月三十一日			
Cost	成本	73,797	1,708	75,505
Accumulated amortisation and impairment	累計攤銷及減值	(29,962)	(1,708)	(31,670)
Net carrying amount	賬面淨值	43,835	–	43,835
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨值	43,835	–	43,835
Exchange adjustments	匯兌調整	(99)	–	(99)
Additions	添置	5,245	–	5,245
Amortisation	攤銷	(11,473)	–	(11,473)
Impairment (Note 8)	減值(附註8)	(37,506)	–	(37,506)
Closing net carrying amount	年末賬面淨值	2	–	2
As at 31 December 2019	於二零一九年十二月三十一日			
Cost	成本	79,007	1,678	80,685
Accumulated amortisation and impairment	累計攤銷及減值	(79,005)	(1,678)	(80,683)
Net carrying amount	賬面淨值	2	–	2

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14 RIGHT-OF-USE ASSETS

(i) Amount recognised in the Consolidated Statement of Financial Position

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019* 二零一九年 一月一日* HK\$'000 千港元
Right-of-use assets	使用權資產		
Buildings	樓宇	21,894	33,456
		21,894	33,456
Finance Lease obligations	融資租賃承擔		
Current	流動	11,718	11,334
Non-current	非流動	10,531	22,310
		22,249	33,644

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under HKAS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Company's borrowings. For adjustments recognised on adoption of HKFRS 16 on 1 January 2019, please refer to note 2.2.

Additions to the right-of-use assets during the 2019 financial year were HK\$186,000.

14. 使用權資產

(i) 於綜合財務狀況表確認之金額

* 於去年，本公司僅就根據香港會計準則第17號「租賃」分類為「融資租賃」之租賃相關之租賃資產及租賃負債。資產乃列作物業、廠房及設備，而負債為本公司借貸之部份。於二零一九年一月一日採納香港財務報告準則第16號確認之調整，請參閱附註2.2。

於二零一九年財政年度增加之使用權資產為186,000港元。

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14 RIGHT-OF-USE ASSETS (continued)

14. 使用權資產 (續)

(ii) Amount recognised in the Consolidated Statement of Comprehensive Income

(ii) 於綜合全面收益表確認之金額

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Depreciation charge of right-of-use assets		使用權資產之折舊費用		
Buildings		樓宇	11,701	—
Interest expense (included in finance cost)		利息開支(計入融資成本)	707	—
Expense relating to short-term leases		短期租賃相關開支	953	—
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	8	於上文並非顯示為短期租賃之低價值資產租賃相關開支(計入行政開支)	131	—

The total cash outflow for leases in 2019 was approximately HK\$12,052,000.

於二零一九年之租賃現金流出總額約為12,052,000港元。

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14 RIGHT-OF-USE ASSETS (continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and warehouse. Rental contracts are typically made for fixed periods of 2 to 3 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

14. 使用權資產 (續)

(iii) 本集團之租賃活動及該等活動之入賬方式

本集團租賃多間辦公室及倉庫。租約一般固定為期2至3年。

租賃條款乃按個別基準協商，並包含各種不同之條款及條件。租賃協議並無施加任何契諾，惟出租人所持有之租賃資產之抵押品權益除外。租賃資產不可用作借款之抵押品。

15 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

15 其他應收款項、預付款項及按金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Rental and utility deposits	租金及公用設施按金	3,925	4,569
Prepayments	預付款項	3,498	2,831
Other receivables	其他應收款項	1,328	2,332
Provision for expected credit loss	預期信貸虧損撥備	(40)	(40)
Total	總計	8,711	9,692

The carrying amounts of the Group's other receivables and deposits approximate to their fair values.

本集團其他應收款項及按金的賬面值與其公允值相若。

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16 DERIVATIVE FINANCIAL INSTRUMENTS

16 衍生金融工具

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產		
Derivative contracts	衍生合約	11,416	67,400
Current liabilities	流動負債		
Derivative contracts	衍生合約	(833)	(5,374)
Total	總計	10,583	62,026

The Group trades in foreign currencies, commodities and other products through its margin trading business. In order to protect against their exposures to fluctuations in foreign exchange rates and commodity prices, the Group has entered into a number of foreign exchange forward transactions and contracts for difference with the Group's bankers in the normal course of business.

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2019 and 2018 are HK\$1,743,747,000 and HK\$9,875,738,000 respectively.

本集團透過其保證金交易業務進行外幣、商品及其他產品交易。為保障本集團不受匯率及商品價格波動之風險影響，本集團於正常業務過程中與其往來銀行訂立多項外匯遠期交易及差價合約。

於二零一九年及二零一八年十二月三十一日，尚未平倉遠期外匯合約的名義本金額分別為1,743,747,000港元及9,875,738,000港元。

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17 BALANCES DUE FROM AGENTS

17 應收代理結餘

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balances due from:	應收結餘：		
– agents	– 代理	26,217	21,756
– Tianjin Precious Metal Exchange (Note 31a(vi))	– 天津貴金屬交易所 (附註31a(vi))	559	569
Provision for expected credit loss	預期信貸虧損撥備	(574)	(574)
Total	總計	26,202	21,751

The carrying amounts of the Group's balances due from agents approximate to their fair values. The Group is free to withdraw the funds from accounts maintained with these agents at any time.

本集團應收代理結餘的賬面值與其公允值相若。本集團可隨時自由提取在該等代理所開立的賬戶內的資金。

18 CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES

18 現金及銀行結餘以及客戶信託銀行結餘

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	178,542	550,591
Fixed deposits with banks	銀行定期存款	201,112	174,816
Client trust bank balances	客戶信託銀行結餘	44,499	255,785
Provision for expected credit loss	預期信貸虧損撥備	(426)	(426)
		423,727	980,766

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The Group is not allowed to use the clients' monies to settle its own obligations in the ordinary course of business, and therefore they are not included as cash and cash equivalents in the statement of cash flows.

本集團於獲授權金融機構持有信託及獨立賬戶，以保管客戶來自一般業務交易的存款。本集團不可動用客戶的資金清償其自身於日常業務過程中的債務，因此該等款項並無計入現金流量表中列作現金及現金等價物。

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綜合財務報表附註

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18 CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES (continued)

As at 31 December 2019 and 2018, fixed deposits of HK\$84,120,000 and HK\$90,359,000 respectively are pledged to banks for banking facilities. No overdraft facility was utilised by the Group as at 31 December 2019 and 2018. None of the bank deposits are placed with market makers as collateral as at 31 December 2019 and 2018.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprises of the following:

18 現金及銀行結餘以及客戶信託銀行結餘(續)

於二零一九年及二零一八年十二月三十一日，84,120,000港元及90,359,000港元的定期存款分別就銀行信貸抵押予銀行。於二零一九年及二零一八年十二月三十一日，本集團概無動用任何透支額。於二零一九年及二零一八年十二月三十一日，概無銀行存款於市場莊家存置作為抵押品。

就綜合現金流量表而言，現金及現金等價物包括以下各項：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	178,542	550,591
Fixed deposits with bank with original maturity within three months	原訂於三個月內到期的 銀行定期存款	116,992	84,457
		295,534	635,048

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19 FINANCE LEASE OBLIGATIONS

Additional finance lease obligations were recognised on 1 January 2019 in the process of adopting the new leasing standard. See note 2.2 for further information about the change in accounting policy for leases.

19 融資租賃承擔

於採納新租賃準則之過程中，已於二零一九年一月一日確認額外融資租賃承擔。有關租賃之會計政策變動之進一步資料見附註2.2。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gross finance lease obligations	融資租賃承擔總額		
– minimum lease payments	– 最低租賃付款		
Not later than 1 year	一年內	12,138	51
Later than 1 year and no later than 5 years	一年後及五年內	10,673	155
		22,811	206
Future finance charges on finance lease obligations	融資租賃承擔的未來融資開支	(562)	(18)
Present value of finance lease	融資租賃現值	22,249	188

The present value of finance lease obligations is as follows:

融資租賃承擔現值如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Not later than 1 year	一年內	11,718	42
Later than 1 year and no later than five years	一年後及五年內	10,531	146
		22,249	188

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20 DEFERRED TAXATION

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legal right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same authority. The following amounts, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax assets to be recovered after more than twelve months	遞延稅項資產 (超過12個月後收回)	1,712	1,719
Deferred tax liabilities to be settled after more than twelve months	遞延稅項負債 (超過12個月後支付)	(4,903)	(4,902)
		(3,191)	(3,183)

The major components of deferred tax assets/(liabilities) recorded in the Consolidated Statement of Financial Position and the movements during the year are as follows:

綜合財務狀況表內列賬的遞延稅項資產／(負債)的主要部分及年內變動如下：

		Employee benefits 僱員福利 HK\$'000 千港元	Depreciation 折舊 HK\$'000 千港元	Other temporary differences 其他暫時性 差額 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	1,143	(2,450)	(532)	(1,839)
Exchange adjustments	匯兌調整	(55)	39	32	16
(Charge)/credit for the year	年內(扣除)/計入	(339)	(1,456)	435	(1,360)
At 31 December 2018	於二零一八年十二月三十一日	749	(3,867)	(65)	(3,183)
At 1 January 2019	於二零一九年一月一日	749	(3,867)	(65)	(3,183)
Exchange adjustments	匯兌調整	-	(10)	2	(8)
At 31 December 2019	於二零一九年十二月三十一日	749	(3,877)	(63)	(3,191)

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21 OTHER PAYABLES AND ACCRUED LIABILITIES

21 其他應付款項及應計負債

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accrued rental benefit	應計租金利益	—	171
Accrued audit fees	應計審核費用	4,388	2,255
Other accruals	其他應計費用	9,349	3,047
Commission payable	應付佣金	342	6,020
Employee entitlements	僱員權益	682	11,458
Other payables	其他應付款項	12,302	2,857
Interest payable	應付利息	—	5,835
		27,063	31,643

The carrying amounts of the Group's other payables and accrued liabilities approximate to their fair values.

本集團其他應付款項及應計負債的賬面值與其公允值相若。

22 CLIENTS' BALANCES

The balances represent margin deposits received from clients and the realised profit or loss from their trading activities under normal course of business. The carrying amounts approximate to their fair values.

22 客戶結餘

該等結餘指於正常業務過程中收取客戶的保證金存款及彼等進行買賣活動的已變現溢利或虧損。賬面值與其公允值相若。

23 CONVERTIBLE BONDS

Pursuant to subscriptions agreements entered into by the Company on 25 January 2018, the Company issued convertible bonds with aggregate principal amount of HK\$200,000,000 on 12 February 2018 (the "Issue Date"). The convertible bonds entitled the holders to convert them into 326,264,273 ordinary shares of the Company at the conversion price of HK\$0.613 (the "Conversion Price") per share of the Company at any time from the day following one year from the Issue Date up to the fifth business day immediately before the second anniversary of the Issue Date (the "Maturity Date") and bear interest at 7.5% per annum. Unless previously redeemed, converted or cancelled, the Company has to redeem the convertible bonds on Maturity Date at 100% of the outstanding principal amount, together with accrued interest, if any.

23 可換股債券

根據本公司於二零一八年一月二十五日訂立之認購協議，本公司已於二零一八年二月十二日（「發行日期」）發行本金總額為200,000,000港元之可換股債券。可換股債券賦予持有人權利可於發行日期起計一年後翌日起至緊接發行日期起計滿兩週年前第五個營業日（「到期日」）止期間隨時按換股價每股0.613港元（「換股價」）轉換為本公司之326,264,273股普通股，年利率為7.5%。除非提前贖回、轉換或註銷，本公司須於到期日按未償還本金額之100%連同應計利息（如有）贖回可換股債券。

23 CONVERTIBLE BONDS (continued)

The Conversion Price is subject to anti-dilutive adjustments due to change of management and anti-dilution events such as consolidation, sub-division or reclassification, bonus issue, capital distribution, rights issue of shares or options over shares, rights issue of other securities, issue at less than the then current market price, other issue at less than the then current market price, modification of right of conversion, other offer to shareholders and other events. If the Conversion Price pursuant to any adjustment is below the par value of each share, the Conversion Price shall be adjusted to an amount equal to the par value of the share instead.

Save as disclosed above, the terms and definitions of the convertible bonds are set out in the respective subscription agreements and disclosed in the Company's announcements dated 25 January 2018 and 12 February 2018.

In the presence of the adjustments to the Conversion Price mentioned above, the convertible bonds may not exchange a fixed number of the Company's own equity instrument for a fixed amount of cash. Therefore, the components of the convertible bonds are accounted for separately as host liability component and conversion option derivative. The fair values of the host liability component and conversion option derivative were determined at the respective date of issue. The host liability component represented the present value of the contractual stream of future cash flows discounted using the prevailing market interest rate of similar non-convertible instruments and carried at amortised cost. The effective interest rate of the liability component is 19.25%. Subsequent to the initial recognition, the liability component is carried at amortised cost while the conversion option derivative embedded in the convertible bonds are measured at fair value, where changes in fair value recognised in profit or loss.

On 7 May 2019, the bonds holder exercised the option of early redemption pursuant to the Agreements to request the Company to redeem the full amount of the convertible bonds with redemption date on 15 May 2019.

23 可換股債券(續)

換股價將於管理層出現變動時作出反攤薄調整，而該等反攤薄調整事件包括合併、拆細或重新分類、發行紅股、資本分派、供股或購股權、其他證券之供股、按低於當時現行市價發行、按低於當時現行市價之其他發行、修訂換股權、向股東提出其他要約及其他事件。倘因任何調整導致換股價低於每股股份之面值，換股價將調整至相等於股份面值之金額。

除上述披露者外，可換股債券的條款及定義載於各自的認購協議內，並於本公司日期為二零一八年一月二十五日及二零一八年二月十二日的公告中披露。

在上述換股價調整的情況下，可換股債券或未能按固定金額的現金交換為固定數目的本公司自身權益工具。因此，可換股債券的組成部分分別按主負債部分及換股權衍生工具入賬。主負債部分和換股權衍生工具的公允值按各自的發行日期釐定。主負債部分指未來現金流合約部分使用類似不可換股工具現行市場利率貼現的現值，並按攤銷成本列賬。負債部分的實際利率為19.25%。於初始確認後，負債部分按攤銷成本列賬，而嵌入可換股債券的換股權衍生工具按公允值計量，其公允值變動於損益確認。

於二零一九年五月七日，債券持有人根據該等協議行使提早贖回權，要求本公司贖回贖回日期為二零一九年五月十五日的可換股債券全部金額。

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23 CONVERTIBLE BONDS (continued)

The components for the issue of the convertible bonds and their movements for the year are set out below:

23 可換股債券(續)

發行可換股債券的組成部分及於年內的變動載列如下：

		Financial liabilities at amortised cost – debt portion 按攤銷成本計量的金融負債 – 債務部份 HK\$'000 千港元	Financial liabilities at fair value through profit or loss – derivative portion 按公允值計入損益的金融負債 – 衍生工具部份 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	177,565	13,500	191,065
Issuance of convertible bonds	發行可換股債券	–	–	–
Loss/(Gain) on redemption	贖回虧損／(收益)	15,309	(14,328)	981
Interest expense	利息開支	12,633	–	12,633
Interest payment	利息付款	(5,507)	–	(5,507)
Principal repayment	償還本金	(200,000)	–	(200,000)
Amortisation of deferred losses on conversion component (Note 6)	轉換部份遞延虧損攤銷 (附註6)	–	828	828
At 31 December 2019	於二零一九年十二月三十一日	–	–	–

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23 CONVERTIBLE BONDS (continued)

23 可換股債券 (續)

		Financial liabilities at amortised cost – debt portion	Financial liabilities at fair value through profit or loss – derivative portion	Total
		按攤銷成本計量的金融負債 – 債務部份	按公允值計入損益的金融負債 – 衍生工具部份	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	–	–	–
Issuance of convertible bonds	發行可換股債券	181,815	42,040	223,855
Deferred losses upon issuance	發行時遞延虧損	(19,375)	(4,480)	(23,855)
Fair value gain recognized (Note 6)	已確認公允值收益 (附註6)	–	(26,042)	(26,042)
Interest expense	利息開支	28,399	–	28,399
Interest payment	利息付款	(13,274)	–	(13,274)
Amortisation of deferred losses on conversion component (Note 6)	轉換部份遞延虧損攤銷 (附註6)	–	1,982	1,982
At 31 December 2018	於二零一八年十二月三十一日	177,565	13,500	191,065

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24 SHARE CAPITAL

24 股本

		Number of shares in issue 已發行股份數目	Issued share capital 已發行股本 HK\$'000 千港元
As at 1 January 2018 and 31 December 2018	於二零一八年一月一日及 二零一八年十二月三十一日	2,033,290,000	20,333
As at 1 January 2019	於二零一九年一月一日	2,033,290,000	20,333
As at 31 December 2019	於二零一九年十二月三十一日	2,033,290,000	20,333

25 RESERVES

Reserves includes capital reserves which represents the difference between the book value of the net assets of CLSA Premium New Zealand Limited (Formerly known as KVB Kunlun New Zealand Limited), CLSA Premium Pty Limited (Formerly known as KVB Kunlun Pty Limited) and CLSA Premium International (HK) Limited (Formerly known as KVB Kunlun International (HK) Limited) over the par value of the shares issued by LXL Capital II Limited, LXL Capital III Limited and LXL Capital IV Limited in exchange for these subsidiaries as part of the reorganisation completed in 2012.

25 資本儲備

該結餘包括資本儲備，指CLSA Premium New Zealand Limited（前稱KVB Kunlun New Zealand Limited）、CLSA Premium Pty Limited（前稱KVB Kunlun Pty Limited）及CLSA Premium International (HK) Limited（前稱昆侖國際（香港）有限公司）資產淨值的賬面值與LXL Capital II Limited、LXL Capital III Limited及LXL Capital IV Limited作為於二零一二年完成的重組一部分用以交換該等附屬公司而發行的股份面值的差額。

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26 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities from financing activities, including both cash and non-cash changes are as follows:

26 融資活動所產生負債之對賬

本集團融資活動負債的變動(包括現金及非現金變動)載列如下：

		Finance leases due within 1 year 於一年內到期 之融資租賃 HK\$'000 千港元	Finance leases due after 1 year 於一年後到期 之融資租賃 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元	Interest payable 應付利息 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	42	146	191,065	5,835	-	197,088
Lease Liabilities for adoption of HKFRS 16	採納香港財務報告準則第16號之租賃負債	11,292	22,164	-	-	-	33,456
Changes from financing cash flow:	融資活動現金流變動：						
Repayment of finance lease obligations	償還融資租賃承擔	(572)	(11,679)	-	-	-	(12,251)
Redemption of convertible bonds	贖回可換股債券	-	-	(200,000)	-	-	(200,000)
Interest paid	已付利息	-	-	(5,507)	(5,868)	-	(11,375)
Interest payable	應付利息	-	-	-	-	-	-
Addition	新增	94	92	-	-	-	186
Exchange adjustments	匯兌調整	(1)	(48)	-	-	-	(49)
Other changes:	其他變動：						
Reclassification upon disposal of hire purchase	出售租購後重新分類	144	(144)	-	-	-	-
Interest expenses	利息開支	719	-	12,633	33	-	13,385
Fair value gain on the embedded portion of the convertible bonds	可換股債券嵌入式部份之公允值收益	-	-	-	-	-	-
Loss on redemption of the convertible bonds	贖回可換股債券之虧損	-	-	981	-	-	981
Amortisation of the deferred losses on conversion component of the convertible bonds	可換股債券轉換部份之遞延虧損攤銷	-	-	828	-	-	828
At 31 December 2019	於二零一九年十二月三十一日	11,718	10,531	-	-	-	22,249

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26 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued) 26 融資活動所產生負債之對賬(續)

		Finance leases due within 1 year 於一年內到期 之融資租賃 HK\$'000 千港元	Finance leases due after 1 year 於一年後到期 之融資租賃 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元	Interest payable 應付利息 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	47	205	–	–	–	252
Changes from financing cash flow:	融資活動現金流變動：						
Repayment of finance lease obligations	償還融資租賃承擔	(12)	(42)	–	–	–	(54)
Issuance of convertible bonds	發行可換股債券	–	–	200,000	–	–	200,000
Interest paid	已付利息	–	–	(7,439)	–	(29)	(7,468)
Interest payable	應付利息	–	–	(5,835)	5,835	–	–
Exchange adjustments	匯兌調整	(4)	(17)	–	–	–	(21)
Other changes:	其他變動：						
Interest expenses	利息開支	11	–	28,399	–	29	28,439
Fair value gain on the embedded portion of the convertible bonds	可換股債券嵌入式部份之公允值收益	–	–	(26,042)	–	–	(26,042)
Amortisation of the deferred losses on conversion component of the convertible bonds	可換股債券轉換部份之遞延虧損攤銷	–	–	1,982	–	–	1,982
At 31 December 2018	於二零一八年十二月三十一日	42	146	191,065	5,835	–	197,088

27 SHARE OPTION SCHEME

On 19 August 2015, the Board of Directors of the Company granted 40,000,000 share options to 95 individuals (“Grantees”) for their subscription of new ordinary shares of HK\$0.01 each in the share capital of the Company.

These share options are exercisable at HK\$0.95 per share, with varying vesting period and validity from the date of grant. 35 out of 95 of the Grantees were granted share options which are exercisable for a period of three years commencing on the date of grant to 18 August 2018. 12 out of 95 of the Grantees were granted share options which are exercisable for a period of three years commencing on the date falling on the first anniversary of the date of grant to 18 August 2018, with a vesting period of one year from the date of grant. The remaining 48 Grantees were granted options which are exercisable for a period of two years commencing on the date falling on the second anniversary of the date of grant to 18 August 2018, with a vesting period of two years from the date of grant. Among the 40,000,000 share options granted, 12,200,000 share options were granted to the directors and chief executives of the Company.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

27 購股權計劃

於二零一五年八月十九日，本公司董事會向95名人士（「獲授人」）授出40,000,000份購股權，供彼等認購本公司股本中每股面值0.01港元的新普通股。

該等購股權可按每股股份0.95港元的價格予以行使，自授出日期起計的歸屬期及有效期有別。95名獲授人中的35名獲授人獲授予可於授出日期起計至二零一八年八月十八日為止三年之期間內行使之購股權。95名獲授人中的12名獲授人獲授予可於授出日期一週年當日起計至二零一八年八月十八日為止三年之期間內行使之購股權，歸屬期為由授出日期起計一年。餘下48名獲授人獲授予可於授出日期兩週年當日起計至二零一八年八月十八日為止兩年之期間內行使之購股權，歸屬期為由授出日期起計兩年。已授出的40,000,000份購股權中，本公司董事及主要行政人員獲授12,200,000份購股權。

本集團並無法律或推定責任以現金購回或結算購股權。

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27 SHARE OPTION SCHEME (continued)

27 購股權計劃 (續)

Movements in the number of share options outstanding are as follows:

尚未行使的購股權數目變動如下：

Grantee	Date of grant	Outstanding as at 31 December 2018 於二零一八年 十二月三十一日 尚未行使	Granted during the year 於年內授出	Forfeited during the year 於年內 被沒收	Exercised during the year 於年內行使	Outstanding as at 31 December 2019 於二零一九年 十二月三十一日 尚未行使	Exercise price 行使價 HK\$ 港元	Exercise period 行使期間
Liu Stefan	19 August 2015	-	-	-	-	-	0.95	19 August 2015 to 18 August 2018
劉欣諾	二零一五年八月十九日							二零一五年八月十九日 至二零一八年 八月十八日
Huang Songyuan	19 August 2015	-	-	-	-	-	0.95	19 August 2015 to 18 August 2018
黃頌源	二零一五年八月十九日							二零一五年八月十九日 至二零一八年 八月十八日
Wong Yiu Kit Ernest	19 August 2015	250,000	-	(250,000)	-	-	0.95	19 August 2017 to 18 August 2019
黃耀傑	二零一五年八月十九日							二零一七年八月十九日 至二零一九年 八月十八日
Stephen Gregory McCoy	19 August 2015	-	-	-	-	-	0.95	19 August 2015 to 18 August 2018
Stephen Gregory McCoy	二零一五年八月十九日							二零一五年八月十九日 至二零一八年 八月十八日
Zhao Guixin	19 August 2015	-	-	-	-	-	0.95	19 August 2015 to 18 August 2018
趙桂馨	二零一五年八月十九日							二零一五年八月十九日 至二零一八年 八月十八日
Corenlis Jacobus Keyser	19 August 2015	-	-	-	-	-	0.95	19 August 2015 to 18 August 2018
Corenlis Jacobus Keyser	二零一五年八月十九日							二零一五年八月十九日 至二零一八年 八月十八日

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27 SHARE OPTION SCHEME (continued)

27 購股權計劃 (續)

Grantee	Date of grant	Outstanding as at 31 December 2018 於二零一八年 十二月三十一日 尚未行使	Granted during the year 於年內授出	Forfeited during the year 於年內 被沒收	Exercised during the year 於年內行使	Outstanding as at 31 December 2019 於二零一九年 十二月三十一日 尚未行使	Exercise price 行使價 HK\$ 港元	Exercise period 行使期間
Lin Wenhui	19 August 2015	-	-	-	-	-	0.95	19 August 2015 to 18 August 2018
林文輝	二零一五年八月十九日							二零一五年八月十九日 至二零一八年 八月十八日
Employees of Group companies	19 August 2015	-	-	-	-	-	0.95	19 August 2015 to 18 August 2018
集團公司僱員	二零一五年八月十九日							二零一五年八月十九日 至二零一八年 八月十八日
Employees of Group companies	19 August 2015	1,000,000	-	(1,000,000)	-	-	0.95	19 August 2016 to 18 August 2019
集團公司僱員	二零一五年八月十九日							二零一六年八月十九日 至二零一九年 八月十八日
Employees of Group companies	19 August 2015	3,450,000	-	(3,450,000)	-	-	0.95	19 August 2018 to 18 August 2019
集團公司僱員	二零一五年八月十九日							二零一八年八月十九日 至二零一九年 八月十八日
Consultants	19 August 2015	350,000	-	(350,000)	-	-	0.95	19 August 2016 to 18 August 2019
顧問	二零一五年八月十九日							二零一六年八月十九日 至二零一九年 八月十八日
Consultants	19 August 2015	400,000	-	(400,000)	-	-	0.95	19 August 2017 to 18 August 2019
顧問	二零一五年八月十九日							二零一七年八月十九日 至二零一九年 八月十八日
		5,450,000	-	(5,450,000)	-	-		

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27 SHARE OPTION SCHEME (continued)

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. Details of the share options granted on 19 August 2015 were as follows:

Weighted average share option price at the grant date:	HK\$0.3133
Risk free interest rate:	0.821%
Expected volatility:	59.08%
Expected dividend yield:	1.63%
Expected exercise multiple:	Directors: 2.8x exercise price Others: 2.2x exercise price

The measurement date of the share options was 19 August 2015, being the date of grant of the share options. The expected dividend yield is determined with reference to historical dividend payment history of comparable listed companies up to the measurement date. The expected volatility of share price is determined with reference to annualised historical weekly volatility of comparable listed companies' share prices as of the valuation date, as extracted from Bloomberg.

No share option expenses (2018: Nil) were recognised in the consolidated statement of comprehensive income during the current period.

27 購股權計劃(續)

二項式期權定價模式獲採納以估計購股權的公允值。計算購股權公允值所用的變數及假設乃基於董事的最佳估計。購股權價值隨某些主觀假設的變數不同而變化。於二零一五年八月十九日授出的購股權的詳情如下：

於授出日期的加權平均購股權價格：	0.3133港元
無風險利率：	0.821%
預期波幅：	59.08%
預期股息率：	1.63%
預期行使倍數：	董事：行使價2.8倍 其他：行使價2.2倍

購股權的計量日期為二零一五年八月十九日，即授出購股權的日期。預期股息率乃參考可資比較上市公司直至計量日期的過往股息付款記錄而釐定。股價的預期波幅參考摘錄自彭博的可資比較上市公司的股價截至評估日期的年度化過往每週波幅而釐定。

本期間於綜合全面收益表並無確認購股權開支(二零一八年：無)。

27 SHARE OPTION SCHEME *(continued)*

On 29 December 2016, the Board of Directors of the Company granted 40,000,000 share options to 95 individuals ("Grantees") for their subscription of new ordinary shares of HK\$0.01 each in the share capital of the Company.

These share options are exercisable at HK\$0.592 per share, with varying vesting period and validity from the date of grant. 37 out of 95 of the Grantees were granted share options which are exercisable for a period of three years commencing on the date of grant to 28 December 2019. 9 out of 95 of the Grantees were granted share options which are exercisable for a period of three years commencing on the date falling on the first anniversary of the date of grant to 28 December 2020, with a vesting period of one year from the date of grant. The remaining 49 Grantees were granted options which are exercisable for a period of two years commencing on the date falling on the second anniversary of the date of grant to 28 December 2020, with a vesting period of two years from the date of grant. Among the 40,000,000 share options granted, 11,750,000 share options were granted to the directors and chief executives of the Company.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

27 購股權計劃(續)

於二零一六年十二月二十九日，本公司董事會向95名人士(「獲授人」)授出40,000,000份購股權，供彼等認購本公司股本中每股面值0.01港元的新普通股。

該等購股權可按每股股份0.592港元的價格予以行使，自授出日期起計的歸屬期及有效期有別。95名獲授人中的37名獲授人獲授予可於授出日期起計至二零一九年十二月二十八日為止三年之期間內行使之購股權。95名獲授人中的9名獲授人獲授予可於授出日期一週年當日起計至二零二零年十二月二十八日為止三年之期間內行使之購股權，歸屬期為由授出日期起計一年。餘下49名獲授人獲授予可於授出日期兩週年當日起計至二零二零年十二月二十八日為止兩年之期間內行使之購股權，歸屬期為由授出日期起計兩年。已授出的40,000,000份購股權中，本公司董事及主要行政人員獲授11,750,000份購股權。

本集團並無法律或推定責任以現金購回或結算購股權。

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27 SHARE OPTION SCHEME (continued)

Movements in the number of share options outstanding are as follows:

27 購股權計劃(續)

尚未行使的購股權數目變動如下：

Grantee	Date of grant	Outstanding as at 31 December 2018 於二零一八年 十二月三十一日 尚未行使	Granted during the year 於年內 授出	Forfeited during the year 於年內 被沒收	Exercised during the year 於年內 行使	Outstanding as at 31 December 2019 於二零一九年 十二月三十一日 尚未行使	Exercise price 行使價 HK\$ 港元	Exercise period 行使期間
Liu Stefan	29 December 2016	8,000,000	-	(800,000)	-	-	0.592	29 December 2016 to 28 December 2019
劉欣諾	二零一六年 十二月二十九日							二零一六年十二月二十九日至 二零一九年十二月二十八日
Huang Songyuan	29 December 2016	3,050,000	-	(3,050,000)	-	-	0.592	29 December 2016 to 28 December 2019
黃頌源	二零一六年 十二月二十九日							二零一六年十二月二十九日至 二零一九年十二月二十八日
Wong Yiu Kit Ernest	29 December 2016	250,000	-	-	-	250,000	0.592	29 December 2018 to 28 December 2020
黃耀傑	二零一六年 十二月二十九日							二零一八年十二月二十九日至 二零二零年十二月二十八日
Stephen Gregory McCoy	29 December 2016	1,000,000	-	(1,000,000)	-	-	0.592	29 December 2016 to 28 December 2019
Stephen Gregory McCoy	二零一六年 十二月二十九日							二零一六年十二月二十九日至 二零一九年十二月二十八日
Zhao Guixin	29 December 2016	300,000	-	(300,000)	-	-	0.592	29 December 2016 to 28 December 2019
趙桂馨	二零一六年 十二月二十九日							二零一六年十二月二十九日至 二零一九年十二月二十八日
Corenlis Jacobus Keyser	29 December 2016	300,000	-	(300,000)	-	-	0.592	29 December 2016 to 28 December 2019
Corenlis Jacobus Keyser	二零一六年 十二月二十九日							二零一六年十二月二十九日至 二零一九年十二月二十八日
Lin Wenhui	29 December 2016	300,000	-	(300,000)	-	-	0.592	29 December 2016 to 28 December 2019
林文輝	二零一六年 十二月二十九日							二零一六年十二月二十九日至 二零一九年十二月二十八日

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27 SHARE OPTION SCHEME (continued)

27 購股權計劃 (續)

Grantee	Date of grant	Outstanding as at 31 December 2018 於二零一八年 十二月三十一日 尚未行使	Granted during the year 於年內 授出	Forfeited during the year 於年內 被沒收	Exercised during the year 於年內 行使	Outstanding as at 31 December 2019 於二零一九年 十二月三十一日 尚未行使	Exercise price 行使價 HK\$ 港元	Exercise period 行使期間
Employees of Group companies	29 December 2016	15,200,000	-	(15,200,000)	-	-	0.592	29 December 2016 to 28 December 2019
集團公司僱員	二零一六年 十二月二十九日							二零一六年十二月二十九日至 二零一九年十二月二十八日
Employees of Group companies	29 December 2016	900,000	-	(250,000)	-	650,000	0.592	29 December 2017 to 28 December 2020
集團公司僱員	二零一六年 十二月二十九日							二零一七年十二月二十九日至 二零二零年十二月二十八日
Employees of Group companies	29 December 2016	5,150,000	-	(1,850,000)	-	3,300,000	0.592	29 December 2018 to 28 December 2020
集團公司僱員	二零一六年 十二月二十九日							二零一八年十二月二十九日至 二零二零年十二月二十八日
Consultants	29 December 2016	400,000	-	(50,000)	-	350,000	0.592	29 December 2017 to 28 December 2020
顧問	二零一六年 十二月二十九日							二零一七年十二月二十九日至 二零二零年十二月二十八日
Consultants	29 December 2016	100,000	-	-	-	100,000	0.592	29 December 2018 to 28 December 2020
顧問	二零一六年 十二月二十九日							二零一八年十二月二十九日至 二零二零年十二月二十八日
		34,950,000	-	(30,300,000)	-	4,650,000		

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27 SHARE OPTION SCHEME (continued)

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. Details of the share options granted on 29 December 2016 were as follows:

Weighted average share option

price at the grant date:	HK\$0.2385
Risk free interest rate:	1.443%
Expected volatility:	70.97%
Expected dividend yield:	0%
Expected exercise multiple:	Directors: 2.8x exercise price Others: 2.2x exercise price

The measurement date of the share options was 29 December 2016, being the date of grant of the share options. The expected dividend yield is determined with reference to historical dividend payment history of comparable listed companies up to the measurement date. The expected volatility of share price is determined with reference to annualised historical weekly volatility of comparable listed companies' share prices as of the valuation date, as extracted from Bloomberg.

No share option expenses (2018: HK\$424,000) were recognised in the consolidated statement of comprehensive income during the current year.

27 購股權計劃(續)

二項式期權定價模式獲採納以估計購股權的公允值。計算購股權公允值所用的變數及假設乃基於董事的最佳估計。購股權價值隨某些主觀假設的變數不同而變化。於二零一六年十二月二十九日授出的購股權的詳情如下：

於授出日期的加權

平均購股權價格：	0.2385港元
無風險利率：	1.443%
預期波幅：	70.97%
預期股息率：	0%
預期行使倍數：	董事：行使價2.8倍 其他：行使價2.2倍

購股權的計量日期為二零一六年十二月二十九日，即授出購股權的日期。預期股息率乃參考可資比較上市公司直至計量日期的過往股息付款記錄而釐定。股價的預期波幅參考摘錄自彭博的可資比較上市公司的股價截至評估日期的年度化過往每週波幅而釐定。

本年度並無於綜合全面收益表確認任何購股權開支(二零一八年：424,000港元)。

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27 SHARE OPTION SCHEME (continued)

On 22 March 2018, the Board of Directors of the Company granted 40,000,000 share options to 82 individuals ("Grantees") for their subscription of new ordinary shares of HK\$0.01 each in the share capital of the Company.

These share options are exercisable at HK\$0.495 per share, with varying vesting period and validity from the date of grant. 37 out of 82 of the Grantees were granted share options which are exercisable for a period of three years commencing on the date of grant to 21 March 2021. 11 out of 82 of the Grantees were granted share options which are exercisable for a period of three years commencing on the date falling on the first anniversary of the date of grant to 21 March 2022, with a vesting period of one year from the date of grant. The remaining 34 Grantees were granted options which are exercisable for a period of two years commencing on the date falling on the second anniversary of the date of grant to 21 March 2022, with a vesting period of two years from the date of grant. Among the 40,000,000 share options granted, 12,200,000 share options were granted to the directors and chief executives of the Company.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

27 購股權計劃(續)

於二零一八年三月二十二日，本公司董事會向82名人士(「獲授人」)授出40,000,000份購股權，供彼等認購本公司股本中每股面值0.01港元的新普通股。

該等購股權可按每股股份0.495港元的價格予以行使，自授出日期起計的歸屬期及有效期有別。82名獲授人中的37名獲授人獲授予可於授出日期起計至二零二一年三月三十一日為止三年之期間內行使之購股權。82名獲授人中的11名獲授人獲授予可於授出日期一週年當日起計至二零二二年三月三十一日為止三年之期間內行使之購股權，歸屬期為由授出日期起計一年。餘下34名獲授人獲授予可於授出日期兩週年當日起計至二零二二年三月三十一日為止兩年之期間內行使之購股權，歸屬期為由授出日期起計兩年。已授出的40,000,000份購股權中，本公司之董事及主要行政人員獲授12,200,000份購股權。

本集團並無法律或推定責任以現金購回或結算購股權。

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27 SHARE OPTION SCHEME (continued)

Movements in the number of share options outstanding are as follows:

27 購股權計劃(續)

尚未行使的購股權數目變動如下：

Grantee	Date of grant	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使	Granted during the year 於年內授出	Forfeited during the year 於年內被沒收	Exercised during the year 於年內行使	Outstanding as at 31 December 2019 於二零一九年十二月三十一日尚未行使	Exercise price 行使價 HK\$ 港元	Exercise period 行使期間
獲授人	授出日期							
Liu Stefan	22 March 2018	10,000,000	-	-	-	10,000,000	0.495	22 March 2018 to 21 March 2021
劉欣諾	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Huang Songyuan	22 March 2018	3,800,000	-	-	-	3,800,000	0.495	22 March 2018 to 21 March 2021
黃頌源	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Wong Yiu Kit Ernest	22 March 2018	1,550,000	-	-	-	1,550,000	0.495	22 March 2018 to 21 March 2021
黃耀傑	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Stephen Gregory McCoy	22 March 2018	1,000,000	-	-	-	1,000,000	0.495	22 March 2018 to 21 March 2021
Stephen Gregory McCoy	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Zhao Guixin	22 March 2018	400,000	-	-	-	400,000	0.495	22 March 2018 to 21 March 2021
趙桂馨	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Corenlis Jacobus Keyser	22 March 2018	400,000	-	-	-	400,000	0.495	22 March 2018 to 21 March 2021
Corenlis Jacobus Keyser	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Lin Wenhui	22 March 2018	400,000	-	-	-	400,000	0.495	22 March 2018 to 21 March 2021
林文輝	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Employees of Group companies	22 March 2018	12,800,000	-	(1,300,000)	-	11,500,000	0.495	22 March 2018 to 21 March 2021
集團公司僱員	二零一八年三月二十二日							二零一八年三月二十二日至二零二一年三月三十一日
Employees of Group companies	22 March 2018	1,900,000	-	(250,000)	-	1,650,000	0.495	22 March 2019 to 21 March 2022
集團公司僱員	二零一八年三月二十二日							二零一九年三月二十二日至二零二二年三月三十一日
Employees of Group companies	22 March 2018	4,900,000	-	(2,650,000)	-	2,250,000	0.495	22 March 2020 to 21 March 2022
集團公司僱員	二零一八年三月二十二日							二零二零年三月二十二日至二零二二年三月三十一日
Consultants	22 March 2018	550,000	-	-	-	550,000	0.495	22 March 2019 to 21 March 2022
顧問	二零一八年三月二十二日							二零一九年三月二十二日至二零二二年三月三十一日
		37,700,000	-	(4,200,000)	-	33,500,000		

27 SHARE OPTION SCHEME (continued)

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. Details of the share options granted on 22 March 2019 were as follows:

Weighted average share option

price at the grant date:	HK\$0.1735
Risk free interest rate:	1.668%
Expected volatility:	56.39%
Expected dividend yield:	0%
Expected exercise multiple:	Directors: 2.8x exercise price Others: 2.2x exercise price

The measurement date of the share options was 22 March 2018, being the date of grant of the share options. The expected dividend yield is determined with reference to historical dividend payment history of comparable listed companies up to the measurement date. The expected volatility of share price is determined with reference to annualised historical weekly volatility of comparable listed companies' share prices as of the valuation date, as extracted from Bloomberg.

A total of HK\$566,000 (2018: HK\$5,951,000) share option expenses were recognised in the consolidated statement of comprehensive income during the current period.

27 購股權計劃(續)

二項式期權定價模式獲採納以估計購股權的公允值。計算購股權公允值所用的變數及假設乃基於董事的最佳估計。購股權價值隨某些主觀假設的變數不同而變化。於二零一九年三月二十二日授出的購股權的詳情如下：

於授出日期的加權

平均購股權價格：	0.1735港元
無風險利率：	1.668%
預期波幅：	56.39%
預期股息率：	0%
預期行使倍數：	董事：行使價2.8倍 其他：行使價2.2倍

購股權的計量日期為二零一八年三月二十二日，即授出購股權的日期。預期股息率乃參考可資比較上市公司直至計量日期的過往股息付款記錄而釐定。股價的預期波幅參考摘錄自彭博的可資比較上市公司的股價截至評估日期的年度化過往每週波幅而釐定。

本期間於綜合全面收益表確認的購股權開支合共為566,000港元(二零一八年：5,951,000港元)。

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28 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

28 本公司之財務狀況表及儲備變動

Statement of Financial Position of the Company

本公司之財務狀況表

		As at 31 December	
		於十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
ASSET	資產		
Non-current asset	非流動資產		
Investment in subsidiaries (Note 30)	於附屬公司之投資(附註30)	176,061	160,461
Total non-current asset	非流動資產總值	176,061	160,461
Current assets	流動資產		
Cash and bank balances	現金及銀行結餘	134,824	359,908
Amounts due from subsidiaries	應收附屬公司之款項	67,327	67,426
Prepayments and other receivables	預付款項及其他應收款項	821	721
Total current assets	流動資產總值	202,972	428,055
Total assets	資產總值	379,033	588,516
EQUITY AND LIABILITIES	權益及負債		
Share capital	股本	20,333	20,333
Reserves (Note (a))	儲備(附註(a))	183,530	202,693
Retained earnings	保留盈利	154,226	165,842
Total equity	權益總額	358,089	388,868
Non-current liability	非流動負債		
Convertible bonds	可換股債券	—	191,065
Total non-current liability	非流動負債總額	—	191,065
Current liabilities	流動負債		
Amounts due to subsidiaries	應付附屬公司款項	113	69
Other payables and accrued liabilities	其他應付款項及應計負債	20,831	8,514
Total current liabilities	流動負債總額	20,944	8,583
Total liabilities	負債總額	20,944	199,648
Total equity and liabilities	總權益及負債	379,033	588,516

The Statement of Financial Position of the Company was approved by the Board of Directors on 24 April 2020 and was signed on its behalf.

本公司財務狀況表經董事會於二零二零年四月二十四日批准並由以下董事代為簽署。

Yuen Feng
袁峰

Wu Fei
吳飛

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28 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(continued)

Statement of Financial Position of the Company

(continued)

Note (a) – Reserves movement of the Company

28 本公司之財務狀況表及儲備變動(續)

本公司之財務狀況表(續)

附註(a) – 本公司之儲備變動

		Reserves 儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	199,329	182,635
Loss for the year	年度虧損	–	(19,804)
Share option scheme	購股權計劃	3,364	3,011
As at 31 December 2018	於二零一八年十二月三十一日	202,693	165,842
As at 1 January 2019	於二零一九年一月一日	202,693	165,842
Loss for the year	年度虧損	–	(31,019)
Share option scheme	購股權計劃	(19,163)	19,403
As at 31 December 2019	於二零一九年十二月三十一日	183,530	154,226

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29 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

29 董事及高級管理層的酬金

(a) Directors' emoluments

Emoluments paid/payable to the directors of the Company by the Group during the years ended 31 December 2019 and 2018.

For the year ended 31 December 2019

(a) 董事酬金

本集團截至二零一九年及二零一八年十二月三十一日止年度向本公司董事支付／應付的酬金。

截至二零一九年十二月三十一日止年度

Name of director	董事姓名	Director fee	Salary and commission	Employer's contribution to pension scheme	Discretionary bonuses (Note (b))	Estimated value of other benefits (Note (a))	Total
		董事袍金 HK\$'000 千港元	薪金及佣金 HK\$'000 千港元	僱主退休金計劃供款 HK\$'000 千港元	酌情花紅 (附註(b)) HK\$'000 千港元	其他福利的估計價值 (附註(a)) HK\$'000 千港元	總計 HK\$'000 千港元
Executive Directors							
Mr. Yuan Feng (Appointed on 27 June 2019)	袁峰先生(於二零一九年六月二十七日獲委任)	123	576	-	-	-	699
Mr. Wu Fei (Appointed on 05 November 2019)	吳飛先生(於二零一九年十一月五日獲委任)	37	-	-	-	-	37
Mr. Liu Stefan (Resigned on 29 July 2019)	劉欣諾先生(於二零一九年七月二十九日辭任)	139	1,864	11	4,900	-	6,914
Mr. Huang Songyuan (Resigned on 29 July 2019)	黃頌源先生(於二零一九年七月二十九日辭任)	268	459	-	2,872	-	3,599
Mr. Wong Yiu Kit Ernest (Resigned on 16 August 2019)	黃耀傑先生(於二零一九年八月十六日辭任)	151	760	12	680	-	1,603
Non-executive Directors:							
Mr. Li Jiong	李岡先生	120	-	-	-	-	120
Mr. Stephen Gregory McCoy	Stephen Gregory McCoy先生	120	-	-	-	-	120
Mr. Xu Jianqiang	許建強先生	120	-	-	-	-	120
Independent Non-executive Directors:							
Mr. Wu Jian Feng (Appointed on 27 June 2019)	武劍鋒先生(於二零一九年六月二十七日獲委任)	123	-	-	-	-	123
Mr. Christopher Wesley Satterfield (Appointed on 27 June 2019)	Christopher Wesley Satterfield先生(於二零一九年六月二十七日獲委任)	123	-	-	-	-	123
Ms. Hu Zhaoxia (Appointed on 27 June 2019)	胡朝霞女士(於二零一九年六月二十七日獲委任)	123	-	-	-	-	123
Mr. Jin Shao liang (Appointed on 27 June 2019)	金紹樑先生(於二零一九年六月二十七日獲委任)	123	-	-	-	-	123
Ms. Zhao Guixin (Resigned on 27 June 2019)	趙桂馨女士(於二零一九年六月二十七日辭任)	118	-	-	-	-	118
Mr. Cornelis Jacobus Keyser (Resigned on 27 June 2019)	Cornelis Jacobus Keyser先生(於二零一九年六月二十七日辭任)	118	-	-	-	-	118
Mr. Lin Wenhui (Resigned on 27 June 2019)	林文輝先生(於二零一九年六月二十七日辭任)	118	-	-	-	-	118
		1,924	3,659	23	8,452	-	14,058

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29 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

29 董事及高級管理層的酬金 (續)

(a) Directors' emoluments (continued)

For the year ended 31 December 2018

(a) 董事酬金 (續)

截至二零一八年十二月三十一日止年度

Name of director	董事姓名	Director fee	Salary and commission	Employer's contribution to pension scheme	Discretionary bonuses (Note (b))	Estimated value of other benefits (Note (a))	Total
		董事袍金	薪金及佣金	僱主退休金計劃供款	酌情花紅 (附註(b))	其他福利的估計價值 (附註(a))	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Executive Directors:							
Mr. Liu Stefan							
	劉欣諾先生	484	2,970	18	22,918	1,854	28,244
Mr. Huang Songyuan							
	黃頌源先生(於二零一八年五月二十一日獲委任)	391	814	-	8,492	637	10,334
Mr. Wong Yiu Kit Ernest							
	黃耀傑先生(於二零一八年五月二十一日獲委任)	147	975	18	11,126	260	12,526
Non-executive Directors:							
Mr. Li Zhi Da (Retired on 21 May 2018)							
	李志達先生(於二零一八年五月二十一日退任)	47	-	-	-	-	47
Mr. Stephen Gregory McCoy							
	Stephen Gregory McCoy先生	120	-	31	324	185	660
Mr. Li Jiong (Appointed on 21 May 2018)							
	李岡先生(於二零一八年五月二十一日獲委任)	74	-	-	-	-	74
Mr. Xu Jianqiang (Appointed on 21 May 2018)							
	許建強先生(於二零一八年五月二十一日獲委任)	74	-	-	-	-	74
Independent Non-executive Directors:							
Ms. Zhao Guixin							
	趙桂馨女士	240	-	-	-	74	314
Mr. Cornelis Jacobus Keyser							
	Cornelis Jacobus Keyser先生	240	-	-	-	74	314
Mr. Lin Wenhui							
	林文輝先生	240	-	-	-	74	314
		2,057	4,759	67	42,860	3,158	52,901

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29 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

During the years ended 31 December 2019 and 2018, no directors of the Group waived any emoluments and no emolument was paid to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Note (a): Other benefits are share options.

Note (b): Certain executive directors of the Company are entitled to discretionary bonus payments which are determined with reference to the Group's operating results, individual performance of the directors and relevant market statistics during the year.

29 董事及高級管理層的酬金 (續)

(a) 董事酬金 (續)

截至二零一九年及二零一八年十二月三十一日止年度，概無本集團董事放棄任何酬金，且本集團並無支付酬金予任何董事，作為加入本集團或加入時的獎勵或作為離職補償。

附註(a)：其他福利為購股權。

附註(b)：本公司若干執行董事享有酌情花紅款項，有關款項乃參考年內本集團的經營業績、董事的個人表現及相關市場統計資料而釐定。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking	就個人提供擔任董事（不論是公司或其附屬公司）的服務而已付或應收的酬金	1,924	2,057
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking	就董事提供管理公司或其附屬公司事宜的其他服務而已付或應收的酬金	12,134	50,844
		14,058	52,901

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29 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

29 董事及高級管理層的酬金 (續)

(b) Five highest paid individuals

The five highest paid employees during the years ended 31 December 2019 and 2018 included three and two directors respectively, details of whose remuneration are set out in Note 29 (a) above. Details of the remuneration of the remaining non-directors, highest paid employees during the years ended 31 December 2019 and 2018 are as follows:

(b) 五名最高薪人士

截至二零一九年及二零一八年十二月三十一日止年度，五名最高薪僱員分別包括三名及兩名董事，其酬金詳情載於上文附註29 (a)。其餘非董事最高薪僱員於截至二零一九年及二零一八年十二月三十一日止年度的酬金詳情載列如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salary and commission	薪金及佣金	1,097	1,896
Employer's contribution to pension scheme	僱主退休金計劃供款	15	35
Discretionary bonuses	酌情花紅	1,443	3,954
		2,555	5,885

No emoluments have been paid to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2019 and 2018.

截至二零一九年及二零一八年十二月三十一日止年度，概無向該等人士支付酬金作為加入本集團或加入時的獎勵或作為離職補償。

The emoluments of the highest-paid individuals of the Group other than the directors fall within the following bands:

本集團最高薪人士(除董事外)的薪酬屬於以下範疇：

		2019 二零一九年	2018 二零一八年
Emolument bands	薪酬範疇		
– HK\$0 to HK\$1,000,000	– 0港元至1,000,000港元	–	–
– HK\$1,000,001 to HK\$1,500,000	– 1,000,001港元至1,500,000港元	2	–
– HK\$1,500,001 to HK\$2,000,000	– 1,500,001港元至2,000,000港元	–	–
– HK\$2,500,001 to HK\$3,000,000	– 2,500,001港元至3,000,000港元	–	1
– HK\$3,000,001 to HK\$3,500,000	– 3,000,001港元至3,500,000港元	–	1

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30 INVESTMENT IN SUBSIDIARIES

As at 31 December 2019, the Company had direct and indirect interests in the following subsidiaries:

30 於附屬公司之投資

於二零一九年十二月三十一日，本公司於下列附屬公司擁有直接及間接權益：

Company name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/paid-in capital 已發行股本／繳足股本詳情	Equity interest held 持有的股權
公司名稱	註冊成立地點及法律實體類別	主要業務及經營地點		
LXL Capital I Limited ^{Note 1}	British Virgin Islands, Limited liability company	Investment holding, British Virgin Islands	US\$700	100% (direct)
LXL Capital I Limited ^{附註1}	英屬處女群島，有限責任公司	投資控股，英屬處女群島	700美元	100% (直接)
CLSA Premium New Zealand Limited (Formerly known as KVB Kunlun New Zealand Limited)	New Zealand, Limited liability company	Provision of leveraged foreign exchange and other trading services, New Zealand	NZ\$34,466,551	100% (indirect)
CLSA Premium New Zealand Limited (前稱KVB Kunlun New Zealand Limited)	紐西蘭，有限責任公司	提供槓桿式外匯及其他交易服務，紐西蘭	34,466,551紐西蘭元	100% (間接)
KVB Kunlun Securities (NZ) Limited	New Zealand, Limited liability company	Provision of securities brokerage, New Zealand	NZ\$1,000,000	100% (indirect)
KVB Kunlun Securities (NZ) Limited	紐西蘭，有限責任公司	提供證券經紀，紐西蘭	1,000,000紐西蘭元	100% (間接)
CLSA Premium Pty Limited (Formerly Known as KVB Kunlun Pty Limited)	Australia, Limited liability company	Provision of leveraged foreign exchange and other trading services, Australia	AU\$5,664,108	100% (indirect)
CLSA Premium Pty Limited (前稱KVB Kunlun Pty Limited)	澳洲，有限責任公司	提供槓桿式外匯及其他交易服務，澳洲	5,664,108澳元	100% (間接)
CLSA Premium International (HK) Limited (Formerly known as KVB Kunlun International (HK) Limited)	Hong Kong, Limited liability company	Provision of management services, leveraged foreign exchange and other trading services, Hong Kong	HK\$100,000,000	100% (indirect)
CLSA Premium International (HK) Limited (前稱昆侖國際(香港)有限公司)	香港，有限責任公司	提供管理服務、槓桿式外匯及其他交易服務，香港	100,000,000港元	100% (間接)
LXL Capital II Limited ^{Note 1}	British Virgin Islands, Limited liability company	Investment holding, British Virgin Islands	US\$400	100% (indirect)
LXL Capital II Limited ^{附註1}	英屬處女群島，有限責任公司	投資控股，英屬處女群島	400美元	100% (間接)
LXL Capital III Limited ^{Note 1}	British Virgin Islands, Limited liability company	Investment holding, British Virgin Islands	US\$400	100% (indirect)
LXL Capital III Limited ^{附註1}	英屬處女群島，有限責任公司	投資控股，英屬處女群島	400美元	100% (間接)
LXL Capital IV Limited ^{Note 1}	British Virgin Islands, Limited liability company	Investment holding, British Virgin Islands	US\$100	100% (indirect)
LXL Capital IV Limited ^{附註1}	英屬處女群島，有限責任公司	投資控股，英屬處女群島	100美元	100% (間接)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30 INVESTMENT IN SUBSIDIARIES (continued)

30 於附屬公司之投資(續)

Company name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/paid-in capital 已發行股本／繳足股本詳情	Equity interest held 持有的股權
公司名稱	註冊成立地點及法律實體類別	主要業務及經營地點		
LXL Capital VIII Limited <i>Note 1</i>	British Virgin Islands, Limited liability company	Investment holding, British Virgin Islands	US\$100	100% (indirect)
LXL Capital VIII Limited <i>附註1</i>	英屬處女群島，有限責任公司	投資控股，英屬處女群島	100美元	100% (間接)
LXL Capital V Limited <i>Note 1</i>	British Virgin Islands, Limited liability company	Investment holding, British Virgin Islands	US\$100	100% (indirect)
LXL Capital V Limited <i>附註1</i>	英屬處女群島，有限責任公司	投資控股，英屬處女群島	100美元	100% (間接)
LXL Capital IX Limited <i>Note 1</i>	British Virgin Islands, Limited liability company	Investment holding, British Virgin Islands	US\$100	100% (indirect)
LXL Capital IX Limited <i>附註1</i>	英屬處女群島，有限責任公司	投資控股，英屬處女群島	100美元	100% (間接)
Yorkcastle Capital Limited	Hong Kong, Limited liability company	Investment holding, Hong Kong	HK\$1,000,000	100% (indirect)
盛城資本有限公司	香港，有限責任公司	投資控股，香港	1,000,000港元	100% (間接)
Zhuhai Yi Pu Li Business Consulting Services Limited*	People's Republic of China, Limited liability company	Inactive, People's Republic of China	RMB50,000,000	100% (indirect)
珠海易普利商業諮詢服務有限公司 (Formerly known as Zhuhai Hengqin Kunlun Financial Exchange Limited) (前稱珠海橫琴昆侖新金融交易中心有限公司)	中華人民共和國，有限責任公司	暫無營業，中華人民共和國	人民幣 50,000,000元	100% (間接)

Note 1: No audited financial statements have been prepared as these companies are incorporated in a jurisdiction which does not have any statutory audit requirements.

附註1: 由於該等公司註冊成立的司法權區並無任何法定審核規定，故並無編製經審核財務報表。

* For identification only
僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

On 29 January 2015, KVB Kunlun Holdings Limited, the then controlling shareholder of the Company, and CITIC Securities entered into a share purchase agreement (the "Share Purchase Agreement") pursuant to which CITIC Securities has agreed to acquire 1,200,000 shares of the Company (the "Sale Shares") from the controlling shareholder (the "Transaction"). In accordance with the Share Purchase Agreement, CITIC Securities has nominated CITIC Securities Overseas to purchase the full legal and beneficial ownership of the Sales Share. Subsequent to the completion of the Transaction, KVB Kunlun Holdings Limited ceased to be the fellow subsidiaries and are regarded as "other related parties" as they are controlled by some common key management personnel.

Commencing the year of 2019, management considered KVB Kunlun Holdings Limited ceased to be a related party of the Group and therefore no related party transactions were disclosed.

Zhuhai Yi Pu Li Financial Consulting Limited ("CLSAP ZHYPL"), entered into a membership agreement with TPME during the year ended 31 December 2016. Pursuant to the membership agreement, TPME provides a spot trading and settlement platform for precious metals trading and the relevant consulting, training and management services to CLSAP ZHYPL. TPME is controlled by CITIC Limited, an entity incorporated in Hong Kong which has significant influence over CITIC Securities Overseas.

As disclosed in Note 13 to the consolidated financial statements, as a result of the Suspension, the trading right of TPME was fully impaired as at 31 December 2017.

For the outstanding balance due from or to related parties, net amount is presented when the Group has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis.

31 關聯方交易

倘一方有能力直接或間接控制另一方或在財務及經營決策上對另一方發揮重大影響力，雙方即屬有關聯。雙方受共同控制者亦屬有關聯。

於二零一五年一月二十九日，本公司當時控股股東KVB Kunlun Holdings Limited與中信證券訂立股份購買協議（「股份購買協議」），據此，中信證券同意向控股股東收購1,200,000股本公司股份（「銷售股份」）（「交易事項」）。根據股份購買協議，中信證券提名中信證券海外購買銷售股份的全部法定及實益擁有權。於完成交易後，KVB Kunlun Holdings Limited不再為同系附屬公司，現稱為「其他關聯方」，原因為彼等由若干共同主要管理人員控制。

於二零一九年開始，管理層認為KVB Kunlun Holdings Limited不再為本集團之關聯方，故並無披露關聯方交易。

截至二零一六年十二月三十一日止年度期間，Zhuhai Yi Pu Li Financial Consulting Limited（「CLSAP ZHYPL」）與天津貴金屬交易所訂立會員協議。根據會員協議，天津貴金屬交易所為CLSAP ZHYPL提供一個貴金屬現貨交易及結算平台，以及相關諮詢、培訓及管理服務。天津貴金屬交易所由中國中信股份有限公司控制，該公司於香港註冊成立，對中信證券海外擁有重大影響力。

誠如綜合財務報表附註13所披露，由於暫停事項，天津貴金屬交易所之交易權已於二零一七年十二月三十一日全數減值。

就應收或應付關聯方的未結算結餘而言，本集團有權合法強制抵銷已確認金額時，並擬按淨額基準結算時呈列金額淨值。

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31 RELATED PARTY TRANSACTIONS (continued)

- (a) The Group had the following material transactions with its related entities during the year:

31 關聯方交易 (續)

- (a) 本集團於年內與其關聯實體進行的重大交易如下：

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Transactions with related parties		關聯方交易		
Management fee expenses for the provision of financial system services which include the provision of enterprise resources planning system support to:		向以下公司支付提供財務系統服務，當中包括企業資源管理系統支援的管理費開支：		
– the then immediate holding company		– 當時直接控股公司 (i)	–	696
Amount paid for the provision of software development and maintenance services, IT infrastructure project management and maintenance services and IT risk assessment services to:		向以下公司支付提供軟件開發及維護服務、資訊科技基建項目管理及維護服務及資訊科技風險評估服務的款項：		
– the then other related party		– 當時其他關聯方 (ii)	–	32,880
Amount paid for the provision of software maintenance, upgrade and support services from:		向以下公司支付提供軟件維護、升級及支援服務的款項：		
– the then other related party		– 當時其他關聯方 (iii)	–	354
Amount received for the sharing of the offices to:		向以下公司收取共用辦公室的款項：		
– the then other related parties		– 當時其他關聯方 (iv)	–	1,267
Amount paid for the sharing of the offices to:		向以下公司支付共用辦公室的款項：		
– the then other related parties		– 當時其他關聯方 (iv)	–	2,741
Cash dealing income for the provision of cash dealing services:		向以下公司提供現金交易服務收取的現金交易收入：		
– the then other related parties		– 當時其他關聯方 (v)	–	3,309
Amounts due from related parties		應收關聯方的款項		
Balances with related parties:		與其他關聯方的結餘：		
– Tianjin Precious Metal Exchange		– 天津貴金屬交易所有限公司 (vi)	559	569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RELATED PARTY TRANSACTIONS (continued)

- (a) The Group had the following material transactions with its related entities during the year: (continued)

Notes:

- (i) Management fee expenses are charged for the provision of financial system services which include the provision of enterprise resources planning system support with reference to the costs incurred.
 - (ii) Amounts are paid for the provision of software development and maintenance services, IT infrastructure project management and maintenance services and IT risk assessment services.
 - (iii) Amounts are paid for the provision of software maintenance, upgrade and support services based on the terms on agreement signed between parties.
 - (iv) Amounts are received and paid for the sharing of the offices based on the agreement signed between parties.
 - (v) Cash dealing income is recognised when cash dealing transactions have been completed by market makers with reference to prevailing exchange rate.
 - (vi) Deposits placed are unsecured and non-interest bearing.
- (b) Key management includes directors (executive & non-executive) and the remuneration of the key management personnel of the Group are disclosed in Note 29.

32 COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases office equipment and motor vehicles under non-cancellable operating lease commitments existing at the year end. Leases were negotiated for an average term of 3 to 5 years.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	187	14,182
One to five years	一至五年	210	23,173
		397	37,355

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low value leases see note 2 for further information.

31 關聯方交易 (續)

- (a) 本集團於年內與其關聯實體進行的重大交易如下：(續)

附註：

- (i) 管理費開支乃就提供財務系統服務，當中包括提供企業資源管理系統支援參考產生的費用而收取。
 - (ii) 就提供軟件開發及維護服務、資訊科技基建項目管理及維護服務及資訊科技風險評估服務而支付的款項。
 - (iii) 就提供軟件維護、升級及支援服務而支付的款項乃根據訂約各方所簽訂之協議條款而釐定。
 - (iv) 根據訂約各方簽訂之協議共用辦公室而收取及支付的款項。
 - (v) 現金交易收入於市場莊家完成現金交易時參考現行匯率確認。
 - (vi) 所存放之存款為無抵押及免息。
- (b) 本集團主要管理層 (包括執行及非執行董事) 及主要管理人員的薪酬於附註29披露。

32 承擔及或然事項

經營租賃承擔

本集團根據於今年末已有的不可撤銷經營租賃承擔租賃辦公室設備及汽車。租期按平均三至五年磋商。

自二零一九年一月一日起，除短期及低價值租賃 (進一步資料見附註2) 外，本集團已就該租賃確認使用權資產。

33 EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in (i) the Company's announcement dated 24 January 2020 regarding the Company filed a reply evidence in support of its application to continue the Injunction Order obtained by the Company against Banclogix; (ii) the Company's announcement dated 2 March 2020 regarding the Company has agreed with KVB Kunlun Holdings to terminate the 2018 Renewed Office Licence Agreement; (iii) the Company's announcement dated 9 March 2020 regarding (a) CLSA Premium Pty has entered into the Australian Service Level Agreement with CLSA Australia Pty; and (b) the Company has entered into the New Information Technology Services Agreement with CLSA Limited; (iv) the Company's announcement dated 23 March 2020 regarding CLSA Premium (HK) has entered into the Hong Kong Service Level Agreement with CITIC Securities Brokerage (HK) and CITIC Securities Futures (HK); and the Company has entered into the Supplemental Deed of guarantee and indemnity with CLSA Premium (HK) and Yorkcastle and, CITIC Securities Brokerage (HK), CITIC Securities Futures (HK) and City Lion Investment Limited (as the Landlord); and (v) the Company's announcement dated 23 March 2020 regarding the Company issued a letter of termination to Banclogix to terminate the Previous Renewed Information Technology Services Agreement on 19 March 2020, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2019 and up to the date of this report.

34 EFFECT ASSESSMENT OF THE COVID-19 OUTBREAK

Given the outbreak of new COVID-19, economic activities have been slowing down globally. The financial market was extremely volatile in the first quarter of 2020. However, we believe panic will be settled in the second half of 2020. The epidemic will impact business operations of certain industries as well as the overall economy. The Group will closely monitor the situation and assess its impacts on our financial position and operating results.

35 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 24 April 2020.

33 報告期後事項

除(i)本公司日期為二零二零年一月二十四日之公告，內容有關本公司提交回覆證據，以支持本公司申請繼續取得對盛匯之禁制令；(ii)本公司日期為二零二零年三月二日之公告，內容有關本公司與KVB Kunlun Holdings已同意終止2018經重續辦公室特許權協議；(iii)本公司日期為二零二零年三月九日之公告，內容有關(a) CLSA Premium Pty與CLSA Australia Pty已訂立澳洲服務水準協議及(b)本公司與中信里昂證券有限公司已訂立新資訊科技服務協議；(iv)本公司日期為二零二零年三月二十三日之公告，內容有關(a) CLSA Premium (HK)與中信證券經紀(香港)及中信證券期貨(香港)訂立香港服務水準協議；及(b)本公司與CLSA Premium (HK)及盛城以及中信證券經紀(香港)、中信證券期貨(香港)有限公司及City Lion Investment Limited(作為業主)訂立一份擔保及彌償保證之補充契據；及(v)本公司日期為二零二零年三月二十三日之公告，內容有關本公司於二零二零年三月十九日向盛匯發出終止函件以終止先前經重續資訊科技服務協議所披露者外，董事並不知悉於二零一九年十二月三十一日後直至本報告日期發生任何須予披露之重大事項。

34 新型冠狀病毒疫情爆發的影響評估

鑒於新型冠狀病毒(COVID-19)的爆發，全球經濟活動持續放緩。二零二零年第一季度市場極為波動。然而，我們相信恐慌情緒將於二零二零年下半年得以緩解。有關疫情將影響多個行業之業務營運及整體經濟。本集團將密切監察情況，並評估其對我們的財務狀況及經營業績之影響。

35 批准財務報表

本財務報表由董事會於二零二零年四月二十四日批准及授權刊發。

FINANCIAL SUMMARY

財務概要

A summary of the results and of the financial position of CLSA Premium Limited (the “Company”, together with its subsidiaries, the “Group”) for the last five financial years, as extracted from the published audited financial statements, is set out below.

以下載列CLSA Premium Limited (「本公司」，連同其附屬公司統稱「本集團」) 過往五個財政年度之業績及財務狀況概要，乃摘錄自己刊發經審核之財務報表。

		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total income	收入總額	16,071	471,111	514,932	362,607	406,811
Profit before tax	除稅前溢利	(180,457)	51,757	35,019	54,243	128,149
Profit for the year	年內溢利	(179,988)	34,249	27,354	38,688	94,709
Total comprehensive income for the year	年內全面收益總額	(181,291)	19,144	31,212	40,716	83,328

		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets	資產總值	504,244	1,139,242	1,400,785	1,082,158	1,068,776
Total liabilities	負債總額	(113,263)	(567,536)	(853,558)	(567,641)	(603,366)
		390,981	571,706	547,227	514,517	465,410
Total equity and liabilities	總權益及負債	504,244	1,139,242	1,400,785	1,082,158	1,068,776
Net current assets	流動資產淨值	376,907	712,811	505,056	475,645	447,080
Total assets less current liabilities	總資產減流動負債	406,415	767,819	550,638	515,368	466,049

The notes on pages 85 to 191 form part of these consolidated financial statements.

第85至191頁的附註構成該等綜合財務報表的一部分。

CLSA Premium Limited

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

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