



IMAGI INTERNATIONAL HOLDINGS LIMITED

意馬國際控股有限公司

stock code 股份代號 : 585

2019

年報 Annual Report

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Kitchell Osman Bin (*Acting Chairman*)
Mr. Shimazaki Koji
Ms. Choi Ka Wing

Independent Non-executive Directors

Dr. Santos Antonio Maria
Mr. Miu Frank H.
Ms. Liu Jianyi
Mr. Chan Hak Kan
Mr. Ngai Wai Kin

BOARD COMMITTEES

Audit Committee

Mr. Miu Frank H. (*Chairman*)
Dr. Santos Antonio Maria
Ms. Liu Jianyi
Mr. Chan Hak Kan
Mr. Ngai Wai Kin

Nomination Committee

Ms. Liu Jianyi (*Chairman*)
Dr. Santos Antonio Maria
Mr. Miu Frank H.
Mr. Chan Hak Kan
Mr. Ngai Wai Kin

Remuneration Committee

Ms. Liu Jianyi (*Chairman*)
Dr. Santos Antonio Maria
Mr. Miu Frank H.
Mr. Chan Hak Kan
Mr. Ngai Wai Kin

COMPANY SECRETARY

Ms. Liu Tsui Fong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

董事會

執行董事

Kitchell Osman Bin先生(署理主席)
嶋崎幸司先生
蔡家穎女士

獨立非執行董事

杜東尼博士
繆希先生
劉簡怡女士
陳克勤先生
魏偉健先生

董事會委員會

審核委員會

繆希先生(主席)
杜東尼博士
劉簡怡女士
陳克勤先生
魏偉健先生

提名委員會

劉簡怡女士(主席)
杜東尼博士
繆希先生
陳克勤先生
魏偉健先生

薪酬委員會

劉簡怡女士(主席)
杜東尼博士
繆希先生
陳克勤先生
魏偉健先生

公司秘書

廖翠芳女士

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

CORPORATE INFORMATION 公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2205-09, 22nd Floor
China United Centre
28 Marble Road
North Point, Hong Kong

總辦事處及香港主要營業地點

香港北角
馬寶道28號
華匯中心
22樓2205-09室

AUDITOR

Crowe (HK) CPA Limited
Certified Public Accountants

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Chong Hing Bank Limited

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司
創興銀行有限公司

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

股份過戶登記總處

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記及轉讓分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

STOCK CODE

The Stock Exchange of Hong Kong Limited: 585

股份代號

香港聯合交易所有限公司：585

CORPORATE INFORMATION

公司資料

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www.imagi.hk

網址

www.imagi.hk

CONTACT INFORMATION

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聯絡資料

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傳真：(852) 3679 3188
電郵：investor@imagi.hk

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Imagi International Holdings Limited (the "Company", together with its subsidiaries as the "Group"), I would like to present the annual report of the Company for the year ended 31 December 2019 (the "Year under Review") to the shareholders of the Company (the "Shareholder(s)").

BUSINESS REVIEW

With the ongoing trade war between China and United States continuing, further worsen by the political unrest in Hong Kong, the past year had been difficult for the Company. The Company suffered a net loss after tax of approximately HK\$160 million. The losses was mainly attributable to: (i) legal and professional fees which had increased substantially resulting from an on-going corporate exercise in relation to a very substantial acquisition and reverse takeover involving a new listing application carried out during the Year under Review; (ii) interest expenses of approximately HK\$14 million arising from the HK\$1 billion 10% 3-year guaranteed notes issued by the Group on 13 November 2019; and (iii) net effect of the aggregate net realised losses from the sale of listed equity of approximately HK\$80 million and losses from changes in fair value of financial assets classified as held-for-trading of approximately HK\$28 million. For the Year under Review, the Company continued to focus its attention and resources in developing its new core business being the integrated financial services business.

The management remained in the opinion that the computer graphic imaging ("CGI") business will not be profitable in the near terms and as a result, the Company will devote minimal resources to maintain the business until there is significant improvements in the business.

親愛的股東：

本人謹代表意馬國際控股有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事(「董事」)會(「董事會」)，謹此向本公司股東(「股東」)呈報本公司截至二零一九年十二月三十一日止年度(「回顧年度」)之年報。

業務回顧

隨著中美之間貿易戰持續，香港政治動亂進一步惡化，去年對本公司而言是艱難的一年。本公司遭受除稅後虧損淨額約160,000,000港元。虧損主要是由於：(i)於回顧年度內進行的涉及新上市申請的非常重大收購及反向收購行動的公司行動，令法律及專業費用大幅增加；(ii)本集團於二零一九年十一月十三日發行10億港元10%的3年期擔保票據，產生利息開支約14,000,000港元；及(iii)出售上市股權的總已變現虧損淨額約80,000,000港元與分類為持作買賣的財務資產之公平值變動之虧損約28,000,000港元的淨影響。於回顧年度，本公司繼續將注意力及資源集中於發展其新的核心業務，即綜合金融服務業務。

管理層仍然認為，電腦造像(「電腦造像」)業務短期內不會有利可圖，因此，本公司將投入最少的資源來維持該業務，直至該業務有重大改善為止。

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The Group had previously entered into an agreement with an independent third party and agreed to invest in a total of six films with expected total investments of about HK\$20.4 million. Pursuant to the agreement, the Group is entitled to share certain percentage of income to be generated from the films based on the proportion of investment amounts as specified in the agreement. As at the date of this annual report, the Group had made a total of approximately HK\$12.1 million investments in relation to the development of three of the proposed films. One of the aforementioned films was staged from October 2019.

(a) Securities investments and proprietary trading

The Year under Review was negatively impacted with the trade disputes between United States and PRC and the ensuing global business slowdown as well as turmoils in the political situation in Hong Kong. In such circumstances, the Company will continuously carefully review its strategy in this business.

(b) Brokerage services

John & Wong Securities Company Limited (“John & Wong”), an indirect wholly-owned subsidiary of the Company which was acquired in February 2017, had actively recruited additional personnel to undertake additional services and business with further recruitment being planned to continue. Currently John & Wong has licenses to engage in Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advisory on securities), Type 5 (advisory on future contracts) and Type 9 (asset management) regulated business from the Securities and Futures Commission of Hong Kong (the “SFC”). The management of the Company is confident that John & Wong will become significant contributor to the Group’s operations and profits. In 2019, revenue from brokerage related commission, clearing fee income and interest income on margin clients totaled approximately HK\$8.3 million.

本集團已於早前與一名獨立第三方訂立協議，並同意投資共六部電影，預期投資總額約20,400,000港元。根據該協議，本集團有權按協議指明的投資金額比例分享電影產生的一定百分比的收入。於本年報日期，本集團已就製作三部擬定電影投資合共約12,100,000港元。上述電影之一已自二零一九年十月起上映。

(a) 證券投資及自營交易

回顧年度受到美國與中國之間貿易爭端以及隨之而來的業務放緩以及香港政治形勢動亂的負面影響。在此情況下，本公司將繼續審慎檢討該業務的策略。

(b) 經紀服務

宏昌証券有限公司(「宏昌」，本公司間接全資附屬公司)於二零一七年二月被收購，已積極招聘額外人員，以承接額外服務及業務，並計劃繼續進行進一步招聘。宏昌現時擁有香港證券及期貨事務監察委員會(「證監會」)頒發的從事第1類(證券交易)、第2類(期貨合約交易)、第4類(就證券提供意見)、第5類(就期貨合約提供意見)及第9類(提供資產管理)受規管業務的牌照。本公司管理層相信，宏昌將為本集團的經營及溢利作出重大貢獻。二零一九年，來自經紀相關佣金、結算費收入及保證金客戶利息收入的收入共約8,300,000港元。

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(c) Money lending business

The Company offered money lending via Longtop Enterprises Limited (“Longtop”), a licensed money lender. During 2019 the Longtop made a total loan principal of approximately HK\$537 million and as at 31 December 2019, a total principal amount and accrued interest on loan receivable of approximately HK\$312 million remains outstanding. Total interest of approximately HK\$5.6 million was earned by Longtop for the Year under Review.

(c) 放債業務

本公司透過長泰企業有限公司(「長泰」，為持牌放債人)提供放債。二零一九年，長泰已提供貸款本金總額約537,000,000港元。截至二零一九年十二月三十一日，應收貸款之本金總額及應計利息約312,000,000港元仍未償還。回顧年度內，長泰賺取總利息約5,600,000港元。

PROSPECTS

As stated above, the past year had seen difficult for the Company and still remaining taxing. The Company hopes and expects that the performance of the principal core business of integrated financial services business segment set out below will improve significantly in the coming year.

前景

如上所述，去年對本公司而言是艱難的一年，且仍不理想。本公司希望並預計，下文所載綜合金融服務業務分部的主要核心業務將於來年大幅改善。

(a) Securities investments and proprietary trading

The Hong Kong equities' markets had been negatively affected by international factors, such as the trade disputes between United States and the PRC, which had been ongoing for the last couple of years. With the first stage of trade accords between these countries, we hope that such damaging factors will be minimised. The Hong Kong market was further eroded by the local factors such as the political turbulence which had been disruptive and created many uncertainties. Looking into the future, the effect of the 2019 novel coronavirus disease (COVID-19) would also likely to have a strong negative impact for the local securities market in 2020. With the above in mind, the Company will constantly assess the situation and will proceed with caution accordingly.

(a) 證券投資及自營交易

香港股市受到國際因素的負面影響，如美國與中國之間過去幾年持續的貿易爭端。隨著兩國之間達成第一階段貿易協定，我們希望該等破壞性因素將降低到最低限度。香港市場進一步受到本地因素的影響，如政治動蕩，具有破壞性並造成許多不確定因素。展望未來，二零一九年新型冠狀病毒(COVID-19)的影響亦可能對二零二零年本地證券市場產生強烈的負面影響。有鑒於此，本公司將不斷評估情況並謹慎行事。

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(b) Brokerage and related services

The Company is confident with the further capital injection, additional staff and the additional licences, including Type 2 (dealing in future contracts), Type 4 (advisory on securities), Type 5 (advisory on future contracts) and Type 9 (asset management) granted from the SFC, the stride to full-fledged financial services had begun and will continue to progress. The management expects that John & Wong will become a significant contributor to the Group's operations and profits in the foreseeable future.

(c) Money lending business

With the experience and know-how gained through the 50-50 owned joint venture company in running the money lending business, the Group commenced money lending business through Longtop since the second quarter of 2018, during 2019 the Group made a total loan principal of approximately HK\$537 million and generated a total interest of approximately HK\$5.6 million for the Year under Review. The management of the Company is confident that the money lending business will in future provide consistent and significant returns to the Group.

(d) Gaming business

On 20 May 2019, the Company executed a term sheet with United Time Corporation Limited (the "Seller") concerning a possible acquisition of Les Ambassadeurs Club Limited (the "Target Company"). On 24 July 2019, Project Martini Limited (the "Purchaser"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with the Seller and Mr. Suen (the "Guarantor"), who indirectly owns the entire issued share capital in the Seller and who agreed to guarantee the guaranteed obligations as set out in the Sale and Purchase Agreement (the "Guaranteed Obligations"), pursuant to which the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell:

(b) 經紀及相關服務

本公司相信，在進一步注資，招聘新員工及獲得額外牌照(包括第2類(期貨合約交易)、第4類(就證券提供意見)、第5類(就期貨合約提供意見)及第9類(提供資產管理))後，已經開始邁向全面金融服務，並將繼續取得進展。管理層相信，宏昌將於可見的未來為本集團的經營及溢利作出重大貢獻。

(c) 放債業務

憑藉透過各自擁有50%股權的經營放債業務的合營公司獲得的經驗及專門知識，本集團自二零一八年第二季度起透過長泰開始放債業務。二零一九年，本集團提供貸款本金總額約537,000,000港元，回顧年度內產生總利息約5,600,000港元。本公司管理層相信，放債業務未來將為本集團帶來重大持續回報。

(d) 博彩業務

於二零一九年五月二十日，本公司與集時有限公司(「賣方」)就可能收購Les Ambassadeurs Club Limited(「目標公司」)簽署一項條款清單。於二零一九年七月二十四日，本公司間接全資附屬公司Project Martini Limited(「買方」)與賣方及孫先生(「擔保人」，間接擁有賣方的全部已發行股本，並同意擔保買賣協議所載擔保義務(「擔保義務」))訂立買賣協議(「買賣協議」)。據此，買方已有條件同意收購而賣方已有條件同意出售：

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- (i) the Sale Shares, which represent the entire issued share capital in the Target Company; and
- (ii) the Sale Loan, which represents the aggregate amount owed by the Target Company to the Seller as at completion,

for a consideration of £122,000,000 (equivalent to approximately HK\$1,206.1 million) (subject to adjustments) which shall be settled in full by the Purchaser in cash (the “Acquisition”). The Guarantor shall guarantee the Guaranteed Obligations. The Target Company is a private company incorporated in England and Wales with limited liability. The principal activity of the Target Company is the operation of Les Ambassadeurs Club, which is a private members club located in London, United Kingdom that provides access to a high-end casino as well as luxury travel and concierge services. Les Ambassadeurs Club has an international customer base and delivers particular attention and outstanding services to its members, which consist primarily of suitable wealthy individuals, the majority of whom are domiciled outside of the United Kingdom. The Seller and the Guarantor are respectively independent third parties not connected to the Company and the Company’s connected persons.

A special general meeting (the “SGM”) is required to be convened for the purpose of considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the Company is required to despatch the circular in accordance with the requirements under the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is subject to the approval of the Shareholders at the SGM. The Acquisition also constitutes a reverse takeover for the Company under Rule 14.06(6) of the Listing Rules. Accordingly, the Company will be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules and the Acquisition is therefore subject to, among other things, the approval by the Listing Committee of the deemed new listing application to be made by the Company.

- (i) 待售股份，為目標公司的全部已發行股本；及
- (ii) 待售貸款，為完成時目標公司結欠賣方的款項總額，

代價為122,000,000英鎊(相當於約1,206,100,000港元)(可予調整)，須由買方以現金悉數結算(「收購事項」)。擔保人須擔保擔保義務。目標公司為於英格蘭及威爾斯註冊成立之私人有限公司。目標公司的主要業務為經營Les Ambassadeurs Club，其為一個位於英國倫敦的私人會員俱樂部，提供高端賭場以及豪華旅行與禮賓服務。Les Ambassadeurs Club具有國際客戶群，為會員提供特別關注及卓越服務，其會員主要包括合適的富裕個人(其中大部分居住在英國境外)。賣方及擔保人分別為與本公司及本公司關連人士並無關連的獨立第三方。

本公司須召開股東特別大會(「股東特別大會」)，以考慮及酌情批准買賣協議及其項下擬進行之交易，本公司須按照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)規定寄發通函。

根據上市規則第14章，收購事項構成本公司的非常重大收購事項，須於股東特別大會上獲股東批准。根據上市規則第14.06(6)條，收購事項亦構成本公司的反向收購行動。因此，本公司將根據上市規則第14.54條被視為新上市申請人，收購事項因此須待(其中包括)上市委員會批准本公司將作出的視作新上市申請後，方可作實。

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According to Rule 14.54(1) of the Listing Rules, (i) the Target Group must be able to meet the suitability for listing requirement under Rule 8.04 of the Listing Rules and the new listing track record requirements under Rule 8.05 of the Listing Rules (or Rule 8.05A or 8.05B of the Listing Rules); and (ii) the Enlarged Group must be able to meet all the new listing requirements as set out in Chapter 8 of the Listing Rules (except Rule 8.05 of the Listing Rules).

Furthermore, the completion of the Acquisition is conditional upon the satisfaction and/or waiver (as the case may be) of certain conditions precedent in the Sale and Purchase Agreement. There is thus no assurance on whether the Acquisition can be completed or not. The Company has not yet submit the new listing application as contemplated under the Acquisition and the Acquisition is not complete at the date of this annual report. Further information about the Acquisition are laid out in the Company's announcements dated 20 May 2019, 24 July 2019 and 30 December 2019. The Company will make further announcements regarding the development and status of the Acquisition as and when appropriate and in compliance with the Listing Rules.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude and appreciation to fellow Directors and all of our staff for their enthusiasm and hard work. In addition, I would like to thank all of the Shareholders, business partners and bankers for their continuous support over the years.

For and on behalf of the Board
Kitchell Osman Bin
Acting Chairman

Hong Kong, 16 March 2020

根據上市規則第14.54(1)條，(i)目標集團必須能符合上市規則第8.04條的上市適當性規定及上市規則第8.05條(或上市規則第8.05A或8.05B條)的新上市營運紀錄規定；及(ii)經擴大集團必須能符合上市規則第8章所載所有新上市規定(上市規則第8.05條除外)。

此外，收購事項完成須待買賣協議的若干先決條件達成及／或獲豁免(視情況而定)後，方可作實。因此，不能保證收購事項能否完成。本公司尚未按收購事項所預計提交新上市申請，且截至本年報日期收購事項尚未完成。收購事項的進一步資料載列於本公司日期為二零一九年五月二十日、二零一九年七月二十四日及二零一九年十二月三十日之公告。本公司將適時遵照上市規則就收購事項的進展及狀況作出進一步公告。

致謝

本人謹代表董事會對各董事及全體員工之積極與努力表示衷心感謝和讚賞。此外，本人亦謹此衷心感謝各股東、業務夥伴及往來銀行多年來一直給予本集團支持。

代表董事會
Kitchell Osman Bin
署理主席

香港，二零二零年三月十六日

MANAGEMENT DISCUSSION AND ANALYSIS

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BUSINESS AND OPERATIONAL REVIEW

For the Year under Review, the Group's principal business is to engage in investment business, integrated financial services business, CGI and entertainment business.

As previously disclosed, starting from 2016 continuing to the present the Company began to focus on the integrated financial services business as an additional principal business. The Company expected that this will remain as one of our core business for the future. The Company's core business of the integrated financial services business comprises of securities investments and proprietary trading, securities brokerage services, margin financing and money lending business. The Company had also decided to invest in movie business with minority interests in each movie in a total of six movies with total budgeted investment of HK\$20.4 million and the investment incurred during the Year under Review amounted to approximately HK\$12.1 million.

The major segments of the Group's business for the Year under Review are as follows:

(a) Integrated financial services business

(i) *Securities investments and proprietary trading*

The Company conducted its short term proprietary trading business through Unimagi Investment Limited ("Unimagi"). As at 31 December 2019, the market value of listed debt securities classified as financial assets measured at fair value through other comprehensive income (held for long-term purpose) and held-for-trading listed equity investments were approximately HK\$6.7 million and approximately HK\$87 million respectively. Total net realised losses from sales of listed equity investments and unrealised loss charged to profit or loss as a result of changes in fair value of listed equity investments for the Year under Review were approximately HK\$80 million and approximately HK\$28 million respectively. In view of the underlying uncertainties from factors previously discussed, the Company will continuously carefully review its strategy in this business.

業務及營運回顧

於回顧年度，本集團的主要業務為從事投資業務、綜合金融服務業務、電腦造像及娛樂業務。

如前文所披露，本公司自二零一六年開始持續至今集中發展綜合金融服務業務作為額外的主要業務。本公司預計未來該業務將仍然是我們的核心業務之一。本公司的核心業務綜合金融服務業務包括證券投資及自營交易、證券經紀服務、保證金融資以及放債業務。本公司亦已決定投資電影業務，於每部電影中佔有少數股權，共六部電影，總預算投資達20,400,000港元，且於回顧年度內作出投資約12,100,000港元。

本集團於回顧年度的主要業務分部如下：

(a) 綜合金融服務業務

(i) 證券投資及自營交易

本公司透過Unimagi Investment Limited(「Unimagi」)進行短期自營交易業務。於二零一九年十二月三十一日，分類為透過其他全面收入按公平值列賬計量的財務資產之上市債務證券(持作長期目的)及持作買賣上市股本投資的市值分別為約6,700,000港元及約87,000,000港元。於回顧年度，出售上市股本投資的已變現虧損總淨額及因上市股本投資公平值變動而計入損益的未變現虧損分別為約80,000,000港元及約28,000,000港元。鑒於前文所討論因素的相關不確定性，本公司將繼續審慎檢討該業務的策略。

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(ii) **Brokerage services**

John & Wong, an indirect wholly-owned subsidiary of the Company, continued its business expansion in brokerage and other related services with further HK\$128 million additional capital injection by the Group during the Year under Review. John & Wong also has recruited and planned to recruit additional personnel to undertake additional services and businesses including placement and underwriting, investment advisory services and asset management services. For the Year under Review, after completion of assimilation and integration of the brokerage services business including the margin financing services, John & Wong began to generate profit to the Group. The management of the Company is confident the stride to fullfledged financial services and profitable operations in the foreseeable future.

(iii) **Money lending business**

The Company offered money lending via Longtop, a company with money lenders licence under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). On 3 July 2019, Longtop issued and allotted 1,000 new shares, representing approximately 9% of the enlarged issued share capital of Longtop, to an independent third party for a consideration of HK\$1.5 million and since then Longtop became a non-wholly-owned subsidiary of the Company. During Year under Review, the Company made a total loan principal of approximately HK\$537 million and as at 31 December 2019, a total principal amount and accrued interest on loans receivable of approximately HK\$312 million remains outstanding. Total interest of approximately HK\$5.6 million was earned by Longtop for the Year under Review. The management of the Company is confident that the money lending business will in future provide consistent and significant returns to the Group.

(ii) **經紀服務**

憑藉回顧年度內本集團額外注資另外128,000,000港元，本公司的間接全資附屬公司宏昌繼續擴展其經紀及其他相關服務業務。宏昌亦已招聘及計劃招聘額外人員進行額外服務及業務(包括配售及包銷、投資顧問服務。於回顧年度，經紀服務業務(包括保證金融資服務)完成吸收及整合後，宏昌開始為本集團產生溢利。本公司管理層相信，將於可見的將來提供全面金融服務並實現經營盈利。

(iii) **放債業務**

本公司透過長泰(為根據放債人條例(香港法例第163章)持有持牌放債人牌照的公司)提供放債。於二零一九年七月三日，長泰向一名獨立第三方發行及配發1,000股新股份(相當於長泰經擴大已發行股本約9%)，代價為1,500,000港元，自此長泰成為本公司的非全資附屬公司。回顧年度內，本公司已提供貸款本金總額約537,000,000港元。截至二零一九年十二月三十一日，應收貸款之本金總額及應計利息約312,000,000港元仍未償還。於回顧年度，長泰賺取總利息約5,600,000港元。本公司管理層相信，放債業務未來將為本集團帶來重大持續回報。

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(b) CGI business and entertainment business

The management of the Company does not see immediate improving prospects for the CGI business. After considering costs and benefits, the Company will devote minimal resources to maintain the CGI business until there are substantial changes in potential and prospects for such business segment. Accordingly, the Company had terminated its efforts on the production side of the CGI business but will only retain efforts on the distribution side of the CGI business.

The Company had also decided to invest in movie business with minority interests in each movie in a total of six movies with total budgeted investment of HK\$20.4 million and the investment incurred during the Year under Review amounted to approximately HK\$8.3 million. As at 31 December 2019, the Group had made a total of approximately HK\$12.1 million investments in relation to the development of three of the proposed films. One of the aforementioned films was staged from October 2019.

FINANCIAL REVIEW

Review of results

The net loss attributable to Shareholders for the Year under Review was approximately HK\$159 million, an increase of approximately 36% as compared to last financial year. Such increase in loss was mainly attributable to: (i) increase in legal and professional fee for an on-going corporate exercise in relation to a very substantial acquisition and reverse takeover involving a new listing application carried out during the Year under Review; (ii) interest expenses of approximately HK\$14 million arising from the HK\$1 billion 10% 3-year guaranteed notes issued by the Group on 13 November 2019; and (iii) net effect of the aggregate net realised loss from the sale of listed equity of approximately HK\$80 million as compared to approximately HK\$16 million for last year while losses from changes in fair value of financial assets classified as held-for-trading of approximately HK\$28 million as compared to approximately HK\$107 million last year.

(b) 電腦造像業務及娛樂業務

本公司管理層預計電腦造像業務的前景不會立即改善。考慮到成本及效益，本公司將投入最少資源維持電腦造像業務，直至該業務分部的潛力及前景出現重大變化為止。因此，本公司已終止電腦造像業務製作方面的活動，但將僅繼續從事電腦造像業務的發行方面。

本公司亦已決定投資電影業務，於每部電影中佔有少數股權，共六部電影，總預算投資達20,400,000港元，且於回顧年度內作出投資約8,300,000港元。於二零一九年十二月三十一日，本集團已就製作三部擬定電影投資合共約12,100,000港元。上述電影之一已自二零一九年十月起上映。

財務回顧

業績回顧

於回顧年度，股東應佔虧損淨額約159,000,000港元，較上一財政年度增加約36%。虧損增加主要是由於：(i)正在進行的有關回顧年度內進行的涉及新上市申請的非常重大收購及反向收購行動的公司行動，令法律及專業費用增加；(ii)本集團於二零一九年十一月十三日發行10億港元3年期擔保票據，產生利息開支約14,000,000港元；及(iii)出售上市股權的總已變現虧損淨額約80,000,000港元(去年約16,000,000港元)與分類為持作買賣的財務資產之公平值變動虧損約28,000,000港元(去年約107,000,000港元)的淨影響。

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LIQUIDITY AND FINANCIAL RESOURCES

During the Year under Review, expect for HK\$1 billion 3-year guaranteed notes issued on 13 November 2019 for general corporate purposes including but not limited to the funding in whole or in part of proposed conditional very substantial acquisition carried out during the Year under Review the Group primarily financed its existing operation with internally generated cash flows. The liquidity and financial position of the Group as at 31 December 2019 remain healthy, with bank balances amounting to approximately HK\$734 million (2018: approximately HK\$104 million) and a current ratio (the total amount of current assets over the total amount of current liabilities) of approximately 112 times (2018: approximately 14 times).

As at 31 December 2019, the Group had nominal value of HK\$1 billion guaranteed notes payable carry interest at the coupon rate of 10% per annum which will mature on 13 November 2022 and the gearing ratio (expressed as a percentage of total borrowings over total Shareholders' equity) was 196.6% (2018: 6.5%).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed in note 41 to consolidated financial statements, the Group did not have any other significant capital commitments and contingent liabilities.

CAPITAL STRUCTURE

During the Year under Review, the Company has not conducted any equity fund raising activities. As at 31 December 2019, the total number of issued Shares was 691,921,572 Shares with a par value of HK\$0.04 each. Based on the closing price of HK\$0.88 per Share as at 31 December 2019, the market value of the Company as at 31 December 2019 was approximately HK\$609 million (2018: approximately HK\$1,093 million).

The consolidated net asset value per Share as at 31 December 2019 was approximately HK\$0.733 (2018: approximately HK\$0.961).

流動資金及財務資源

於回顧年度內，除於二零一九年十一月十三日就一般企業用途(包括但不限於為於回顧年度內進行的建議有條件非常重大收購事項提供全部或部分資金)發行的10億港元3年期擔保票據外，本集團主要透過其內部產生之現金流為其現有經營提供資金。於二零一九年十二月三十一日，本集團之流動資金及財務狀況維持穩健，銀行結餘約為734,000,000港元(二零一八年：約104,000,000港元)，流動比率(以總流動資產除以總流動負債值計算)約為112倍(二零一八年：約14倍)。

於二零一九年十二月三十一日，本集團有面值10億港元按每年10%之票息率計息的應付擔保票據，該票據將於二零二二年十一月十三日到期，資產負債比率(以總借貸除以總股東權益之百分比表示)為196.6%(二零一八年：6.5%)。

資本承擔及或然負債

除綜合財務報表附註41所披露者外，本集團概無任何其他重大資本承擔及或然負債。

資本架構

於回顧年度內，本公司未進行任何股本集資活動。於二零一九年十二月三十一日，已發行股份總數為691,921,572股每股面值0.04港元之股份。按於二零一九年十二月三十一日的每股股份收市價0.88港元計算，本公司於二零一九年十二月三十一日的市場價值約609,000,000港元(二零一八年：約1,093,000,000港元)。

於二零一九年十二月三十一日，每股股份綜合資產淨值約0.733港元(二零一八年：約0.961港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

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EXPOSURE TO EXCHANGE RATES

Presently, most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollar and United States dollar. The Group's exposure to currency risk is minimal as Hong Kong dollar is pegged to United States dollar. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. However, the management will closely monitor the exposure of the Group to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year under Review (2018: Nil).

HUMAN RESOURCES

As at 31 December 2019, the Group employed 37 employees excluding Directors (2018: 27 employees excluding Directors). The remuneration policy of the Group is to reward its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. The Company will review the remuneration policy regularly to ensure compliance of the latest labour laws and market norms where the Group has operations. In addition to basic salaries, employee's benefits include medical insurance coverage, mandatory provident fund, incentives in the form of bonus, share option and award shares may also be offered to eligible employees on the basis of individual performance and the Group's business results. The total staff cost for the Year under Review, including Director's emoluments, amounted to approximately HK\$19 million (2018: approximately HK\$17 million).

匯率風險

目前，本集團大部分業務交易、資產及負債以港元及美元列值。由於港元與美元掛鈎，故本集團面臨之貨幣風險屬輕微。本集團並無設有任何貨幣對沖政策，亦無採用任何對沖或其他工具以減低貨幣風險。然而，管理層將密切監察本集團對匯率波動須承擔之風險，並將於必要時採取適當之措施以減低因有關波動而可能造成之任何不利影響。

末期股息

董事會不建議派付回顧年度的末期股息(二零一八年：無)。

人力資源

於二零一九年十二月三十一日，本集團聘用37名僱員(不包括董事)(二零一八年：27名僱員(不包括董事))。本集團之薪酬政策乃參考僱員之資歷、經驗及工作表現以及市場基準為其提供報酬。本公司將定期檢討薪酬政策，以確保遵守本集團經營所在地最新的勞動法律及市場慣例。除基本薪金外，僱員福利包括醫療保險、強制性公積金，亦可能基於個人表現及本集團的業務業績以花紅、購股權及獎勵股份形式向合資格僱員提供獎勵。於回顧年度，員工成本總額(包括董事酬金)約19,000,000港元(二零一八年：約17,000,000港元)。

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OTHER INFORMATION FOR THE YEAR UNDER REVIEW AND UP TO THE DATE OF THIS ANNUAL REPORT

Save as disclosed elsewhere in this annual report, the Group have the following events for the Year under Review and up to the date of this annual report:

(i) Proposed very substantial acquisition and reverse takeover

On 24 July 2019, Project Martini Limited, an indirect wholly-owned subsidiary of the Company, (as the purchaser), entered into a sale and purchase agreement (the “Agreement”) with United Time Corporation Limited (as the Seller) and Mr. Suen (as the Guarantor who indirectly owns the entire issued share capital in the Seller). Pursuant to the Agreement the Group has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, (i) the sales shares which represent the entire issued share capital in Les Ambassadeurs Club Limited (the “Target Company”); and (ii) the sale loan which represents the aggregate amount owned by the Target Company to the Seller as at the completion, for a cash consideration of £122,000,000 (equivalent to approximately HK\$1,206.1 million) which is subject to adjustments (the “Acquisition”).

The Acquisition constitutes a very substantial acquisition and also a reverse takeover of the Company under Chapter 14 of the Listing Rules which is therefore subject to, among other things, both Shareholders’ approval at a special general meeting and approval by the Listing Committee of the deemed new listing application as contemplated under the Acquisition. The Company has not yet submit the new listing application and the Acquisition is not complete at the date of this annual report. Details information regarding the Acquisition was disclosed in the Company’s announcements dated 20 May 2019, 24 July 2019 and 30 December 2019.

於回顧年度及截至本年報日期之其他資料

除本年報其他章節披露者外，本集團於回顧年度及截至本年報日期有以下事件：

(i) 建議非常重大收購及反向收購行動

於二零一九年七月二十四日，本公司之間接全資附屬公司Project Martini Limited(作為買方)與集時有限公司(作為賣方)及孫先生(作為擔保人，間接擁有賣方的全部已發行股本)訂立一份買賣協議(「該協議」)。根據該協議，本集團已有條件同意收購而賣方已有條件同意出售(i)待售股份，為Les Ambassadeurs Club Limited(「目標公司」)的全部已發行股本；及(ii)待售貸款，為完成時目標公司結欠賣方的全部款項，現金代價為122,000,000英鎊(相當於約1,206,100,000港元)(可予調整)(「收購事項」)。

根據上市規則第14章，收購事項構成本公司一項非常重大收購及反向收購行動，因此須待(其中包括)於股東特別大會上獲股東批准及上市委員會批准收購事項項下擬進行的新上市申請後，方可作實。於本年報日期，本公司尚未提交新上市申請，收購事項尚未完成。有關收購事項的資料詳情披露於本公司日期為二零一九年五月二十日、二零一九年七月二十四日及二零一九年十二月三十日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

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(ii) Adoption of Share Award Scheme

On 14 August 2019, the Board proposed to adopt a share award scheme (the “Share Award Scheme”), which is an incentive measure with a view to expressing the Company’s recognition of valuable contributions by certain eligible participants and providing them with incentives in order to retain them for continual operation and development of the Group, and attracting suitable personnel for further development of the Group.

The Share Award Scheme was approved by the Shareholders at the special general meeting held on 22 October 2019 (“SGM”) and the Directors were authorised to allot, issue an aggregate up to 69,192,157 Shares pursuant to terms of the Share Award Scheme, being 10% of the issued shares of the Company on 22 October 2019.

The Board is authorised by the Shareholders at the SGM to issue and allot new awarded shares under a specific mandate up to an annual limit equal to 3% of the Company’s issued share capital (the “Annual Limit”), being 20,757,647 Shares. The Company may, on an annual basis, seek approval from the Shareholders at an annual general meeting to refresh the Annual Limit.

Up to the date of this annual report, no Shares was issued and allotted under the Share Award Scheme. Details of information in relation to the adoption of the Share Award Scheme were disclosed in the Company’s announcements dated 14 August 2019 and 22 October 2019 and circular dated 24 September 2019.

(ii) 採納股份獎勵計劃

於二零一九年八月十四日，董事會建議採納一項股份獎勵計劃（「股份獎勵計劃」），該計劃為一項激勵措施，以表達本公司對若干合資格參與者作出的寶貴貢獻的認可，並向彼等提供激勵，以挽留彼等繼續經營及發展本集團，以及吸引適當人士促進本集團進一步發展。

股份獎勵計劃於二零一九年十月二十二日舉行的股東特別大會（「股東特別大會」）上獲股東批准，董事獲授權根據股份獎勵計劃的條款配發及發行合共最多**69,192,157**股股份（即本公司於二零一九年十月二十二日的已發行股份之10%）。

董事會於股東特別大會上獲股東授權根據特別授權發行及配發最多等於本公司已發行股本**3%**的年度上限（「年度上限」）之新股份，即**20,757,647**股股份。本公司可每年於股東週年大會上尋求股東批准，以更新年度上限。

截至本年報日期，概無根據股份獎勵計劃發行及配發股份。採納股份獎勵計劃的資料詳情披露於本公司日期為二零一九年八月十四日及二零一九年十月二十二日之公告以及日期為二零一九年九月二十四日之通函。

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管理層討論及分析

(iii) Issuance of HK\$1,000,000,000 10% guaranteed notes due 2022

On 13 November 2019, Imagi Holdings Limited, a company incorporated in British Virgin Islands which is a direct wholly-owned subsidiary of the Company, issued guaranteed notes in an aggregate principal amount of HK\$1,000,000,000 due in 2022 (the “Notes”) pursuant to subscription agreement dated 6 November 2019 entered into with seven independent investors. The Notes is guaranteed by the Company and bear interest at a rate of 10% per annum, payable semi-annually beginning from the issue date. The Notes were then listed on the Singapore Exchange Securities Trading Limited on 19 December 2019. The net proceeds from the Notes, after deducting the fees and expenses payable in connection with the Notes issuance was approximately HK\$983 million. Details information in relation to the issuance of the Notes were disclosed in the Company’s announcements dated 6 November 2019 and 23 December 2019.

(iii) 發行1,000,000,000港元的二零二二年到期之10%擔保票據

於二零一九年十一月十三日，Imagi Holdings Limited（於英屬處女群島註冊成立之公司，為本公司之直接全資附屬公司）根據與七名獨立投資者訂立的日期為二零一九年十一月六日之認購協議，發行本金總額為1,000,000,000港元的二零二二年到期之擔保票據（「票據」）。票據由本公司擔保，按每年10%之利率計息，須自發行日期起每半年支付。票據然後於二零一九年十二月十九日在新加坡證券交易所有限公司上市。扣除須就票據發行支付的費用及開支後，票據的所得款項淨額約983,000,000港元。有關發行票據的資料詳情披露於本公司日期為二零一九年十一月六日及二零一九年十二月二十三日之公告。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

EXECUTIVE DIRECTORS

Mr. Kitchell Osman Bin, aged 55, a Canadian citizen, completed his high-school education in Hong Kong and undergraduate studies in Canada. Mr. Kitchell had obtained a honorary diploma from Pickering College in Canada. Mr. Kitchell studied Economics in the University of Toronto, Canada. Mr. Kitchell is a veteran investor mainly in Hong Kong equity markets with over 20 years' experience. Mr. Kitchell had been an investor managing a private family fund. Mr. Kitchell joined the Group as an executive Director and an acting chairman of the Company in May 2016. Mr. Kitchell had been (i) an executive director, chief executive officer and chairman of Unity Investments Holdings Limited (stock code: 913) for the period from January 2005, January 2006 and January 2008 respectively to December 2014; and (ii) an executive director of Mission Capital Holdings Limited (currently known as CMBC Capital Holdings Limited, stock code: 1141) for the period from January 2015 to July 2015, all of which are companies listed on the main board of the Stock Exchange.

Mr. Shimazaki Koji, aged 50, holds a Bachelor of Science degree in Engineering and a Master degree in Electrical Engineering from Kanagawa University in Yokohama, Japan. Mr. Shimazaki has over 20 years of experience in web developing and programming, production and quality control engineering. Mr. Shimazaki joined the Group as an executive Director in May 2016. Mr. Shimazaki had been (i) an executive director and chief executive officer of Radford Capital Investment Limited (currently known as Eagle Ride Investment Holdings Limited, stock code: 901) for the period from May 2005 and May 2008 respectively to October 2013; and (ii) an executive director of Unity Investments Holdings Limited (stock code: 913) for the period from December 2013 to November 2014, all of which are companies listed on the main board of the Stock Exchange.

Ms. Choi Ka Wing, aged 37, completed her high-school education in Hong Kong and had further her studies at the Perth Institute of Business and Technology in Perth, Australia. Ms. Choi worked in customer services in the catering division of a 5 star hotel in Hong Kong for over one year and gained experience in food and beverage and entertainment business. Ms. Choi joined the Group as an executive Director in May 2016. Ms. Choi had been an executive director of Unity Investments Holdings Limited (stock code: 913), a company listed on the main board of the Stock Exchange, for the period from October 2006 to November 2014.

執行董事

Kitchell Osman Bin先生，55歲，為加拿大公民，分別於香港及加拿大完成高中及本科課程。Kitchell先生已取得加拿大Pickering College頒發之榮譽文憑。Kitchell先生於加拿大多倫多大學修讀經濟學。Kitchell先生為資深投資者，主要投資香港股票市場，擁有逾二十年投資經驗。Kitchell先生曾為管理一個私人家族基金之投資者。Kitchell先生於二零一六年五月加入本集團，擔任本公司執行董事及署理主席。Kitchell先生(i)自二零零五年一月、二零零六年一月及二零零八年一月起至二零一四年十二月期間分別擔任合一投資控股有限公司(股份代號：913)之執行董事、行政總裁及主席；及(ii)自二零一五年一月至二零一五年七月期間擔任保興資本控股有限公司(現稱民銀資本控股有限公司，股份代號：1141)之執行董事，該等公司均於聯交所主板上市。

嶋崎幸司先生，50歲，持有日本橫濱神奈川大學工程學理學士學位及電子工程學碩士學位。嶋崎先生於網頁開發及編程、生產及質量監控工程擁有逾二十年經驗。嶋崎先生於二零一六年五月加入本集團，擔任執行董事。嶋崎先生(i)自二零零五年五月及二零零八年五月起至二零一三年十月期間分別擔任萊福資本投資控股有限公司(現稱鷹力投資有限公司，股份代號：901)之執行董事及行政總裁；及(ii)自二零一三年十二月至二零一四年十一月期間擔任合一投資控股有限公司(股份代號：913)之執行董事，該等公司均於聯交所主板上市。

蔡家穎女士，37歲，於香港完成高中課程，並於澳洲柏斯Perth Institute of Business and Technology進修。蔡女士曾於香港一間五星級酒店餐飲部門提供客戶服務超過一年，獲得餐飲及娛樂業務經驗。蔡女士於二零一六年五月加入本集團，擔任執行董事。蔡女士於二零零六年十月至二零一四年十一月期間擔任合一投資控股有限公司(於聯交所主板上市的公司，股份代號：913)之執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Santos Antonio Maria, aged 63, holds a Ph. D. degree in Business Administration from the Nueva Ecija University of Science & Technology in the Philippines, a Master's degree in Management Studies from University of Northumbria at Newcastle, United Kingdom and a Master's degree in Criminal Justice from the Tarlac State University, the Philippines. He is a fellow of the Chartered Management Institute, United Kingdom. Dr. Santos retired from the Hong Kong Police Force in January 2012 after more than 30 years of service there. Apart from volunteering for community services, he is currently a director and shareholder of A.M. Santos & Company Limited (a private company principally engaged in providing financial consultancy services) and Advance Tactics Service Limited (a private company principally engaged in providing personal and commercial risk management consultant services in Hong Kong and PRC). Dr. Santos join the Group in January 2016 as an independent non-executive Director and a member of the audit committee, remuneration committee and nomination committee of the Board. During the past five years, Dr. Santos had been (i) an executive director and an acting chairman of China Solar Energy Holdings Limited (stock code: 155) for the period from October 2014 and December 2014 respectively to May 2015; and (ii) an independent non-executive director of Willie International Holdings Limited (currently known as Mason Group Holdings Limited, stock code: 273) for the period from August 2012 to April 2016, all of which are companies listed on the main board of the Stock Exchange. Dr. Santos is presently an independent non-executive director of (i) Auto Italia Holdings Limited (stock code: 720), a company listed on the main board of the Stock Exchange; and (ii) Code Agriculture (Holdings) Limited (stock code: 8153), a company listed on GEM board of the Stock Exchange.

獨立非執行董事

杜東尼博士，63歲，持有菲律賓紐省科技大學工商管理博士學位、英國紐卡素諾桑比亞大學管理學碩士學位及菲律賓太歷國立大學刑事審判學碩士學位。彼亦為英國特許管理學院資深會員。杜博士在香港警務處服務逾三十年並於二零一二年一月退休。彼現時除參與社區服務之義務工作外，現亦為山杜士策略事務有限公司（主要從事提供融資顧問服務之私人公司）及領先策略事務有限公司（主要從事於香港及中國提供個人及商業風險管理諮詢服務之私人公司）之董事及股東。杜博士於二零一六年一月加入本集團，擔任獨立非執行董事及董事會審核委員會、薪酬委員會及提名委員會成員。過去五年期間，杜博士(i)自二零一四年十月及二零一四年十二月起至二零一五年五月期間分別擔任中國源暢光電能源控股有限公司（股份代號：155）之執行董事及署理主席；及(ii)於二零一二年八月至二零一六年四月期間擔任威利國際控股有限公司（現稱茂宸集團控股有限公司，股份代號：273）之獨立非執行董事，該等公司均於聯交所主板上市。杜博士目前為(i)意達利控股有限公司（股份代號：720，於聯交所主板上市的公司）及(ii)科地農業控股有限公司（股份代號：8153，於聯交所GEM上市的公司）之獨立非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. Miu Frank H., aged 70, holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree in Economics and Accounting from St. John's University of Minnesota in the United States of America. Mr. Miu is a member of the American Bar Association and the American Institute of Certified Public Accountants. He is also a fellow of Hong Kong Institute of Directors. Apart from professional experience in law and accounting, he has extensive exposure to various industries including financial services. Mr. Miu joined the Group in February 2016 as an independent non-executive Director and a chairman of the audit committee of the Board and a member of the remuneration committee and nomination committee of the Board. During the past five years, Mr. Miu had been an independent non-executive director of (i) Tack Fiori International Group Limited (currently known as Life Healthcare Group Limited, stock code: 928) for the period from August 2011 to May 2014; (ii) Mascotte Holdings Limited (currently known as HengTen Networks Group Limited, stock code: 136) for the period from December 2009 to October 2015; (iii) Willie International Holdings Limited (currently known as Mason Group Holdings Limited, stock code: 273) for the period from June 2011 to October 2015; and (iv) China Jinhai International Group Limited (currently known as Central Wealth Group Holdings Limited, stock code: 139) for the period from October 2014 to July 2016, all of which are companies listed on the main board of the Stock Exchange.

Ms. Liu Jianyi, aged 33, holds a master of Business Administration in Johnson At Cornell University and a bachelor of System Engineering in The Chinese University of Hong Kong. Ms. Liu is currently working as a director of a corporate financial services institution and has extensive management experience in corporate finance and equity funds. Ms. Liu joined the Group in May 2017 as an independent non-executive Director and is a member of the audit committee of the Board, a chairman of the remuneration committee and nomination committee of the Board. Ms. Liu had been an independent non-executive director of Inno-Tech Holdings Limited, a company listed on GEM board of the Stock Exchange (stock code: 8202), for the period from March 2015 to December 2018.

繆希先生，70歲，持有美國哈佛大學法律學院法律博士學位及明尼蘇達St. John's大學經濟及會計學文學士學位。繆希先生為美國律師協會及美國註冊會計師協會之成員，亦為香港董事學會資深會員。除了擁有法律及會計專業經驗外，繆先生於多個行業（包括金融服務業）擁有豐富經驗。繆先生於二零一六年二月加入本集團，擔任獨立非執行董事及董事會審核委員會主席與董事會薪酬委員會及提名委員會成員。過去五年，繆先生曾出任以下公司之獨立非執行董事：(i)二零一一年八月至二零一四年五月期間於野馬國際集團有限公司（現稱蓮和醫療健康集團有限公司，股份代號：928）；(ii)二零零九年十二月至二零一五年十月期間於馬斯葛集團有限公司（現稱恒騰網絡集團有限公司，股份代號：136）；(iii)二零一一年六月至二零一五年十月期間於威利國際控股有限公司（現稱茂宸集團控股有限公司，股份代號：273）；及(iv)二零一四年十月至二零一六年七月期間於中國金海國際集團有限公司（現稱中達集團控股有限公司，股份代號：139），該等公司均於聯交所主板上市。

劉簡怡女士，33歲，畢業於康奈爾大學，獲約翰遜工商管理碩士學位，並畢業於香港中文大學，獲系統工程學士學位。劉女士現任一家企業融資服務機構之董事，在公司財務及股權基金方面具有豐富的管理經驗。劉女士於二零一七年五月加入本集團，擔任獨立非執行董事，並為董事會審核委員會成員、董事會薪酬委員會及提名委員會主席。劉女士於二零一五年三月至二零一八年十二月期間擔任匯創控股有限公司（於聯交所GEM上市公司，股份代號：8202）之獨立非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. Chan Hak Kan, aged 43, graduated from the Department of Government and Public Administration of The Chinese University of Hong Kong and completed a master's program and obtained a master's degree in law and public affairs from The Chinese University of Hong Kong. Mr. Chan was elected as a member of the Legislative Council of Hong Kong for three consecutive terms in 2008, 2012 and 2016. Prior to becoming a member of the Legislative Council, he was appointed as special assistant to the Chief Executive of Hong Kong. He was a member of the Council of The Chinese University of Hong Kong from 2008 to 2012. Mr. Chan was granted Chief Executive's Commendation for Community Service in 2005, was appointed as a Justices of the Peace in 2012 and received a Bronze Bauhinia Star in 2016. Mr. Chan is currently a member of the Legislative Council of Hong Kong, a vice chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong, deputy convenor of the Pro-Establishment Camp of the Legislative Council, and member of Xiamen Chinese People's Political Consultative Conference. He is also currently a chairman of the Panel on Security of the Legislative Council. Mr. Chan joined the Group in May 2019 as an independent non-executive Director and is a member of the audit committee, remuneration committee and nomination committee of the Board. Mr. Chan is presently an independent non-executive director of Xinyi Automobile Glass Hong Kong Enterprises Limited (stock code: 8328), a company listed on GEM of the Stock Exchange and Oshidori International Holdings Limited (stock code: 622), a company listed on the Main Board of the Stock Exchange.

陳克勤先生，43歲，畢業於香港中文大學政治與行政學系，於香港中文大學完成碩士課程，並獲頒法律與公共事務碩士。陳先生二零零八年、二零一二年及二零一六年連續三屆當選香港立法會議員。成為立法會議員前，陳先生曾獲任命為香港行政長官特別助理。他於二零零八年至二零一二年任香港中文大學校董。陳先生於二零零五年獲頒授行政長官社會服務獎，二零一二年獲委任為太平紳士及二零一六年獲頒授銅紫荊星章。陳先生現任香港立法會議員、民主建港協進聯盟副主席、立法會建制派會議副召集人及廈門市政協委員。他亦擔任立法會保安事務委員會主席。陳先生於二零一九年五月加入本集團，擔任獨立非執行董事，並為董事會審核委員會、薪酬委員會及提名委員會成員。陳先生現任信義汽車玻璃香港企業有限公司(聯交所GEM上市公司)(股份代號：8328)及威華達控股有限公司(聯交所主板上市公司)(股份代號：622)之獨立非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. Ngai Wai Kin, aged 55, obtained a Professional Diploma in Accountancy from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University), a Bachelor of Laws (Hons) degree from the University of London and a Master of Laws degree from the City University of Hong Kong. Mr. Ngai is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia, respectively. Mr. Ngai is also a barrister in England and Wales and a barrister in Hong Kong. Mr. Ngai has over 20 years' experience in the finance and accounting field in both Hong Kong and Australia. Mr. Ngai has been working in a legal firm for the past 9 years. Mr. Ngai joined the Group in May 2019 as an independent non-executive Director and is a member of the audit committee, remuneration committee and nomination committee of the Board.

SENIOR MANAGEMENT

Mr. Chung Wilson, aged 67, is the general manager of the Company. Mr. Chung holds a Bachelor's degree in Mathematics from the University of Wisconsin-Milwaukee and a Master's degree in Science and a Master's degree in Business Administration (with Honors) from Cornell Graduate School of Business Administration, the United States of America. He has over 25 years' experience in corporate finance and banking.

Ms. Yu Man Fung Alice, aged 48, is the senior vice president and general manager of business development of the Company. Ms. Yu has been the general manager of various listed & non-listed companies for the past 15 years of her career, including Tack Fiori International Group Limited (currently known as Life Healthcare Group Limited, stock code: 928) and Bingo Group Holdings Limited (stock code: 8220). Ms. Yu is experienced in overseeing operational aspects of companies and business strategic planning.

魏偉健先生，55歲，持有香港理工學院（現稱香港理工大學）專業會計文憑、倫敦大學法律學士（榮譽）學位及香港城市大學法律碩士學位。魏先生分別為特許公認會計師公會資深會員以及香港會計師公會及澳洲會計師公會會員。魏先生亦為英格蘭及威爾斯大律師以及香港大律師。魏先生於香港及澳洲財務及會計領域具有逾20年經驗。魏先生過往9年於一家律師事務所工作。魏先生於二零一九年五月加入本集團，擔任獨立非執行董事，並為董事會審核委員會、薪酬委員會及提名委員會成員。

高級管理層

鍾紹涑先生，67歲，為本公司總經理。鍾先生持有美國University of Wisconsin-Milwaukee數學學士學位及Cornell Graduate School of Business Administration理學碩士學位及工商管理（榮譽）碩士學位。彼擁有逾二十五年企業融資及銀行業經驗。

于文鳳女士，48歲，為本公司業務發展高級副總裁兼總經理。于女士於過往十五年間曾出任多間上市及非上市公司之總經理，其中包括野馬國際集團有限公司（現稱蓮和醫療健康集團有限公司，股份代號：928）及比高集團控股有限公司（股份代號：8220）。于女士於管理公司日常業務及業務策略規劃方面擁有豐富經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance is essential for enhancing accountability and transparency of a company to investing public and other stakeholders.

During the Year under Review, the Company has complied with the code provisions (the “Code Provision”) set out in the Corporate Governance Code (the “CG Code”) and Corporate Governance Report contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as the code of conduct regarding directors’ securities transactions. In response to the specific enquiry made by the Company, all Directors confirmed that they fully complied with the required standards set out in the Model Code throughout the Year under Review.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprised three executive Directors and five independent non-executive Directors, all of them are high caliber executives with diversified industry expertise and bring a wide range of skills and experience to the Group.

Executive Directors

Mr. Kitchell Osman Bin (*Acting Chairman*)

Mr. Shimazaki Koji

Ms. Choi Ka Wing

Independent non-executive Directors

Dr. Santos Antonio Maria

Mr. Miu Frank H.

Ms. Liu Jianyi

Mr. Chan Hak Kan (appointed on 10 May 2019)

Mr. Ngai Wai Kin (appointed on 10 May 2019)

企業管治常規

本公司認為，良好之企業管治對提升公司對投資大眾及其他持份者之問責性及透明度十分重要。

於回顧年度內，本公司已遵守上市規則附錄十四企業管治守則(「企管守則」)及企業管治報告所載之守則條文(「守則條文」)。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)為董事進行證券交易之操守守則。經本公司作出具體查詢後，全體董事確認，彼等於回顧年度內一直全面遵守標準守則所載之規定準則。

董事會

於本年報日期，董事會由三名執行董事及五名獨立非執行董事組成，彼等均為高水平之行政人員，具有不同行業專長，並為本集團帶來各種技能與經驗。

執行董事

Kitchell Osman Bin先生(署理主席)

嶋崎幸司先生

蔡家穎女士

獨立非執行董事

杜東尼博士

繆希先生

劉簡怡女士

陳克勤先生(於二零一九年五月十日獲委任)

魏偉健先生(於二零一九年五月十日獲委任)

CORPORATE GOVERNANCE REPORT

企業管治報告

An updated list of Directors by category identifying their role and function is at all times available on the websites of the Company and the Stock Exchange. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of Directors are disclosed.

Details of the biographies of Directors as at the date of this annual report are set out in section “Profile of Directors and Senior Management” on pages 19 to 23 of this annual report. There are no relationship (including financial, business, family or other material or relevant relationship) among members of the Board.

During the Year under Review, the Board maintained a high level of independence, of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The non-executive Directors play an important role of the Board and are responsible for ensuring that the Board maintains high standards of financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding the interest of Shareholders and the Group as a whole.

The Board has received written annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of the Listing Rules. The Board considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

按類別劃分的董事最新名單(註明董事角色及職能),一直可在本公司及聯交所網站查閱。所有公司通訊在披露董事姓名時,均明確註明獨立非執行董事。

於本年報日期的董事履歷詳情載於本年報第19至23頁之「董事及高級管理層簡介」一節。董事會成員之間並無關係(包括財務、業務、家庭或其他重大或相關關係)。

於回顧年度內,董事會維持高度獨立性,有最少三名獨立非執行董事(佔董事會至少三分之一),其中至少一名具備適當的專業資格或會計或相關財務管理專長。非執行董事在董事會中發揮重要作用,負責確保董事會維持財務及其他強制報告的高標準,並提供足夠的制衡,以維護股東及本集團的整體利益。

董事會已收到每名獨立非執行董事的書面年度確認,確認其根據上市規則的規定屬獨立。按照上市規則所載獨立性指引,董事會認為所有獨立非執行董事屬獨立。

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Meetings

Attendance of individual Directors at annual general meeting, special general meeting, Board meetings and other committee meetings of the Company during the Year under Review are as follows:

會議

於回顧年度內，各董事出席股東週年大會、股東特別大會、董事會會議及其他委員會會議之出席率如下：

| | | Number of meetings attended/held during the respective tenure 相關任期內出席/舉行之會議數目 | | | | | |
|--|--------------------|--|---|--------------------------------|---|---|---|
| | | Annual general meeting 股東週年 大會 | Special general meeting 股東特別 大會 | Board meetings 董事會 會議 | Audit Committee meetings 審核委員會 會議 | Nomination Committee meeting 提名委員會 會議 | Remuneration Committee meeting 薪酬委員會 會議 |
| Executive Directors | | 執行董事 | | | | | |
| Kitchell Osman Bin | Kitchell Osman Bin | 1/1 | 1/1 | 26/26 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Shimazaki Koji | 嶋崎幸司 | 1/1 | 1/1 | 25/26 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Choi Ka Wing | 蔡家穎 | 1/1 | 1/1 | 25/26 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Independent non-executive Directors | | 獨立非執行董事 | | | | | |
| Santos Antonio Maria | 杜東尼 | 1/1 | 1/1 | 10/26 | 4/4 | 2/2 | 2/2 |
| Miu Frank H. | 繆希 | 1/1 | 1/1 | 11/26 | 4/4 | 2/2 | 2/2 |
| Liu Jianyi | 劉簡怡 | 1/1 | 1/1 | 11/26 | 4/4 | 2/2 | 2/2 |
| Chan Hak Kan (appointed on 10 May 2019) | 陳克勤(於二零一九年五月十日獲委任) | 1/1 | 1/1 | 10/17 | 2/2 | 0/0 | 0/0 |
| Ngai Wai Kin (appointed on 10 May 2019) | 魏偉健(於二零一九年五月十日獲委任) | 1/1 | 1/1 | 11/17 | 2/2 | 0/0 | 0/0 |

The external auditor, Crowe (HK) CPA Limited, also attended the annual general meeting of the Company held on 13 June 2019 to answer any questions from the Shareholders. All Directors treasure the opportunities to canvass the views of the Shareholders at an annual general meeting held annually.

外聘核數師國富浩華(香港)會計師事務所有限公司亦已出席本公司於二零一九年六月十三日舉行之股東週年大會，解答股東提問。全體董事重視於每年舉行之股東週年大會上徹底了解股東意見之機會。

In addition, Mr. Kitchell Osman Bin, the chairman of the Board, held a meeting with the independent non-executive Directors without presence of other directors during the Year under Review.

此外，於回顧年度內，董事會主席Kitchell Osman Bin先生已與獨立非執行董事曾舉行一次並無其他董事出席的會議。

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Responsibilities, accountabilities and contributions of the Board

The Board, led by the chairman, steers the Company's business direction. It is delegated with responsibilities of executing the Board's decision, including setting business development goals, monitoring the financial performance, ensuring effective implementation of internal control and risk management measures and overseeing the performance of management, material transactions (in particular those that may involve conflict of interests) and appointment of Directors. The Board takes responsibility for all significant financial and operational matters of the Company. Directors are encouraged and have timely access to all relevant information as well as to consult with Company's senior management and company secretary (the "Company Secretary") independently, with a view to ensuring the Board decisions and all applicable laws and regulations are followed. In discharge its responsibilities, the Board meets regularly and acts in good faith with due diligence and care, in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and the Shareholders at all times. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expenses.

The day-to-day management, administration and operation of the Company are led by executive Directors and senior management of the Company. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the senior management and/or any individual executive Director.

董事會的職責、問責及貢獻

董事會由主席領導，指引本公司的業務方向。董事會獲授予執行董事會決定（包括制定業務發展目標、監督財務表現、確保有效實施內部監控及風險管理措施，並監察管理層表現、重大交易（尤其是可能涉及利益衝突的重大交易）及委任董事）的職責。董事會對本公司的所有重大財務及營運事宜負責。為確保遵守董事會決定及所有適用法律法規，董事均獲鼓勵並可及時獲得相關資料以及可獨立諮詢本公司的高級管理層及公司秘書（「公司秘書」）。在履行其職責時，董事會定期會面，遵照適用法律及法規履行誠信職責，盡職盡責，客觀作出決定，並始終按符合本公司及股東利益的方式行事。董事在履行其職責時均可尋求獨立專業意見，開支由本公司承擔。

本公司的日常管理、行政及經營由本公司執行董事及高級管理層領導。董事會定期檢討委託的職能及職責。高級管理層及／或任何個別執行董事訂立任何重大交易之前，必須取得董事會的批准。

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Directors' continuous professional development

To ensure Directors' contributions to the Board remains informed and relevant, all the Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skill. During the Year under Review, the Company (i) has arranged in-house training conducted by The Hong Kong Institute of Directors for the Directors and senior executives; and (ii) has provided with regular updates, presentations on changes and developments of the Group's business and the latest developments in laws, rules and regulations relating to director's duties and responsibilities.

Appointment and re-election of Directors

Each of the non-executive Director has entered into a letter of appointment with the Company for a term of two years and renewed from time to time. All existing executive Directors have entered into a letter of appointment with the Company initially for a term of two years and renewed subsequently for a term of three years since 2018. Furthermore, in accordance with the bye-laws of the Company (the "Bye-laws"), one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

According to the Bye-laws, Directors appointed to fill casual vacancies shall hold office until the next following general meeting and can be eligible for re-appointment at that time. According to Code Provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific terms, should be subject to retirement by rotation at least once every three years.

董事持續專業發展

為確保董事對董事會的貢獻具有知情性及相關性，所有董事均獲鼓勵參與持續專業發展，以發展及更新其知識與技能。於回顧年度內，本公司(i)已安排香港董事學會對董事及高級執行人員進行內部培訓，及(ii)已定期提供有關本集團業務的最新資料、變動及發展報告以及與董事職責有關的法律、規則及法規的最新發展。

委任及重選董事

各非執行董事均與本公司訂立為期兩年之委任書並不時續期。所有現任執行董事均已與本公司訂立委任書，初步為期兩年，隨後自二零一八年起續期三年。此外，根據本公司之公司細則（「公司細則」），當時的三分之一在任董事須輪值退任，惟每名董事最少須每三年輪值退任一次。

根據公司細則，董事如獲委任以填補臨時空缺，其任期僅至下次舉行股東大會為止，屆時符合資格可重選連任。根據企管守則之守則條文第A.4.2條，所有為填補臨時空缺而獲委任之董事應在接受委任後之首次股東大會上經由股東選舉。每名董事（包括有指定任期之董事）應至少每三年輪值退任一次。

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New Directors, on appointment, will have an induction on his/her appointment to ensure appropriate understanding of the business operations of the Group and full awareness of all key legal and Listing Rules requirements as well as guidelines on the responsibilities and obligations to be observed by a director. Such induction will also include meeting with senior management to conduct briefing on the Group's business and activities and the latest published financial reports of the Company and the documentations in relation to corporate governance practices adopted by the Board will also be provided.

Board diversity policy

The Company recognises and embraces the benefits of having a diverse Board and endeavors to ensure that the Board maintaining an appropriate range and balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. A policy concerning Board diversity (the "Board Diversity Policy") had been adopted on 26 August 2013 by the Board. The Nomination Committee is responsible for supervising the implementation of such policy.

In determining the optimum composition of the Board and diversity of Board members, the Nomination Committee will consider a number of factors, among other things, gender, age, cultural and educational backgrounds, skills, experience and knowledge on Company's business and such other factors as it deems appropriate given the then-current and anticipated future needs of the Board and the Company. Regarding the nomination of independent non-executive Director, the Nomination Committee will also particularly consider the independence of such candidates.

新董事在獲委任後將進行就職培訓以確保妥善了解本集團的業務營運，以及完整知悉所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。就職培訓亦將包括與高級管理層會面以就本集團之業務及活動作出簡報，且亦將獲提供本公司最新公佈之財務報告及董事會採納之企業管治常規文件。

董事會多元化政策

本公司了解並認同擁有一個成員多元化之董事會之益處，並盡力確保董事會具備適當範疇及平衡之技能、經驗及多元化，適合本公司業務所需。董事會於二零一三年八月二十六日採納董事會成員多元化政策（「董事會多元化政策」）。提名委員會負責監督該政策之實行。

為釐定董事會之最佳組合以及董事會成員之多元化，提名委員會將考慮多項因素（其中包括），如性別、年齡、文化及教育背景、技能、經驗及對本公司業務之了解以及有鑒於董事會及本公司當時及預期未來需求視為合適之有關其他因素。關於提名獨立非執行董事，提名委員會亦將特別考慮該等候選人之獨立性。

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All Board appointments will continued to be made on a merit basis with due regard for the benefits of diversity of the Board members. The Nomination Committee shall first discuss the nomination of candidates for new Directors, examine the qualification, experiences and proposed commitment to the Company of these candidates. Candidates will also be assessed in the context of the then-current composition of the Board, the operating requirements of the Group. The Nomination Committee then recommend such candidates to the Board and the Board shall determine whether such candidates be appointed and proposed for election at the general meeting. The ultimate decision will be made according to the merits of candidates and their contribution to the Board, having due regard to the benefits of diversity on the Board and also to the development of the Board without focusing on a single diversity aspect.

Insurance of the Directors and officers

The Company has bought liability insurance for Directors and officers in respect of legal action against the Directors and officers which is in compliance with Code Provision A.1.8 of the CG Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The chairman provides leadership for the Board and ensures that the Board works effectively and discharges its responsibility whilst the chief executive of the Company has overall chief executive responsibility for the Group's business development and day-to-day management generally. Since appointment of general manager of the Company in January 2016 and all existing executive Directors in May 2016 respectively, the responsibilities of chief executive have been passed to the executive Directors and general manager of the Company.

董事會所有委任將繼續以沿才委任為基準，充分兼顧董事會成員多元化之利益。提名委員會首先討論提名新任董事的候選人，核查資格、經驗及該等候選人擬對本公司之承諾。亦會依據董事會當時之成員構成、本集團之營運需求對候選人進行評估。提名委員會隨後向董事會推薦有關候選人，且董事會將釐定是否委任有關候選人及於股東大會上提呈選舉。最終決定將根據候選人之優勢及彼等對董事會之貢獻而作出，經充分考慮對董事會成員多元化以及董事會發展之益處，而並不專注單一多元化方面。

董事及高級職員保險

本公司已為董事及高級職員投購責任保險，為董事及高級職員面對法律行動提供保障，符合企管守則之守則條文第A.1.8條。

主席及行政總裁

根據企管守則之守則條文第A.2.1條，主席及行政總裁之角色應作區分，不應由同一人擔任。主席負責領導董事會及確保董事會有效運作及履行其職責，而行政總裁須負責本集團一般業務發展及日常管理之整體執行工作。自分別於二零一六年一月委任本公司總經理及於二零一六年五月委任全體現任執行董事起，行政總裁之職權已轉交本公司執行董事及總經理。

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BOARD COMMITTEES

The Board has established three Board committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties and each of Board committee has its specific written terms of reference which are available on the websites of the Stock Exchange and the Company. Minutes of all meetings and resolutions of the Board committees are kept by the Company Secretary which are circulated to all of respective Board committee members. All Board Committees should report to the Board on their decisions and/or recommendations where appropriate.

Audit Committee

The main role and functions of the Audit Committee include assisting the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting, risk management and internal control principles and maintaining an appropriate relationship with the Company's auditors. The Audit Committee shall also have the following responsibilities, power and discretion, among others, reviewing the financial information of the Company, overseeing the Company's financial reporting system, risk management and internal control procedure.

The Audit Committee has also been delegated with the responsibilities to review the Board's statements on risk management and internal control system and also to review compliance with the CG Code and related disclosure set out on the Corporate Governance Report of this annual report.

董事會委員會

董事會已設立三個董事會委員會，即審核委員會、提名委員會及薪酬委員會，以監管本公司事務的特定方面。董事會委員會配備充足資源以履行彼等之義務，以及每個董事會委員會均以書面具體列明其各自之職權範圍，可於聯交所及本公司網站閱覽。董事會委員會之所有會議記錄及決議案由公司秘書保管，並發送予所有各董事委員會成員傳閱。所有董事會委員會須於適當時候向董事會匯報彼等之決定及／或推薦意見。

審核委員會

審核委員會的主要角色及職能包括透過檢討及監督本公司的財務報告、風險管理及內部監控原則，協助董事會履行審核職責，並維持與本公司核數師的適當關係。審核委員會亦有下列責任、權力及酌情權，(其中包括)審閱本公司的財務資料、監督本公司的財務報告系統、風險管理及內部監控程序。

審核委員會亦獲授予職責，以檢討董事會有關風險管理及內部監控系統的聲明以及檢討企業管治守則的遵守情況及本年報企業管治報告中所載的相關披露。

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During the Year under Review, the Audit Committee held four meetings (details of attendance was set out on page 26 of this annual report) and performed the following duties include but not limited to:

- reviewed the Group's financial statements, results announcements and reports for the year ended 31 December 2018 and the interim results for the six months ended 30 June 2019, the related accounting principles and practices and compliance procedures;
- met with external auditors without presence of executive Directors to discuss annual results for year ended 31 December 2018 and interim results for the six months period ended 30 June 2019 and any significant matters need to be reflected in such accounts and reports;
- reviewed the risk management and internal control system of the Group; and
- recommended the re-appointment of the external auditors by reference to the work performed by the auditors, their fees and terms of engagement.

As at the date of this annual report, the Audit Committee composed of five independent non-executive Directors, Mr. Miu Frank H. (chairman of the Audit Committee), Dr. Santos Antonio Maria, Ms. Liu Jianyi, Mr. Chan Hak Kan and Mr. Ngai Wai Kin. Mr. Miu Frank H. possess appropriate professional qualifications and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

Nomination Committee

The Nomination Committee was established with the primarily responsibilities of reviewing the structure, size and composition of the Board, identifying and recommending individuals nominated for directorships, assessing the independence of independent non-executive Directors, monitoring the implementation of and reviewing the Board Diversity Policy so as to ensure its effectiveness.

於回顧年度內，審核委員會舉行了四次會議(出席詳情載列於本年報第26頁)以及主要履行了下列職責，包括但不限於：

- 審閱本集團截至二零一八年十二月三十一日止年度之財務報表、業績公佈及報告以及截至二零一九年六月三十日止六個月之中期業績，相關會計原則及常規及合規程序；
- 在無執行董事出席的情況下與外聘核數師會面，討論截至二零一八年十二月三十一日止年度之年度業績以及截至二零一九年六月三十日止六個月期間之中期業績、需要反映在該等賬目及報告中的任何重大事項；
- 審閱本集團的風險管理及內部監控系統；及
- 參照核數師開展的工作、彼等的費用及委聘條款建議續聘外聘核數師。

於本年報日期，審核委員會由五名獨立非執行董事組成，即繆希先生(審核委員會主席)、杜東尼博士、劉簡怡女士、陳克勤先生及魏偉健先生。繆希先生擁有上市規則第3.10(2)條項下所規定的適當專業資格及財務管理專業知識。

提名委員會

本公司已成立提名委員會，主要負責檢討董事會之架構、規模及組成，甄選並推薦候選人出任董事，評估獨立非執行董事之獨立性，監察董事會多元化政策之執行情況及檢討董事會多元化政策，以確保其有效性。

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During the Year under Review, the Nomination Committee held two meetings, among others, to review the existing structure, size and composition of the Board, accessed the independence of independent non-executive Directors and to recommend the appointment of new independent non-executive Directors during the Year under Review. The details of attendance was set out on page 26 of this annual report.

As at the date of this annual report, the Nomination Committee composed of five independent non-executive Directors, Ms. Liu Jianyi (chairman of the Nomination Committee), Dr. Santos Antonio Maria, Mr. Miu Frank H., Mr. Chan Hak Kan and Mr. Ngai Wai Kin.

Remuneration Committee

The Remuneration Committee of the Company was set up with key responsibilities of, among others, recommending to the Board on the Group's policy and structure for the remuneration of all Directors and senior management and on the remuneration packages of individual executive Directors and senior management.

During the Year under Review, the Remuneration Committee held two meetings, among others, to review current remuneration package of the Director and senior management and to recommend the remuneration package of newly appointed independent non-executive Directors during the Year under Review. The details of attendance was set out on page 26 of this annual report.

As at the date of this annual report, the Remuneration Committee composed of five independent non-executive Directors, Ms. Liu Jianyi (chairman of the Remuneration Committee), Dr. Santos Antonio Maria, Mr. Miu Frank H., Mr. Chan Hak Kan and Mr. Ngai Wai Kin.

Details of the remuneration of each Director for the Year under Review are set out in note 15 to the consolidated financial statements contained in this annual report.

於回顧年度內，提名委員會已舉行兩次會議。提名委員會考慮(其中包括)檢討董事會現行架構、人數及組成，評估獨立非執行董事之獨立性及推薦於回顧年度內委任新獨立非執行董事。出席詳情載列於本年報第26頁。

於本年報日期，提名委員會由五名獨立非執行董事劉簡怡女士(提名委員會主席)、杜東尼博士、繆希先生、陳克勤先生及魏偉健先生組成。

薪酬委員會

本公司薪酬委員會已成立，主要職責為(其中包括)就本集團有關全體董事與高級管理層之薪酬政策及架構以及各個別執行董事與高級管理層之薪酬向董事會提供建議。

於回顧年度內，薪酬委員會已舉行兩次會議，以(其中包括)檢討董事及高級管理層的現時薪酬組合並推薦回顧年度內新委任獨立非執行董事的薪酬方案。出席詳情載列於本年報第26頁。

於本年報日期，薪酬委員會由五名獨立非執行董事劉簡怡女士(薪酬委員會主席)、杜東尼博士、繆希先生、陳克勤先生及魏偉健先生組成。

於回顧年度每名董事的薪酬詳情載列於本年報所載綜合財務報表附註15。

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CORPORATE GOVERNANCE FUNCTIONS

The Board confirmed that corporate governance is collective responsibility of the Directors, which include but not limited to:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct applicable to employees and Directors; and
- reviewing the Company's compliance with the CG Code and disclosures in the Corporate Governance Report set out in the annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to establish good corporate governance that ensures legal and regulatory compliance of the Company. The Board acknowledges that it has the overall responsibility for establishing and maintaining sound and effective risk management and internal control systems, and evaluating and determining the nature and extent of the risks that the Company shall take in achieving its strategic objectives.

The Board, supported by the Audit Committee as well as the management of the Company, engaged a team of independent internal control advisors to conduct a review of the Company's risk management and internal control systems during the Year under Review. The review covered financial, operational and compliance controls, as well as the adequacy of resources in accounting, financial reporting and internal audit functions.

企業管治職能

董事會確認企業管治為董事的共同責任，包括但不限於：

- 制定及檢討本集團的企業管治政策及常規；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察適用僱員及董事的操守準則；及
- 檢討本集團遵守企管治守則的情況及在年報所載企業管治報告內的披露。

風險管理及內部監控

董事會致力建立良好的企業管治，確保本公司的法律及監管合規。董事會承認其整體負責建立及維持適當有效的風險管理及內部監控系統，以及評估及釐定其在實現本公司的戰略目標時須承擔的風險之性質及程度。

董事會在審核委員會及本公司管理層支持下，已委聘一個獨立內部監控顧問團隊對本公司於回顧年度內的風險管理及內部監控系統進行檢討。檢討亦涵蓋財務、營運及合規控制，以及會計、財務匯報及內部審核職能相關資源的充足性。

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The risk management and internal control functions of the Company include the following elements:

- identify significant risks that may potentially impact the Company's performance;
- introduce appropriate controls to manage identified risks; and
- monitor and review the effectiveness of such measures.

The risk management and internal control systems of the Company is largely top-down, involving the Board, the Audit Committee, and key business units. These parties all play important roles in the system. Such system is designed to ensure that significant risks are properly managed rather than eliminated from the Company's business environment.

The internal control system also includes control procedures implemented to ensure unauthorised access and the confidentiality of inside information. The Company has developed a disclosure policy which provides a guidance to the Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

The Board has put in place adequate measures to perform the internal audit function necessary at different levels of the Company. An independent review of the adequacy and effectiveness of the risk management and internal control systems has also been performed by a team of independent internal control advisors during the Year under Review. This review has been conducted based on risk parameters such as the probability and hazard of the risks, critical points that may trigger the risk control measures, and the prioritisation of risk control, among others. Relevant information has been collected from the management during the assessment period for the purpose of classifying and analysing the identified risk areas, reasonable estimates about the probability of these risks, as well as the losses they may generate.

本公司風險管理及內部控制職能包括下列要素：

- 識別可能潛在影響本公司表現的重大風險；
- 採取適當的控制措施管理已識別的風險；及
- 監控及檢討有關措施的效率。

本公司的風險管理及內部監控系統主要為自上而下，涉及董事會、審核委員會及主要業務單位。該等各方均在該系統中發揮重要作用。該系統旨在確保重大風險得到適當管理，而非從本公司業務環境中消除。

內部監控系統亦包括已實施之監控程序以確保未經授權訪問及保密內幕資料。本公司已制訂一項披露政策，為本公司董事、職員、高級管理層及相關僱員提供處理機密資料、監控資料披露及回應查詢提供指引。

董事會已採取充分的措施，在本公司不同層面履行必要的內部審計職能。於回顧年度內，一個獨立內部監控顧問團隊亦已對風險管理及內部監控系統的充分性及有效性進行獨立檢討。該檢討乃基於風險的機率及危害、可能觸發風險控制措施的臨界點及風險控制的優先順序等風險參數進行。評估期間內，已透過管理層收集相關資料，分類並分析所識別的風險來源，並對該等風險的機率及可能產生的損失作出合理估計。

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Key issues in relation to financial, information technology, operational and compliance controls and risk management functions have been examined during the review and discussed with the management, on which findings and recommendations for improvement have been provided to the Audit Committee. The Company will be carrying out these recommendations as appropriate, and ongoing review of the same will be conducted in subsequent years.

In general, the Company has established and maintained appropriate and effective risk management and internal control systems for the year ended 31 December 2019.

AUDITOR INDEPENDENCE AND REMUNERATION

Crowe (HK) CPA Limited (“Crowe”, formerly known as Crowe Horwath (HK) CPA Limited) was retired during the Year under Review and was re-appointed as the auditor of the Company at an annual general meeting of the Company held on 13 June 2019. There was no change in auditors of the Company in preceding three years.

During the Year under Review, remuneration in respect of audit and non-audit services provided by Crowe to the Group was approximately HK\$1,300,000 and HK\$4,240,000 respectively. The non-audit services include interim review for the period ended 30 June 2019, and agree-upon for internal financial information and corporate exercises undertaken during the Year under Review.

The Audit Committee is mandated to monitor the independence of the external auditor to ensure the objectivity in the financial statements. The Audit Committee has been notified of the nature and the service charges of Crowe and considered that such services have no adverse effect on the independence of the external auditor.

在檢討期間，已審查有關財務、資訊科技、經營及合規控制以及風險管理職能的關鍵問題，並與管理層討論以及已向審核委員會提供有關結果及改進建議。本公司將按適用情況採取該等改善措施，並將於未來幾年持續進行同類檢討。

整體而言，本公司已在截至二零一九年十二月三十一日止年度建立及維持適當有效的風險管理及內部監控系統。

核數師之獨立性及酬金

國富浩華(香港)會計師事務所有限公司(「國富浩華」前稱國富浩華(香港)會計師事務所有限公司)已於回顧年度內退任，並於二零一九年六月十三日舉行之本公司股東週年大會上獲續聘為本公司核數師。前三個年度本公司核數師並無變動。

於回顧年度內，國富浩華向本集團提供的審核及非審核服務的酬金分別約1,300,000港元及4,240,000港元。非審核服務包括截至二零一九年六月三十日止期間的中期審閱及於回顧年度內部財務資料及所進行公司活動的商定程序。

審核委員會獲授權監察外聘核數師之獨立性，以確保財務報表能提供客觀意見。審核委員會已獲知會國富浩華之性質及服務收費，並認為該等服務不會對外聘核數師之獨立性造成不利影響。

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DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year under Review which give a true and fair view of the affairs of the Company and the Group in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and Hong Kong Companies Ordinance.

The Directors were not aware of any material uncertainties relating to the events or conditions which may affect the business of the Company or cast significant doubt upon its ability to continue as a going concern.

Crowe, the external auditor of the Company, acknowledges its reporting responsibilities in the auditor's report on the financial statements for the Year under Review. The statement made by the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 53 to 66 of this annual report.

COMPANY SECRETARY

Ms. Liu Tsui Fong ("Ms. Liu") was appointed by the Board as the Company Secretary on 16 August 2016. The Company Secretary is responsible for advising the Board through the Chairman on governance matters and also facilitate induction and professional development of the Directors. All Directors have access to the advice and services of the Company Secretary independently.

For the Year under Review, Ms. Liu has taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

董事及核數師有關財務報表之財務報告責任

董事確認，彼等負責編製本公司於回顧年度之財務報表，而該等財務報表根據香港會計師公會頒佈之香港財務報告準則及香港公司條例可真實及公平反映本公司及本集團之事務狀況。

董事並不知悉有可能影響本公司業務或導致對本公司持續經營能力產生重大懷疑之事件或情況相關之任何重大不明朗因素。

本公司外聘核數師國富浩華確認其有責任就於回顧年度財務報表之匯報責任發出核數師報告。本公司核數師就其對財務報表之匯報責任作出之聲明載於本年報第53至66頁之獨立核數師報告。

公司秘書

廖翠芳女士（「廖女士」）於二零一六年八月十六日獲董事會委任為公司秘書。公司秘書負責透過董事會主席就管治事宜向董事會提供意見，亦會促進董事之入職及專業發展。全體董事均可向公司秘書獨立尋求意見及服務。

根據上市規則第3.29條，於回顧年度，廖女士已參與不少於十五小時的相關專業培訓。

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COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good and effective communication with its shareholders. Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formal channels, which include interim reports, annual reports, announcements, notices and circulars, which are published on the website of the Stock Exchange and the Company's own website (www.imagi.hk).

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the Shareholders. The Directors actively seeks to participate at the annual general meeting and to answer any questions from the Shareholders. A circular for annual general meeting is distributed to all Shareholders at least either 21 calendar days or 20 clear business days, whichever is longer, prior to annual general meeting, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information.

DIVIDEND POLICY

The Company intends to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders. A dividend policy of the Company (the "Dividend Policy") had been adopted in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

- the Company's operating results;
- the liquidity position, the level of liquid ratio, return on equity and the relevant financial covenants;
- the expected financial performance;
- the cash flow forecast based on expected working capital requirements, expected capital expenditure requirements and any future expansion plans;

與股東之溝通

董事會承認與其股東保持良好及有效溝通之重要性。有關本集團之資料乃透過多種正式渠道適時向股東傳達，包括於聯交所網站及本公司自身網站(www.imagi.hk)內刊登之中期報告、年報、公告、通告及通函。

本公司股東週年大會乃董事會直接與股東溝通之寶貴平台。董事務求積極參與股東週年大會，並回應股東之任何詢問。股東週年大會之通函於股東週年大會舉行前至少21個曆日或足20個營業日(以較長者為準)發送予全體股東，其載列每項擬提呈決議案之詳情、投票程序(包括要求以投票方式進行表決之程序)及其他相關資料。

股息政策

本公司擬在維持充足資本發展及經營本集團業務與獎勵股東之間達致平衡。本公司已採納股息政策(「股息政策」)，在決定是否建議宣派股息及釐定股息金額時，董事會須計及(其中包括)以下因素：

- 本公司之經營業績；
- 流動資金狀況、流動比率水平、股權回報率及相關財務契諾；
- 預期財務表現；
- 基於預期營運資金要求、預期資本開支需求及任何未來擴充計劃的現金流預測；

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- any restrictions on payment of dividend with reference to any applicable laws, rules and regulations and the Bye-laws; and
- any other factors that the Board may deem appropriate and relevant.
- 參考任何適用法律、規則及法規及公司細則對派付股息的任何限制；及
- 董事會認為適當且相關的任何其他因素。

Any declaration and payment of dividend under the Dividend Policy are subject to Board's determination that the same would be in best interest of the Company and the Shareholders as a whole.

待董事會釐定符合本公司及股東整體最佳利益後，方可根據股息政策宣派及派付任何股息。

The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time. The Board will review the Dividend Policy from time to time and may exercise at its sole discretion to amend and/or modify the Dividend Policy at any time as appropriate.

股息政策並不構成對本公司具法律約束力之承諾，即股息將以任何特定金額派付及／或不得強制本公司隨時或不時宣派股息。董事會將不時檢討股息政策，且在適當情況下隨時全權酌情修訂及／或修改股息政策。

SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Shareholders.

股東權利

股東享有之若干權利概述如下。

Way to convene a special general meeting

According to Bye-law 58, Shareholder(s) holding at the date 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 to require a special general meeting to be called by the Board. The requisition shall be in writing stating the purposes of the meeting, signed by the requisitionists, addressed to the Board or the Company Secretary and deposited at the principal place of business in Hong Kong of the Company.

股東特別大會之召開方式

根據公司細則第58條，於呈交申請書當日持有不少於本公司已繳足股本十分之一並附有可於本公司股東大會上投票之權利之股東，應有權隨時要求董事會召開股東特別大會。申請書須以書面述明會議目的，經申請者簽署後送達本公司於香港之主要營業地點，收件人為董事會或公司秘書。

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In accordance with the law of Bermuda, if the Board do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for putting enquiries to the Board

Shareholders may at any time put their enquires to the Board in writing by sending to the principal place of business in Hong Kong of the Company or to the email address investor@imagi.hk for the attention of the Board or the Company Secretary.

Procedures for putting forward proposals at Shareholders' meeting

In accordance with the law of Bermuda, Shareholders representing (i) not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting; or (ii) not less than one hundred Shareholders shall have the right to put forward resolution to be dealt with at a meeting at their own expense.

The requisition shall be in writing stating (i) the proposed resolution(s) to be dealt with; and (ii) a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution(s) (if any), signed by the requisitionists, addressed to the Board or the Company Secretary and deposited at the principal place of business in Hong Kong of the Company.

The Board will give the Shareholders notice of the proposed resolution(s) and circulate any statement relating to the proposed resolution(s).

根據百慕達法例，倘董事會於收到申請書二十一日內未有妥為安排召開會議，申請者或佔超過彼等總投票權半數之申請者，可自行召開會議，惟以此方式召開之任何會議不得於由上述日期起計三個月屆滿後召開。

向董事會提出查詢之程序

股東可隨時以書面形式向董事會提出查詢，查詢文件可寄往本公司於香港之主要營業地點或發送至電子郵箱investor@imagi.hk，收件人為董事會或公司秘書。

提呈股東大會議案之程序

根據百慕達法例，股東代表(i)不少於提出申請書當日有權於股東大會上投票之全體股東總投票權二十分之一；或(ii)人數不少於一百名股東，應有權提呈決議案於大會上處理，惟須自行支付有關費用。

申請書須以書面述明(i)提呈處理之決議案；及(ii)不超過一千字有關提呈之決議案事宜(如有)之陳述書，經申請者簽署後送達本公司於香港之主要營業地點，收件人為董事會或公司秘書。

董事會將就所提呈之決議案向股東發出通知，並刊發有關提呈決議案之陳述書。

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INVESTOR REATIONS

Constitutional documents

During the Year under Review, the Company did not make any changes to the memorandum of association of the Company and the Bye-laws, and the current version of which are available on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders are also welcome.

投資者關係

憲章文件

於回顧年度內，本公司並無修改本公司之組織章程大綱及公司細則，現行版本可於聯交所及本公司之網站查閱。

提升企業管治水平

提升企業管治並非單純應用及遵守企管守則，乃關乎推動及建立道德與健全之企業文化。本公司將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司亦歡迎股東提供任何意見及建議。

DIRECTORS' REPORT

董事會報告

The Directors present the annual report and the audited consolidated financial statement of the Company for the Year under Review.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. During the Year under Review, the Group remain principally engaged in integrated financial services, investment holdings, CGI business, cultural and entertainment business. The integrated financial services were comprised of securities investments and proprietary trading, the provision of securities brokerage services, margin financing services, money lending services. The activities of its principal subsidiaries are set in note 46 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the Year under Review are set out in the consolidated statement of profit or loss and other comprehensive income on pages 67 to 69.

The Directors do not recommend the payment of a dividend for the Year under Review (2018: Nil).

BUSINESS REVIEW

A review of the business of the Group for the Year under Review, which includes a discussion of financial and operational review and particulars of important events affecting the Group that have occurred during the Year under Review and up to the date of this annual report, is set out in the sections "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. The review forms part of this directors' report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on pages 235 and 236. Such summary does not form part of the audited financial statements.

董事謹此提呈本公司於回顧年度之年報及經審核綜合財務報表。

主要業務

本公司乃投資控股公司。於回顧年度內，本集團仍主要從事綜合金融服務、投資控股、電腦造像業務、文化及娛樂業務。綜合金融服務包括證券投資及自營交易、提供證券經紀服務、保證金融資服務以及放債服務。其主要附屬公司之業務載於綜合財務報表附註46。

業績及股息

本集團於回顧年度之業績載於第67至69頁之綜合損益及其他全面收入表內。

董事不建議派發於回顧年度之股息(二零一八年：無)。

業務回顧

本集團於回顧年度之業務回顧(包括有關財務及營運回顧之討論以及於回顧年度內及直至本年報日期發生且對本集團產生影響之重要事件之詳情)載於本年報「主席報告」及「管理層討論及分析」等章節。該回顧構成本董事會報告之一部分。

財務概要

本集團於過去五個財政年度之業績、資產與負債概要乃摘錄自己公佈之經審核財務報表，載於第235頁及236頁。該概要並不構成經審核財務報表之一部分。

DIRECTORS' REPORT

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year under Review are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year under Review are set out in note 38(a) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of movements in reserves of the Group and the Company during the Year under Review are set out in the consolidated statement of changes in equity on page 73 and note 45 to the consolidated financial statements respectively. During the Year under Review, no reserves had been utilised for distribution. As at 31 December 2019, the Company's reserves that were available for distribution to the Shareholders amounted to approximately HK\$427,741,000 (2018: HK\$632,012,000).

PLEDGE OF ASSETS

As at 31 December 2019, held-for-trading investments of approximately HK\$87 million (2018: approximately HK\$549 million) was pledged to financial institutions to secure margin financing facilities provided to the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year under Review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

物業、廠房及設備

本集團於回顧年度內之物業、廠房及設備變動詳情載於綜合財務報表附註18。

股本

本公司於回顧年度內之股本變動詳情載於綜合財務報表附註38(a)。

可供分派儲備

本集團及本公司於回顧年度內之儲備變動詳情分別載於第73頁之綜合權益變動表及綜合財務報表附註45。於回顧年度內，並無儲備已用作分派。於二零一九年十二月三十一日，本公司可供分配予股東之儲備餘額約為427,741,000港元(二零一八年：632,012,000港元)。

資產抵押

於二零一九年十二月三十一日，約87,000,000港元(二零一八年：約549,000,000港元)的持作買賣投資已抵押予金融機構，作為授予本集團的保證金融資信貸之擔保。

優先認購權

公司細則或百慕達法例均無有關優先認購權之規定而促使本公司須按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司的上市證券

本公司或其任何附屬公司於回顧年度內概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the Year under Review, the Group's five largest customers and the largest customer accounted for approximately 33.4% and approximately 17.8% of the Group's total revenue (excluding the Group's dividend income and net realised losses from sales of listed equity investments classified as held-for-trading), respectively.

In view of the operation of the business, the Group did not have any major supplier that have significant influence on the operations.

None of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the aforesaid major customers or suppliers.

STAKEHOLDER ENGAGEMENT

Relationship is the fundamentals of the business. Continuous dialogue is maintained with stakeholders that include customers, employees, regulators and the public. The Company seeks to balance the views and interests of these various stakeholders through constructive conversations with a view to charting a course for the long-term prosperity of the Company and the communities we touch.

Employees

Hard-working and dedicated employees are the backbone of a company. The Company treasures its loyal and industrious staff members. In addition, it adopts non-discriminatory hiring and employment practices and strives to provide a safe and healthy workplace.

Government/Community

We recognised the importance of contributing within the local community and we encourage our people to develop close links with charities, schools and other institutions, both locally and nationally, to help to build more economically sustainable local environments. Strenuous efforts are exerted to ensure compliance with the laws and regulations of the jurisdictions in which the Company operates.

主要客戶及供應商

於回顧年度，本集團五大客戶及最大客戶分別佔本集團總收入(不包括本集團股息收入及出售分類為持作買賣之上市股本投資之已變現虧損淨額)約33.4%及約17.8%。

於業務營運而言，本集團並無會對營運構成重要影響之任何主要供應商。

董事或彼等的緊密聯繫人或任何股東(就董事所深知擁有本公司已發行股本5%以上的股東)概無於上述主要客戶或供應商中擁有任何實益權益。

與持份者的溝通

良好關係乃業務之根本。本公司與客戶、員工、監管機構及公眾人士等持份者保持持續緊密聯繫。本公司透過具建設性之溝通，努力平衡各持份者之意見及利益，從而為本公司與所在社區釐定長遠發展方向。

員工

勤奮而專注之員工是公司之骨幹。本公司重視忠誠勤奮之員工。此外，本公司採納非歧視之招聘與僱用守則，並致力提供安全及健康之工作環境。

政府／社區

我們意識到向本地社區貢獻之重要性，以及鼓勵我們員工與本地及全國慈善團隊、學校及其他機構建立緊密關係，以助建立經濟上有更強可持續性之環境。本公司竭力遵守本公司業務所在司法權區之法律與規例。

DIRECTORS' REPORT

董事會報告

DIRECTORS

The Directors during the Year under Review and up to the date of this annual report are as follows:

Executive Directors

Mr. Kitchell Osman Bin (*Acting Chairman*)
Mr. Shimazaki Koji
Ms. Choi Ka Wing

Independent non-executive Directors

Dr. Santos Antonio Maria
Mr. Miu Frank H.
Ms. Liu Jianyi
Mr. Chan Hak Kan (appointed on 10 May 2019)
Mr. Ngai Wai Kin (appointed on 10 May 2019)

In accordance with Bye-law 87 of the Bye-laws, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for specific term) shall be subject to retirement at an annual general meeting at once every three years. Accordingly, Ms. Liu Jianyi, Dr. Santos Antonio Maria, Mr. Miu Frank H. and Mr. Kitchell Osman Bin will be retired from office as executive Directors and offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The Director's remuneration policy is determined by the Board with recommendation of the Remuneration Committee of the Board and in accordance to market level, individual qualifications, as well as contribution and commitments to the Company. Details of the emoluments/fee of the Directors and five individuals with highest remuneration are set out in notes 15 and 16 to the consolidated financial statements.

董事

於回顧年度內及截至本年報日期，董事如下：

執行董事

Kitchell Osman Bin先生（署理主席）
嶋崎幸司先生
蔡家穎女士

獨立非執行董事

杜東尼博士
繆希先生
劉簡怡女士
陳克勤先生（於二零一九年五月十日獲委任）
魏偉健先生（於二零一九年五月十日獲委任）

按照公司細則第87條，於每屆股東週年大會上，至少三分之一在任董事（或如數目並非三(3)之倍數，則為最接近但不少於三分之一之數目）須輪值退任，惟每名董事（包括按指定任期委任者）須至少每三年於股東週年大會上退任一次。因此，劉簡怡女士、杜東尼博士、繆希先生及Kitchell Osman Bin先生將退任執行董事，並將於應屆股東週年大會上膺選連任。

董事的服務合約及酬金

擬於應屆股東週年大會上重選連任之董事，概無與本集團訂立任何本集團不可於一年內不作賠償（法定賠償除外）而終止之服務合約。

董事之薪酬政策乃董事會因應董事會薪酬委員會建議及考慮市場數據、個人資歷、以及對本公司之貢獻及表現後釐定。董事酬金／袍金及五名最高薪酬人士之酬金詳情載於綜合財務報表附註15及16。

DIRECTORS' REPORT

董事會報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

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 and considers all of them to be independent.

PREMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, subject to the relevant statutes, every Director shall be indemnified and secured harmless by the Company from and against all actions, cost, charges, losses, damages and expenses which they incur in the execution of their duty or supposed duty. Such provisions were in force during the course of the financial year ended 31 December 2019 and remained in force as of the date this report.

In addition, the Company has taken out and maintained insurance for the Directors and officers against liabilities to third parties that may be incurred in the course of performing their duties as at the date of this report.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES

As at 31 December 2019, the interests of the Directors in the Shares, underlying Shares (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and /or debentures, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條就獨立身份發出之年度確認書及認為彼等均為獨立人士。

獲准彌償規定

根據公司細則，在相關法規之規限下，每名董事須就履行彼等職責或假定職責時招致或蒙受之一切訴訟、費用、收費、損失、損害及開支獲得彌償及獲確保免受任何損害。有關條例於截至二零一九年十二月三十一日止財政年度期間有效，且於本報告日期仍然有效。

此外，於本報告日期，本公司已為董事及行政人員就可能履行彼等職責時招致之第三方責任進行投保及續保。

董事於股份、相關股份及／或債券之權益及淡倉

於二零一九年十二月三十一日，董事於股份、相關股份(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)及／或債券中擁有須登記於本公司根據證券及期貨條例第352條須予以置存之登記冊之權益，或根據標準守則須知會本公司及聯交所之權益如下：

DIRECTORS' REPORT

董事會報告

Long positions in the Shares

於股份之好倉

| Name of Director | Capacity in which such interests held | Number of Shares held | Approximate percentage of the Company's issued share capital (Note 1) 佔本公司已發行股本概約百分比 (附註1) |
|---|---------------------------------------|-----------------------|--|
| 董事姓名 | 持有該權益之身份 | 所持股份數目 | |
| Mr. Kitchell Osman Bin Kitchell Osman Bin先生 | Beneficial owner 實益擁有人 | 975,000 | 0.14% |
| Ms. Choi Ka Wing 蔡家穎女士 | Beneficial owner 實益擁有人 | 600,000 | 0.09% |

Note:

1. It was based on 691,921,572 Shares in issue as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the SFO to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENT TO PURCHASE SHARES AND DEBENTURES

Apart from the details as disclosed under the heading "Directors' Interests and Short Positions in Shares, Underlying Shares and/or Debentures" above, at no time during the Year under Review was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

附註：

1. 此乃根據於二零一九年十二月三十一日之691,921,572股已發行股份計算。

除上文披露者外，於二零一九年十二月三十一日，概無董事或本公司最高行政人員或彼等任何聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及／或債券中擁有任何權益或淡倉，而根據證券及期貨條例須知會本公司及聯交所，或須記入該條所述之登記冊，或根據標準守則知會本公司及聯交所。

購買股份及債券之安排

除上文「董事於股份、相關股份及／或債券之權益及淡倉」一節所披露之詳情外，於回顧年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉收購本公司或任何其他法人團體之股份或債券而獲益。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

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

As at 31 December 2019, other than the Directors and chief executive of the Company (whose interests are disclosed in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and/or Debentures" above), the Directors were not aware of any persons who had an interest or short position in the Shares and/or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

According to the notice filed by Advance Beauty Holdings Limited ("Advance Beauty") to the Company pursuant to section 324 of the SFO, Advance Beauty claimed to own 44,175,200 Shares, representing 6.41% of the total issued shares of the Company as at 22 March 2017. However, based on the result of the investigation of ownership of interests in voting Shares as conducted by an independent professional firm commissioned by the Company in July 2018 and January 2019 by virtue of section 329 of the SFO for periodical review of each financial reporting period end, the aforesaid percentage figure of 6.41% held by Advance Beauty appeared to be no longer valid and the Company was of the view that the percentage figure of Advance Beauty's shareholding should be below 5% at each reporting date as at 29 June 2018 (last trading date), 31 December 2018, 30 June 2019 and 31 December 2019.

Despite written request of the Company to Advance Beauty for Advance Beauty to rectify the above incorrect information disclosed in the public domain, up to the date of this Directors' Report, the Company has received no response from Advance Beauty. The Company has engaged a legal advisor to handle and follow-up on this matter.

董事之重大合約權益

本公司或其任何附屬公司概無訂立任何於年末或於回顧年度內任何時間仍然有效，且董事直接或間接擁有重大權益之重大合約。

主要股東於股份及／或相關股份之權益及淡倉

於二零一九年十二月三十一日，除本公司董事及最高行政人員（其權益於上文「董事於股份、相關股份及／或債券之權益及淡倉」披露）外，董事概不知悉任何人士於股份及／或相關股份中擁有已記入本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

根據Advance Beauty Holdings Limited（「Advance Beauty」）按證券及期貨條例第324條向本公司發出之通知，Advance Beauty聲稱擁有44,175,200股股份，佔於二零一七年三月二十二日之本公司已發行股份總數之6.41%。然而，根據本公司於二零一八年七月及二零一九年一月憑藉證券及期貨條例第329條就各財務報告期間未定期檢討委任之獨立專業公司進行之投票權擁有權權益之調查結果，上述Advance Beauty持有之百分比數字6.41%似乎不再有效，且本公司認為Advance Beauty於各報告日期（二零一八年六月二十九日（最後交易日）、二零一八年十二月三十一日、二零一九年六月三十日及二零一九年十二月三十一日）之股權比例應低於5%。

儘管本公司已向Advance Beauty提出書面要求，Advance Beauty須糾正上述公開披露之不正確資料，但截至本董事會報告日期，本公司概無收到Advance Beauty回復。本公司已委聘法律顧問處理及跟進此事宜。

DIRECTORS' REPORT

董事會報告

SHARE OPTION SCHEME

The Company adopted a share option scheme on 16 August 2002 (the “2002 Scheme”). Pursuant to an ordinary resolution passed at an annual general meeting held on 11 June 2012, the Company terminated the 2002 Scheme and adopted a new share option scheme (the “2012 Scheme”), the purpose of both 2002 Scheme and 2012 Scheme are to reward eligible participants who have contributed or are expected to contribute to the Group and to encourage the participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

Particulars and a summary of movements of share options granted or exercised under the 2012 Scheme during the Year under Review are set out in note 39 to the consolidated financial statements.

SHARE AWARD SCHEME

Pursuant to an ordinary resolution passed by the Shareholders at a special general meeting (“SGM”) held on 22 October 2019 (the “Adoption Date”), the Company adopted a share award scheme (the “Share Award Scheme”). The specific objectives of the Share Award Scheme are (i) to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

購股權計劃

本公司於二零零二年八月十六日採納一項購股權計劃(「二零零二年計劃」)。根據本公司於二零一二年六月十一日舉行之股東週年大會上通過之普通決議案，本公司終止二零零二年計劃並採納一項新購股權計劃(「二零一二年計劃」)，而二零零二年計劃及二零一二年計劃均旨在獎勵曾經或預期將對本集團有所貢獻之合資格參與人士，以及鼓勵參與人士為本公司及其股東整體利益而提升本公司及其股份之價值。

於回顧年度內根據二零一二年計劃已授出或行使之購股權之變動詳情及概要載於綜合財務報表附註39。

股份獎勵計劃

根據股東於二零一九年十月二十二日(「採納日期」)舉行的股東特別大會(「股東特別大會」)上通過的一項普通決議案，本公司採納一項股份獎勵計劃(「股份獎勵計劃」)。股份獎勵計劃的特定目標為(i)表彰若干合資格參與者作出的貢獻，並向彼等提供激勵，以挽留彼等繼續經營及發展本集團；及(ii)吸引適當人士促進本集團發展。

DIRECTORS' REPORT

董事會報告

The Share Award Scheme would be valid and effective for ten years commencing on the Adoption Date and the maximum number of awarded shares that may be issued pursuant to the Share Award Scheme would be 10% of the issued share capital of the Company at the Adoption Date, being 69,192,157 Shares. The Board is authorised by the Shareholders at the SGM to issue and allot new awarded shares under a specific mandate up to an annual limit equal to 3% of the Company's issued share capital (the "Annual Limit"), being 20,757,647 Shares. The Company may, on an annual basis, seek approval from the Shareholders at an annual general meeting to refresh the Annual Limit such that the maximum number of awarded shares (excluding awards that have been cancelled or lapsed) will not exceed 3% of the Company's issued share capital as at the date of the general meeting approving such refreshment.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme and share award scheme of the Company as disclosed under the paragraph headed "Share Option Scheme" and "Share Award Scheme" in this directors' report and notes 39 and 40 to the consolidated financial statements, the Company has not entered into any equity-linked agreement during the Year under Review.

MANAGEMENT CONTRACTS

No contracts for management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the Year under Review.

CONNECTED TRANSACTIONS

Save as disclosed elsewhere in this annual report, the Directors are not aware of any other connected transactions or continuing connected transactions entered into during the Year under Review and existed as at 31 December 2019 that are not exempt and are subject to the reporting requirements under Chapter 14A of the Listing Rules.

股份獎勵計劃將於採納日期起計十年有效，根據股份獎勵計劃可發行的獎勵股份最高數目為本公司於採納日期的已發行股本之10%，即69,192,157股股份。董事會於股東特別大會上獲股東授權根據特別授權發行及配發最多等於本公司已發行股本3%的年度上限（「年度上限」）之新股份，即20,757,647股股份。本公司可每年於股東大會上尋求股東批准，以更新年度上限，令獎勵股份（不包括已註銷或失效的獎勵）的最高數目不會超過批准該更新的股東大會日期本公司已發行股本的3%。

股票掛鈎協議

除於本董事會報告「購股權計劃」及「股份獎勵計劃」等段及綜合財務報表附註39及40內披露之本公司購股權計劃及股份獎勵計劃外，本公司於回顧年度內並無訂立任何股票掛鈎協議。

管理合約

於回顧年度內，並未訂立或存在與本公司任何業務中全部或任何重要部分有關之管理及行政合約。

關連交易

除本年報其他章節披露者外，董事並不知悉於回顧年度內訂立且於二零一九年十二月三十一日存在的任何其他關連交易或持續關連交易並無獲豁免及須遵守上市規則第14A章的申報規定。

DIRECTORS' REPORT

董事會報告

COMPLIANCE WITH REGULATIONS

As far as the Directors are aware, during the Year under Review and up to the date of this annual report, the Group has complied in material respects with the relevant laws and regulations that have a significant influence on its business and operations.

SOCIAL RESPONSIBILITIES AND SERVICES ENVIRONMENTAL POLICY

The Group recognises the importance of environmental sustainability against modern ecological challenges. Therefore, the Group committed to the long-term sustainability of its businesses and the communities with which it engages. We pursue this business approach by managing our business prudently and executing management decisions with due care and attention.

The Group is committed to acting in an environmentally responsible manner. Recycling and use of eco-friendly stationery, plus a series of measures to save paper and energy, resulted in more efficient use of resources, as well as reduction of waste.

In view of the nature of the business of the Group, the Directors are of the opinion that no specific laws and regulations related to environmental protection has significant impact on the operations of the Group.

Details of strategy on environmental, social and governance are set out in separate report “Environmental, Social and Governance Report” for the year ended 31 December 2019 prepared in accordance with Appendix 27 of the Listing Rules be published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.imagi.hk) in the manner prescribed under the Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance practice of the Company are set out in the section headed “Corporate Governance Report” in this annual report.

遵守法規

就董事所知，於回顧年度內及直至本年報日期，本集團已在重大方面遵守對其業務及營運有重大影響之相關法律及法規。

社會責任與服務環境政策

本集團認識到，在現代生態挑戰中，環境的持續發展至為重要。因此，本集團致力維持其業務及所在社區之長遠可持續發展。我們審慎經營業務、盡責專注地執行管理決策，以推動此業務模式。

本集團致力以對環境負責任之態度行事。本集團透過回收及使用環保文具，加上一系列節約用紙及能源之措施而更有效地使用資源及減少廢物。

鑒於本集團業務之性質，董事認為並無有關環境保護的任何特定法律或法規會對本集團之營運造成重大影響。

環境、社會及管治策略之詳情載於根據上市規則附錄27編製截至二零一九年十二月三十一日止年度之「環境、社會及管治報告」單獨報告內，且將按上市規則規定之方式刊載於聯交所網站(www.hkexnews.com.hk)及本公司網站(www.imagi.hk)。

企業管治

本公司之企業管治常規詳情載於本年報「企業管治報告」章節。

DIRECTORS' REPORT

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as required under the Listing Rules during the Year under Review and up to the date of this annual report.

AUDITOR

Crowe (HK) CPA Limited shall retire in the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. A resolution will be submitted by the Board to the forthcoming annual general meeting to re-appoint Crowe (HK) CPA Limited as auditor of the Company.

On behalf of the Board
Kitchell Osman Bin
Acting Chairman

Hong Kong, 16 March 2020

足夠公眾持股量

根據本公司可獲取之公開資料及據董事所知悉，本公司於回顧年度內及截至本年報日期已按照上市規則規定一直維持足夠公眾持股量。

核數師

國富浩華(香港)會計師事務所有限公司將於應屆股東週年大會上退任且符合資格並願意獲續聘。董事會將向應屆股東週年大會提交一項決議案，以續聘國富浩華(香港)會計師事務所有限公司為本公司核數師。

代表董事會
署理主席
Kitchell Osman Bin

香港，二零二零年三月十六日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IMAGI INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

致意馬國際控股有限公司全體股東之獨立核數師報告

(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Imagi International Holdings Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 67 to 234, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

我們已審核載列於第67至234頁的意馬國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一九年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況及 貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》之適用披露要求妥為編製。

意見的基準

我們已按照香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核工作。我們根據該等準則的責任進一步描述於本報告「核數師審核綜合財務報表的責任」一節。按照香港會計師公會的「專業會計師操守守則」(「守則」)，我們獨立於 貴集團，且我們已按照守則履行其他道德責任。我們相信，我們獲取的審核證據屬充分和適當，為意見提供了基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審核事項

關鍵審核事項指根據我們的專業判斷，在我們對本期綜合財務報表的審核中最重要的事項。該等事項在我們對綜合財務報表進行整體審核及就此達致意見時處理，我們並不就此另外提供意見。

| Impairment of loans receivable | |
|--|---|
| Refer to notes 4(d), 6(b)(iv) and 28 to the consolidated financial statements and the accounting policies note 3(m) on pages 113 to 132. | |
| The Key Audit Matter | How the matter will be addressed in our audit |
| <p>Given the size of balances and the risk that some of the loans receivable may not be recoverable, judgement is required to evaluate whether any allowance should be made to reflect the risk.</p> <p>The measurement of expected credit losses (“ECL”) requires the application of significant judgement and increased complexity which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL models, such as the expected future cash flows and forward-looking macroeconomic factors.</p> <p>Due to the uncertainty inherent in such estimates, we considered this as a key audit matter.</p> | <p>Our audit procedures to assess the recoverability of loans receivable will include the followings:</p> <ul style="list-style-type: none"> – obtaining an understanding of and assessing the design, implementation and operating effectiveness of management’s internal controls relating to credit risk management, debt collection and the assessment of expected loss for the loans receivable; – assessing whether terms in the loans receivable ageing report are classified within the appropriate ageing bracket; – obtaining an understanding of the basis of management’s judgements about the recoverability of overdue balances and evaluating, on a sample basis, whether management had performed appropriate credit assessments of the related debtors; |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審核事項 (續)

| 應收貸款減值 | |
|---|--|
| 請參閱綜合財務報表附註4(d)、6(b)(iv)及28及第113至132頁附註3(m)的會計政策。 | |
| 關鍵審核事項 | 我們的審核中將如何處理有關事項 |
| <p>鑒於結餘的規模及部分應收貸款可能無法收回的風險，需要作出判斷，以評估是否應作出任何撥備，以反映風險。</p> <p>預期信貸虧損(「預期信貸虧損」)的計量要求應用重大判斷及增加的複雜性，其包括識別信貸質量顯著惡化的風險，以及預期信貸虧損模型中使用的假設，如預期未來現金流量及前瞻性宏觀經濟因素。</p> <p>由於該等估計的固有不確定性，我們認為此乃一項關鍵審核事項。</p> | <p>我們評估應收貸款可收回性的審核程序將包括以下各項：</p> <ul style="list-style-type: none"> - 了解並評估管理層有關信貸風險管理、收債及應收貸款預期虧損評估的內部控制之設計、實施及操作有效性； - 評估應收貸款賬齡報告中的期限是否按適當的賬齡組別劃分； - 了解管理層有關逾期結餘可收回性的判斷基準，並抽樣評估管理層是否已對相關債務人進行適當的信貸評估； |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

| Impairment of loans receivable | |
|--|---|
| Refer to notes 4(d), 6(b)(iv) and 28 to the consolidated financial statements and the accounting policies note 3(m) on pages 113 to 132. | |
| The Key Audit Matter | How the matter will be addressed in our audit |
| | <ul style="list-style-type: none"> – assessing the effectiveness of key controls over the application of the impairment methodology, the governance for the ECL models, inputs and assumptions used by the Group in calculating the ECL; – assessing the reasonableness of the Group's ECL models; – assessing the reasonableness of the Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for loans receivable should be measured on a lifetime ECL basis and the qualitative assessment; – challenging whether historical experience is representative of current circumstances and of the recent losses incurred and assessing the forward-looking adjustments; and – reviewing the Group's assumptions on the expected future cash flows. |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審核事項 (續)

| 應收貸款減值 | |
|---|--|
| 請參閱綜合財務報表附註4(d)、6(b)(iv)及28及第113至132頁附註3(m)的會計政策。 | |
| 關鍵審核事項 | 我們的審核中將如何處理有關事項 |
| | <ul style="list-style-type: none"> - 評估對應用減值方法的關鍵控制、預期信貸虧損模式管治、貴集團於計算預期信貸虧損時使用的輸入數據及假設的有效性； - 評估 貴集團預期信貸虧損模式的合理性； - 評估 貴集團評估信貸風險是否已顯著增加及致使應收貸款撥備應按全期預期信貸虧損基準計量及定性評估的標準的合理性； - 質詢歷史經驗是否代表當前情況以及近期產生的虧損，並評估前瞻性調整；及 - 審閱 貴集團對預期未來現金流量所作假設。 |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

| Impairment of accounts receivable from margin clients | |
|---|---|
| Refer to notes 4(d), 6(b)(iv) and 26 to the consolidated financial statements and the accounting policies note 3(m) on pages 113 to 132. | |
| The Key Audit Matter | How the matter will be addressed in our audit |
| <p>Given the size of balances and the risk that some of the accounts receivable from margin clients may not be recoverable, judgement is required to evaluate whether any allowance should be made to reflect the risk.</p> <p>The ECL measurement involves significant management judgement and estimation in (i) the selection of appropriate models and key inputs used in the ECL model and (ii) the selection and use of reasonable and supportable forward-looking information without undue cost or effort in the ECL model.</p> <p>As each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.</p> <p>Due to the uncertainty inherent in such estimates, we considered this as a key audit matter.</p> | <ul style="list-style-type: none"> – Understanding the Group's established credit risk policies and procedures for impairment assessment in relation to the application of ECL model under HKFRS 9, including model set up and approval and selection and application of assumptions and key inputs into the model; – Understanding the key controls over ongoing monitoring processes, including the process of margin call procedures for margin shortfall and identification of impaired accounts receivable from margin clients; – Assessing the reasonableness and appropriateness of the management's judgement on staging criteria for determining if the significant increase in credit risk has occurred (stage 1 or 2) or the financial asset is credit-impaired (stage 3) and the basis for classification of exposures into the 3 stages as required by HKFRS 9 and examining supporting information on a sample basis to assess the appropriateness of the classification of accounts receivable exposures as at the end of the reporting period; |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審核事項 (續)

| 應收保證金客戶賬款減值 | |
|--|--|
| 請參閱綜合財務報表附註4(d)、6(b)(iv)及26以及第113至132頁的會計政策附註3(m)。 | |
| 關鍵審核事項 | 我們的審核中如何處理有關事項 |
| <p>鑒於結餘的規模及部分應收保證金客戶賬款可能無法收回的風險，需要作出判斷，以評估是否應作出任何撥備，以反映風險。</p> <p>預期信貸虧損計量涉及以下方面的重大管理層判斷及估計：(i)選擇適當的模型及預期信貸虧損模型中使用的關鍵輸入數據及(ii)選擇及使用預期信貸虧損模型中無需過度成本或努力即可獲得的合理並有支持的前瞻性資料。</p> <p>於各報告日期，貴集團評估信貸風險是否大幅增加。貴集團就此考慮無需過度成本或努力即可獲得的合理並有支持的資料。這包括定量及定性資料以及前瞻性分析。</p> <p>由於該等估計固有的不確定性，我們將其視為一項關鍵審核事項。</p> | <ul style="list-style-type: none"> - 了解 貴集團有關根據香港財務報告準則第9號應用預期信貸虧損模型的減值評估的現有信貸風險政策及程序，包括制定模型與批准及選擇並應用模型假設及關鍵輸入數據； - 了解持續監控過程的關鍵控制，包括保證金缺額的保證金催繳程序及識別已減值應收保證金客戶賬款； - 評估管理層在釐定是否已發生信貸風險大幅增加(第1階段或第2階段)或財務資產已信貸減值(第3階段)的階段劃分標準時的判斷以及按香港財務報告準則第9號的要求將風險劃分為3個階段的基準的合理性及適當性，並抽樣檢查支持資料，以評估截至報告期末的應收賬款風險劃分的適當性； |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

| Impairment of accounts receivable from margin clients | |
|--|---|
| Refer to notes 4(d), 6(b)(iv) and 26 to the consolidated financial statements and the accounting policies note 3(m) on pages 113 to 132. | |
| The Key Audit Matter | How the matter will be addressed in our audit |
| | <ul style="list-style-type: none"> – Evaluating the reasonableness and appropriateness of the ECL models and assumptions, information and parameters used in the model in establishing the forward looking factors, and the relationship between the forward looking factors and the key inputs in the ECL model to determine the impairment allowance of accounts receivable from margin clients; and – Testing the accuracy and completeness of key data sources applied in the ECL computation on a sample basis by checking to the Group's supporting information, the relevant loan files and external data source, as applicable. |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審核事項 (續)

| 應收保證金客戶賬款減值 | |
|--|---|
| 請參閱綜合財務報表附註4(d)、6(b)(iv)及26以及第113至132頁的會計政策附註3(m)。 | |
| 關鍵審核事項 | 我們的審核中如何處理有關事項 |
| | <ul style="list-style-type: none"> - 評估確定前瞻性因素的模型中使用的預期信貸虧損模型及假設、資料及參數的合理性及適當性，以及前瞻性因素與預期信貸虧損模型中關鍵輸入數據之間的關係，以釐定應收保證金客戶賬款的減值撥備；及 - 透過與 貴集團的支持資料、相關貸款文件及外部數據來源(視情況而定)核對，抽樣測試計算預期信貸虧損時應用的關鍵數據來源的準確性及完整性。 |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual reports other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

除綜合財務報表及核數師報告以外的資料

董事對其他資料負責。其他資料包括年報中所有資料，綜合財務報表及我們的核數師報告除外。

我們對綜合財務報表的意見不涵蓋其他資料，且我們並不對此發表任何形式的保證結論。

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他資料，並同時考慮其他資料是否與綜合財務報表或我們在審核過程中獲得的了解存在重大不一致或看似嚴重失實。

倘若基於我們進行的工作，我們認為該其他資料存在重大失實陳述，則我們須報告該事實。我們在此方面無任何發現可報告。

董事對綜合財務報表的責任

董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編制綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大失實陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

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 directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事對綜合財務報表的責任 (續)

在編製綜合財務報表時，董事有責任評估 貴集團持續經營的能力，披露(如適用)與持續經營有關的事項，並使用持續經營會計基準(除非董事擬將 貴集團清盤或終止經營，或除此之外並無其他可行的選擇)。

董事在履行監督 貴集團財務報告程序的職責時獲審核委員會協助。

核數師審核綜合財務報表的責任

我們的目標是就綜合財務報表整體是否不存在重大失實陳述(不論因欺詐或錯誤導致)取得合理保證，並出具包含我們意見的核數師報告。我們根據百慕達公司法第90條僅向 閣下(作為整體)作出本報告，除此之外本報告別無其他目的。我們概不就本報告的內容向其他任何人負有或承擔任何責任。

合理保證是一種高水平的保證，但並不保證按照香港核數準則進行的審核總能發現所存在的重大失實陳述。失實陳述可能因欺詐或錯誤而產生，如個別或整體合理預期可能影響用戶基於該等綜合財務報表作出的經濟決定，則屬重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師審核綜合財務報表的責任 (續)

作為按照香港核數準則進行審核的一部分，我們在整個審核期間作出專業判斷並保持專業懷疑。我們亦：

- 識別及評估綜合財務報表中存在重大失實陳述(不論因欺詐或錯誤導致)的風險，設計及執行應對該等風險的審核程序，並取得充分適當的審核證據，為我們的意見提供基礎。未發現欺詐導致重大失實陳述的風險高於錯誤導致重大失實陳述的風險，原因是欺詐可能涉及勾結、偽造、故意遺漏、虛假陳述或超越內部控制。
- 取得與審核相關的內部控制的^{理解}，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的適當性及所作出會計估計及相關披露的合理性。
- 對董事使用持續經營會計基準的適當性，及(基於所取得的審核證據)是否存在與事件或狀況相關且可能導致對貴集團持續經營能力產生重大疑問的重大不確定性得出結論。倘若我們認為存在重大不確定性，需要在核數師報告中提請注意綜合財務報表的相關披露或(如該披露不足)修改我們的意見。我們的結論基於截至核數師報告日期所獲得的審核證據。然而，未來事件或狀況可能導致貴集團無法持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

核數師審核綜合財務報表的責任 (續)

- 評價綜合財務報表的整體列報、結構及內容，包括披露及綜合財務報表是否按實現公平列報的方式反映了相關交易及事件。
- 獲取有關 貴集團內實體或業務活動的財務資料的充分適當的審核證據，以對綜合財務報表發表意見。我們負責指導、監督及進行集團審核。我們仍然對我們的審核意見承擔全部責任。

我們就(其中包括)審核的規劃範圍及時間與重大審核結果(包括我們在審核中發現的內部控制重大缺陷)與審核委員會溝通。

我們亦向審核委員會提供一份聲明，表示我們已遵守有關獨立性的相關道德要求，並就合理可能導致對我們獨立性產生疑問的所有關係及(如適用)相關保障措施與審核委員會溝通。

根據與審核委員會溝通的事項，我們認為有關事項是對審核本期綜合財務報表而言最重要的事項，因此屬於關鍵審核事項。我們在核數師報告中說明該等事項，除非法律或法規禁止公開披露該事項，或(在極少數情況下)由於其不利後果合理預期將超過公開披露所帶來的公共利益，我們認為該事項不應在我們的報告中披露。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Poon Cheuk Ngai.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 16 March 2020

Poon Cheuk Ngai
Practising Certificate Number P06711

核數師審核綜合財務報表的責任 (續)

編製本獨立核數師報告的審核項目合夥人為潘卓毅。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港，二零二零年三月十六日

潘卓毅
執業證書編號 P06711

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 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 | | |
| Revenue | 收入 | | | |
| Brokerage related commission and clearing fee income | 經紀相關佣金及結算費收入 | 7 | 1,665 | 2,227 |
| Royalty income | 特許費收入 | 7 | 185 | 256 |
| Dividend income from held-for-trading investments | 持作買賣投資之股息收入 | 7 | 15,152 | 20,577 |
| Interest income on loans receivable and margin clients | 應收貸款及保證金客戶之利息收入 | 7 | 12,300 | 3,479 |
| Net realised losses from sales of listed equity investments classified as held-for-trading | 出售分類為持作買賣的上市股本投資之已變現虧損淨額 | 7 | (80,339) | (8,050) |
| Total Revenue | 總收入 | | (51,037) | 18,489 |
| Other income | 其他收入 | 9 | 2,899 | 2,479 |
| Other gain | 其他收益 | 10 | 8,297 | 6,390 |
| Impairment allowances on accounts receivable | 應收賬款之減值撥備 | 26(c) | (719) | - |
| Impairment allowances on loans receivable | 應收貸款之減值撥備 | 28(d) | (2,527) | - |
| Net realised losses from sales of listed equity investments classified as fair value through profit or loss | 出售分類為透過損益按公平值列賬的上市股本投資之已變現虧損淨額 | | - | (8,075) |
| Losses from changes in fair value of financial assets classified as held-for-trading | 分類為持作買賣的財務資產之公平值變動虧損 | | (28,421) | (106,674) |
| Administrative expenses | 行政開支 | | (71,807) | (33,203) |
| Loss from operations | 經營虧損 | | (143,315) | (120,594) |
| Finance costs | 財務成本 | 11 | (16,176) | (832) |
| Share of profit of a joint venture | 應佔一間合營企業溢利 | | - | 3,521 |
| Loss before tax | 除稅前虧損 | 13 | (159,491) | (117,905) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | 14 | (200) | 342 |
| Loss for the year | 年內虧損 | | (159,691) | (117,563) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 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 |
|---|-----------------------------------|----------------------------------|----------------------------------|
| Other comprehensive income/(expense) | 其他全面收入／(開支) | | |
| Items that may be reclassified subsequently to profit or loss: | 其後或會重新分類至損益之項目： | | |
| Exchange differences arising on translation of foreign operations | 換算境外經營業務所產生之兌換差額 | 122 | 224 |
| Net gain/(loss) on debt securities at fair value through other comprehensive income (recycling) | 透過其他全面收入按公平值列賬的債務證券之收益／(虧損)淨額(回收) | 108 | (1,524) |
| Other comprehensive income/(expense) for the year | 年內其他全面收入／(開支) | 230 | (1,300) |
| Total comprehensive expense for the year | 年內全面開支總額 | (159,461) | (118,863) |
| Loss for the year attributable to: | 應佔年內虧損： | | |
| Owners of the Company | 本公司擁有人 | (159,496) | (117,563) |
| Non-controlling interest | 非控股權益 | (195) | - |
| | | (159,691) | (117,563) |
| Total comprehensive expense for the year attributable to: | 應佔年內全面開支總額： | | |
| Owners of the Company | 本公司擁有人 | (159,266) | (118,863) |
| Non-controlling interests | 非控股權益 | (195) | - |
| | | (159,461) | (118,863) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

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

| | | 2019 二零一九年 | 2018 二零一八年 |
|---|--------------|---------------|---------------|
| Loss per share | 每股虧損 | | |
| Basic and diluted (HK cents per share) | 基本及攤薄 (每股港仙) | 17 | (23) |
| | | (23) | (17) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019
於二零一九年十二月三十一日

| | | 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 |
|--|-----------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 18 | 5,371 | 2,165 |
| Goodwill | 商譽 | 19 | – | – |
| Intangible assets | 無形資產 | 20 | 859 | 859 |
| Other financial assets | 其他財務資產 | 21 | 6,670 | 6,562 |
| Other non-current assets | 其他非流動資產 | 22 | 1,500 | 1,500 |
| Deposit for acquisition of subsidiaries | 收購附屬公司之按金 | 23 | 102,700 | – |
| Prepayment for film rights | 電影版權預付款項 | 24 | 7,783 | 3,900 |
| Film rights | 電影版權 | 25 | 4,266 | – |
| | | | 129,149 | 14,986 |
| Current assets | 流動資產 | | | |
| Accounts receivable | 應收賬款 | 26 | 225,606 | 4,928 |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款 | 27 | 3,467 | 3,296 |
| Loans receivable | 應收貸款 | 28 | 311,925 | 16,516 |
| Held-for-trading investments | 持作買賣投資 | 29 | 87,248 | 549,022 |
| Convertible notes receivable | 應收可換股票據 | 30 | 20,236 | 18,864 |
| Bank balances – trust accounts | 銀行結餘—信託賬戶 | 31 | 5,326 | 4,177 |
| Bank balances and cash | 銀行結餘及現金 | 32(a) | 734,412 | 104,244 |
| | | | 1,388,220 | 701,047 |
| Current liabilities | 流動負債 | | | |
| Accounts payable | 應付賬款 | 33 | 5,444 | 4,444 |
| Borrowings | 借貸 | 34 | – | 43,268 |
| Lease liabilities | 租賃負債 | 35 | 2,567 | – |
| Other payables and accruals | 其他應付款項及應計費用 | | 4,178 | 3,137 |
| Tax payable | 應付稅項 | | 200 | – |
| | | | 12,389 | 50,849 |
| Net current assets | 流動資產淨值 | | 1,375,831 | 650,198 |
| Total assets less current liabilities | 總資產減流動負債 | | 1,504,980 | 665,184 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019
於二零一九年十二月三十一日

| | | Notes | 2019 | 2018 |
|---|---------------------|-------|--------------------------|--------------------------|
| | | 附註 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 |
| Non-current liabilities | 非流動負債 | | | |
| Notes payable | 應付票據 | 36 | 996,759 | – |
| Deferred tax liability | 遞延稅項負債 | 37 | 142 | 142 |
| Lease liabilities | 租賃負債 | 35 | 1,199 | – |
| | | | 998,100 | 142 |
| Net assets | 資產淨值 | | 506,880 | 665,042 |
| Capital and reserves | 股本及儲備 | | | |
| Share capital | 股本 | 38(a) | 27,677 | 27,677 |
| Reserves | 儲備 | 38(b) | 477,883 | 637,365 |
| Total equity attributable to owners of the Company | 本公司擁有人應佔權益總額 | | 505,560 | 665,042 |
| Non-controlling interest | 非控股權益 | | 1,320 | – |
| Total equity | 權益總額 | | 506,880 | 665,042 |

The consolidated financial statements on pages 67 to 234 were approved and authorised for issue by the board of directors on 16 March 2020 and are signed on its behalf by:

第67至234頁之綜合財務報表已於二零二零年三月十六日獲董事會批准及授權刊發，並由下列董事代表簽署：

**Mr. Kitchell Osman Bin
Kitchell Osman Bin先生**
Director
董事

Mr. Shimazaki Koji
嶋崎幸司先生
Director
董事

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

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | |
|---|----------------------|---|--|---|--|--|---|--|---|--|
| | | Share capital 股本 HK\$'000 千港元 | Contributed surplus 繳入盈餘 HK\$'000 千港元 | Merger reserve 合併儲備 HK\$'000 千港元 | Translation reserve 換算儲備 HK\$'000 千港元 | Share option reserve 購股權儲備 HK\$'000 千港元 | Investment revaluation reserve 投資重估儲備 HK\$'000 千港元 | Other reserve 其他儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total equity 總權益 HK\$'000 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 27,577 | 1,800,639 | 909 | 3,021 | 1,845 | 287 | (3,980) | (1,050,453) | 779,845 |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | (117,563) | (117,563) |
| Exchange differences arising on translation of foreign operations | 換算境外經營業務所產生之 兌換差額 | - | - | - | 224 | - | - | - | - | 224 |
| Net loss on revaluation of debt securities | 重估債務證券之虧損淨額 | - | - | - | - | - | (1,524) | - | - | (1,524) |
| Other comprehensive income/ (expense) for the year | 年內其他全面收入/(開支) | - | - | - | 224 | - | (1,524) | - | - | (1,300) |
| Total comprehensive income/ (expense) for the year | 年內全面收入/(開支)總額 | - | - | - | 224 | - | (1,524) | - | (117,563) | (118,863) |
| Exercise of shares options | 行使購股權 | 100 | 5,805 | - | - | (1,845) | - | - | - | 4,060 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 27,677 | 1,806,444 | 909 | 3,245 | - | (1,237) | (3,980) | (1,168,016) | 665,042 |

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

Attributable to owners of the Company
本公司擁有人應佔

| | | Share capital 股本 HK\$'000 千港元 | Contributed surplus 繳入盈餘 HK\$'000 千港元 | Merger reserve 合併儲備 HK\$'000 千港元 | Translation reserve 換算儲備 HK\$'000 千港元 | Investment revaluation reserve 投資重估儲備 HK\$'000 千港元 | Other reserve 其他儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total equity 總權益 HK\$'000 千港元 | Non-controlling interest 非控股權益 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|----------------------|--|--|---|--|---|--|---|--|--|--------------------------------|
| At 31 December 2018 | 於二零一八年十二月三十一日 | 27,677 | 1,806,444 | 909 | 3,245 | (1,237) | (3,980) | (1,168,016) | 665,042 | - | 665,042 |
| Impact on initial application of HKFRS 16 | 首次應用香港財務報告準則第16號之影響 | - | - | - | - | - | - | (201) | (201) | - | (201) |
| At 1 January 2019 (adjusted) | 於二零一九年一月一日(經調整) | 27,677 | 1,806,444 | 909 | 3,245 | (1,237) | (3,980) | (1,168,217) | 664,841 | - | 664,841 |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | (159,496) | (159,496) | (195) | (159,691) |
| Exchange differences arising on translation of foreign operations | 換算境外經營業務所產生之兌換差額 | - | - | - | 122 | - | - | - | 122 | - | 122 |
| Net gain on revaluation of debt securities | 重估債務證券之收益淨額 | - | - | - | - | 108 | - | - | 108 | - | 108 |
| Other comprehensive income for the year | 年內其他全面收入 | - | - | - | 122 | 108 | - | - | 230 | - | 230 |
| Total comprehensive income/(expense) for the year | 年內全面收入/(開支)總額 | - | - | - | 122 | 108 | - | (159,496) | (159,266) | (195) | (159,461) |
| Capital contribution from non-controlling interest | 非控股權益注資 | - | - | - | - | - | - | - | - | 1,500 | 1,500 |
| Change of ownership of a subsidiary without loss of control | 一間附屬公司之擁有權變動(未喪失控制權) | - | - | - | - | - | (15) | - | (15) | 15 | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 27,677 | 1,806,444 | 909 | 3,367 | (1,129) | (3,995) | (1,327,713) | 505,560 | 1,320 | 506,880 |

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 | | |
| OPERATING ACTIVITIES | 經營活動 | | |
| Loss before tax | 除稅前虧損 | (159,491) | (117,905) |
| Adjustments for: | 經下列調整： | | |
| Share of profit of a joint venture | 應佔一間合營企業溢利 | - | (3,521) |
| Impairment allowances on loans receivable | 應收貸款之減值撥備 | 2,527 | - |
| Impairment allowances on accounts receivable | 應收賬款之減值撥備 | 719 | - |
| Realised losses from sales of listed equity investments classified as held-for-trading | 出售分類為持作買賣的上市股本投資之已變現虧損 | 79,461 | 6,130 |
| | 7 | | |
| Losses from changes in fair value of financial assets classified as held-for-trading | 分類為持作買賣財務資產之公平值變動虧損 | 28,421 | 106,674 |
| Finance costs | 財務成本 | 16,176 | 832 |
| | 11 | | |
| Interest income on debt securities | 債務證券之利息收入 | (683) | (678) |
| | 9 | | |
| Interest income on convertible notes receivable | 應收可換股票據之利息收入 | (1,740) | (1,740) |
| | 9 | | |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | - | 44 |
| | 10 | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 3,274 | 798 |
| | 18 | | |
| Gain on disposal of a joint venture | 出售一間合營企業之收益 | - | (7,098) |
| | 10 | | |
| Fair value (gain)/loss on convertible notes receivable | 應收可換股票據之公平值(收益)/虧損 | (1,372) | 429 |
| | 10 | | |
| Net realised losses from sales of listed equity investments classified as fair value through profit or loss | 出售分類為透過損益按公平值列賬的上市股本投資之已變現虧損淨額 | - | 8,075 |

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 |
|--|---------------------------|----------------------------------|----------------------------------|
| Operating cash flows before movements in working capital | 營運資金變動前經營現金流量 | (32,708) | (7,960) |
| Increase in loans receivable | 應收貸款增加 | (297,936) | (16,516) |
| Increase in accounts receivable | 應收賬款增加 | (221,397) | (3,985) |
| Increase in other receivables, deposits and prepayments | 其他應收款項、按金及預付款增加 | (171) | (1,112) |
| Proceeds from disposal of held-for-trading investments | 出售持作買賣投資所得款項 | 467,548 | 326,413 |
| Purchases of held-for-trading investments | 購買持作買賣投資 | (113,656) | (556,216) |
| Prepayment for film rights | 電影版權之預付款項 | (8,253) | (3,900) |
| Increase/(decrease) in other payables and accruals | 其他應付款項及應計費用增加／(減少) | 1,041 | (126) |
| (Increase)/decrease in bank balances — trust accounts | 銀行結餘—信託賬戶(增加)／減少 | (1,149) | 1,032 |
| Increase/(decrease) in accounts payable | 應付賬款(增加)／減少 | 1,000 | (1,637) |
| NET CASH USED IN OPERATING ACTIVITIES | 經營活動所用之現金淨額 | (205,681) | (264,007) |
| INVESTING ACTIVITIES | 投資活動 | | |
| Proceeds from disposal of a joint venture | 出售一間合營企業所得款項 | — | 150,000 |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (470) | (381) |
| Proceed from disposal of listed equity investments classified as fair value through profit or loss | 出售分類為透過損益公平值列賬的上市股本證券所得款項 | — | 35,017 |
| Interest income on debt securities | 債務證券之利息收入 | 683 | 678 |
| Interest income on convertible notes receivable | 應收可換股票據之利息收入 | 1,740 | 1,740 |
| Deposit for acquisition of subsidiaries | 收購附屬公司之按金 | (102,700) | — |

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 |
|--|--------------------|----------------------------------|----------------------------------|
| NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES | 投資活動(使用)/產生之現金淨額 | (100,747) | 187,054 |
| FINANCING ACTIVITIES | 融資活動 | | |
| Net proceeds from borrowings – margin loans | 借貸—保證金貸款所得款項淨額 | – | 43,268 |
| Proceeds from exercise of share options | 行使購股權所得款項 | – | 4,060 |
| Proceeds from notes issue | 票據發行所得款項 | 982,930 | – |
| Net repayment of borrowings – margin loans | 借貸—保證金貸款償還淨額 | (43,268) | – |
| Repayment of loans during the year | 年內償還貸款 | 128,000 | – |
| New loans originated | 新增貸款 | (128,000) | – |
| Interest paid on borrowings | 已付借貸利息 | (1,397) | (832) |
| Interest paid on loans payable | 應付貸款之已付利息 | (640) | – |
| Capital contribution from non-controlling interest | 非控股權益注資 | 1,500 | – |
| Capital element of lease rental paid | 已付租賃租金的本金部分 | (2,445) | – |
| Interest element of lease rental paid | 已付租賃租金的利息部分 | (310) | – |
| NET CASH GENERATED FROM FINANCING ACTIVITIES | 融資活動產生之現金淨額 | 936,370 | 46,496 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等值項目增加/(減少)淨額 | 629,942 | (30,457) |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 於一月一日之現金及現金等值項目 | 104,244 | 134,477 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | 226 | 224 |

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 AND CASH EQUIVALENTS AT 31 DECEMBER | 於十二月三十一日之現金及現金等值項目 | | | |
| Represented by bank balances and cash | 指銀行結餘及現金 | 32(a) | 734,412 | 104,244 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets and lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Previously, cash payments under operating leases made by the Group as a lessee of HK\$2,756,000 were classified as operating activities in the consolidated cash flow statement. Under HKFRS 16, except for short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of lease liabilities, all other rentals paid on leases are now split into capital element and interest element (see note 32(b)) and classified as financing cash outflows. Under the modified retrospective approach, the comparative information is not restated. Further details on the impact of the transition to HKFRS 16 are set out in note 2.

附註：本集團已使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與早前根據香港會計準則第17號分類為營運租約的租約有關的使用權資產及租賃負債。本集團作為承租人作出的營運租約現金付款2,756,000港元早前於綜合現金流量表中分類為經營活動。根據香港財務報告準則第16號，除短期租賃付款、低價值資產租賃付款及未計入租賃負債計量的可變租賃付款外，就租賃支付的所有其他租金現分為本金部分及利息部分（見附註32(b)），並分類為融資現金流量。根據經修訂追溯法，未重列比較資料。過渡至香港財務報告準則第16號之影響的進一步詳情載列於附註2。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” to the annual report.

The Company acts as an investment holding company. During the Year under Review, the Group were principally engaged in integrated financial services, investment holdings, computer graphic imaging (“CGI”), and entertainment business. The integrated financial services were comprised of securities investments and proprietary trading, the provision of securities brokerage services, margin financing services and money lending services. Details of principal activities of its subsidiaries are set out in note 46.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company.

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

Changes in accounting policies

The HKICPA has issued a new HKFRS, HKFRS 16, Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, Leases, none of the developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the accounting period.

1. 一般資料

本公司為根據百慕達一九八一年公司法在百慕達註冊成立的受豁免公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點之地址於年報「公司資料」內披露。

本公司為投資控股公司。於回顧年度，本集團主要從事綜合金融服務、投資控股、電腦造像（「電腦造像」）及娛樂業務。綜合金融服務包括證券投資及自營交易、提供證券經紀服務、保證金融服務及放債服務。其附屬公司之主要業務詳情載於附註46。

綜合財務報表以本公司功能貨幣港元（「港元」）呈列。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

會計政策變動

香港會計師公會已頒佈一項新訂香港財務報告準則—香港財務報告準則第16號租賃及多項於本集團本會計期間首次生效的香港財務報告準則修訂。

除香港財務報告準則第16號租賃外，概無進展對本期間或過往期間本集團業績及財務狀況之編製或呈列方式造成重大影響。本集團並無應用本會計期間尚未生效之任何新準則或詮釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK(IFRIC) 4, Determining whether an arrangement contains a lease, HK(SIC) 15, Operating leases – incentives, and HK(SIC) 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and measure the carrying amount of right-of-use asset as if HKFRS 16 had been applied since the commencement date, discounted using the lessee’s incremental borrowing rate at the date of initial application. The Group has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋、香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃、香港（詮釋常務委員會）—詮釋第15號營運租約—優惠及香港（詮釋常務委員會）—詮釋第27號評估涉及租賃法律形式交易的實質。該準則為承租人引入單一會計模型，要求承租人就所有租賃確認使用權資產及租賃負債，租期為12個月或以下的租賃（「短期租約」）及低價值資產租約除外。出租人會計處理要求沿用香港會計準則第17號，基本維持不變。

香港財務報告準則第16號亦引入額外定性及定量披露要求，旨在令財務報表使用者能評估租約對實體的財務狀況、財務表現及現金流量的影響。

本集團已自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團已選擇使用經修訂追溯法並計量使用權資產的賬面值（使用初始應用日期的承租人增量借貸利率貼現），猶如香港財務報告準則第16號已自開始日期起應用。因此，本集團已將首次應用的累計影響確認為對二零一九年一月一日的權益期初結餘的調整。比較資料未予重列，繼續按照香港會計準則第17號報告。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

HKFRS 16, Leases (continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

a. **New definition of a lease**

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

較早前會計政策的變動的性質及影響以及所應用過渡選擇權的進一步詳情載列如下：

a. **租賃的新定義**

租賃定義變動主要涉及控制權概念。香港財務報告準則第16號基於客戶是否在一段期間內控制所識別資產的使用來定義租賃，其可透過使用權的定義金額釐定。當客戶既有權指導已識別資產的使用，又有權從該使用中獲得絕大部分經濟利益時，即表示控制權已轉移。

本集團僅對於二零一九年一月一日或之後訂立或變更的合約應用香港財務報告準則第16號中租賃的新定義。對於二零一九年一月一日前訂立的合約而言，本集團已使用過渡性的實際權宜之計，沿用早前對現有安排是否為租賃或包含租賃的評估。因此，早前根據香港會計準則第17號評估為租賃的合約，根據香港財務報告準則第16號繼續作為租賃入賬，而早前評估為非租賃服務安排的合約，繼續作為有效合約入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

HKFRS 16, Leases (continued)

b. Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 18. For an explanation of how the Group applies lessee accounting, see note 3(f).

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 5%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

b. 承租人會計處理及過渡影響

香港財務報告準則第16號取消了承租人將租約分類為營運租約或融資租約的要求（如香港會計準則第17號早前所要求）。取而代之，本集團須將其為承租人的所有租約資本化，包括早前根據香港會計準則第17號分類為營運租約的租約（短期租約及低價值資產租約獲豁免除外）。就本集團而言，該等新資本化的租約主要涉及附註18所披露的物業、廠房及設備。有關本集團如何應用承租人會計處理的解釋，請參閱附註3(f)。

於過渡至香港財務報告準則第16號之日（即二零一九年一月一日），本集團釐定餘下租期的長度，並將早前分類為營運租約的租約的租賃負債按餘下租賃付款的現值（使用於二零一九年一月一日的相關增量借貸利率貼現）計量。釐定餘下租賃付款的現值所使用的加權平均增量借貸利率為5%。

為緩解向香港財務報告準則第16號的過渡，本集團於首次應用香港財務報告準則第16號之日應用以下確認豁免及實際權宜之計：

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

HKFRS 16, Leases (continued)

b. Lessee accounting and transitional impact (continued)

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019; and
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

The following table reconciles the operating lease commitments as disclosed in note 41(b) as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

| | | |
|---|----------------------------|--------------|
| Operating lease commitments at 31 December 2018 | 於二零一八年十二月三十一日的營運租約承擔 | 6,770 |
| Less: Total future interest expenses | 減：未來利息開支總額 | (559) |
| Total lease liabilities recognised at 1 January 2019 | 於二零一九年一月一日確認的租賃負債總額 | 6,211 |

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

b. 承租人會計處理及過渡影響（續）

- (i) 本集團已選擇不對餘下租期於首次應用香港財務報告準則第16號之日起12個月內結束（即租期於二零一九年十二月三十一日或之前結束）的租約應用香港財務報告準則第16號有關確認租賃負債及使用權資產的規定；及
- (ii) 計量於首次應用香港財務報告準則第16號之日的租賃負債時，本集團對具有合理相似特徵的租約組合（如有關類似經濟環境中類似類別的相應資產的餘下租期相近的租約）應用單一貼現率。

下表列示附註41(b)披露的於二零一八年十二月三十一日的營運租約承擔與於二零一九年一月一日確認的租賃負債期初結餘的對賬：

1 January 2019
二零一九年
一月一日
HK\$'000
千港元

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

HKFRS 16, Leases (continued)

b. Lessee accounting and transitional impact (continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised as if HKFRS 16 had always been applied since the commencement date of the lease.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of “obligations under finance leases”, these amounts are included within “lease liabilities”, and the depreciated carrying amount of the corresponding leased assets is identified as right-of-use assets. There is no impact on the opening balance of equity and the Group also did not have finance leases.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group’s consolidated statement of financial position:

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

b. 承租人會計處理及過渡影響（續）

與早前分類為營運租約的租約有關的使用權資產已確認，猶如香港財務報告準則第16號自租約開始日期起始終應用。

就採納香港財務報告準則第16號對早前分類為融資租約的租約之影響而言，除修改結餘標題外，本集團毋須於首次應用香港財務報告準則第16號之日作出任何調整。因此，該等款項計入「租賃負債」，而非「融資租約責任」，而相應租賃資產的已折舊賬面值識別為使用權資產。權益期初結餘並無受到影響，本集團亦並無融資租約。

下表概述採納香港財務報告準則第16號對本集團的綜合財務狀況表的影響：

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綜合財務報表附註

For the year ended 31 December 2019
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16, Leases (continued)

b. Lessee accounting and transitional impact (continued)

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

b. 承租人會計處理及過渡影響（續）

| Carrying amount at 31 December 2018 | Capitalisation of operating lease contracts | Carrying amount at 1 January 2019 |
|-------------------------------------|---|-----------------------------------|
| 於二零一八年十二月三十一日的賬面值 | 營運租約合約資本化 | 於二零一九年一月一日的賬面值 |
| HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 |

| Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16: | 綜合財務狀況表中受採納香港財務報告準則第16號影響的項目： | | | |
|--|-------------------------------|----------------|----------------|----------------|
| Property, plant and equipment | 物業、廠房及設備 | 2,165 | 6,010 | 8,175 |
| Total non-current assets | 非流動資產總額 | 14,986 | 6,010 | 20,996 |
| Lease liabilities (current) | 租賃負債（流動） | - | 2,445 | 2,445 |
| Current liabilities | 流動負債 | 50,849 | 2,445 | 53,294 |
| Net current assets | 流動資產淨值 | 650,198 | (2,445) | 647,753 |
| Total assets less current liabilities | 總資產減流動負債 | 665,184 | 3,565 | 668,749 |
| Lease liabilities (non-current) | 租賃負債（非流動） | - | 3,766 | 3,766 |
| Total non-current liabilities | 非流動負債總額 | 142 | 3,766 | 3,908 |
| Net assets | 資產淨值 | 665,042 | (201) | 664,841 |
| Accumulated losses | 累計虧損 | (1,168,016) | (201) | (1,168,217) |
| Total equity | 總權益 | 665,042 | (201) | 664,841 |

c. Impact on the financial result, segment results and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term.

c. 對本集團財務業績、分部業績及現金流量的影響

於二零一九年一月一日初始確認使用權資產及租賃負債後，本集團（作為承租人）須確認就租賃負債的未結清餘額應計的利息開支，以及使用權資產折舊，而非早前政策於租期內按直線法確認根據營運租約產生的租金開支。

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綜合財務報表附註

For the year ended 31 December 2019
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16, Leases (continued)

c. **Impact on the financial result, segment results and cash flows of the Group** (continued)

In the statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element (see note 32(b)). These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the statement of cash flows (see note 32(c)).

The following tables give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial result, segment results and cash flows for the year ended 31 December 2019, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

c. 對本集團財務業績、分部業績及現金流量的影響（續）

於現金流量表中，本集團（作為承租人）須將根據已資本化租約已付的租金分成本金部分及利息部分（見附註32(b)）。該等部分分類為融資現金流出，與早前根據香港會計準則第17號分類為融資租約的租約處理方式類似，而非分類為經營現金流出（如香港會計準則第17號下營運租約）。儘管總現金流量未受影響，但採納香港財務報告準則第16號因此導致現金流量表中現金流量的呈列出現重大變動（見附註32(c)）。

下表透過調整該等綜合財務報表中根據香港財務報告準則第16號報告的金額，以計算在香港會計準則第17號於二零一九年繼續適用的情況下根據該被取代準則將確認的假設金額的估計，並透過將二零一九年的假設金額與二零一八年同期的實際金額（根據香港會計準則第17號編製）比較，列示採納香港財務報告準則第16號對本集團截至二零一九年十二月三十一日止年度的財務業績、分部業績及現金流量的估計影響。

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

HKFRS 16, Leases (continued)

c. Impact on the financial result, segment results and cash flows of the Group (continued)

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

c. 對本集團財務業績、分部業績及現金流量的影響（續）

| | 2019 二零一九年 | | 2018 二零一八年 | |
|---|---|--|--|---|
| | | Deduct: Estimated amounts related to | | |
| Amounts reported under HKFRS 16 (A) | Add back: HKFRS 16 depreciation and interest expense (B) | operating leases as if under HKAS 17 (note 1) (C) | Hypothetical amounts for 2019 as if under HKAS 17 (D=A+B-C) | Compared to amounts reported for 2018 under HKAS 17 |
| | | 扣除： | | |
| | | 有關營運租約 的估計金額 | 二零一九年 假設金額 (猶如根據 香港會計準則 第17號) | 與於 二零一八年 根據香港會計 準則第17號 報告的金額 相比 |
| 根據 香港財務報告 準則第16號 報告的金額 (A) | 加回： 香港財務報告 準則第16號折 舊及利息開支 (B) | (猶如根據 香港會計準則 第17號) (附註1) (C) | (D=A+B-C) | |
| 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 |

| | | | | | | |
|---|---|-----------|-------|-------|-----------|-----------|
| Financial result for year ended 31 December 2019 impacted by the adoption of HKFRS 16: | 受採納香港財務報告準則 第16號影響的截至 二零一九年 十二月三十一日 止年度的財務業績： | | | | | |
| Loss from operations | 經營虧損 | (143,315) | 2,447 | 2,756 | (143,624) | (120,594) |
| Finance costs | 財務成本 | (16,176) | 310 | - | (15,866) | (832) |
| Loss before tax | 除稅前虧損 | (159,491) | 2,757 | 2,756 | (159,490) | (117,905) |
| Loss for the year | 年內虧損 | (159,691) | 2,757 | 2,756 | (159,690) | (117,563) |

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

HKFRS 16, Leases (continued)

c. **Impact on the financial result, segment results and cash flows of the Group (continued)**

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

c. **對本集團財務業績、分部業績及現金流量的影響（續）**

| | 2019 二零一九年 | | 2018 二零一八年 | | |
|---|-------------------------------------|--|--|---|---|
| | Amounts reported under HKFRS 16 (A) | Add back: HKFRS 16 depreciation and interest expense (B) | Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note 1) (C) | Hypothetical amounts for 2019 as if under HKAS 17 (D=A+B-C) | Compared to amounts reported for 2018 under HKAS 17 |
| | 根據香港財務報告準則第16號報告的金額 | 加回：香港財務報告準則第16號折舊及利息開支 | 扣除：有關營運租約的估計金額（猶如根據香港會計準則第17號） | 二零一九年 假設金額 （猶如根據香港會計準則第17號） | 與於二零一八年 根據香港會計準則第17號 報告的金額 相比 |
| | 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 |
| Reportable segment profit for the year ended 31 December 2019 (note 8(a)) impacted by the adoption of HKFRS 16: | | | | | |
| - Trading of securities and securities brokerage | (88,609) | 1,361 | 1,360 | (88,608) | (105,944) |
| - Unallocated head office and corporate expenses | - | 1,396 | 1,396 | - | - |
| - Total | (86,374) | 2,757 | 2,756 | (86,373) | (103,685) |

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

HKFRS 16, Leases (continued)

c. Impact on the financial result, segment results and cash flows of the Group (continued)

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

c. 對本集團財務業績、分部業績及現金流量的影響（續）

| | 2019 二零一九年 | | 2018 二零一八年 | |
|--|---|--|---|--------------------------------------|
| | Amounts reported under HKFRS 16 (A) | Estimated amounts related to operating leases as if under HKAS 17 (note 1 & 2) (B) | Hypothetical amounts for 2019 as if under HKAS 17 (C=A+B) | Compared to amounts reported HKAS 17 |
| | 根據香港財務報告準則第16號報告的金額 (A) | 有關營運租約的估計金額（猶如根據香港會計準則第17號）（附註1及2） (B) | 二零一九年假設金額（猶如根據香港會計準則第17號） (C=A+B) | 與根據香港會計準則第17號報告的金額相比 |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Line items in the consolidated statement of cash flows for year ended 31 December 2019 impacted by the adoption of HKFRS 16: | 截至二零一九年十二月三十一日止年度的綜合現金流量表中受採納香港財務報告準則第16號影響的項目： | | | |
| Cash generated from operations | | 經營所得現金 | | |
| Net cash used in operating activities | (205,681) | 經營活動所用之現金淨額 | (208,437) | (264,007) |
| Capital element of lease rentals paid | 2,445 | 已付租賃租金的本金部分 | - | - |
| Interest element of lease rentals paid | 310 | 已付租賃租金的利息部分 | - | - |
| Net cash generated from financing activities | 936,370 | 融資活動所得之現金淨額 | 939,125 | 46,496 |

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

HKFRS 16, Leases (continued)

c. Impact on the financial result, segment results and cash flows of the Group (continued)

Note 1: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note 2: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if HKAS 17 still applied.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

c. 對本集團財務業績、分部業績及現金流量的影響（續）

附註1：「有關營運租約的估計金額」為對與在香港會計準則第17號於二零一九年仍然適用的情況下將分類為營運租約的租約有關的二零一九年現金流量金額的估計。該估計假設租金與現金流量之間並無差異，且於二零一九年訂立的所有新租約在香港會計準則第17號於二零一九年仍然適用的情況下將分類為營運租約。任何潛在的稅務影響淨額不予考慮。

附註2：在本影響表格中，該等現金流出由融資重新分類為經營，以計算香港會計準則第17號仍然適用的情況下經營活動所產生之現金淨額及融資活動所動用之現金淨額的假設金額。

3. 主要會計政策

(a) 合規聲明

該等財務報表乃按照香港會計師公會頒佈之所有適用香港財務報告準則（包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港《公司條例》之規定而編製。該等財務報表亦符合香港聯合交易所有限公司上市規則（「上市規則」）之適用披露條文。本集團所採納之主要會計政策披露如下。

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For the year ended 31 December 2019
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(a) Statement of compliance (continued)

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the “Group”).

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These financial statements are presented in Hong Kong dollars (“HK\$”), rounded to the nearest thousand except for per share data. Hong Kong dollar is the Company’s functional and the Group’s presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for other financial assets, held-for-trading investments and convertible notes receivable (see note 3(m)), which are stated at their fair value, as explained in the accounting policies set out below.

3. 主要會計政策 (續)

(a) 合規聲明 (續)

香港會計師公會已頒佈若干於本集團當前會計期間首次生效或可供提早採納的新訂及經修訂香港財務報告準則。附註2提供有關因初步應用該等發展而導致的會計政策變動的資料(以就本期間及過往會計期間與本集團相關,且已反映在該等財務報表中者為限)。

(b) 財務報表的編製基準

截至二零一九年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

本集團各實體的財務報表中項目均以該等實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。該等財務報表以港元(「港元」)呈列,並約整至最接近的千港元,每股數據除外。港元為本公司的功能貨幣及本集團的呈報貨幣。

編製財務報表使用的計量基準為歷史成本法,惟其他財務資產、持作買賣投資及應收可換股票據(見附註3(m))按公平值入賬除外(如下文所載會計政策解釋)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the financial statements (continued)

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

3. 主要會計政策 (續)

(b) 財務報表的編製基準 (續)

編製符合香港財務報告準則的財務報表需要管理層作出影響政策應用及所申報資產及負債、收入及開支金額的判斷、估計及假設。估計及相關假設乃基於過往經驗及於有關情況下被認為屬合理之多項其他因素，其結果構成對未能從其他來源獲得之資產及負債賬面值作出判斷之基準。實際結果或會有別於該等估計。

估計及相關假設乃按持續基準進行審閱。倘會計估計之修訂僅影響估計獲修訂之期間，則有關修訂會於該期間確認，或倘修訂影響目前及未來期間，則會於修訂期間及未來期間確認。

管理層應用香港財務報告準則時作出的對財務報表具有重大影響的判斷及估計不確定因素的主要來源於附註4討論。

(c) 附屬公司及非控股權益

附屬公司為本集團控制的實體。當本集團透過參與實體業務而享有或有權取得該實體的可變回報且有能力透過其於該實體的權力影響該等回報金額時，本集團對該實體擁有控制權。在評估本集團是否具有權力時，僅考慮(本集團及其他方持有的)實質權利。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Subsidiaries and non-controlling interests

(continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

3. 主要會計政策 (續)

(c) 附屬公司及非控股權益 (續)

於附屬公司的投資自控制開始之日起至控制終止之日止綜合入綜合財務報表。集團內部公司間的結餘、交易及現金流以及因集團內部公司間交易產生的任何未變現溢利，已於編製綜合財務報表時悉數對銷。因集團內部公司間交易產生的未變現虧損按與未變現收益相同的方式對銷，但僅以無減值證據者為限。

非控股權益指附屬公司中並非由本公司直接或間接應佔的權益，且本集團並未與該等權益的持有人協定額外條款，以致本集團整體將對該等權益具有符合財務負債定義的合約義務。就每次業務合併而言，本集團可選擇將任何非控股權益按公平值或按非控股權益佔該附屬公司可識別淨資產的比例計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Subsidiaries and non-controlling interests

(continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 3(m)).

3. 主要會計政策 (續)

(c) 附屬公司及非控股權益 (續)

非控股權益於綜合財務狀況表內權益中呈報，與本公司股權持有人應佔權益分開。本集團業績中的非控股權益在綜合損益表與綜合損益及其他全面收入表呈報，作為非控股權益與本公司股權持有人之間年度總損益及全面收入總額的分配。非控股權益持有人提供的貸款及對該等持有人的其他合約義務，在綜合財務狀況表中呈報為財務負債，視乎負債的性質而定。

本集團於附屬公司的權益變動如未導致喪失控制權，作為股權交易入賬，據此綜合入賬實體內控股權益及非控股權益的金額作出調整，以反映相對權益變動，但不對商譽作出調整，不確認收益或虧損。

當本集團喪失附屬公司的控制權時，作為出售該附屬公司的全部權益入賬，因此產生的收益或虧損於損益確認。於控制權喪失日期在該前附屬公司保留的任何權益按公平值確認，該金額視為財務資產(見附註3(m))初步確認時的公平值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Subsidiaries and non-controlling interests

(continued)

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 3(q), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Revenue recognition and other income

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Further details of the Group's revenue and other income recognition policies are as follows:

Commission income is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed. The Group provides custodian and handling services for securities customer accounts. Clearing fee income is recognised when the transaction is executed and service is completed, except for custodian service fee which is recognised over time.

3. 主要會計政策 (續)

(c) 附屬公司及非控股權益 (續)

在本公司財務狀況表中，於附屬公司的投資按成本減去減值虧損（見附註3(q)）入賬，除非投資分類為持作出售（或計入分類為持作出售的組別）。

(d) 收入確認及其他收入

來自客戶合約之收入

來自客戶合約之收入在商品或服務的控制權轉移予客戶時，按反映本集團預期因交換該等商品或服務而有權獲得的代價之金額確認。

當合約代價包括可變金額時，本集團將因向客戶轉讓商品或服務而有權交換的代價金額予以估計。可變代價在合約開始時估計並限制，直至累計確認的收入金額在與可變代價相關的不確定性隨後解決的情況下不會發生重大收入撥回時。

本集團的收入及其他收入確認政策的進一步詳情如下：

佣金收入在交易執行日期的時間點，按所執行交易的交易金額的一定比例確認。本集團提供證券客戶賬戶的託管及處理服務。結算費收入在交易執行及服務完成時確認，於某一時間段確認的託管服務費除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Revenue recognition and other income

(continued)

Revenue from contracts with customers

(continued)

Royalty income from the licensing of trademarks and copyrights is generally recognised in periods when royalties are reported by licensees about the related product sales.

Revenue from investments in films represents the Group's share certain percentage of income to be generated from the related film, after the deduction of the relevant charges and expenses. The Group's share of profit is determined in accordance with the percentage of total invested amount set out in the respective film investment agreements and is recognised over the period.

Revenue from other sources

Interest income is recognised on an accrual basis using the effective interest method as described in the accounting policy of financial instruments.

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

Income from the sales of equity securities is recognised on a trade date basis.

3. 主要會計政策 (續)

(d) 收入確認及其他收入 (續)

來自客戶合約之收入 (續)

來自商標及版權授權的特許費收入一般在獲特許人錄得相關產品銷售的特許費的期間確認。

來自投資電影的收入指本集團應佔相關電影產生的收入(扣除相關費用及開支後)的一定比例。本集團應佔溢利按照各電影投資協議所載總投資額的比例釐定，並於某一時間段確認。

來自其他來源之收入

利息收入使用金融工具會計政策中所述的實際利率法按應計基準確認。

投資股息收入在股東收取款項的權利已確立時確認。

銷售股本證券之收入按交易日期確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment

The following items of property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses:

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 3(f)).

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

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

3. 主要會計政策 (續)

(e) 物業、廠房及設備

以下物業、廠房及設備項目於綜合財務狀況表以成本值減其後累計折舊及其後累計減值虧損列賬：

- 因自有或租賃物業的租約產生的使用權資產(如本集團並非物業權益的登記擁有人); 及
- 廠房及設備項目, 包括因相關廠房及設備的租約產生的使用權資產(見附註3(f))。

折舊乃根據估計可用年期, 以直線法將其成本減估計剩餘價值撇銷確認。估計可用年期、剩餘價值和折舊方法會在各報告期末審閱, 並按預期基準計入任何估計變動之影響。

歷史成本包括收購項目直接產生的開支。

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可收回金額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment (continued)

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

(f) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

(A) Policy applicable from 1 January 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

3. 主要會計政策 (續)

(e) 物業、廠房及設備 (續)

物業、廠房及設備項目於出售或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於物業、廠房及設備項目出售或報廢時產生之任何盈虧按出售所得款項淨額與資產賬面值間之差額釐定，並於損益中確認。

(f) 租賃資產

本集團於合約開始時評估合約是否為租賃或包含租賃。如合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。當客戶既有權指導已識別資產的使用，又有權從該使用中獲得絕大部分經濟利益時，即表示控制權已轉移。

作為承租人

(A) 自二零一九年一月一日起適用的政策

如合約包含租賃部分及非租賃部分，本集團已選擇不將非租賃部分分開，而是將所有租約的各租賃部分與任何相關非租賃部分區分作為單一租賃部分入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leased assets (continued)

As a lessee (continued)

(A) Policy applicable from 1 January 2019 (continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

3. 主要會計政策 (續)

(f) 租賃資產 (續)

作為承租人 (續)

(A) 自二零一九年一月一日起適用的政策 (續)

於租約開始日期，本集團確認使用權資產及租賃負債，租期為12個月或以下的短期租約及低價值資產（本集團主要為筆記本電腦及辦公傢俱）租約除外。如本集團就低價值資產訂立租約，本集團逐項租約決定是否將租約資本化。與未資本化的租約相關的租賃付款於租期內按系統化基準確認為開支。

如租約資本化，租賃負債初步按租期內應付租賃款項的現值確認，並使用租約隱含的利率或（如該利率無法可靠釐定）使用相關增量借貸利率貼現。初始確認後，租賃負債按攤銷成本計量，利息開支使用實際利率法計算。不依賴指數或利率的可變租賃付款不計入租賃負債的計量，因此於所產生的會計期間從損益扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leased assets (continued)

As a lessee (continued)

(A) Policy applicable from 1 January 2019 (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 3(e) and 3(q)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'other property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

3. 主要會計政策 (續)

(f) 租賃資產 (續)

作為承租人 (續)

(A) 自二零一九年一月一日起適用的政策 (續)

租約資本化時確認的使用權資產初步按成本計量，包括租賃負債的初始金額加上於開始日期或之前已作出的任何租賃付款，以及所產生的任何初始直接成本。(如適用)使用權資產的成本亦包括拆卸及拆除相關資產或將相關資產或其所在場地恢復原狀的估計成本(貼現至現值)，減去任何已收租金優惠。使用權資產隨後按成本減去累計折舊及減值虧損入賬(見附註3(e)及3(q))。

當指數或利率變化導致未來租賃付款變化，或本集團對根據剩餘價值擔保預期應付款項的估計變化，或因重新評估本集團是否合理確定能行使購買、延長或終止選擇權而變化時，租賃負債重新計量。當租賃負債按此方式重新計量時，對使用權資產的賬面值作出相應調整，或如使用權資產的賬面值已減少至零，則於損益入賬。

本集團將不符合投資物業定義的使用權資產於「其他物業、廠房及設備」中呈列，並將租賃負債於財務狀況表中分開呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leased assets (continued)

As a lessee (continued)

(B) Policy applicable prior to 1 January 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost or valuation of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset, as set out in note 3(e). Impairment losses were accounted for in accordance with the accounting policy as set out in note 3(n). Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

3. 主要會計政策 (續)

(f) 租賃資產 (續)

作為承租人 (續)

(B) 於二零一九年一月一日前適用的政策

於比較期間，如租約將擁有權的絕大部分風險及回報轉讓予本集團，本集團（作為承租人）將租約分類為融資租約。未將擁有權的絕大部分風險及回報轉讓予本集團的租約分類為營運租約。

如本集團根據融資租約獲得資產的使用權，代表租賃資產公平值的金額或（如較低）該等資產最低租賃付款的現值確認為物業、廠房及設備，相應負債（扣除財務費用）確認為融資租賃責任。折舊按將資產成本或估值於相關租約的租期或（如本集團可能取得資產的擁有權）該資產壽命撇銷的比率作出撥備（如附註3(e)所載）。減值虧損按照附註3(n)所載會計政策入賬。租賃付款中隱含的財務費用於租約期間從損益扣除，以就各會計期間義務的餘額產生大致恆定的定期收費率。或然租金於產生的會計期間從損益扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leased assets (continued)

As a lessee (continued)

(B) Policy applicable prior to 1 January 2019 (continued)

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

(g) Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

(f) 租賃資產 (續)

作為承租人 (續)

(B) 於二零一九年一月一日前適用的政策 (續)

如本集團根據營運租約持有資產的使用權，根據租約作出的付款於租期涵蓋的會計期間按等額分期從損益扣除，除非其他基準更能代表將因租賃資產產生的利益模式。已收租賃優惠作為作出的總租賃付款淨額的一部分於損益確認。或然租金於產生的會計期間從損益扣除。

(g) 外幣

編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易乃按交易日當時之匯率確認。於各報告期末，以外幣列值之貨幣項目以報告期末當日之匯率重新換算。以外幣列值按公平值列賬之非貨幣項目按釐定公平值之日當時之匯率重新換算。以歷史成本計算之非貨幣項目不予重新換算。

換算貨幣項目所產生兌換差額於產生期間於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Foreign currencies (continued)

Functional currency of a group entity is changed only if there is a change to the underlying transactions, events and conditions that are relevant to the entity. Such effect is accounted for prospectively at the date of change, the entity translates all items into the new functional currency using the prevailing exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost. Exchange differences arising from the translation of a foreign operation previously recognised in comprehensive income are not reclassified from equity to profit or loss until the disposal of the operation.

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

(h) Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策 (續)

(g) 外幣 (續)

集團實體之功能貨幣僅於實體之相關交易、事件及狀況出現變動時方會更改，其影響於更改日期入賬，實體按更改日期當時匯率將所有項目換算為新功能貨幣。非貨幣項目之換算所得金額視作歷史成本處理。過往於全面收入確認之換算海外業務所產生兌換差額不會自權益重新分類至損益，直至出售有關業務為止。

就呈列綜合財務報表而言，本集團境外業務之資產及負債均按各報告期末當時之匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目乃按期內平均匯率換算，除非期內匯率大幅波動，則使用於交易日當時之匯率。所產生兌換差額(如有)於其他全面收入確認，並累計於權益中換算儲備項下。

(h) 退休福利成本

強制性公積金計劃(「強積金計劃」)之供款於僱員已提供可使彼等有權獲得供款之服務時確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Equity-settled share-based payment transactions

Share options granted to employees

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of option that will eventually vest, with a corresponding increase in equity (share option reserve).

Share options granted to individuals other than employees

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

At the end of each reporting period, the Group revises its estimate of the number of options that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

3. 主要會計政策 (續)

(i) 以權益結算之股權支付交易

授予僱員之購股權

根據本集團對最終將歸屬的購股權的估計，於授出日期釐定的以權益結算之股權支付的公平值(未計及所有非市場歸屬條件)，於歸屬期按直線法支銷，於並相應增加權益(購股權儲備)。

授予僱員以外的個人之購股權

就授予僱員以外的個人之購股權而言，為交換商品或服務而發行的購股權乃按所收到商品或服務的公平值計量，除非公平值無法可靠計量，在此情況下，所收到商品或服務參考所授出購股權的公平值計量。當本集團取得商品或對手方提供服務時，所收到的商品或服務的公平值確認為開支，並相應增加權益(購股權計劃儲備)，除非商品或服務符合資格確認為資產。

於各報告期末，本集團根據對所有相關非市場歸屬條件的評估，修訂對預期歸屬的購股權數目的估計。修訂有關估計引致之影響(如有)於損益中確認以使累計開支反映已修訂估計，並於購股權儲備作出相應調整。

於授出日期即時歸屬之已授出購股權之公平值即時於損益支銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

Share options granted to individuals other than employees (continued)

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

(j) Taxation

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

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

3. 主要會計政策 (續)

(i) 以權益結算之股權支付交易 (續)

授予僱員以外的個人之購股權 (續)

當購股權獲行使時，已於購股權儲備中確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，已於購股權儲備中確認之金額將轉撥至累計虧損。

(j) 稅項

所得稅開支指即期應繳稅項及遞延稅項之總和。

即期應繳稅項乃按年內應課稅溢利計算。應課稅溢利有別於綜合損益及其他全面收入表申報之「除稅前溢利」，源於其他年度應課稅或可扣稅之收入或支出項目以及毋須課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已頒佈或實際頒佈之稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Taxation (continued)

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

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

3. 主要會計政策 (續)

(j) 稅項 (續)

遞延稅項乃就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認入賬，而遞延稅項資產一般會於可能有應課稅溢利以抵銷可扣稅暫時差額時就所有可扣稅暫時差額確認入賬。倘在不影響應課稅溢利或會計溢利之交易中因初步確認(業務合併除外)之資產及負債而產生之暫時差額，則遞延稅項資產及負債不予確認。此外，倘暫時差額因初步確認商譽而產生，則遞延稅項負債不予確認。

遞延稅項負債乃就與於附屬公司之投資及於合營企業之權益相關之應課稅暫時差額確認，惟倘本集團能夠控制暫時差額撥回及暫時差額將不會於可見將來撥回之情況除外。與該等投資及權益相關之可扣除暫時差額所產生之遞延稅項資產僅於可能產生足夠應課稅溢利以動用暫時差額利益並預期可於可見將來撥回時方予確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Taxation (continued)

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

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

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

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策 (續)

(j) 稅項 (續)

遞延稅項資產之賬面值會於各報告期末審閱，並調減至應課稅溢利已沒可能足以收回全部或部分資產為止。

遞延稅項資產及負債按根據於報告期末已頒佈或實際頒佈之稅率（及稅法）於預期清償負債或變現資產期間適用之稅率計算。

計算遞延稅項負債及資產反映本集團預期於報告期末收回或償還資產及負債賬面值所採用處理方法之稅務影響。

即期及遞延稅項於損益中確認，除非與在其他全面收入中確認或直接於權益中確認之項目有關，於此情況下，即期及遞延稅項亦分別於其他全面收入中或直接於權益中確認。倘因來自業務合併之初步會計方法之即期稅項或遞延稅項，有關稅務影響會計入業務合併中。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

3. 主要會計政策 (續)

(k) 業務合併及商譽

業務合併使用收購法入賬。所轉讓代價按收購日期的公平值計量，即本集團轉讓的資產、本集團向原擁有人承擔的負債及本集團為交換被收購方控制權而發行的股權於收購日期的公平值總和。就各業務合併而言，本集團選擇被收購方中屬於現時擁有權且令持有人可在被收購方清盤時獲得該實體一定份額的非控股權益，按公平值或按佔被收購方的可識別資產淨值的比例計量。非控股權益的所有其他部分按公平值計量。收購相關成本於產生時列為開支。

當本集團收購業務時，其評估財務資產及所承擔負債，以按照合約條款、收購日期的經濟情況及相關狀況進行適當分類及指定。這包括將被收購方主合約中的嵌入式衍生工具分開。

如業務合併分階段實現，早前持有的股權按收購日期的公平值重新計量，因此產生的任何收益或虧損於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

(continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at the end of the reporting period. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

3. 主要會計政策 (續)

(k) 業務合併及商譽 (續)

收購方將予轉讓的任何或然代價乃按收購日期的公平值確認。分類為資產或負債的或然代價按公平值計量，公平值變動於損益確認。分類為權益的或然代價不予重新計量，而其後結算於權益入賬。

商譽初步按成本(即所轉讓代價、就非控股權益確認的金額及本集團早前於被收購方持有的股權公平值的總額，超出所收購可識別資產淨值及所承擔負債的部分)計量。如該代價與其他項目的總和低於所收購淨資產的公平值，差額經重新評估後於損益確認為議價購買收益。

初步確認後，商譽按成本減任何累計減值虧損入賬。商譽每年進行減值測試，如有事件或情況變化表明賬面值可能減值，則更頻繁地進行減值測試。本集團於報告期末對商譽進行年度減值測試。就減值測試而言，業務合併中收購的商譽自收購日期起分配至預期受益於合併協同效益的本集團各現金產生單位或現金產生單位組別(不論本集團其他資產或負債是否分配予該等單位或單位組別)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

(continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (“CGU”) (group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

An impairment loss recognised for goodwill is not reversed in a subsequent period. Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(l) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life 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 financial year end.

3. 主要會計政策 (續)

(k) 業務合併及商譽 (續)

減值透過評估商譽涉及的現金產生單位(「現金產生單位」)(現金產生單位組別)的可收回金額而釐定。如現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。

就商譽確認的減值虧損不會於隨後期間撥回。如商譽分配予現金產生單位(或現金產生單位組別)，且該單位內部分經營被出售，則與被出售經營有關的商譽在釐定出售收益或虧損時計入經營的賬面值。在此情況下，被出售的商譽基於所出售經營及所保留現金產生單位部分的相對價值計量。

(l) 無形資產

單獨收購的無形資產

單獨收購的無形資產於初步確認時按成本計量。於業務合併中收購的無形資產成本指於收購日期的公平值。無形資產的可使用年期評估為有限或無限。可使用年期有限的無形資產於隨後可使用經濟壽命內攤銷，並在有跡象表明無形資產可能已減值時評估減值。可使用年期有限的無形資產的攤銷期及攤銷方法至少於各財政年度末檢討。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Intangible assets (continued)

Intangible assets acquired separately (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the 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.

CGI animation pictures

CGI animation pictures, which represent CGI animation pictures in which the Group retains ownership, consist of film rights of completed CGI animation pictures and CGI animation pictures of which the productions are still in progress.

CGI animation pictures in progress are stated at costs incurred to date, including all the costs directly attributable to the CGI animation pictures in progress and borrowing costs capitalised, less accumulated impairment losses. Upon completion and release of the CGI animation pictures, the costs are amortised based on the proportion of actual income earned during the year to the estimated total income expected to be generated from the relevant CGI animation pictures.

Completed CGI animation pictures are stated at cost incurred to date, representing all the costs directly attributable to the completed CGI animation pictures and borrowing costs capitalised, less accumulated amortisation and accumulated impairment losses.

3. 主要會計政策 (續)

(I) 無形資產 (續)

單獨收購的無形資產 (續)

可使用年期無限的無形資產每年個別或按現金產生單位級別測試減值。該等無形資產不予攤銷。可使用年期無限的無形資產之可使用年期每年進行檢討，以釐定無限可使用年期評估是否繼續得到支持。如否，則將可使用年期評估由無限至有限的變動按前瞻性基準入賬。

電腦造像動畫

電腦造像動畫指本集團仍持有擁有權之電腦造像動畫，包括已完成電腦造像動畫及製作中之電腦造像動畫之影片權。

製作中之電腦造像動畫乃按照迄今已產生之成本，包括製作中之電腦造像動畫直接應佔之全部成本及已撥充資本之借貸成本，減累計減值虧損列賬。完成及發行電腦造像動畫時，成本按年內實際賺取收入佔預期將自有關電腦造像動畫產生之估計總收入之比例攤銷。

已完成電腦造像動畫乃按照迄今已產生之成本，即已完成電腦造像動畫直接應佔之全部成本及已撥充資本之借貸成本，減累計攤銷及累計減值虧損列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Intangible assets (continued)

Intangible assets acquired separately (continued)

CGI animation pictures (continued)

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

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. 主要會計政策 (續)

(i) 無形資產 (續)

單獨收購的無形資產 (續)

電腦造像動畫 (續)

無形資產於出售時或於預期日後使用或出售不會產生經濟利益時終止確認。終止確認無形資產產生之損益按該資產出售所得收益淨額與其賬面值之差額計量，並於終止確認資產時在損益確認。

業務合併中收購的無形資產

業務合併中收購的無形資產與商譽分開確認，初步按收購日期的公平值(被視為成本)確認。

於初步確認後，業務合併中收購的無形資產按與單獨收購的無形資產相同之基準，以成本減累計攤銷及累計減值虧損入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Intangible assets (continued)

Intangible assets acquired separately

(continued)

Trading rights

Trading rights represent the eligibility rights to trade on or through the Stock Exchange and Hong Kong Futures Exchange Limited with indefinite useful lives. They are carried at cost less accumulated impairment losses. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash flows indefinitely. The trading rights will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

Film rights

Film right investments are the Group's investments in film production project which entitles the Group to share certain percentage of income to be generated from the related film based on the proportion of investments amounts as specified in respective film right investments agreements.

Film right investments are stated at cost, less any identified impairment loss. The costs of film right investments are recognised as expenses in cost of sales upon the entitlement of income in accordance with respective film right investments agreements.

3. 主要會計政策 (續)

(I) 無形資產 (續)

單獨收購的無形資產 (續)

交易權

交易權指於或透過聯交所及香港期貨交易所有限公司交易的資格權利，具有無限可使用年期。交易權按成本減累計減值虧損入賬。本集團使用交易權產生現金流量淨額的期間並無可預見的期限。因此，本集團管理層認為交易權具有無限可使用年期，原因是交易權預期將無限產生現金流量淨額。交易權不會攤銷，直到其可使用年期被認定有限為止。相反，交易權每年並在有跡象表明可能已減值時測試減值。

電影版權

電影版權投資指本集團於電影製作項目的投資，該投資令本集團可按各電影版權投資協議指明的投資金額比例分享相關電影產生的一定百分比的收入。

電影版權投資按成本減任何已識別的減值虧損入賬。電影版權投資的成本在按照各電影版權投資協議獲得收入時於銷售成本中確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(l) Intangible assets (continued)

Intangible assets acquired separately (continued)

Derecognition of intangible assets

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

(m) Financial assets and liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an ECL allowance is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income (“FVOCI”), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

3. 主要會計政策 (續)

(l) 無形資產 (續)

單獨收購的無形資產 (續)

終止確認無形資產

無形資產於出售時或預期不會從使用或出售獲得未來經濟利益時終止確認。因終止確認無形資產產生的收益及虧損，按出售所得款項淨額與資產賬面值之間的差額計量，在資產終止確認時於損益確認。

(m) 財務資產及負債

初始確認及計量

財務資產及財務負債於實體成為工具合約條文之訂約方時確認。正常的財務資產買賣乃於交易日期(即本集團承諾買賣該資產之日)確認。

初始確認時，本集團按公平值加上或減去(就並非透過損益按公平值列賬的財務資產或財務負債而言)收購或發行財務資產或財務負債直接應佔的增量交易成本(如費用及佣金)計量財務資產或財務負債，因客戶合約產生的應收賬款按照香港財務報告準則第15號初始計量除外。透過損益按公平值列賬的財務資產及財務負債之交易成本於損益列為開支。緊隨初始確認後，就按攤銷成本計量的財務資產及透過其他全面收入按公平值列賬(「透過其他全面收入按公平值列賬」)計量的於債務工具之投資確認預期信貸虧損撥備，導致在新產生資產時於損益確認會計虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

Initial recognition and measurement

(continued)

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

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- (i) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (ii) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

初始確認及計量 (續)

實際利率法乃計算財務資產或財務負債的攤銷成本及於相關期間攤分利息收入及利息開支的方法。實際利率是在財務資產或財務負債的預計年期或較短期間(如適用)內，將估計未來現金收款及付款(包括構成實際利率組成部份的所付或所收到的所有費用及點子、交易成本及其他溢價或折讓)準確貼現至於初始確認時的賬面淨值所使用的利率。

當財務資產及負債的公平值與初始確認時的交易價不同時，實體按以下方式確認差額：

- (i) 當公平值由相同資產或負債的活躍市場報價(即第1級輸入數據)證明或基於僅使用可觀察市場數據的估值技術時，差額確認為收益或虧損。
- (ii) 在所有其他情況下，差額遞延，確認遞延第一天損益的時間個別釐定。其於工具年期內攤銷，遞延至可使用市場可觀察輸入數據釐定工具的公平值，或透過結算變現。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets

(i) Classification and subsequent measurement

The Group's financial assets include accounts receivable, deposits and other receivables, loans and advances to customers, client trust bank balances, financial assets at fair value through profit or loss, derivative financial instruments, other assets and cash and cash equivalent.

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

- (i) Fair value through profit or loss ("FVTPL");
- (ii) FVOCI; or
- (iii) Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments
Classification and subsequent measurement of debt instruments depend on:

- (i) the Group's business model for managing the asset; and
- (ii) the cash flows characteristics of the asset.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(i) 分類及後續計量

本集團的財務資產包括應收賬款、按金及其他應收款項、客戶貸款及墊款、客戶信託銀行結餘、透過損益按公平值列賬的財務資產、衍生財務工具、其他資產以及現金及現金等值項目。

本集團將其財務資產分類為以下計量類別：

- (i) 透過損益按公平值列賬 (「透過損益按公平值列賬」)；
- (ii) 透過其他全面收入按公平值列賬；或
- (iii) 攤銷成本。

債務及權益工具的分類要求列示如下：

債務工具
債務工具的分類及後續計量視乎以下因素而定：

- (i) 本集團管理資產的業務模式；及
- (ii) 該資產的現金流特點。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(i) Classification and subsequent measurement (continued)

Business model assessment:

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(i) 分類及後續計量 (續)

業務模式評估：

業務模式反映本集團管理資產以產生現金流量的方式，即本集團的目標是僅收取資產的合約現金流量，還是同時收取合約現金流量及因出售資產而產生的現金流量。如上述均不適用(如財務資產乃持作買賣)，則財務資產分類為「其他」業務模式的一部分，並透過損益按公平值列賬計量。本集團釐定一組資產的業務模式時考慮的因素，包括有關該等資產的現金流量如何收取、如何評估資產表現及向關鍵管理人員報告、風險如何評估及管理以及管理人員如何獲得報酬的過往經驗。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(i) Classification and subsequent measurement (continued)

SPPI test:

The Group assesses the contractual terms of instruments to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' ("SPPI"). Financial assets that are consistent with a basic lending arrangement are considered to meet the SPPI criterion. In a 'basic lending arrangement', consideration for the time value of money and credit risk are typically the most significant elements of interest. It may also include consideration for other basic lending risks such as liquidity risks, costs associated with holding the financial assets for a period of time (e.g., servicing or administrative costs) and a profit margin.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(i) 分類及後續計量 (續)

SPPI測試：

本集團評估工具的合約條款，以識別合約現金流量是否為「全部支付本金及未支付本金的利息」（「SPPI」）。與基本借貸安排一致的財務資產被視為符合SPPI標準。在「基本借貸安排」中，貨幣時間值的代價及信貸風險一般為利息的最重大部分。其亦可能包括考慮其他基本借貸風險，如流動資金風險、與於達一定期間持有財務資產有關的成本（如送達或行政成本）及利潤率。

在釐定附有嵌入式衍生工具的財務資產的現金流量是否完全為本金及利息付款時，進行整體考慮。

根據該等因素，本集團將其債務工具劃分為以下三個計量類別之一：

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(i) Classification and subsequent measurement (continued)

SPPI test: (continued)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (“SPPI”), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any ECL allowance recognised and measured as described in note 3(m)(a)(ii). Interest income from these financial assets is included in ‘Interest income’ using the effective interest rate method.

FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets’ cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (“OCI”), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in ‘Interest income’ using the effective interest rate method.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(i) 分類及後續計量 (續)

SPPI測試：(續)

攤銷成本：為收取現金流完全為本金及利息付款（「SPPI」）的合約現金流量而持有，且未指定為透過損益按公平值列賬的資產，按攤銷成本計量。該等資產的賬面值就附註3(m)(a)(ii)所述已確認及計量的任何預期信貸虧損撥備作出調整。該等財務資產的利息收入使用實際利率法計入「利息收入」。

透過其他全面收入按公平值列賬：為收取合約現金流量及出售資產而持有（資產的現金流為SPPI），且未指定為透過損益按公平值列賬的財務資產，透過其他全面收入（「其他全面收入」）按公平值列賬計量。賬面值變動計入其他全面收入，惟於損益確認的減值收益或虧損、利息收入及工具攤銷成本的匯兌收益及虧損的確認除外。財務資產終止確認時，早前於其他全面收入確認的累計收益或虧損由權益重新分類至損益。該等財務資產的利息收入使用實際利率法計入「利息收入」。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(i) Classification and subsequent measurement (continued)

SPPI test: (continued)

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit or loss and other comprehensive income in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(i) 分類及後續計量 (續)

SPPI測試：(續)

透過損益按公平值列賬：不符合攤銷成本或透過其他全面收入按公平值列賬標準的資產，透過損益按公平值列賬計量。隨後透過損益按公平值列賬計量且並非對沖關係一部分的債務投資之收益或虧損，在產生期間於損益確認並於損益及其他全面收入表中呈列，除非其因指定按公平值計量或並非持作買賣的債務工具而產生，在此情況下，則於損益表中單獨呈列。該等財務資產的利息收入使用實際利率法計入「利息收入」。

當且僅當管理該等資產的業務模式變化時，本集團才會將債務投資重新分類。重新分類從變化後首個報告期間之初開始。該等變動預期極不頻繁，且期內概無發生。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(i) Classification and subsequent measurement (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when represent a return on such investments, continue to be recognised in profit or loss when the Group's right to receive payments is established.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(i) 分類及後續計量 (續)

權益工具

權益工具為從發行人角度符合權益定義的工具，即不包含付款合約義務且證明於發行人淨資產中剩餘權益的工具。權益工具的例子包括基本普通股。

本集團隨後將所有股本投資透過損益按公平值列賬計量，除非本集團管理層已於初始確認時選擇不可撤回地將股本投資指定為透過其他全面收入按公平值列賬。本集團的政策是在持有股本投資之目的並非產生投資回報時，將股本投資指定為透過其他全面收入按公平值列賬。使用選擇時，公平值收益及虧損於其他全面收入確認，不會於隨後重新分類至損益(包括出售時)。減值虧損(及減值虧損撥回)不與公平值的其他變動分開報告。當本集團收取付款的權利確立時，股息(指該等投資的回報)繼續於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

- (i) *Classification and subsequent measurement (continued)*
Equity instruments (continued)
Gains and losses on equity investments at FVTPL are included in the statement of profit or loss and other comprehensive income.

- (ii) *Impairment*
The Group applies a simplified approach to measure ECL on accounts receivable for cash client and a general approach to measure ECL on loans and advances to customers, account receivable for margin client, time deposits and other financial assets accounted for at amortised cost as well as loan commitment.

Under the simplified approach, the Group measures the loss based on lifetime ECL. Under the general approach, financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

- (i) *分類及後續計量 (續)*
權益工具 (續)
透過損益按公平值列賬之股本投資的收益及虧損計入損益及其他全面收入表內。

- (ii) *減值*
本集團應用簡化方法計量應收現金客戶賬款的預期信貸虧損，應用一般方法計量客戶貸款及墊款、應收保證金客戶賬款、定期存款及按攤銷成本入賬的其他財務資產以及貸款承諾的預期信貸虧損。

根據簡化方法，本集團基於全期預期信貸虧損計量虧損。根據一般方法，財務資產基於初始確認起信貸風險的變動分為以下三個階段：

第1階段：12個月預期信貸虧損

就初始確認起信貸風險未大幅增加，且產生後未信貸減值的風險而言，確認與未來12個月內發生違約事件的概率相關的全期預期信貸虧損部分。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(ii) Impairment (continued)

Stage 2: Lifetime ECL – not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(ii) 減值 (續)

第2階段：全期預期信貸虧損 – 未信貸減值

就初始確認起信貸風險已大幅增加，但未信貸減值的風險而言，確認全期預期信貸虧損(即反映財務資產的餘下期限)。

在評估信貸風險自首次確認起是否大幅增加時考慮以下資料：

- 未能於合約到期日支付本金或利息；
- 財務工具的外部或內部信用評級(如有)實際或預計會嚴重惡化；
- 債務人的經營業績實際或預計會嚴重惡化；及
- 技術、市場、經濟或法律環境出現對債務人履行對本集團的義務之能力具有不利影響的現有或預測變動。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(ii) Impairment (continued)

Stage 3: Lifetime ECL – credit-impaired

Exposures are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(ii) 減值 (續)

第3階段：全期預期信貸虧損 – 已信貸減值

當發生一項或多項事件，對資產的估計未來現金流量具有負面影響時，則風險評估為已信貸減值。就已信貸減值的風險而言，透過對攤銷成本(扣除撥備)(而非總賬面值)應用實際利率而確認全期預期信貸虧損並計算利息收入。

財務資產已信貸減值的證據包括以下可觀察事件：

- 債務人出現嚴重財政困難；
- 違反合約，如未能支付拖欠付款或逾期事件；
- 借款人很可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境出現對債務人具有不利影響的重大變動；或

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(ii) Impairment (continued)

Stage 3: Lifetime ECL – credit-impaired (continued)

- the disappearance of an active market for a security because of financial difficulties of the issuer.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. For certain portfolio of margin loans, the Group rebuts the presumption that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due as management considers the probability of default is highly correlated with the collateral value rather than the past due days.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(ii) 減值 (續)

第3階段：全期預期信貸虧損 – 已信貸減值(續)

- 抵押物之活躍市場因發行人的財政困難而消失。

於各報告日期，本集團透過比較報告日期至初始確認期間的預計期限內發生違約的風險，評估自初始確認起信貸風險是否已大幅增加。本集團就此考慮無需過度成本或努力即可獲得的合理並有支持的資料。這包括定量及定性資料以及前瞻性分析。就若干保證金貸款組合而言，本集團推翻當財務資產逾期超過30日時，信貸風險即自初始確認起已大幅增加的假設，原因是管理層認為，違約概率與抵押品價值(而非逾期日數)高度相關。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(ii) Impairment (continued)

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, remaining term to maturity and other relevant factors.

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Company and all the cash flows that the Company expects to receive. The amount of the loss is recognised using a provision for doubtful debts account.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(ii) 減值 (續)

本集團按個別或整體基準評估有關信貸風險是否已大幅增加。就減值整體評估而言，財務工具基於共同的信貸風險特點分組，考慮工具類型、餘下到期時間及其他相關因素。

預期信貸虧損的金額按財務資產預計期限內所有現金缺額的概率加權現值計量，並按原有實際利率貼現。現金缺額為應付本公司的所有合約現金流量與本公司預計收到的所有現金流量之間的差額。虧損金額使用呆賬撥備確認。

如於隨後期間信貸質素改善，且早前評估的信貸風險自產生起大幅增加撥回，則呆賬撥備由全期預期信貸虧損撥回12個月預期信貸虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(iii) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms.

The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(iii) 修訂貸款

本集團有時重新商定或修訂客戶貸款的合約現金流量。發生該情況時，本集團評估新條款是否與原有條款存在重大差別。

本集團採取該行動乃考慮(其中包括)以下因素：

- 借 款 人 是 否 面 臨 財 務 困 難，修訂是否僅將合約現金流量減少至借 款 人 預 期 有 能 力 支 付 的 金 額。
- 是否引入重大新條款，如對貸款風險情況具有重大影響的利潤分成／基於權益的回報。
- 在借 款 人 並 非 出 於 財 務 困 難 時 大 幅 延 長 貸 款 期 限。
- 利率大幅變動。
- 貸款計值貨幣變動。

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綜合財務報表附註

For the year ended 31 December 2019
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(iii) Modification of loans (continued)

- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(iii) 修訂貸款 (續)

- 加入對與貸款相關的信貸風險具有重大影響的抵押品、其他擔保或信用增強措施。

如條款存在重大差別，本集團終止確認原有財務資產，並按公平值確認一項「新」資產，重新計算該資產的新實際利率。因此，在計算減值(包括釐定是否已發生信貸風險大幅增加)時，重新磋商之日被視為初始確認之日。然而，本集團亦評估所確認的新財務資產是否於初始確認時被視為已信貸減值，尤其是在重新磋商由無法支付原協定款項的債務人推動的情況下。賬面值差異亦在終止確認時於損益確認為收益或虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(iii) Modification of loans (continued)

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(iii) 修訂貸款 (續)

如條款並無重大差異，重新磋商或修訂不導致終止確認，且本集團基於該財務資產的經修訂現金流量重新計算總賬面值，並於損益中確認修訂收益或虧損。新總賬面值透過將經修訂現金流量按原有實際利率(或有關已購買或原生已信貸減值財務資產之經信貸調整的實際利率)貼現而重新計算。

(iv) 終止確認 (修訂時除外)

當收取資產現金流量的合約權利已到期或已轉移，且(i)本集團已轉讓擁有權的絕大部分風險及回報，或(ii)本集團既未轉讓亦未保留擁有權的絕大部分風險及回報，而本集團未保留控制權時，財務資產或其中一部分終止確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(a) Financial assets (continued)

(iv) Derecognition other than on a modification (continued)

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- (i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) is prohibited from selling or pledging the assets; and
- (iii) has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(a) 財務資產 (續)

(iv) 終止確認 (修訂時除外) (續)

當本集團保留收取資產現金流量的合約權利，但承擔向其他實體支付該等現金流量的合約責任並轉讓絕大部分風險及回報時，本集團訂立交易。在以下情況下，該等交易作為導致終止確認的「讓渡」轉讓入賬：

- (i) 本集團並無義務支付款項，除非其從資產收回等額款項；
- (ii) 本集團被禁止出售或抵押資產；及
- (iii) 本集團有義務在無重大延誤的情況下將其從資產收取的任何現金匯出。

本集團根據標準購回協議及證券借貸交易提供的抵押品（股份及債券）不予終止確認，原因是本集團基於預定購回價保留絕大部分風險及回報，因此不符合終止確認的標準。這也適用於本集團保留後償剩餘權益的若干證券交易。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(b) Financial liabilities

Classification and subsequent measurement In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(b) 財務負債

分類及後續計量於本期間及上一期間，財務負債分類為隨後按攤銷成本計量。財務負債在合約中指明的義務被履行或撤銷或到期時終止確認。

來自已作出融資擔保之信貸虧損

融資擔保指要求發行人(即擔保人)按照債務工具的條款作出指定付款，以就擔保受益人(「持有人」)因指定債務人未能支付到期款項而產生的損失而補償持有人的合約。

已作出融資擔保初始按公平值確認，公平值參考公平交易中就類似服務收取的費用(如可取得該資料)而釐定，或透過將在已作出擔保的情況下貸款人收取的實際費率與未作出擔保的情況下貸款人將收取的估計費率(如可對該資料作出可靠估計)進行比較，參考利率差別而釐定。如就提供擔保而已收或應收代價，該代價按照本集團適用於該類資產的政策確認。如並無已收或應收代價，則於損益確認直接開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(b) Financial liabilities (continued)

In the case of the guarantee issued by the Company in respect of a loan to its wholly owned subsidiary, the asset identified could be a form of capital contribution i.e. an addition to the cost of the investment in the subsidiary. This is on the basis that, all other things being equal, the subsidiary will earn enhanced profits as a result of the financial guarantee from having secured borrowings at a lower rate than it would have done without the guarantee, and these profits will eventually flow to the Company by way of dividends or enhanced disposal proceeds. The increased aggregate cost of investment would then be subject to the normal rules applied to investments in subsidiaries, in particular concerning the calculation of impairment losses. Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in “trade and other payables” in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(b) 財務負債 (續)

如擔保由本公司就提供予其全資附屬公司的貸款而作出，已識別資產可以是注資形式，即增加於該附屬公司的投資成本。其依據是，在所有其他因素相等的情況下，該附屬公司將因按低於在無擔保的情況下獲得者的利率取得借貸而從融資擔保賺取更多溢利，而該等溢利最終將透過股息或出售所得款項增加而流入本公司。所增加的投資總成本然後須遵守適用於附屬公司投資的正常規則，尤其是有關減值虧損計算的規則。初始確認後，原確認為遞延收入的款項於擔保期限內作為已作出融資擔保的收入於損益攤銷。

本集團監察特定債務人合同違約的風險，在融資擔保的預期信貸虧損被釐定為高於有關該擔保的「應付賬款及其他應付款項」中計量的金額(即初始確認的金額減去累計攤銷)時確認撥備。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial assets and liabilities (continued)

(b) Financial liabilities (continued)

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

3. 主要會計政策 (續)

(m) 財務資產及負債 (續)

(b) 財務負債 (續)

為釐定預期信貸虧損，本集團考慮作出擔保起特定債務人違約風險的變動。計量12個月預期信貸虧損，除非特定債務人的違約風險自作出擔保起已大幅增加，在此情況下，計量全期預期信貸虧損。

由於按照所擔保文據的條款，本集團只須在違約時付款，預期信貸虧損乃基於預期彌補就持有人產生的信貸虧損的款項，減去本集團預期從擔保持有人、指定債務人或任何其他人士收到的任何款項而估計。該金額然後使用現行無風險利率(就現金流特定風險作出調整)貼現。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Derivative financial instruments

The Group's derivative financial instruments are initially recognised at their fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to statement of profit or loss and other comprehensive income. Whilst the Group enters into a derivative contract for trading purposes or to provide economic hedges under the Group's risk management framework, it does not apply hedge accounting.

(o) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(p) Shares held under the share award scheme

Own equity instruments which are reacquired (shares held under the share award scheme) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

3. 主要會計政策 (續)

(n) 衍生財務工具

本集團的衍生財務工具初始按訂立衍生合約之日的公平值確認，隨後按公平值重新計量。當公平值為正數時，衍生工具作為資產入賬。當公平值為負數時，衍生工具作為負債入賬。因衍生工具的公平值變動而產生的任何收益或虧損直接計入損益及其他全面收入表。儘管本集團就交易或為根據本集團的風險管理框架提供經濟對沖而訂立衍生合約，但其並未應用對沖會計。

(o) 抵銷財務工具

當現時有可依法強制執行的法定權利抵銷已確認金額，且有意按淨額基準結算或同時變現資產並清償負債時，財務資產與財務負債才相互抵銷，淨額於財務狀況表報告。

(p) 根據股份獎勵計劃持有的股份

重新取得的自有權益工具(根據股份獎勵計劃持有的股份)按成本確認，並從權益扣除。購買、出售、發行或註銷本集團的自有權益工具時不確認收益或虧損。賬面值與代價之間的差額於權益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- goodwill;
- intangible assets;
- other non-current assets;
- interest in a joint venture;
- prepayment for film rights;
- investments in subsidiaries and a joint venture in the Company's statement of financial position; and
- film rights.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

3. 主要會計政策 (續)

(q) 非財務資產減值

於各報告期末檢討內部及外部資料來源，以識別是否有跡象表明下列資產可能已減值或(商譽除外)早前確認的減值虧損不再存在或可能已減少：

- 物業、廠房及設備；
- 商譽；
- 無形資產；
- 其他非流動資產；
- 於一間合營企業之權益；
- 電影版權預付款項；
- 本公司財務狀況表中於附屬公司及一間合營企業的投資；及
- 電影版權。

如存在任何該等跡象，則估計該資產的可收回金額。此外，就商譽、尚不可使用的無形資產及具有無限可使用年期的無形資產而言，可收回金額乃每年估計(不論是否存在減值跡象)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Impairment of non-financial assets

(continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

3. 主要會計政策 (續)

(q) 非財務資產減值 (續)

- 可收回金額的計算

資產的可收回金額為公平值減出售成本與使用價值兩者中的較高值。在評估使用價值時，估計未來現金流量按反映當前市場對貨幣時間值及該項資產特定風險之評估的除稅前貼現率折算成現值。如一項資產並未產生基本獨立於其他資產的現金流入，可收回金額就獨立產生現金流入的最小資產組別(即現金產生單位)釐定。

- 減值虧損的確認

如一項資產或其所屬現金產生單位的賬面值超過其可收回金額，則於損益確認減值虧損。就現金產生單位確認的減值虧損，首先減少分配予現金產生單位(或單位組別)的任何商譽之賬面值，其後再按比例減少該單位(或單位組別)中其他資產的賬面值，惟資產的賬面值不會減少至低於其個別公平值減銷售成本(如可衡量)及使用價值(如可釐定)。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Impairment of non-financial assets

(continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 3(m)(a)(ii).

3. 主要會計政策 (續)

(q) 非財務資產減值 (續)

- 減值虧損的撥回

就商譽外的資產而言，如用於釐定可收回金額的估計發生有利的變化，則撥回減值虧損。商譽的減值虧損不予撥回。

撥回減值虧損以過往年度未確認減值虧損的情況下可釐定的資產賬面值為限。撥回減值虧損於確認撥回的年度計入損益。

(r) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、銀行及其他金融機構的活期存款，以及購入後於三個月內到期可隨時轉換為已知金額現金的短期高流通性且價值變動風險較小的投資。現金及現金等值項目乃根據附註3(m)(a)(ii)所載政策評估預期信貸虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

3. 主要會計政策 (續)

(s) 有關連人士

(a) 如一名人士符合以下情況，則該人士或該人士的家庭近親屬與本集團有關聯：

- (i) 控制或共同控制本集團；
- (ii) 對本集團擁有重大影響力；或
- (iii) 為本集團或本集團母公司之主要管理人員。

(b) 一個實體如適用以下任何條件，則與本集團有關聯：

- (i) 該實體與本集團為同一集團的成員公司(指各自的母公司、附屬公司及同系附屬公司互相有關連)。
- (ii) 一個實體為另一個實體之聯營公司或合營企業(或另一個實體所屬集團的成員公司的聯營公司或合營企業)。
- (iii) 兩個實體均為同一第三方之合營企業。
- (iv) 一個實體為第三方實體之合營企業，而另一個實體為該第三方實體之聯營公司。
- (v) 該實體為本集團或與本集團有關聯之實體為其僱員福利而設立之退休福利計劃。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:
(continued)
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's board of directors (the chief operating decision maker) for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

3. 主要會計政策 (續)

(s) 有關連人士 (續)

- (b) 一個實體如適用以下任何條件，則與本集團有關聯：
(續)
- (vi) 該實體受(a)項中所指明的人士控制或共同控制。
- (vii) (a)(i)項中所指明的人士對該實體有重大影響力，或該人士是該實體(或是該實體的母公司)的主要管理人員的成員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

一名人士的近親屬指預期可能影響該人士與該實體的往來或受此影響的家庭成員。

(t) 分部報告

經營分部及各分部項目在財務報表中報告的金額，從定期提供予本集團董事會(主要經營決策者)以將資源分配予本集團各業務線並評估表現的財務資料及地理位置識別。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(t) Segment reporting (continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(u) Joint venture

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 3(q)).

3. 主要會計政策 (續)

(t) 分部報告 (續)

個別重大的經營分部不就財務申報進行匯總，除非該等分部具有類似的經濟特點，且產品及服務的性質、生產工藝的性質、客戶類型或類別、分銷產品或提供服務所使用的方式以及監管環境的性質類似。個別並不重大的經營分部如在該等標準上大部分相同，則可予匯總。

(u) 合營企業

合營企業指本集團或本公司與其他方根據合約同意分享安排的控制權，並對安排的資產淨值享有權利的安排。

於合營企業的投資按權益法計入綜合財務報表，除非其分類為持作出售(或計入分類為持作出售的組別)。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司的可識別資產淨值於收購日期的公平值超出投資成本的部分(如有)作出調整。投資成本包括購買價、收購投資直接應佔的其他成本，以及構成本集團股本投資一部分的對合營企業的任何直接投資。此後，投資就本集團應佔被投資公司的資產淨值於收購後的變動以及有關投資的任何減值虧損作出調整(見附註3(q))。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Joint venture (continued)

Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

3. 主要會計政策 (續)

(u) 合營企業 (續)

收購日期超出成本的任何部分、本集團應佔被投資公司的收購後除稅後業績以及年內任何減值虧損於綜合損益表確認，而本集團應佔被投資公司其他全面收入的收購後除稅後項目於綜合損益及其他全面收入表確認。

當本集團應佔虧損超過其於合營企業的權益時，本集團的權益減少為零，並終止確認進一步虧損，除非本集團已產生法定或推定義務或已代表被投資公司作出付款。就此而言，本集團的權益為按權益法計算的投資賬面值，連同實質上構成本集團於合營企業的淨投資一部分的任何其他長期權益。

本集團與其合營企業之間交易產生的未變現溢利及虧損以本集團於被投資公司的權益為限進行抵銷，除非未變現虧損提供所轉讓資產減值的客觀證據，在此情況下，則即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Joint venture (continued)

In all other cases, when the Group ceases to have significant influence over joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 3(m)).

In the Company's statement of financial position, investments in joint venture are stated at cost less impairment losses (see note 3(q)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(v) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 3(m)(a)(i) and 3(q)).

Impairment losses recognised in an interim period in respect of goodwill, in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

3. 主要會計政策 (續)

(u) 合營企業 (續)

在所有其他情況下，當本集團不再對合營企業具有重大影響或共同控制時，作為出售於被投資公司的全部權益入賬，因此產生的收益或虧損於損益確認。於喪失重大影響或共同控制之日在該前被投資公司保留的任何權益按公平值確認，該金額被視為財務資產初步確認時的公平值(見附註3(m))。

於本公司財務狀況表中，於合營企業的投資按成本減去減值虧損入賬(見附註3(q))，除非分類為持作出售(或計入分類為持作出售的出售組別)。

(v) 中期財務報告及減值

根據上市規則，本集團須遵照香港會計準則第34號「中期財務報告」就每個財政年度首六個月編製中期財務報告。於中期期末，本集團應用與財政年度(見附註3(m)(a)(i)及3(q))末相同的減值測試、確認及撥回標準。

於中期期間就商譽確認的減值虧損，不於隨後期間撥回。即使倘若僅在中期期間涉及的財政年度末評估減值的情況下，不會確認虧損或確認的虧損較小，亦屬如此。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Valuation of convertible notes receivable

The fair values of convertible notes that are not traded in an active market are determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

3. 主要會計政策 (續)

(w) 借貸成本

收購、建設或生產必定需要較長期間才能用作擬定用途的資產直接應佔的借貸成本，作為該資產成本的一部分而資本化。其他借款成本在產生期間內列作開支。

借貸成本作為合資格資產成本的一部分而資本化，在資產產生開支、產生借貸成本及籌備資產作擬定用途或銷售所需的活動正在進行時開始。借貸成本資本化在籌備合資格資產作擬定用途或銷售所需的所有活動中斷或完成時暫停或終止。

4. 估計不確定因素的主要來源

以下為有關日後之主要假設以及於報告期末之其他主要估計不確定因素來源，該等假設及估計具有在下一個報告期間內導致資產及負債之賬面值作出重大調整之風險。

(a) 應收可換股票據的估值

未在活躍市場上買賣的可換股票據的公平值採用估值技術釐定。本集團使用其判斷選擇多種方式，並主要基於各報告期末存在的市況作出假設。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(a) Valuation of convertible notes receivable (continued)

As at 31 December 2019, the carrying amount of the convertible notes receivable is HK\$20,236,000 (2018: HK\$18,864,000).

(b) Income tax expenses

Significant judgement is required in determining the provision for income taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax liabilities in the period in which such determination is made.

As at 31 December 2019, the carrying amount of the tax payable is HK\$200,000 (2018: Nil).

(c) Estimated impairment of prepayment for film rights

At the end of the reporting period, the management of the Group assesses the recoverability of prepayment for film rights based on the contract terms on agreements, estimated budget of the proposed production and the progress on how the prepayment has been used.

Based on the management's assessment on the recoverability of prepayment of film rights, the directors of the Company determined that no impairment provision to be charged to prepayment of film rights during the year ended 31 December 2019 (2018: Nil).

4. 估計不確定因素的主要來源 (續)

(a) 應收可換股票據的估值 (續)

於二零一九年十二月三十一日，應收可換股票據的賬面值為20,236,000港元(二零一八年：18,864,000港元)。

(b) 所得稅開支

釐定所得稅撥備需要作出重要判斷。日常業務過程中最終的稅務決定並不確定。本集團基於對是否須支付額外稅項的估計確認預期稅項負債。如有關事項的最終稅務結果不同於最初確認的金額，差額將影響釐定差異期間的即期所得稅負債。

於二零一九年十二月三十一日，應付稅項的賬面值為200,000港元(二零一八年：零)。

(c) 電影版權預付款項的估計減值

於報告期末，本集團管理層根據協議的合約條款、建議製作的預算估計及預付款項的使用進展，評估電影版權預付款項的可收回性。

根據管理層對電影版權預付款項可收回性的評估，本公司董事釐定，截至二零一九年十二月三十一日止年度毋須就電影版權預付款項作出減值撥備(二零一八年：無)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(d) Measurement of the ECL

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Assets move from 12-month to lifetime ECLs when there is a significant increase in credit risk, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

4. 估計不確定因素的主要來源 (續)

(d) 預期信貸虧損的計量

預期信貸虧損就第1階段資產按等於12個月預期信貸虧損的撥備計量，就第2階段或第3階段資產按等於全期預期信貸虧損的撥備計量。資產在信貸風險自首次確認起大幅增加時轉入第2階段。在評估資產的信貸風險是否已大幅增加時，本集團考慮定性及定量資料以及可支持的前瞻性資料。

當預期信貸虧損按整體基準計量時，財務工具按共有風險特點分組。本集團持續監察信貸風險特點的適當性，以評估有關特點是否仍然相似。該要求旨在確保在信貸風險特徵變化的情況下對資產進行適當的重新劃分。這可能導致創建新組合或資產轉移至能更好地反映該組資產相似的信貸風險特點的現有組合。資產在信貸風險大幅增加時由12個月轉入全期預期信貸虧損，但該情況亦可能在繼續按12個月或全期預期信貸虧損的相同基準計量的組合內發生，但預期信貸虧損的金額變化，原因是組合的信貸風險不同。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(d) Measurement of the ECL (continued)

The Group uses various models and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors in estimating ECL. The ECL measured at amortized cost whereby the management taken into consideration of historical data, the historical loss experience and other adjustment factors. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

(i) Loans receivable

The ECL calculations for loans receivable are outputs of complex models and with a number of significant assumptions about future economic conditions and credit behaviour (the likelihood of customers defaulting and the resulting losses) regarding the choice of variable inputs and their interdependencies. Further details are set out in notes 6(b)(iv) and 28.

At 31 December 2019, the carrying amount of loans receivable of the Group is HK\$311,925,000 (2018: HK\$16,516,000).

4. 估計不確定因素的主要來源 (續)

(d) 預期信貸虧損的計量 (續)

在估計預期信貸虧損時，本集團使用多種模型及假設，包括識別虧損階段、估計違約可能性、違約虧損、違約風險及貼現率、就前瞻性資料及其他調整因素。預期信貸虧損按攤銷成本計量，據此，管理層考慮歷史數據、歷史虧損經驗及其他調整因素。識別各類資產最合適的模型及釐定該等模型中使用的假設(包括涉及信貸風險關鍵驅動因素的假設)時應用判斷。

(i) 應收貸款

應收貸款的預期虧損撥備乃基於複雜模型作出，且附有有關可變輸入數據選擇及其相互依賴性的未來經濟狀況及信貸行為(客戶違約並產生虧損的可能性)的重大假設。進一步詳情載於附註6(b)(iv)及28。

於二零一九年十二月三十一日，本集團應收貸款的賬面值為311,925,000港元(二零一八年:16,516,000港元)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(d) Measurement of the ECL (continued)

(ii) Accounts receivable

The measurement of the ECL for accounts receivable is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (the likelihood of customers defaulting and the resulting losses). Further details are set out in notes 6(b)(iv) and 26.

At 31 December 2019, the carrying amount of accounts receivable of the Group is HK\$225,606,000 (2018: HK\$4,928,000).

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. In addition, a subsidiary of the Group licensed by the Securities and Futures Commission (“SFC”) is obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules (“FRR”) at all times.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and various reserves.

4. 估計不確定因素的主要來源 (續)

(d) 預期信貸虧損的計量 (續)

(ii) 應收賬款

應收賬款的預期虧損撥備計量為需要使用關於未來經濟狀況及信貸行為(客戶違約並產生虧損的可能性)的複雜模型及重大假設的領域。進一步詳情載於附註6(b)(iv)及26。

於二零一九年十二月三十一日，本集團應收賬款的賬面值為225,606,000港元(二零一八年：4,928,000港元)。

5. 資本風險管理

本集團管理其資本以確保本集團之實體有能力進行持續經營，並透過完善平衡其債務與權益為權益擁有人帶來最大回報。此外，本集團獲證券及期貨事務監察委員會(「證監會」)發牌的一間附屬公司須始終符合《證券及期貨(財政資源)規則》(「財政資源規則」)的監管流動資金規定。

本集團之資本結構包含本公司擁有人應佔權益，當中包括已發行股本及各項儲備。

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5. CAPITAL RISK MANAGEMENT (continued)

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with share capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt. For the subsidiary licensed by the SFC, the Group ensures this licensed subsidiary maintains a liquid capital level adequate to support the level of activities with sufficient buffer to accommodate for increases in liquidity requirements arising from potential increases in the level of business activities. During the year ended 31 December 2019, this licensed subsidiary complied with the liquid capital requirements under the FRR at all times.

5. 資本風險管理 (續)

本公司董事定期檢討資本架構。於檢討中，本公司董事考慮資本成本及與股本相關之風險。根據本公司董事的推薦，本集團將透過支付股息、發行新股份及股份購回以及發行新債務而平衡其整體資本架構。就獲證監會發牌的附屬公司而言，本集團確保該持牌附屬公司將流動資金維持在足以支持活動的水平，並具有可容納因業務活動水平潛在增加產生的流動資金要求增加的充足緩衝。截至二零一九年十二月三十一日止年度期間，該持牌附屬公司一直遵守財政資源規則的流動資金規定。

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

6. 財務工具

(a) 財務工具之分類

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------|----------------|----------------------------------|----------------------------------|
| Financial assets | 財務資產 | | |
| At FVTPL | 透過損益按公平值列賬 | | |
| Held-for-trading investments | 持作買賣投資 | 87,248 | 549,022 |
| Convertible notes receivable | 應收可換股票據 | 20,236 | 18,864 |
| | | 107,484 | 567,886 |
| At FVOCI | 透過其他全面收入按公平值列賬 | | |
| Other financial assets | 其他財務資產 | 6,670 | 6,562 |
| At amortised cost | 按攤銷成本 | | |
| Other financial instruments | 其他財務工具 | 1,277,734 | 130,423 |
| | | 1,391,888 | 704,871 |
| Financial liabilities | 財務負債 | | |
| At amortised cost | 按攤銷成本 | 1,010,147 | 50,849 |

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include other financial assets, held-for-trading investments, convertible notes receivable, loans receivable, accounts receivable, other receivables, bank balances – trust accounts, bank balances and cash, borrowings, accounts payable, other payables, accruals, lease liabilities and notes payable. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

- (i) Currency risk
Several subsidiaries of the Group have foreign currency denominated monetary assets, which expose the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

| | Assets 資產 | |
|--|----------------------------------|----------------------------------|
| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| United State dollars ("USD") 美元 (「美元」) | 16,672 | 15,708 |
| Euro ("EUR") 歐元 (「歐元」) | 879 | 695 |
| British pound ("GBP") 英鎊 (「英鎊」) | 17 | – |

6. 財務工具 (續)

(b) 財務風險管理目標及政策

本集團主要財務工具包括其他財務資產、持作買賣投資、應收可換股票據、應收貸款、應收賬款、其他應收款項、銀行結餘—信託賬戶、銀行結餘及現金、借貸、應付賬款、其他應付款項、應計費用、租賃負債及應付票據。有關該等財務工具之詳情於相關附註披露。與該等財務工具相關之風險包括市場風險(貨幣風險、利率風險及價格風險)、信貸風險及流動資金風險。減輕該等風險之政策載於下文。管理層積極管理及監察該等風險，確保適時採取有效措施。

市場風險

- (i) 貨幣風險
本集團若干附屬公司擁有以外幣計值之貨幣資產，使本集團面對外幣風險。以外幣計值之貨幣資產於報告期末之賬面值如下：

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to exchange rate fluctuations in HK\$ against USD and EUR. As HK\$ is pegged with USD under the Linked Exchange Rate System, the management of the Company is of the opinion that the Group's exposure to USD is minimal and accordingly, no foreign currency sensitivity analysis on USD is presented.

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in EUR against 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items. A positive/negative number below indicates a decrease/(increase) in post-tax loss.

| | | EUR 歐元 | |
|------------------------------------|------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Increase in foreign exchange rates | 匯率上升 | 44 | 35 |
| Decrease in foreign exchange rates | 匯率下跌 | (44) | (35) |

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析

本集團主要面對港元兌美元及歐元之匯率波動風險。在香港聯繫匯率制度下，港元與美元掛鈎，本公司管理層認為，本集團所面臨美元匯率波動之風險甚低，故並無就美元進行敏感性分析。

下表載列本集團對歐元兌港元上升及下跌5% (二零一八年：5%) 之敏感度詳情。5% (二零一八年：5%) 乃內部向主要管理人員呈報外幣風險時採用之敏感度比率，指管理層對外幣匯率可能合理變動之評估。敏感度分析僅包括以外幣計值之尚未支付貨幣項目。下列正數/負數顯示除稅後虧損減少/(增加)。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate short term bank deposits (see note 32(a) for details of these short-term bank deposits), fixed-rate instruments measured at FVOCI (recycling)(see note 21 for details of these financial instruments), convertible notes receivable with fixed interest rate (see note 30), notes payable (see note 36) and borrowings (see note 34) for the years ended 31 December 2019 and 2018.

The management considers the fair value interest rate risks are insignificant and therefore no sensitivity analysis on such risks has been prepared.

(iii) Price risk

The Group is exposed to equity price risk through its investment in equity securities listed in Hong Kong, convertible notes receivable designated at FVTPL and debt securities listed in Singapore. The management manages its exposure by maintaining a portfolio of investments with different risk profiles.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險

截至二零一九年及二零一八年十二月三十一日止年度，本集團就定息短期銀行存款(有關該等短期銀行存款之詳情請參閱附註32(a))、透過其他全面收入按公平值列賬計量的定息工具(回收)(有關該等財務工具之詳情，請參閱附註21)、定息應收可換股票據(見附註30)、應付票據(見附註36)及借貸(見附註34)面臨公平值利率風險。

管理層認為公平值利率風險微不足道，故並無就有關風險編製敏感度分析。

(iii) 價格風險

本集團因投資香港上市股本證券、指定透過損益按公平值列賬的應收可換股票據及於新加坡上市的債務證券而面臨股價風險。管理層透過維持風險不同的投資組合而管理風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Price risk (continued)

The Group's financial assets classified as held-for-trading investments and financial assets measured at FVOCI (recycling) are listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited, respectively. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Hang Seng Index and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the FVOCI (recycling) portfolio have been chosen based on their long term growth potential and are monitored regularly for performance against expectation.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk arising from equity securities listed in Hong Kong, convertible notes receivable carried at FVTPL, and debt securities listed in Singapore at the end of the reporting period.

If equity prices of convertible notes receivable had been 5% higher and assuming other inputs to the valuation model of convertible notes receivable and held constant, post-tax loss for the year ended 31 December 2019 would decrease by HK\$4,000 (2018: HK\$1,000). If the equity prices of convertible notes receivable had been 5% lower, the post-tax loss would increase by HK\$3,000 (2018: HK\$1,000) for the year.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

本集團分類為持作買賣投資及透過其他全面收入按公平值列賬計量的財務資產(回收)分別於聯交所及新加坡證券交易所有限公司上市。買賣交易證券的決定乃基於日常監察個別證券相比恒生指數的表現、其他行業指標及本集團流動資金需要作出。透過其他全面收入按公平值列賬的財務資產(回收)中持有的上市投資乃基於其長期增長潛力選擇，定期對照預期監察其表現。

敏感度分析

以下敏感度分析乃基於報告期末因香港上市股本證券、指定透過損益按公平值列賬的應收可換股票據以及於新加坡上市的債務證券產生的股價風險釐定。

如應收可換股票據的股價上升5%，並假設應收可換股票據估值模型的其他輸入數據維持不變，截至二零一九年十二月三十一日止年度的除稅後虧損將減少4,000港元(二零一八年：1,000港元)。如應收可換股票據的股價下降5%，本年度的除稅後虧損將增加3,000港元(二零一八年：1,000港元)。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Price risk (continued)

Sensitivity analysis (continued)

At 31 December 2019, it is estimated that an increase/decrease of 5% (2018: 5%) in the fair value of the Group's held-for-trading investments with all other variables held constant would have decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$4,362,000 (2018: decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$27,451,000).

At 31 December 2019, it is estimated that an increase/decrease of 5% (2018: 5%) in the fair value of the listed debt securities measured at FVOCI (recycling) with all other variables held constant would have increased/decreased in the Group's investment revaluation reserve by HK\$333,000 (2018: HK\$328,000).

In the opinion of directors of the Company, the sensitivity analysis is unrepresentative of the price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

(iv) Credit risk

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the financial assets as stated in the consolidated statement of financial position.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

敏感度分析 (續)

於二零一九年十二月三十一日，估計本集團持作買賣投資的公平值增加／減少5% (二零一八年：5%) (所有其他可變因素維持不變)，將令本集團的除稅後虧損減少／增加 (而累計虧損減少／增加) 4,362,000港元 (二零一八年：本集團的除稅後虧損減少／增加 (而累計虧損減少／增加) 27,451,000港元)。

於二零一九年十二月三十一日，估計透過其他全面收入按公平值列賬計量的上市債務證券 (回收) 的公平值增加／減少5% (二零一八年：5%) (所有其他可變因素維持不變)，將令本集團的投資重估儲備增加／減少333,000港元 (二零一八年：328,000港元)。

本公司董事認為，敏感度分析不能代表價格風險，原因是報告期末的風險不反映年內的風險。

(iv) 信貸風險

於二零一九年十二月三十一日，本集團因交易對手未能履行責任而使本集團須蒙受財務虧損所面對之最高信貸風險為於綜合財務狀況表所列財務資產之賬面值。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iv) Credit risk (continued)

The Group reviews the recoverable amount of financial assets at the end of the reporting period to ensure that adequate impairment allowances are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

(i) Credit risk arising from loan business

The Group has established relevant mechanism to cover credit risk in key operational phases of loan business, including pre-lending evaluations, credit approval, and post-lending monitoring. The Group conducts customer acceptance and due diligence by the management in pre-lending evaluations. In the credit approval phase, all loan applications are subject to the assessment and approval of the Group's management. During the post-lending monitoring, the Group conducts inquiries to detect potential risks by evaluating various aspects, including but not limited to the customers' operational and financial conditions and other sources of repayment.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

本集團於報告期末檢討財務資產的可收回金額，以確保就不可收回金額作出足夠的減值撥備。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

(i) 貸款業務產生的信貸風險

本集團已建立相關機制，以涵蓋貸款業務關鍵運營階段(包括貸前評估、信貸審批及貸後監督)的信貸風險。在貸前評估階段，本集團由管理層進行客戶接納及盡職調查。在信貸審批階段，所有貸款申請須由本集團管理層評估及批准。在貸後監督階段，本集團進行查詢，透過評估多個方面而發現潛在風險，包括但不限於客戶的經營及財務狀況與其他還款來源。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

- (iv) Credit risk (continued)
- (i) Credit risk arising from loan business (continued)

The Group adopts a loan risk classification approach to manage its loans and advances to customers portfolio risk. Loans and advances to customers are categorised into the following stages by the Group:

Stage 1

Loans and advances to customers have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months expected credit losses (12-month ECLs).

Stage 2

Loans and advances to customers have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses (Lifetime ECLs non credit-impaired).

Stage 3

Loans and advances to customers that are in default and considered credit impaired (Lifetime ECLs credit-impaired).

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

- (iv) 信貸風險 (續)
- (i) 貸款業務產生的信貸風險 (續)

本集團採納貸款風險分類法管理其客戶貸款及墊款的組合風險。客戶貸款及墊款由本集團分類為以下階段：

第1階段

客戶貸款及墊款自產生起未出現信貸風險大幅增加，減值按12個月預期信貸虧損(12個月預期信貸虧損)基準確認。

第2階段

客戶貸款及墊款自產生起已出現信貸風險大幅增加，減值按全期預期信貸虧損(未信貸減值的全期預期信貸虧損)基準確認。

第3階段

客戶貸款及墊款已拖欠，被視為已信貸減值(已信貸減值的全期預期信貸虧損)。

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綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

- (iv) Credit risk (continued)
- (i) Credit risk arising from loan business (continued)

When a certain number of customers undertake the same business activities, stay in the same geographical locations, or bear similar economic features for their industries, their ability to fulfil contracts will be affected by the same economic changes. Concentration of credit risk reflects the sensitivity of the Group's operating results to a particular industry or geographic location. As the Group mainly conducts loan business in Hong Kong, a certain level of geographical concentration risk exists for its loan portfolios in that it might be affected by changes of economic conditions. At 31 December 2019, 22% of the total loans receivable was due from the three largest debtors. At 31 December 2018, the Group has only one customer from loan business, representing 100% of the loans receivable of the Group.

The Group has formulated a set of loan restructuring policies to reschedule the contractual terms with customers, to maximize the collectability of loans. The carrying amount of rescheduled loans and advances to customers is HK\$10,037,000 (2018: Nil).

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

- (iv) 信貸風險 (續)
- (i) 貸款業務產生的信貸風險 (續)

當一定數量的客戶從事相同的業務活動，停留在相同地區，或具有類似的行業經濟特點，其履行合約的能力將受到相同的經濟變動影響。信貸風險集中反映本集團經營業績對特定行業或地區的敏感度。由於本集團主要在香港經營貸款業務，鑒於其可能受到經濟狀況變動影響，其貸款組合存在一定程度的地區集中風險。於二零一九年十二月三十一日，應收貸款總額的22%乃應收三大債務人。於二零一八年十二月三十一日，本集團僅擁有一位貸款業務客戶，佔本集團應收貸款100%。

本集團已制定一套貸款重組政策，以與客戶重新安排合約條款並盡量提高貸款的可收回性。已重新安排的客戶貸款及墊款之賬面值為10,037,000港元(二零一八年：無)。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

- (iv) Credit risk (continued)
- (i) *Credit risk arising from loan business (continued)*

The maximum exposure to credit risk of loans and advances to customers for each stage is represented by the net carrying amount of each type of financial assets as at the end of the reporting periods. The details are set out in note 28.

Further quantitative data in respect of the Group's exposure to credit risk arising from loans business are disclosed in note 4(d) to these financial statements.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

- (iv) 信貸風險(續)
- (i) 貸款業務產生的信貸風險(續)
- 客戶貸款及墊款於各階段的最高信貸風險為各類財務資產於報告期末的賬面淨值。詳情載列於附註28。

有關本集團因貸款業務產生的信貸風險的進一步量化數據披露於該等財務報表附註4(d)。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

- (iv) Credit risk (continued)
- (ii) Credit risk arising from securities brokerage and margin financing business

In order to manage the credit risk in the accounts receivable due from clients arising from securities brokerage and margin financing business, individual credit evaluation are performed on all clients including cash and margin clients. Accounts receivable from cash clients relate to a wide range of customers who generally settle the accounts receivable in two days after trade date and are secured by the portfolio of securities of the cash clients, credit risk arising from the accounts receivable due from cash clients is therefore considered minimal. For margin clients, the Group normally obtains liquid securities as collateral based on the margin requirements. The margin requirement is closely monitored on a daily basis by the designated team. The Group considers there has been a significant increase in credit risk when clients cannot meet margin call requirement and uses the loan-to-collateral value (“LTV”) to make its assessment. In certain cases, the Group may consider a margin client receivable to be in default when there is a margin shortfall which indicates that the Group is unlikely to receive the outstanding contractual amounts in full, taking into account the pledged securities held by the Group. A margin client receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

- (iv) 信貸風險 (續)
- (ii) 證券經紀及保證金融資業務產生的信貸風險

為管理證券經紀及保證金融資業務產生的應收客戶賬款的信貸風險，對所有客戶(包括現金及保證金客戶)進行個別信貸評估。應收現金客戶的賬款涉及一般於交易日期後兩日結算應收賬款的大量客戶，以現金客戶的證券組合抵押，因此，因應收現金客戶的賬款產生的信貸風險被視為極低。就保證金客戶而言，本集團一般根據保證金要求獲取具有流動性的證券作為抵押品。保證金要求由指定團隊每日密切監督。當客戶無法履行追加保證金要求時，本集團認為信貸風險已大幅增加，並使用貸款與抵押品價值比率(「貸款與價值比率」)進行評估。在若干情況下，當存在保證金缺額，表明本集團不大可能悉數收回未收回的合約款項(經考慮本集團持有的信貸增強措施)時，本集團可能將應收保證金客戶款項視為拖欠。當合理預期無法收回收約現金流量時，應收保證金客戶款項予以撇銷。

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For the year ended 31 December 2019
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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iv) Credit risk (continued)

(ii) Credit risk arising from securities brokerage and margin financing business (continued)

For cash clients, the Group measures loss allowances for accounts receivable at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. Market conditions and adequacy of securities collateral and margin deposits of each margin account are monitored by management on a daily basis. Margin calls and forced liquidation are made where necessary.

The Group assessed that there is no significant loss allowance recognised in accordance with HKFRS 9 as at 31 December 2018. For the year ended 31 December 2019, the details are set out in note 26.

In respect of accounts receivable from brokers and clearing houses, credit risks are considered to be low as the Group normally enters into transactions with brokers and clearing houses which are registered with regulatory bodies and enjoy sound reputation in the industry.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

(ii) 證券經紀及保證金融資業務產生的信貸風險 (續)

對現金客戶而言，本集團按相等於全期預期信貸虧損之金額計量應收賬款虧損撥備，有關金額乃使用撥備矩陣計算得出。由於本集團之過往信貸經驗並未表明不同客戶分部之虧損模式存在重大差異，因此並無進一步區分本集團不同客戶群按逾期狀況計算之虧損撥備。市況與證券抵押品及各保證金賬戶的保證金按金的充足性由管理層每日監控，在必要時作出追加保證金通知及強制清盤。

經本集團評估，於二零一八年十二月三十一日，概無根據香港財務報告準則第9號確認重大虧損撥備。截至二零一九年十二月三十一日止年度，詳情載列於附註26。

就應收經紀及結算所的賬款而言，信貸風險被認為較低，原因是本集團一般與經紀及結算所訂立交易，而彼等已向監管機構登記，在業內具有良好聲譽。

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綜合財務報表附註

For the year ended 31 December 2019
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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

- (iv) Credit risk (continued)
- (ii) Credit risk arising from securities brokerage and margin financing business (continued)

At 31 December 2019, the Group has certain concentrations of credit risk of 36% (2018: 60%) of the accounts receivable was due from the Group's largest debtor and 96% (2018: 98%) of the accounts receivable due from the Group's five largest debtors of the accounts receivable respectively.

- (iii) Other credit risk
- The credit risk on the investment in debt securities listed in Singapore as at 31 December 2019 and 2018 is limited because the counterparty is corporation with good reputations.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, loans receivable, convertible notes receivable, accounts receivable and investment in debt securities listed in Singapore, the Group does not have any other significant concentration of credit risk.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

- (iv) 信貸風險 (續)
- (ii) 證券經紀及保證金融資業務產生的信貸風險 (續)

於二零一九年十二月三十一日，本集團擁有若干信貸集中風險，其中應收賬款之36% (二零一八年：60%) 來自本集團最大債務人及應收賬款之96% (二零一八年：98%) 來自本集團應收賬款之五大債務人。

- (iii) 其他信貸風險
- 於二零一九年及二零一八年十二月三十一日於新加坡上市的債務證券投資信貸風險有限，原因是訂約方為具有良好聲譽的公司。

流動資金的信貸風險有限，原因是對手方為獲國際信用評級機構授予較高信用評級的銀行。

除存放於高信用評級之多家銀行之流動資金、應收貸款、應收可換股票據、應收賬款及於新加坡上市的債務證券投資有信貸風險集中之情況外，本集團並無任何其他明顯集中之信貸風險。

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For the year ended 31 December 2019
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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(v) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(v) 流動資金風險

在管理流動資金風險時，本集團監察及維持管理層視為足夠之一定數量現金及現金等值項目，以為本集團業務提供財力及緩和現金流量波動之影響。

下表詳列本集團非衍生財務負債之餘下合約到期情況。該表根據本集團可能被要求付款之最早日期之財務負債之未貼現現金流量編製。

| | | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | Total contractual undiscounted cash flow | Carrying amount at 31 December 2019 於 二零一九年 十二月三十一日 的賬面值 |
|---|---------------|----------------------------------|---|--|---|---|
| | | 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 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | | | | | |
| Non-derivative financial liabilities | 非衍生財務負債 | | | | | |
| Accounts payable | 應付賬款 | 5,444 | - | - | 5,444 | 5,444 |
| Other payables and accruals | 其他應付款項及應計費用 | 4,178 | - | - | 4,178 | 4,178 |
| Borrowings | 借貸 | - | - | - | - | - |
| Lease liabilities | 租賃負債 | 2,567 | 1,199 | - | 3,766 | 3,766 |
| Notes payable | 應付票據 | 100,000 | 100,000 | 1,100,000 | 1,300,000 | 996,759 |
| | | 112,189 | 101,199 | 1,100,000 | 1,313,388 | 1,010,147 |

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For the year ended 31 December 2019
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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(v) Liquidity risk (continued)

| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | Total contractual undiscounted cash flow | Carrying amount at 31 December 2018 |
|--------------------------------------|----------------------------|--|---|--|-------------------------------------|
| | 一年內或按 要求 | 超過一年 但不到兩年 | 超過兩年 但不到五年 | 合約未貼現 現金流量總額 | 於二零一八年 十二月三十一日 的賬面值 |
| | 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 |
| At 31 December 2018 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Accounts payable | 4,444 | - | - | 4,444 | 4,444 |
| Other payables and accruals | 3,137 | - | - | 3,137 | 3,137 |
| Borrowings | 43,268 | - | - | 43,268 | 43,268 |
| Notes payable | - | - | - | - | - |
| | 50,849 | - | - | 50,849 | 50,849 |

At 31 December 2018 於二零一八年十二月三十一日

Non-derivative financial liabilities 非衍生財務負債

Accounts payable 應付賬款

Other payables and accruals 其他應付款項及應計費用

Borrowings 借貸

Notes payable 應付票據

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(v) 流動資金風險 (續)

| | More than 1 year but less than 2 years | More than 2 years but less than 5 years | Total contractual undiscounted cash flow | Carrying amount at 31 December 2018 |
|--------------------------------------|--|---|--|-------------------------------------|
| | 超過一年 但不到兩年 | 超過兩年 但不到五年 | 合約未貼現 現金流量總額 | 於二零一八年 十二月三十一日 的賬面值 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 |
| At 31 December 2018 | | | | |
| Non-derivative financial liabilities | | | | |
| Accounts payable | 4,444 | - | 4,444 | 4,444 |
| Other payables and accruals | 3,137 | - | 3,137 | 3,137 |
| Borrowings | 43,268 | - | 43,268 | 43,268 |
| Notes payable | - | - | - | - |
| | 50,849 | - | 50,849 | 50,849 |

(c) Fair value measurements of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis

Fair value hierarchy

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

(c) 財務工具之公平值計量

本集團經常性按公平值計量之財務資產及財務負債之公平值

公平值級別

下表呈報於報告期末本集團按持續基準計量的財務工具之公平值(分為香港財務報告準則第13號公平值計量界定的三級公平值層級)。公平值計量分類的級別乃參考估值技術使用的輸入數據之可觀察性及重大性,按以下方式釐定:

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis (continued)

Fair value hierarchy (continued)

1. Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
2. Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
3. Level 3 valuations: Fair value measured using significant unobservable inputs.

Valuation process

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the finance department works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Financial controller reports to the board of directors semi-annually to explain the cause of fluctuations in the fair value of the assets or liabilities.

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

本集團經常性按公平值計量之財務資產及財務負債之公平值

(續)

公平值級別 (續)

1. 第一級估值：僅使用第一級輸入數據(即於計量日期活躍市場上相同資產或負債的未調整報價)計量的公平值。
2. 第二級估值：僅使用第二級輸入數據(即不符合第一級計量的可觀察輸入數據)，不使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據指無市場數據的輸入數據。
3. 第三級估值：使用重大不可觀察輸入數據計量的公平值。

估值程序

本集團財務部(由財務總監領導)負責釐定財務工具公平值計量的政策及程序。

在估計資產或負債的公平值時，本集團盡可能使用可獲得之市場可觀察資料。如並無第一級輸入數據，財務部與合資格外部估值師密切合作，制定適當的估值技術及模型輸入數據。財務總監每半年向董事會報告，解釋資產或負債公平值波動的原因。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Valuation process (continued)

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

| | Fair value as at 於以下日期之公平值 | | Fair value hierarchy 公平值層級 | Valuation technique 估值技術 | Significant unobservable inputs 重大不可觀察輸入數據 |
|--|----------------------------------|----------------------------------|-------------------------------------|---|---|
| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | | | |
| Other financial assets 其他財務資產 | | | | | |
| – debt securities listed in Singapore, at fair value – 於新加坡上市的債務證券，按公平值 | 6,670 | 6,562 | Level 2 第二級 | Quoted prices from financial institutions 來自金融機構之報價 | N/A 不適用 |
| Held-for-trading investments 持作買賣投資 | 87,248 | 549,022 | Level 1 第一級 | Quoted market closing prices in an active market 活躍市場所報收市價 | N/A 不適用 |
| Convertible notes receivable 應收可換股票據 | | | | | |
| – issued by China Agri-Products Exchange Limited – 由中國農產品交易所有限公司發行 | 20,236 | 18,864 | Level 3 第三級 | Binomial model 二項式模型 | Discount rate: 17.79% (2018: 17.52%) Volatility: 69.337% (2018: 50.417%) 貼現率： 17.79% (二零一八年： 17.52%) 波幅：69.337% (二零一八年：50.417%) |
| | 114,154 | 574,448 | | | |

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

本集團部分財務資產於各報告期末按公平值計量。下表提供釐定該等財務資產公平值的方法之資料(尤其是估值技術及所用輸入數據)。

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截至二零一九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Valuation process (continued)

During the years ended 31 December 2019 and 2018, there were no transfers between Level 1 and 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Note:

A 5% increase in volatility holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$8,000 (2018: approximately HK\$1,000). A 5% decrease in volatility holding all other variables constant would decrease the carrying amount of the convertible notes receivable by approximately HK\$6,000 (2018: approximately HK\$1,000).

A 5% increase in discount rate holding all other variables constant would decrease the carrying amount of convertible notes receivable by approximately HK\$1,358,000 (2018: approximately HK\$1,860,000). A 5% decrease in discount rate holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$1,526,000 (2018: approximately HK\$2,177,000).

Reconciliation of Level 3 fair value measurement
Investment carried at FVTPL

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---|----------------------------------|----------------------------------|
| At the beginning of the year | 於年初 | 18,864 | 19,293 |
| Fair value gain/(loss) recognised in profit or loss during the year | 年內於損益確認的公平值收益／（虧損） | 1,372 | (429) |
| At the end of the year | 於年末 | 20,236 | 18,864 |
| Net gain/(loss) for the year included in profit or loss for investments designated at FVTPL (included in other gain/(loss)) | 指定透過損益按公平值列賬之投資計入損益（計入其他收益／（虧損））的本年度收益／（虧損）淨額 | 1,372 | (429) |

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

截至二零一九年及二零一八年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦並無轉入或轉出第三級。本集團的政策為於公平值等級級別之間的轉撥產生期間確認。

附註：

波幅增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約8,000港元（二零一八年：約1,000港元）。波幅減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約6,000港元（二零一八年：約1,000港元）。

貼現率增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約1,358,000港元（二零一八年：約1,860,000港元）。貼現率減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約1,526,000港元（二零一八年：約2,177,000港元）。

第三級公平值計量之對賬
透過損益按公平值列賬之投資

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Valuation process (continued)

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

(d) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and the clearing house, the Group has a legally enforceable right to set off the money obligations receivable and payable with clearing house on the same settlement date and the Group intends to settle on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payables to cash clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

並非按公平值計量之財務資產及財務負債之公平值

本公司董事認為於綜合財務報表中按攤銷成本確認之其他財務資產與財務負債之賬面值與其公平值相若。

(d) 抵銷財務資產及財務負債

下表所載披露包括受限於可執行總對銷安排或涵蓋類似財務工具的類似協議，並符合以下情況之一的財務資產及財務負債：

- 於本集團綜合財務狀況表內抵銷；或
- 由於不符合抵銷標準，未於綜合財務狀況表內抵銷。

根據本集團與結算所訂立的持續淨額結算協議，本集團具有可依法執行的權利於相同結算日期抵銷應收及應付結算所的貨幣義務，本集團擬按淨額基準結算。

此外，本集團具有可依法執行的權利抵銷須於相同日期結算的應收及應付現金客戶的賬款，本集團擬按淨額基準結算。

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截至二零一九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities (continued)

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to the clearing house and accounts receivable and payables to cash clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group and deposit placed with clearing house do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債 (續)

除所抵銷的須於相同日期結算的結餘外，毋須於相同日期結算的應收／應付結算所款項及應收及應付現金客戶的款項、財務抵押品(包括本集團收取的現金及證券)以及存放於結算所的按金，不符合於綜合財務狀況表內抵銷的標準，原因是抵銷已確認款項的權利僅可在發生違約事件後執行。

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For the year ended 31 December 2019
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6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities (continued)

(a) Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債 (續)

(a) 受限於抵銷、可執行總對銷安排或類似協議的財務資產

Related amounts
not offset in consolidated
statement of financial position
未於綜合財務狀況表內抵銷的相關款項

| | | Gross amounts of recognised financial liabilities set off | Net amount of financial assets presented in the consolidated statement of financial position | Financial instruments | Collateral received | Net amount | |
|---------------------|---|--|---|--------------------------|------------------------|---------------|---------|
| | Gross amount of recognised financial assets | Gross amount of recognised financial liabilities set off in the consolidated statement of financial position | Net amount of financial assets presented in the consolidated statement of financial position | | | | |
| | 已確認 財務資產總額 | 抵銷的已確認 財務負債總額 | 呈報的 財務資產淨額 | 財務工具 | 已收抵押品 | 淨額 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | | | | | | |
| Financial assets | 財務資產 | | | | | | |
| Accounts receivable | 應收賬款 | 225,726 | (120) | 225,606 | - | - | 225,606 |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | | | | | |
| Financial assets | 財務資產 | | | | | | |
| Accounts receivable | 應收賬款 | 5,150 | (222) | 4,928 | - | - | 4,928 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities (continued)

(b) Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債 (續)

(b) 受限於抵銷、可執行總對銷安排或類似協議的財務負債

Related amounts
not offset in consolidated
statement of financial position
未於綜合財務狀況表內抵銷的相關款項

| | | Gross amounts of recognised financial assets set off | Net amount of financial liabilities presented in the consolidated statement of financial position | Financial instruments | Collateral received | Net amount |
|-----------------------|--|---|--|--------------------------|------------------------|---------------|
| | Gross amount of recognised financial liabilities | Gross amount of recognised financial liabilities | in the consolidated statement of financial position | of financial position | | |
| | 於綜合 財務狀況表內 已確認 財務負債總額 | 於綜合 財務狀況表內 抵銷的已確認 財務資產總額 | 於綜合 財務狀況表內 呈報的 財務負債淨額 | 財務工具 | 已收抵押品 | 淨額 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | | | | | |
| Financial liabilities | 財務負債 | | | | | |
| Accounts payable | 應付賬款 | 5,564 | (120) | 5,444 | - | - |
| | | | | | | 5,444 |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | | | | |
| Financial liabilities | 財務負債 | | | | | |
| Accounts payable | 應付賬款 | 4,666 | (222) | 4,444 | - | - |
| | | | | | | 4,444 |

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綜合財務報表附註

For the year ended 31 December 2019
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7. REVENUE

7. 收入

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------------------|----------------------------------|----------------------------------|
| Brokerage related commission and clearing fee income (notes (i) and (ii)) | 經紀相關佣金及結算費收入(附註(i)及(ii)) | 1,665 | 2,227 |
| Royalty income (notes (i) and (iii)) | 特許費收入(附註(i)及(iii)) | 185 | 256 |
| Dividend income from held-for-trading investments (note (iii)) | 持作買賣投資之股息收入(附註(ii)) | 15,152 | 20,577 |
| Interest income on loans receivable and margin clients (note (iv)) | 應收貸款及保證金客戶之利息收入(附註(iv)) | 12,300 | 3,479 |
| Net realised losses from sales of listed equity investments classified as held-for-trading (notes (ii) and (v)) | 出售分類為持作買賣的上市股本投資之已變現虧損淨額(附註(ii)及(v)) | (80,339) | (8,050) |
| | | (51,037) | 18,489 |

Notes:

- (i) The commission and clearing fee income and royalty income are the revenue arising under the scope of HKFRS 15, while the dividend income, interest income and sales of equity investments are revenue from other sources.

Included in revenue, revenue arising from contract with customers recognised at a point in time and over time were HK\$1,665,000 (2018: HK\$2,227,000) and HK\$185,000 (2018: HK\$256,000), respectively.

- (ii) Amount are reported under trading of securities and securities brokerage segment as set out in note 8.
- (iii) Amount are reported under entertainment segment as set out in note 8.
- (iv) Amount are reported under trading of securities and securities brokerage of HK\$6,654,000 (2018: HK\$70,000) and provision of finance of HK\$5,646,000 (2018: HK\$3,409,000) segment as set out in note 8.
- (v) During the year ended 31 December 2019, the Group disposed of held-for-trading securities at cost of HK\$547,010,000 (2018: HK\$332,543,000) at gross proceeds of HK\$467,548,000 (2018: HK\$326,413,000), incurring trading fee of HK\$877,000 (2018: HK\$1,920,000).

附註：

- (i) 佣金及結算費收入以及特許費收入為香港財務報告準則第15號範圍內產生的收入，而股息收入、利息收入及出售股本投資為其他來源的收入。

收入包括於某一時間點及某一時間段確認的客戶合約收入分別為1,665,000港元(二零一八年：2,227,000港元)及185,000港元(二零一八年：256,000港元)。

- (ii) 該金額於買賣證券及證券經紀分部報告(如附註8所載)。
- (iii) 該金額於娛樂分部報告(如附註8所載)。
- (iv) 該金額中，6,654,000港元(二零一八年：70,000港元)於買賣證券及證券經紀分部報告，5,646,000港元(二零一八年：3,409,000港元)於提供融資分部報告(如附註8所載)。
- (v) 截至二零一九年十二月三十一日止年度，本集團出售成本為547,010,000港元(二零一八年：332,543,000港元)的持作買賣證券，所得款項總額為467,548,000港元(二零一八年：326,413,000港元)，包括交易費用877,000港元(二零一八年：1,920,000港元)。

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8. SEGMENT REPORTING

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the directors of the Company who are also directors of all operating subsidiaries) (the "CODM"), for the purpose of resource allocation and performance assessment.

During the year ended 31 December 2018, the Group acquired a subsidiary which is engaged in money lending business. In addition, the Group commences to invest in film rights. Accordingly, the Group reorganises business units based on their services and the CODM regularly review revenue and results analysis of the Group by the reportable operating segments below.

- trading of securities segment engages in the purchase and sale of securities investments and securities brokerage services;
- provision of finance segment engages in the provision of financing services; and
- entertainment segment engages in CGI business, entertainment business and investment in film rights.

All assets are allocated to reportable segments with the exception of the interest in a joint venture and other corporate assets. All liabilities are allocated to reportable segments other than deferred tax liability and other corporate liabilities.

8. 分部報告

本集團的經營分部乃根據向本集團主要營運決策者(本公司董事,彼等亦為所有營運附屬公司的董事)(「主要營運決策者」)呈報的資料釐定,以分配資源及評估表現。

截至二零一八年十二月三十一日止年度,本集團收購一間從事放債業務的附屬公司。此外,本集團開始投資電影版權。因此,本集團依據其服務確認業務單位,且主要營運決策者按如下可報告經營分部定期審閱本集團的收入及業績分析。

- 證券買賣分部從事買賣證券投資及證券經紀服務;
- 提供融資分部從事提供融資服務;及
- 娛樂分部從事電腦造像業務、娛樂業務及電影版權投資。

所有資產分配至可報告分部,惟於一間合營企業之權益及其他企業資產除外。除遞延稅項負債及其他企業負債外,所有負債分配至可報告分部。

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綜合財務報表附註

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

8. SEGMENT REPORTING (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank and other interest income (excluding interest income from the provision of finance), finance costs as well as head office and corporate expenses are excluded from such measurement.

Inter-segment transactions are made with reference to the prices used for services made to third parties at the then prevailing market prices.

The Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below.

8. 分部報告 (續)

管理層對本集團各經營分部的業績分別進行監控，以作出有關資源分配的決策及表現評估。分部表現乃根據用於計量經調整除稅前溢利的可報告分部溢利／(虧損)評估。經調整除稅前溢利按與本集團除稅前溢利一致的方式計量，惟該計量不包括銀行及其他利息收入(不包括提供融資的利息收入)、財務成本及總辦事處及企業開支。

分部間交易參考按當時現行市價提供予第三方的服務所使用的價格作出。

截至二零一九年及二零一八年十二月三十一日止年度提供予本集團最高管理層用於資源分配及分部表現評估的有關本集團可報告分部的資料載列如下。

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綜合財務報表附註

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

8. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities

For the year ended 31 December 2019

8. 分部報告 (續)

(a) 分部業績、資產及負債

截至二零一九年十二月三十一日止年度

| | | Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元 | Provision of finance 提供融資 HK\$'000 千港元 | Entertainment 娛樂 HK\$'000 千港元 | Elimination 對銷 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------|--|---|--|--------------------------------------|--------------------------------|
| Segment revenue | 分部收入 | (56,868) | 5,646 | 185 | - | (51,037) |
| Inter-segment revenue | 分部間收入 | - | - | - | - | - |
| | | (56,868) | 5,646 | 185 | - | (51,037) |
| Segment results: | 分部業績： | (88,609) | 2,612 | (377) | - | (86,374) |
| <i>Reconciliation:</i> | <i>對賬：</i> | | | | | |
| Other income and other gain | 其他收入及其他收益 | | | | | 11,196 |
| Depreciation | 折舊 | | | | | (3,274) |
| Finance costs | 財務成本 | | | | | (16,176) |
| Unallocated head office and corporate expenses | 未分配總辦事處及企業開支 | | | | | (64,863) |
| Consolidated loss before tax | 除稅前綜合虧損 | | | | | (159,491) |

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

8. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

For the year ended 31 December 2019
(continued)

8. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

截至二零一九年十二月三十一日
止年度 (續)

| | | Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元 | Provision of finance 提供融資 HK\$'000 千港元 | Entertainment 娛樂 HK\$'000 千港元 | Elimination 對銷 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------|--|---|--|--------------------------------------|--------------------------------|
| Segment assets | 分部資產 | 351,215 | 311,968 | 12,094 | - | 675,277 |
| Unallocated head office and corporate assets | 未分配總辦事處及企業資產 | | | | | 842,092 |
| Total consolidated assets | 綜合資產總額 | | | | | 1,517,369 |
| Segment liabilities | 分部負債 | (7,725) | (273) | (83) | - | (8,081) |
| Unallocated head office and corporate liabilities | 未分配總辦事處及企業負債 | | | | | (1,002,408) |
| Total consolidated liabilities | 綜合負債總額 | | | | | (1,010,489) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

For the year ended 31 December 2018

| | | Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元 | Provision of finance 提供融資 HK\$'000 千港元 | Entertainment 娛樂 HK\$'000 千港元 | Elimination 對銷 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------|--|---|--|--------------------------------------|--------------------------------|
| Segment revenue | 分部收入 | 14,824 | 3,409 | 256 | - | 18,489 |
| Inter-segment revenue | 分部間收入 | - | - | - | - | - |
| | | 14,824 | 3,409 | 256 | - | 18,489 |
| Segment results: | 分部業績： | (105,944) | 3,045 | (786) | - | (103,685) |
| <i>Reconciliation:</i> | <i>對賬：</i> | | | | | |
| Share of profit of a joint venture | 應佔一間合營企業之溢利 | | | | | 3,521 |
| Other income and other gain | 其他收入及其他收益 | | | | | 8,869 |
| Depreciation | 折舊 | | | | | (798) |
| Finance costs | 財務成本 | | | | | (832) |
| Unallocated head office and corporate expenses | 未分配總辦事處及企業開支 | | | | | (24,980) |
| Consolidated loss before tax | 除稅前綜合虧損 | | | | | (117,905) |

8. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

截至二零一八年十二月三十一日止年度

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截至二零一九年十二月三十一日止年度

8. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

For the year ended 31 December 2018
(continued)

8. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

截至二零一八年十二月三十一日止
年度 (續)

| | | Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元 | Provision of finance 提供融資 HK\$'000 千港元 | Entertainment 娛樂 HK\$'000 千港元 | Elimination 對銷 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------|--|---|--|--------------------------------------|--------------------------------|
| Segment assets | 分部資產 | 587,120 | 16,560 | 4,198 | - | 607,878 |
| Unallocated head office and corporate assets | 未分配總辦事處及企業資產 | | | | | 108,155 |
| Total consolidated assets | 綜合資產總額 | | | | | 716,033 |
| Segment liabilities | 分部負債 | (47,959) | (34) | (671) | - | (48,664) |
| Unallocated head office and corporate liabilities | 未分配總辦事處及企業負債 | | | | | (2,327) |
| Total consolidated liabilities | 綜合負債總額 | | | | | (50,991) |

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截至二零一九年十二月三十一日止年度

8. SEGMENT REPORTING (continued)

(b) Geographical information

The geographical location of customers is based on the location at which the services rendered. Substantially, over 99% (2018: 98%) of the Group's revenue from external customers, non-current assets and capital expenditure are located in Hong Kong, no analysis on revenue from external customers and non-current assets by location are presented.

(c) Major customers

Included in revenue arising from major customers which individually accounted for over 10% of the Group's revenue for the year:

8. 分部報告 (續)

(b) 地區資料

客戶之地理位置乃按提供服務之地點劃分。實質上，本集團來自外部客戶之收入、非流動資產及資本開支逾99%(二零一八年：98%)位於香港，因此並無呈報按地點劃分的來自外部客戶之收入及非流動資產分析。

(c) 主要客戶

來自個別佔本集團本年度收益超過10%之主要客戶之收入包括：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------|----------------------------------|----------------------------------|
| Trading of securities and securities brokerage | 買賣證券及證券經紀 | | |
| Customer A | 客戶A | - | 1,305 |
| Customer E | 客戶E | 2,084 | - |
| Customer F | 客戶F | 1,779 | - |
| Provision of finance | 提供融資 | | |
| Customer B | 客戶B | - | 732 |
| Customer C | 客戶C | - | 732 |
| Customer D | 客戶D | - | 641 |
| Customer E | 客戶E | 434 | - |

The Group's dividend income and net realised losses from sales of listed equity investments classified as held-for-trading are excluded from total revenue ("Adjusted Revenue") for the purpose of identifying major customers of the Group who accounted for over 10% of the Group's revenue.

本集團的股息收入及銷售分類為持作買賣的上市股本投資的已變現虧損淨額並未計入總收入(「經調整收入」)，以識別佔本集團收入逾10%的本集團主要客戶。

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8. SEGMENT REPORTING (continued)

(c) Major customers (continued)

For the year ended 31 December 2019, revenue from above Customers E and F accounted for 10% or more of the Group's Adjusted Revenue. For the year ended 31 December 2018, revenue from above Customers A to D accounted for 10% or more of the Group's Adjusted Revenue.

8. 分部報告 (續)

(c) 主要客戶 (續)

截至二零一九年十二月三十一日止年度，來自上述客戶E及F的收入佔本集團經調整收入的10%或以上。截至二零一八年十二月三十一日止年度，來自上述客戶A至D的收入佔本集團經調整收入的10%或以上。

9. OTHER INCOME

9. 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 on convertible notes receivable | 應收可換股票據之利息收入 | 1,740 | 1,740 |
| Interest income on debt securities | 債務證券之利息收入 | 683 | 678 |
| Interest income on bank | 銀行之利息收入 | 476 | - |
| Others | 其他 | - | 61 |
| | | 2,899 | 2,479 |

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截至二零一九年十二月三十一日止年度

10. OTHER GAIN

10. 其他收益

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Fair value gain/(loss) on convertible notes receivable | 應收可換股票據之公平值收益／（虧損） | 1,372 | (429) |
| Gain on disposal of a joint venture (note) | 出售一間合營企業之收益（附註） | - | 7,098 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | - | (44) |
| Net foreign exchange gain/(loss) | 匯兌淨收益／（虧損） | 6,925 | (235) |
| | | 8,297 | 6,390 |

Note: The Group disposed its joint venture as at 23 April 2018 and share its result up to the date of disposal accordingly.

附註：於二零一八年四月二十三日，本集團出售其合營企業，因此應佔其業績直至出售日期為止。

11. FINANCE COSTS

11. 財務成本

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Interest on borrowings – margin loans | 借貸－保證金貸款之利息 | 1,397 | 832 |
| Interest on loans payable | 應付貸款之利息 | 640 | - |
| Interest on notes payable | 應付票據之利息 | 13,829 | - |
| Total borrowing costs on financial liabilities that are not at fair value through profit or loss | 並非透過損益按公平值列賬的財務負債之借貸成本總額 | 15,866 | 832 |
| Interest on lease liabilities (note 35) | 租賃負債之利息（附註35） | 310 | - |
| | | 16,176 | 832 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

12. 股息

截至二零一九年十二月三十一日止年度並無派發或擬派任何股息，自報告期末以來亦無擬派任何股息(二零一八年：無)。

13. LOSS BEFORE TAX

Loss before tax has been arrived at after charging the following:

13. 除稅前虧損

除稅前虧損已扣除下列項目：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------------------------|----------------------------------|----------------------------------|
| Auditor's remuneration | 核數師酬金 | 1,300 | 1,200 |
| Directors' emoluments (note 15) | 董事酬金 (附註15) | 4,522 | 3,894 |
| Other staff costs | 其他員工成本 | | |
| – Salaries and allowance | – 薪金及津貼 | 14,105 | 13,142 |
| – Contribution to retirement benefit scheme | – 退休福利計劃供款 | 368 | 383 |
| Total staff costs | 員工成本總額 | 18,995 | 17,419 |
| Depreciation charge: | 折舊費用： | | |
| – owned property, plant and equipment | – 自有物業、廠房及設備 | 827 | 798 |
| – right-of-use assets | – 使用權資產 | 2,447 | – |
| Operating lease payments in respect of rental properties under HKAS 17 (note 18(b)) | 香港會計準則第17號項下租賃物業之營運租賃付款 (附註18(b)) | – | 3,331 |
| Changes in fair value of financial assets classified as held-for-trading | 分類為持作買賣的財務資產之公平值變動 | | |
| – Net realised losses from sales of listed equity investments | – 出售上市股本投資之已變現虧損淨額 | 80,339 | 8,050 |
| – Unrealised losses from changes in fair value of listed equity investments | – 上市股本投資公平值變動之未變現虧損 | 28,421 | 106,674 |
| | | 108,760 | 114,724 |

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14. INCOME TAX EXPENSE/(CREDIT)

(a) Income tax expense/(credit) recognised in profit or loss

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Hong Kong Profits Tax | 香港利得稅 | | |
| Current tax | 即期稅項 | 81 | - |
| Underprovision in respect of prior years | 過往年度撥備不足 | 119 | - |
| | | 200 | - |
| Deferred tax | 遞延稅項 | | |
| Origination and reversal of temporary difference (note 37) | 產生及撥回暫時差額 (附註37) | - | (342) |
| | | 200 | (342) |

The Group is subject to income tax on an entity basis on profits arising on derived from the jurisdictions in which the members domiciled and operate.

For the year ended 31 December 2019, no provision for Hong Kong Profits Tax had been made in the financial statements, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

For the year ended 31 December 2018, no provision for Hong Kong Profits Tax had been made in the financial statements as the Group did not have assessable profits arising in Hong Kong.

14. 所得稅開支／(抵免)

(a) 於損益確認的所得稅開支／(抵免)

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

本集團須按實體就產生自或源自成員公司的住所及經營所在司法權區的溢利繳納所得稅。

截至二零一九年十二月三十一日止年度，並無於財務報表中就香港利得稅作出撥備，惟本集團一間附屬公司為利得稅兩級制下的合資格公司。就該附屬公司而言，首2,000,000港元應課稅溢利將按8.25%徵稅，餘下應課稅溢利則按16.5%徵稅。

截至二零一八年十二月三十一日止年度，並無於財務報表中就香港利得稅作出撥備，原因是本集團並無於香港產生的應課稅溢利。

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截至二零一九年十二月三十一日止年度

14. INCOME TAX EXPENSE/(CREDIT)

(continued)

(a) Income tax expense/(credit) recognised in profit or loss (continued)

Pursuant to rules and regulations of Bermuda, British Virgin Islands (“BVI”), Cayman Islands, Marshall Islands and England and Wales, the Group is not subject to any income tax in the respective jurisdictions.

(b) Reconciliation between tax expense/(credit) and accounting loss at applicable tax rate:

14. 所得稅開支／(抵免) (續)

(a) 於損益確認的所得稅開支／(抵免) (續)

根據百慕達、英屬處女群島(「英屬處女群島」)、開曼群島、馬紹爾群島及英格蘭及威爾斯的規則及法規，本集團毋須在各轄區繳納任何所得稅。

(b) 稅項開支／(抵免)與按適用稅率計算之會計虧損對賬：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Loss before tax | 除稅前虧損 | (159,491) | (117,905) |
| Tax at the domestic income tax rate of 16.5% | 按本地所得稅率16.5%計算之稅款 | (26,316) | (19,454) |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支之稅務影響 | 27,747 | 22,502 |
| Tax effect of income not taxable for tax purpose | 毋須課稅收入之稅務影響 | (1,406) | (4,806) |
| Tax effect of utilisation of unused tax losses previously not recognised | 動用過往未確認之未動用稅項虧損之稅務影響 | (55) | (356) |
| Tax effect of tax losses not recognised | 尚未確認稅務虧損之稅務影響 | 111 | 1,772 |
| Underprovision in respect of prior years | 過往年度撥備不足 | 119 | - |
| Income tax expense/(credit) the year | 年內所得稅開支／(抵免) | 200 | (342) |

(c) At the end of the reporting period, the Group has unused tax losses of approximately HK\$341,114,000 (2018: HK\$442,729,000) available for offset against future profits. No deferred tax assets has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

(c) 於報告期末，本集團有未動用稅務虧損約341,114,000港元(二零一八年：442,729,000港元)，可用以抵銷未來溢利。由於未來溢利來源不明朗，故並無確認遞延稅項資產。稅務虧損可予無限期結轉。

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15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation are as follows:

31 December 2019

15. 董事及主要行政人員酬金

董事酬金根據《香港公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露如下：

二零一九年十二月三十一日

| | | Fees | Salaries and other benefits | Contributions to retirement benefit scheme | Total |
|---|----------------------|----------|-----------------------------|--|----------|
| | | 袍金 | 薪金及其他福利 | 退休福利計劃供款 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| <i>Executive directors:</i> | 執行董事： | | | | |
| Mr. Kitchell Osman Bin | Kitchell Osman Bin先生 | - | 1,950 | 18 | 1,968 |
| Mr. Shimazaki Koji | 嶋崎幸司先生 | - | 845 | 18 | 863 |
| Ms. Choi Ka Wing | 蔡家穎女士 | - | 585 | 18 | 603 |
| <i>Independent non-executive directors:</i> | 獨立非執行董事： | | | | |
| Dr. Santos Antonio Maria | 杜東尼博士 | 260 | - | - | 260 |
| Mr. Miu Frank H. | 繆希先生 | 260 | - | - | 260 |
| Ms. Liu Jianyi | 劉簡怡女士 | 260 | - | - | 260 |
| Mr. Chan Hak Kan (note a) | 陳克勤先生 (附註a) | 154 | - | - | 154 |
| Mr. Ngai Wai Kin (note b) | 魏偉健先生 (附註b) | 154 | - | - | 154 |
| | | 1,088 | 3,380 | 54 | 4,522 |

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15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

31 December 2018

15. 董事及主要行政人員酬金 (續)

二零一八年十二月三十一日

| | | Fees | Salaries and other benefits | Contributions to retirement benefit scheme | Total |
|---|----------------------|----------|-----------------------------|--|----------|
| | | 袍金 | 薪金及其他福利 | 退休福利計劃供款 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| <i>Executive directors:</i> | <i>執行董事：</i> | | | | |
| Mr. Kitchell Osman Bin | Kitchell Osman Bin先生 | - | 1,800 | 18 | 1,818 |
| Mr. Shimazaki Koji | 嶋崎幸司先生 | - | 780 | 18 | 798 |
| Ms. Choi Ka Wing | 蔡家穎女士 | - | 540 | 18 | 558 |
| <i>Independent non-executive directors:</i> | <i>獨立非執行董事：</i> | | | | |
| Dr. Santos Antonio Maria | 杜東尼博士 | 240 | - | - | 240 |
| Mr. Miu Frank H. | 繆希先生 | 240 | - | - | 240 |
| Ms. Liu Jianyi | 劉簡怡女士 | 240 | - | - | 240 |
| | | 720 | 3,120 | 54 | 3,894 |

Notes:

- (a) Mr. Chan Hak Kan was appointed as an independent non-executive director on 10 May 2019.
- (b) Mr. Ngai Wai Kin was appointed as an independent non-executive director on 10 May 2019.

附註：

- (a) 陳克勤先生於二零一九年五月十日獲委任為獨立非執行董事。
- (b) 魏偉健先生於二零一九年五月十日獲委任為獨立非執行董事。

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and the emoluments for independent non-executive directors shown above were mainly for their services as directors of the Company. The Company do not have chief executive.

No directors of the Company waived any emoluments for both reporting years and no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, nor as compensation for loss of office during the years.

上文所示執行董事之酬金主要包括彼等就管理本公司及本集團之業務提供服務的酬金，而獨立非執行董事之薪酬主要包括彼等作為本公司董事提供服務的酬金。本公司並無行政總裁。

於兩個報告年度內，本公司董事概無放棄任何酬金。於該兩個年度內，本集團並無向本公司董事支付任何酬金以吸引其加入本集團或作為加入本集團之獎勵或作為彼等離職的賠償。

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16. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments, three (2018: three) were employees who are not directors of the Company and the remainder are directors of the Company whose emoluments are included in the disclosures in note 15 above. The emoluments of these three (2018: three) highest paid employees were as follows:

16. 僱員酬金

本集團最高薪酬之五名人士中，三名(二零一八年：三名)為本公司董事以外之僱員，餘下為本公司董事，其酬金於上文附註15內披露。上述三名(二零一八年：三名)最高薪酬僱員之酬金如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 3,048 | 2,290 |
| Contributions to retirement benefit scheme | 退休福利計劃供款 | 54 | 54 |
| | | 3,102 | 2,344 |

Their emoluments were within the following bands:

上述人士之酬金介乎以下範圍：

| | | 2019 二零一九年 Number of employee 僱員人數 | 2018 二零一八年 Number of employee 僱員人數 |
|--------------------------------|-------------------------|--|--|
| HK\$Nil to HK\$1,000,000 | 零港元至1,000,000港元 | 2 | 1 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 1 | 2 |
| | | 3 | 3 |

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17. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$159,496,000 (2018: HK\$117,563,000) and the weighted average of ordinary shares in issue during the year, calculated as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Loss | 虧損 | | |
| Loss for the purposes of basic loss per share | 用於計算每股基本虧損之虧損 | (159,496) | (117,563) |
| | | 2019 二零一九年 | 2018 二零一八年 |
| Number of shares | 股份數目 | | |
| Issued ordinary shares at 1 January | 於一月一日之已發行普通股 | 691,921,572 | 689,421,572 |
| Effect of share options exercised | 所授出購股權之影響 | - | 842,466 |
| Weighted average number of ordinary shares at 31 December | 於十二月三十一日之普通股加權平均數 | 691,921,572 | 690,264,038 |

(b) Diluted loss per share

For the year ended 31 December 2019, there were no dilutive potential ordinary shares in issue and diluted loss per share is the same as basic loss per share.

For the year ended 31 December 2018, diluted loss per share was the same as the basic loss per share since the exercises of the Company's share options outstanding during the year would have an anti-dilutive effect.

17. 每股虧損

(a) 每股基本虧損

每股基本虧損乃基於本公司普通股權持有人應佔虧損159,496,000港元(二零一八年: 117,563,000港元)及年內已發行普通股加權平均數計算如下:

| | | 2019 二零一九年 | 2018 二零一八年 |
|---|-------------------|---------------|---------------|
| Number of shares | 股份數目 | | |
| Issued ordinary shares at 1 January | 於一月一日之已發行普通股 | 691,921,572 | 689,421,572 |
| Effect of share options exercised | 所授出購股權之影響 | - | 842,466 |
| Weighted average number of ordinary shares at 31 December | 於十二月三十一日之普通股加權平均數 | 691,921,572 | 690,264,038 |

(b) 每股攤薄虧損

截至二零一九年十二月三十一日止年度，並無已發行攤薄潛在普通股，且每股攤薄虧損與每股基本虧損相同。

截至二零一八年十二月三十一日止年度，每股攤薄虧損與每股基本虧損相同，原因是年內行使本公司未行使購股權將具有反攤薄影響。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

| | | Leasehold improvements | Motor vehicles | Furniture, fixtures and equipment | Properties leased for own use | Total |
|--|-------------------------|------------------------|----------------|-----------------------------------|-------------------------------|---------------|
| | | 租賃物業裝修 | 汽車 | 傢俬、裝置及設備 | 自用租賃物業 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| COST | 成本 | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 527 | 2,184 | 1,354 | - | 4,065 |
| Additions | 添置 | 165 | - | 216 | - | 381 |
| Disposals | 出售 | (527) | - | (45) | - | (572) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 165 | 2,184 | 1,525 | - | 3,874 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 165 | 2,184 | 1,525 | - | 3,874 |
| Impact on initial application of HKFRS 16 (note) | 首次應用香港財務報告準則第16號的影響(附註) | - | - | - | 7,341 | 7,341 |
| At 1 January 2019 | 於二零一九年一月一日 | 165 | 2,184 | 1,525 | 7,341 | 11,215 |
| Additions | 添置 | - | - | 470 | - | 470 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 165 | 2,184 | 1,995 | 7,341 | 11,685 |

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18. PROPERTY, PLANT AND EQUIPMENT (continued)

18. 物業、廠房及設備 (續)

| | | Leasehold improvements | Motor vehicles | Furniture, fixtures and equipment | Properties leased for own use | Total |
|--|-------------------------|------------------------|----------------|-----------------------------------|-------------------------------|--------------|
| | | 租賃物業裝修 | 汽車 | 傢俬、裝置及設備 | 自用租賃物業 | 總計 |
| | | 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 |
| DEPRECIATION AND IMPAIRMENT | 折舊及減值 | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 463 | 692 | 284 | - | 1,439 |
| Charge for the year | 年內扣除 | 72 | 436 | 290 | - | 798 |
| Written back on disposals | 出售時撥回 | (520) | - | (8) | - | (528) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 15 | 1,128 | 566 | - | 1,709 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 15 | 1,128 | 566 | - | 1,709 |
| Impact on initial application of HKFRS 16 (note) | 首次應用香港財務報告準則第16號的影響(附註) | - | - | - | 1,331 | 1,331 |
| At 1 January 2019 | 於二零一九年一月一日 | 15 | 1,128 | 566 | 1,331 | 3,040 |
| Charge for the year | 年內扣除 | 32 | 437 | 358 | 2,447 | 3,274 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 47 | 1,565 | 924 | 3,778 | 6,314 |
| CARRYING VALUE | 賬面值 | | | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 118 | 619 | 1,071 | 3,563 | 5,371 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 150 | 1,056 | 959 | - | 2,165 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances as at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. See note 2(b).

附註：本集團已使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與早前根據香港會計準則第17號分類為營運租約的租約有關的使用權資產。請參閱附註2(b)。

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18. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

| | |
|-----------------------------------|---|
| Leasehold improvements | Over the shorter of the term of the lease, or 5 years |
| Motor vehicles | 20% |
| Furniture, fixtures and equipment | 20% |

(a) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset as follow:

18. 物業、廠房及設備 (續)

以上物業、廠房及設備項目乃以直線法按以下年率折舊：

| | |
|----------|-------------------|
| 租賃物業裝修 | 按有關租賃年期或五年期兩者之較短者 |
| 汽車 | 20% |
| 傢俬、裝置及設備 | 20% |

(a) 使用權資產

使用權資產的賬面淨值按相關資產類別劃分的分析如下：

| | At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 | At 1 January 2019 於 二零一九年 一月一日 HK\$'000 千港元 |
|---|---|--|
| Properties leased for own use, 自用租賃物業，按折舊成 carried at depreciated cost 本入賬 | 3,563 | 6,010 |

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18. PROPERTY, PLANT AND EQUIPMENT

(continued)

(a) Right-of-use assets (continued)

The analysis of expense items in related to lease recognised in profit or loss is as follows:

| | | 2019 二零一九年 | 2018 二零一八年 |
|---|---------------------------------------|-----------------|--|
| | | HK\$'000 千港元 | (note (b)) (附註(b)) HK\$'000 千港元 |
| Depreciation charge of right-of-use assets by class of underlying assets: | 使用權資產按相關資產類別劃分之折舊費用： | | |
| Properties leased for own use | 自用租賃物業 | 2,447 | - |
| Interest on lease liabilities (note 2(b)) | 租賃負債之利息 (附註2(b)) | 310 | - |
| Expense relating to short-term leases | 與短期租約有關的開支 | 298 | - |
| Total minimum lease payments for leases previously classified as operating leases under HKAS 17 | 早前根據香港會計準則第17號分類為營運租約之租約的最 低租賃付款總額 | - | 3,331 |

(b) The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. The depreciated carrying amount of the finance lease assets which were previously included in property, plant and equipment is also identified as a right-of-use asset. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 2.

18. 物業、廠房及設備 (續)

(a) 使用權資產 (續)

於損益確認的有關租賃之開支項目分析如下：

| | | 2019 二零一九年 | 2018 二零一八年 |
|---|---------------------------------------|-----------------|--|
| | | HK\$'000 千港元 | (note (b)) (附註(b)) HK\$'000 千港元 |
| Depreciation charge of right-of-use assets by class of underlying assets: | 使用權資產按相關資產類別劃分之折舊費用： | | |
| Properties leased for own use | 自用租賃物業 | 2,447 | - |
| Interest on lease liabilities (note 2(b)) | 租賃負債之利息 (附註2(b)) | 310 | - |
| Expense relating to short-term leases | 與短期租約有關的開支 | 298 | - |
| Total minimum lease payments for leases previously classified as operating leases under HKAS 17 | 早前根據香港會計準則第17號分類為營運租約之租約的最 低租賃付款總額 | - | 3,331 |

(b) 本集團已使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與早前根據香港會計準則第17號分類為營運租約之租約有關的使用權資產。早前計入物業、廠房及設備的融資租約資產之經折舊賬面值亦識別為使用權資產。於二零一九年一月一日初始確認使用權資產後，本集團(作為承租人)須確認使用權資產折舊，而非早前政策於租期內按直線法確認根據營運租約產生的租金開支。根據該方法，未重列比較資料。請參閱附註2。

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18. PROPERTY, PLANT AND EQUIPMENT

(continued)

(c) Properties leased for own use

The Group has obtained the right to use other properties as its office premises through tenancy agreements. The leases typically run for an initial period of 3 years.

18. 物業、廠房及設備 (續)

(c) 自用租賃物業

本集團已透過租賃協議取得將其他物業用作其辦公場所的權利。租約一般初步為期3年。

19. GOODWILL

19. 商譽

HK\$'000
千港元

| Cost | 成本 | |
|---|--|-------|
| At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日 及二零一九年十二月三十一日 | 5,878 |
| Impairment | 減值 | |
| At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日 及二零一九年十二月三十一日 | 5,878 |
| Carrying value | 賬面值 | |
| At 31 December 2019 and 2018 | 於二零一九年及 二零一八年十二月三十一日 | - |

Goodwill is allocated to the Group's CGU of the securities brokerage services business under the integrated financial services in Hong Kong.

商譽分配至本集團於香港綜合金融服務項下證券經紀服務業務的現金產生單位。

For the impairment testing, goodwill arising from the acquisition of John & Wong and trading rights held in the Stock Exchange classified as "intangible assets" are allocated to the Group's CGU of the securities brokerage services business under the integrated financial services in Hong Kong.

就減值測試而言，分類為「無形資產」的因收購宏昌及於聯交所持有的交易權產生的商譽，分配本集團於香港綜合金融服務項下證券經紀服務業務的現金產生單位。

The goodwill was fully impaired in prior years as a result of deteriorating financial performance of the securities brokerage services business.

由於證券經紀服務業務的財務表現惡化，商譽已於過往年度悉數減值。

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19. GOODWILL (continued)

In relation to the trading rights held in the Stock Exchange, since the recoverable amount is larger than the carrying amount, the directors of the Company consider that no further impairment made was appropriate for the years ended 31 December 2019 and 2018.

19. 商譽 (續)

就於聯交所持有的交易權而言，由於可收回金額高於賬面值，本公司董事認為不適合就截至二零一九年及二零一八年十二月三十一日止年度作出進一步減值。

20. INTANGIBLE ASSETS

20. 無形資產

| | CGI animation pictures 電腦造像動畫 HK\$'000 千港元 (note a) (附註a) | Trading rights held in the Stock Exchange 於聯交所持有 的交易權 HK\$'000 千港元 (note b) (附註b) | Total 總額 HK\$'000 千港元 |
|--|--|---|--------------------------------|
| Cost | 成本 | | |
| At 1 January 2018, | 於二零一八年一月一日、 | | |
| 31 December 2018, | 二零一八年十二月三十一日、 | | |
| 1 January 2019 and | 二零一九年一月一日及 | | |
| 31 December 2019 | 二零一九年十二月三十一日 | 287,405 | 2,931 |
| | | | 290,336 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | | |
| At 31 December 2018, | 於二零一八年十二月三十一日、 | | |
| 1 January 2019 and | 二零一九年一月一日及 | | |
| 31 December 2019 | 二零一九年十二月三十一日 | 287,405 | 2,072 |
| | | | 289,477 |
| Carrying value | 賬面值 | | |
| At 31 December 2019 and 2018 | 於二零一九年及二零一八年 十二月三十一日 | - | 859 |
| | | | 859 |

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20. INTANGIBLE ASSETS (continued)

Notes:

- (a) CGI animation pictures were internally generated and stated at production costs incurred to date, including borrowing costs capitalised, less accumulated amortisation and impairment losses, if any.
- (b) Trading rights was identified through acquisition of a subsidiary, John & Wong, and stated at cost less accumulated impairment losses, if any.
- (c) At 31 December 2019, no impairment loss on intangible assets was recognised (2018: Nil).

20. 無形資產 (續)

附註：

- (a) 電腦造像動畫由內部產生及按迄今為止已發生之製作成本列賬，包括撥充資本之借貸成本減累計攤銷及減值虧損（如有）。
- (b) 交易權透過收購附屬公司宏昌而識別，按成本減累計減值虧損（如有）入賬。
- (c) 於二零一九年十二月三十一日，並無確認無形資產之減值虧損（二零一八年：無）。

21. OTHER FINANCIAL ASSETS

21. 其他財務資產

| | | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 |
|--|-------------------------|--|--|
| Financial assets measured at FVOCI (recycling) | 透過其他全面收入按公平值列賬的財務資產（回收） | | |
| Debt securities listed in Singapore | 新加坡上市債務證券 | 6,670 | 6,562 |

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22. OTHER NON-CURRENT ASSETS

22. 其他非流動資產

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------|----------------------------------|----------------------------------|
| Club debenture (<i>note</i>) | 會籍債券 (附註) | 1,300 | 1,300 |
| Statutory deposits with the Stock Exchange | 聯交所法定按金 | 200 | 200 |
| | | 1,500 | 1,500 |

Note: The club debenture with indefinite useful life is tested for impairment annually and whenever there is an indication that it may be impaired. The directors of the Company are of the opinion that no impairment loss was identified with reference to market value.

附註：具有無限可使用年期之會籍債券每年及於出現減值跡象時進行減值測試。參考市值，本公司董事認為並無識別任何減值虧損。

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23. DEPOSIT FOR ACQUISITION OF SUBSIDIARIES

On 24 July 2019, an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with the seller, pursuant to which the Group has conditionally agreed to acquire, and the seller has conditionally agreed to sell: (i) the sale shares, which represent the entire issued share capital in Les Ambassadeurs Club Limited (the “Target Group”); and (ii) the sale loan, which represents the aggregate amount owed by the Target Company to the seller as at completion for the consideration of £ 122,000,000 (subject to adjustment) which shall be settled by the purchaser in cash. The Group paid £ 10,000,000 to the seller as deposit. Since the transaction is subject to the approval of The Stock Exchange of Hong Kong Limited and shareholders, the acquisition is still on progress.

23. 收購附屬公司之按金

於二零一九年七月二十四日，本公司一間間接全資附屬公司與賣方訂立買賣協議，據此，本集團已有條件同意收購而賣方已有條件同意出售：(i)待售股份，為 Les Ambassadeurs Club Limited (「目標集團」) 的全部已發行股本；及(ii)待售貸款，為完成時目標公司結欠賣方的全部款項，現金代價為122,000,000英鎊(可予調整)，須由買方以現金結算。本集團已向賣方支付10,000,000英鎊作為按金。由於該交易須獲得香港聯合交易所有限公司及股東批准，收購仍在進行。

24. PREPAYMENT FOR FILM RIGHTS

During the year ended 31 December 2018, the Group entered into an agreement with an independent third party and agreed to invest six films. The Group is entitled to share certain percentage of income to be generated from the films based on the proportion of investment amounts as specified in the agreement.

During the year ended 31 December 2019, the Group had made a total of approximately HK\$8.3 million investments in relation to the development of two of the proposed films.

At 31 December 2019 and 2018, the Group prepaid HK\$7,783,000 (2018: HK\$3,900,000) in relation to the development of two (2018: one) of the proposed films. The prepayment will form part of the contribution by the Group for the production cost of the proposed film.

24. 電影版權預付款項

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------------------|----------------------------------|----------------------------------|
| Prepayment for film rights 電影版權預付款項 | 7,783 | 3,900 |

截至二零一八年十二月三十一日止年度，本集團與一名獨立第三方訂立一份協議，並同意投資六部電影。本集團有權按協議指明的投資金額比例分享電影產生的一定百分比的收入。

截至二零一九年十二月三十一日止年度，本集團已就製作兩部擬定電影投資合共約8,300,000港元。

於二零一九年及二零一八年十二月三十一日，本集團已就製作其中兩部(二零一八年：一部)建議電影預付7,783,000港元(二零一八年：3,900,000港元)。預付款項將構成本集團對建議電影製作成本的注資的一部分。

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24. PREPAYMENT FOR FILM RIGHTS

(continued)

At 31 December 2019 and 2018, the management of the Group considered that the carrying amounts of prepayment for film rights are recoverable from expected future income of related film rights. Accordingly, no impairment loss was recognised.

25. FILM RIGHTS

The balance represented the Group's investments in film productions which entitled the Group to share certain percentage of income to be generated from the films based on the proportion of investment amounts as specified in respective film right investment agreements.

At 31 December 2019, the management of the Group considered that the carrying amounts of the film rights are recoverable from expected future income of related film rights. Accordingly, no impairment loss was recognised.

24. 電影版權預付款項 (續)

於二零一九年及二零一八年十二月三十一日，本集團管理層認為，電影版權預付款項之賬面值可自相關電影版權之預期未來收益中收回。因此，並無確認減值虧損。

25. 電影版權

該結餘指本集團於電影製作的投資，該投資令本集團可按各電影版權投資協議指明的投資金額比例分享電影產生的一定百分比的收入。

於二零一九年十二月三十一日，本集團管理層認為，電影版權的賬面值可從相關電影版權的預期未來收入收回。因此，未確認減值虧損。

26. ACCOUNTS RECEIVABLE

26. 應收賬款

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Accounts receivable arising from securities brokerage business: | | |
| 證券經紀業務產生之應收賬款： | | |
| – Cash clients (note d) | 88 | 269 |
| – Margin clients (note e) | 226,210 | 4,501 |
| | 226,298 | 4,770 |
| Impairment allowances (note c) | (719) | – |
| | 225,579 | 4,770 |
| Accounts receivable arising from CGI business | 27 | 158 |
| | 225,606 | 4,928 |

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26. ACCOUNTS RECEIVABLE (continued)

Notes:

- (a) An ageing analysis of the accounts receivable as at the end of the reporting period, based on the trade date, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------|------|----------------------------------|----------------------------------|
| Within 90 days | 90日內 | 225,606 | 4,928 |

At 31 December 2018, none of the Group's accounts receivable was considered to be impaired.

- (b) **Accounts receivable neither past due nor credit-impaired**
The ageing analysis of the accounts receivable which are neither past due nor impaired as of the end the reporting period is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------------------|------------|----------------------------------|----------------------------------|
| Neither past due nor credit impaired | 既未逾期亦無信貸減值 | 225,606 | 4,928 |

26. 應收賬款 (續)

附註：

- (a) 於報告期末的應收賬款按交易日期劃分的賬齡分析如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------|----------------------------------|----------------------------------|
| Within 90 days | 225,606 | 4,928 |

於二零一八年十二月三十一日，本集團應收賬款概無被視為出現減值。

- (b) **既未逾期亦無信貸減值之應收賬款**
於報告期末既未逾期亦無減值的應收賬款賬齡分析如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------------------|----------------------------------|----------------------------------|
| Neither past due nor credit impaired | 225,606 | 4,928 |

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26. ACCOUNTS RECEIVABLE (continued)

- (c) An analysis of changes in the provision for impairment allowances of margin clients is as follows:

| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 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 | - | - | - | - |
| Additional provision for impairment allowances for the year | 年內額外減值撥備 | 719 | - | - | 719 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 719 | - | - | 719 |
| ECL rate | 預期信貸虧損率 | 0.3% | Not applicable 不適用 | Not applicable 不適用 | 0.3% |

The table below shows the credit quality and the maximum exposure to credit risk of accounts receivable from margin clients based on the Group's credit policy, which is mainly based on LTV unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2019. The amounts presented are carrying amounts for accounts receivable from margin clients.

下表列示於二零一九年十二月三十一日應收保證金客戶賬款基於本集團信貸政策的信貸質素及最高信貸風險(主要基於貸款與價值比率, 除非無需過多成本或努力即可獲得其他資料)以及年末按階段分類。所呈列的金額為應收保證金客戶賬款的賬面值。

| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---------------------|---------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| At 31 December 2019 | 於二零一九年十二月三十一日 | 719 | - | - | 719 |
| LTV less than 60% | 貸款與價值比率低於60% | | | | |

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26. ACCOUNTS RECEIVABLE (continued)

- (c) An analysis of changes in the provision for impairment allowances of margin clients is as follows: (continued)

Analysis of the gross carrying amount of accounts receivable from margin clients is as follows:

| | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| At 31 December 2019 於二零一九年十二月三十一日 | 226,210 | - | - | 226,210 |

- (d) The normal settlement terms of accounts receivable from cash clients are two days after the trade date. Accounts receivable from cash clients are repayable on demand subsequent to the settlement date. The Group did not hold any collateral or other credit enhancements over these balances.

Accounts receivable from cash clients as at 31 December 2019 and 2018 relate to clients that have a good track record with the Group for whom there was no recent history of default.

- (e) At 31 December 2019, margin loans receivable of HK\$226,210,000 (2018: HK\$4,501,000), which were secured by underlying equity securities amounted to approximately HK\$670,497,000 (2018: HK\$69,463,000).

Trading limits are set for margin clients. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise the credit risk. Outstanding balances are regularly monitored by management.

26. 應收賬款 (續)

- (c) 保證金客戶減值撥備變動分析如下：(續)

應收保證金客戶賬款的總賬面值分析如下：

| | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| At 31 December 2019 於二零一九年十二月三十一日 | 226,210 | - | - | 226,210 |

- (d) 應收現金客戶賬款的正常結算期限為交易日期後兩日。應收現金客戶之賬款須於結算日期後按要求償還。本集團並無就該等結餘持有任何抵押品或其他信用增強措施。

於二零一九年及二零一八年十二月三十一日應收現金客戶的賬款涉及於本集團具有良好往績記錄且近期並無拖欠歷史的客戶。

- (e) 於二零一九年十二月三十一日，應收保證金貸款226,210,000港元(二零一八年：4,501,000港元)，以金額約670,497,000港元(二零一八年：69,463,000港元)的相關股本證券抵押。

保證金客戶受買賣限額限制。本集團致力對其未收回應收賬款維持嚴謹之監控，以將信貸風險減至最低。管理層定期監察未收回結餘。

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26. ACCOUNTS RECEIVABLE (continued)

(f) The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

26. 應收賬款 (續)

(f) 當本集團現時具有依法可強制執行的權利抵銷該等餘額，並擬按淨額基準結算或同時變現餘額時，本集團將有關應收賬款與應付賬款抵銷。

27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

27. 其他應收款項、按金及預付款

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Other receivables | 其他應收款項 | 465 | 558 |
| Deposits and prepayments | 按金及預付款 | 3,002 | 2,738 |
| | | 3,467 | 3,296 |

The amounts are expected to be recovered or recognised as expenses within one year.

該等款項預期於一年內收回或確認為開支。

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28. LOANS RECEIVABLE

28. 應收貸款

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------------------|--------|----------------------------------|----------------------------------|
| Loans receivable | 應收貸款 | 314,452 | 16,516 |
| Less: Impairment allowances | 減：減值撥備 | (2,527) | - |
| | | 311,925 | 16,516 |

(a) Loans receivable represented receivables arising from the provision of finance business of the Group, and bears interest at rates ranging from 7% to 12.5% (2018: 6% to 10%) per annum. The Group did not hold any collateral or other credit enhancements over this balance.

(a) 應收貸款指本集團提供融資業務所產生之應收款項，按每年7%至12.5%（二零一八年：6%至10%）之利率計息。本集團並無就該結餘持有任何抵押品或其他信用增強措施。

(b) **Maturity profile**

At the end of the reporting period, the maturity profile of loans receivable, based on maturity date, is as follows:

(b) **到期情況**

於報告期末，應收貸款按到期日劃分的到期情況如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|------------------|----------------------------------|----------------------------------|
| Due within 1 month or on demand | 一個月內到期或按要 求 | 10,181 | 16,516 |
| Due after 1 month but within 3 months | 一個月後但於三個月內 到期 | 304,271 | - |
| | | 314,452 | 16,516 |

(c) At 31 December 2019, loans receivable that are neither past due nor impaired amounted to HK\$311,925,000 (2018: HK\$16,516,000).

(c) 於二零一九年十二月三十一日，既未逾期亦無減值之應收貸款為311,925,000港元（二零一八年：16,516,000港元）。

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28. LOANS RECEIVABLE (continued)

(d) Expected credit loss of loans receivable

Expected credit loss in respect of loans receivable are recorded using an allowance account unless the Group is satisfied that there is no realistic prospect of recovery, in which case the expected credit loss is written off against loans receivable directly (see note 3(o)).

Reconciliation of changes in gross carrying amount and allowances for loans receivable

The table below provides a reconciliation of the Group's gross carrying amount and allowances for loans receivable for the year ended 31 December 2019.

The transfers of financial instruments represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from state transfers represents the increase in ECL due to these transfers.

For the year ended 31 December 2019

Reconciliation of gross exposure and allowances for loans receivable

28. 應收貸款 (續)

(d) 應收貸款之預期信貸虧損

應收貸款之預期信貸虧損使用撥備賬入賬，除非本集團相信並無收回的現實可能性，在此情況下，預期信貸虧損直接撇銷應收貸款(見附註3(o))。

應收貸款的總賬面值變動及撥備對賬

下表提供截至二零一九年十二月三十一日止年度本集團應收貸款的總賬面值及撥備對賬。

財務工具轉移指階段轉移對預期信貸虧損的總賬面值及相關撥備的影響。因階段轉移產生的預期信貸虧損重新計量淨額指預期信貸虧損因該等轉移而增加。

截至二零一九年十二月三十一日止年度

應收貸款的總風險及撥備對賬

| | Non credit-impaired 未信貸減值 | | Credit-impaired 已信貸減值 | | Total 總計 | |
|---|------------------------------|-------------------|--------------------------|-------------------|----------------|-------------------|
| | Stage 1 第1階段 | Stage 2 第2階段 | Stage 3 第3階段 | Stage 3 第3階段 | Gross exposure | Allowance for ECL |
| | Gross exposure | Allowance for ECL | Gross exposure | Allowance for ECL | Gross exposure | Allowance for ECL |
| | 總風險 | 預期信貸虧損撥備 | 總風險 | 預期信貸虧損撥備 | 總風險 | 預期信貸虧損撥備 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2019 | 16,516 | - | - | - | 16,516 | - |
| New loans/financing originated | 536,864 | (3,881) | - | - | 536,864 | (3,881) |
| Transfer to Stage 2 | (10,037) | 96 | 10,037 | (96) | - | - |
| Net remeasurement of ECL arising from transfer of stage | - | - | - | (124) | - | (124) |
| Loans/financing derecognised or repaid during the year | (238,928) | 1,478 | - | - | (238,928) | 1,478 |
| At 31 December 2019 | 304,415 | (2,307) | 10,037 | (220) | 314,452 | (2,527) |

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28. LOANS RECEIVABLE (continued)

(d) Expected credit loss of loans receivable (continued)

For the year ended 31 December 2018

Analysis of the gross carry amount of loans receivable is as follows:

| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| Gross carrying amount as at 1 January 2018 | 於二零一八年一月一日的總賬面值 | - | - | - | - |
| New loans/financing originated | 新增貸款／融資 | 299,409 | - | - | 299,409 |
| Loans/financing derecognised or repaid during the year (other than write-offs) | 年內終止確認或償還的貸款／融資（撇銷除外） | (282,893) | - | - | (282,893) |
| Gross carrying amount as at 31 December 2018 | 於二零一八年十二月三十一日的總賬面值 | 16,516 | - | - | 16,516 |

29. HELD-FOR-TRADING INVESTMENTS

As at 31 December 2019, held-for-trading investments represent the listed equity securities in Hong Kong of HK\$87,248,000 (2018: HK\$549,022,000). All listed equity securities in Hong Kong are pledged to financial institutions to secure margin financing facilities obtained. Details of the Group's top seven investments are as follows:

28. 應收貸款 (續)

(d) 應收貸款之預期信貸虧損 (續)

截至二零一八年十二月三十一日止年度

應收貸款的總賬面值分析如下：

| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| Gross carrying amount as at 1 January 2018 | 於二零一八年一月一日的總賬面值 | - | - | - | - |
| New loans/financing originated | 新增貸款／融資 | 299,409 | - | - | 299,409 |
| Loans/financing derecognised or repaid during the year (other than write-offs) | 年內終止確認或償還的貸款／融資（撇銷除外） | (282,893) | - | - | (282,893) |
| Gross carrying amount as at 31 December 2018 | 於二零一八年十二月三十一日的總賬面值 | 16,516 | - | - | 16,516 |

29. 持作買賣投資

於二零一九年十二月三十一日，持作買賣投資即香港上市股本證券87,248,000港元(二零一八年：549,022,000港元)。所有香港上市股本證券已抵押予金融機構，作為所取得的保證金融資貸款之抵押。本集團前七名投資詳情如下：

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29. HELD-FOR-TRADING INVESTMENTS (continued)

29. 持作買賣投資 (續)

| Note | Stock code | Stock name | Number of shares held as at 31 December 2019 | Investment cost | Closing price as at 31 December 2019 | Market value as at 31 December 2019 | Realised loss recognised during the year | Unrealised gain/(loss) recognised during the year | Approximate % to held-for-trading as at 31 December 2019 | Approximate % to shareholding in investee as at 31 December 2019 | Approximate % to the Group's total assets as at 31 December 2019 | Number of shares of investee issued as at 31 December 2019 | Dividend income recognised during the year |
|------|------------|--|--|-------------------------|--------------------------------------|---------------------------------------|--|---|--|--|--|--|--|
| 附註 | 代號 | 股份名稱 | 於二零一九年十二月三十一日持有的股份數目 | 投資成本 HK\$'000 千港元 | 於二零一九年十二月三十一日的收市價 HK\$ 港元 | 於二零一九年十二月三十一日的市場價值 HK\$'000 千港元 | 年內確認的已變現虧損 HK\$'000 千港元 | 年內確認的未變現收益 / (虧損) HK\$'000 千港元 | 於二零一九年十二月三十一日佔被投資公司總資產的概約百分比 | 於二零一九年十二月三十一日佔本集團總資產的概約百分比 | 於二零一九年十二月三十一日被投資公司的已發行股份數目 | 年內確認的股息收入 HK\$'000 千港元 | |
| (1) | 235 | China Strategic Holdings Limited 中策集團有限公司 | 160,000,000 | 9,280 | 0.035 | 5,600 | - | (2,560) | 6.42% | 0.94% | 0.37% | 16,987,713,835 | - |
| (2) | 708 | Evergrande Health Industry Group Limited 恒大健康產業集團有限公司 | 10,000,000 | 90,871 | 7.770 | 77,700 | (39,050) | (25,300) | 89.06% | 0.12% | 5.12% | 8,640,000,000 | - |
| (3) | 1051 | G-Resources Group Limited 國際資源集團有限公司 | 36,564,069 | 5,449 | 0.058 | 2,121 | - | 329 | 2.43% | 0.14% | 0.14% | 27,048,844,786 | - |
| (4) | 1341 | Hao Tian International Construction Investment Group Limited 昊天國際建設投資集團有限公司 | 1,624,000 | 576 | 0.300 | 487 | - | (130) | 0.56% | 0.04% | 0.03% | 4,427,883,632 | - |
| (5) | 1827 | Miricor Enterprises Holdings Limited 卓聯控股集團有限公司 | 1,000,000 | 1,500 | 1.010 | 1,010 | - | (790) | 1.16% | 0.25% | 0.07% | 400,000,000 | - |
| (6) | 2326 | New Provenance Everlasting Holdings Limited 新源萬恒控股有限公司 | 10,000,000 | 6,000 | 0.017 | 170 | - | (130) | 0.19% | 0.05% | 0.01% | 21,084,072,140 | - |
| (7) | 8173 | Union Asia Enterprise Holdings Limited 萬亞企業控股有限公司 | 2,500,000 | 5,375 | 0.064 | 160 | - | 160 | 0.18% | 0.20% | 0.01% | 1,221,052,631 | - |

(1) China Strategic Holdings Limited (“China Strategic”) was incorporated in Hong Kong. China Strategic principally engages in the business of investment in securities, trading of commodities and electronic components, money lending as well as securities brokerage. China Strategic operates through four segments: (i) investment in securities, (ii) trading of metal minerals, metal, coke products and electronic components, (iii) money lending and (iv) securities brokerage. According to the latest published unaudited financial statements, China Strategic had net assets of approximately HK\$3,555 million attributed to its shareholders as at 30 June 2019.

(1) 中策集團有限公司(「中策」)於香港註冊成立。中策主要從事證券投資、商品及電子元件貿易、放債及證券經紀業務。中策透過四個分部經營：(i)證券投資；(ii)金屬礦產、金屬、焦炭產品及電子元件貿易；(iii)放債及(iv)證券經紀。根據最新刊發的未經審核財務報表，中策於二零一九年六月三十日的股東應佔資產淨值約3,555,000,000港元。

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29. HELD-FOR-TRADING INVESTMENTS

(continued)

- (2) Evergrande Health Industry Group Limited (“Evergrande”) was incorporated in Hong Kong. The principal activities of Evergrande include “Internet+” community health management, international hospitals, elderly care and rehabilitation and the investment in high technology new energy vehicle manufacture. Evergrande operates through two segments: (i) health management segment – “Internet+” community health management, international hospitals, elderly care and rehabilitation, medical cosmetology, anti-aging and sales of health and living projects in the PRC; and (ii) new energy vehicle segment – technology research and development, production and sales of new energy vehicles in the PRC and other countries. According to the latest published unaudited financial statements, Evergrande had net liabilities of approximately RMB3,533 million attributed to its shareholders as at 30 June 2019.
- (3) G-Resources Group Limited (“G-Resources”) was incorporated in Bermuda. The principal activities of G-Resources include principal investment business, financial services business, money lending business and real property business. G-Resources operates through three segments: (i) principal investment business, (ii) financial services business and (iii) real property business. According to the latest published unaudited financial statements, G-Resources had net assets of approximately USD\$1,477 million attributed to its shareholders as at 30 June 2019.

29. 持作買賣投資 (續)

- (2) 恒大健康產業集團有限公司(「恒大」)於香港註冊成立。恒大的主要業務包括「互聯網+」社區健康管理、國際醫院、養老及康復產業，以及投資高科技新能源汽車製造。恒大透過兩個分部經營：(i)健康管理分部－在中國從事「互聯網+」社區健康管理、國際醫院、養老及康復產業、醫療美容、抗衰老及銷售健康養生項目；及(ii)新能源汽車分部－在中國及其他國家從事新能源汽車的技術研發、生產及銷售。根據最新刊發的未經審核財務報表，恒大於二零一九年六月三十日的股東應佔負債淨額約人民幣3,533,000,000元。
- (3) 國際資源集團有限公司(「國際資源」)於百慕達註冊成立。國際資源的主要業務包括自營投資業務、金融服務業務、放債業務及房地產業務。國際資源透過三個分部經營：(i)自營投資業務；(ii)金融服務業務及(iii)房地產業務。根據最新刊發的未經審核財務報表，國際資源於二零一九年六月三十日的股東應佔資產淨值約1,477,000,000美元。

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29. HELD-FOR-TRADING INVESTMENTS

(continued)

- (4) Hao Tian International Construction Investment Group Limited (“Hao Tian”) was incorporated in the Cayman Islands. Hao Tian is principally engaged in the construction machinery business, serving primarily the construction sector in Hong Kong and financial services. Hao Tian operates through four segments: (i) trading of construction machinery, spare parts and construction materials, (ii) rental of construction machinery and provision of repair and maintenance service, (iii) provision of transportation services and (iv) provision of commodities, futures, securities brokerage and financial services. According to the latest published unaudited financial statements, Hao Tian had net assets of approximately HK\$847 million attributed to its shareholders as at 30 September 2019.
- (5) Miricor Enterprises Holdings Limited (“Miricor Enterprises”) was incorporated in the Cayman Islands. Miricor Enterprises is principally engaged in the provision of medical aesthetic services, and the sale of skin care products in Hong Kong. Miricor Enterprises operates through two segments: (i) provision of medical aesthetic services and (ii) sale of skin care products. According to the latest published unaudited financial statements, Miricor Enterprises had net assets of approximately HK\$156 million attributed to its shareholders as at 30 September 2019.

29. 持作買賣投資 (續)

- (4) 昊天國際建設投資集團有限公司(「昊天」)於開曼群島註冊成立。昊天主要從事建築機械業務(主要服務香港建築業)及金融服務。昊天透過四個分部經營：(i)建築機械、備用零件及建築物料銷售；(ii)建築機械租賃及提供維修及保養服務；(iii)提供運輸服務及(iv)提供商品、期貨、證券經紀及金融服務。根據最新刊發的未經審核財務報表，昊天於二零一九年九月三十日的股東應佔資產淨值約847,000,000港元。
- (5) 卓珈控股集團有限公司(「卓珈」)於開曼群島註冊成立。卓珈主要在香港從事提供醫學美容服務及銷售護膚產品。卓珈透過兩個分部經營：(i)提供醫學美容服務及(ii)銷售護膚產品。根據最新刊發的未經審核財務報表，卓珈於二零一九年九月三十日的股東應佔資產淨值約156,000,000港元。

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29. HELD-FOR-TRADING INVESTMENTS

(continued)

- (6) New Provenance Everlasting Holdings Limited (“New Provenance”) was incorporated in the Bermuda. New Provenance is engaged in sourcing and sale of metal minerals and related industrial materials and production and sale of industrial products. New Provenance operates through three segments: (i) sourcing and sale of metal minerals and related industrial materials, (ii) production and sale of industrial products and (iii) others. According to the latest published unaudited financial statements, New Provenance had net assets of approximately HK\$494 million attributed to its shareholders as at 30 September 2019.
- (7) Union Asia Enterprise Holdings Limited (“Union Asia”) incorporated in the Cayman Islands. Union Asia is principally engaged in trading of metals and securities. Union Asia operates through two segments: (i) trading of stainless-steel wires and (ii) investment and trading of listed securities. According to the latest published unaudited financial statements, Union Asia had net liabilities of approximately HK\$533 million attributed to its shareholders as at 30 September 2019.

At 31 December 2019, the Group pledged held-for-trading investment of approximately HK\$87,248,000 (2018: HK\$549,022,000) for the margin loan facilities of approximately HK\$21,729,000 (2018: approximately HK\$180,806,000) respectively. The Group did not utilise this facilities as at 31 December 2019.

29. 持作買賣投資 (續)

- (6) 新源萬恒控股有限公司(「新源」)於百慕達註冊成立。新源從事採購及銷售金屬礦物及相關工業原料、生產及銷售工業用產品。新源透過三個分部經營：(i)採購及銷售金屬礦物及相關工業原料；(ii)生產及銷售工業用產品及(iii)其他。根據最新刊發的未經審核財務報表，新源於二零一九年九月三十日的股東應佔資產淨值約494,000,000港元。
- (7) 萬亞企業控股有限公司(「萬亞」)於開曼群島註冊成立。萬亞主要從事買賣金屬及證券。萬亞透過兩個分部經營：(i)買賣不銹鋼線及(ii)上市證券投資及買賣。根據最新刊發的未經審核財務報表，萬亞於二零一九年九月三十日的股東應佔負債淨額約533,000,000港元。

於二零一九年十二月三十一日，本集團就保證金貸款融資約21,729,000港元(二零一八年：約180,806,000港元)抵押持作買賣投資約87,248,000港元(二零一八年：549,022,000港元)。於二零一九年十二月三十一日，本集團並無動用該融資。

30. CONVERTIBLE NOTES RECEIVABLE

30. 應收可換股票據

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Convertible notes receivable – 應收可換股票據 – 指定透過損益按公平值列賬 | | |
| Convertible Note I 可換股票據一 | 20,236 | 18,864 |

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30. CONVERTIBLE NOTES RECEIVABLE

(continued)

Convertible notes receivable acquired are designated at fair value through profit or loss because the relevant financial assets constitute a group that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management and investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel.

Convertible Note I represented the fair value of an investment in convertible note issued by China Agri-Products Exchange Limited ("China Agri-Products"), a company listed on the Stock Exchange. The principal amount of the Convertible Note I is HK\$23,200,000, which can be converted into 58,000,000 ordinary shares of China Agri-Products at a conversion price of HK\$0.4 per share from the inception date until the date which is five business days preceding the maturity date on 18 October 2021. The Convertible Note I carried interest at 7.5% per annum, payable semi-annually on 19 April and 19 October of each calendar year. The Convertible Note I could be redeemed by China Agri-Products any date on or before maturity date at its principal amount.

For the year ended 31 December 2019, the fair value gain of the convertible notes receivable amounting to HK\$1,372,000 (2018: fair value loss of HK\$429,000) is recognised in "other gain/(loss)" in note 10.

31. BANK BALANCES – TRUST ACCOUNTS

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of its securities brokerage business. These client's monies are maintained in one or more trust bank accounts. The Group has recognised the corresponding accounts payable to its respective clients and other institutions (note 33). However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

30. 應收可換股票據 (續)

所收購的應收可換股票據指定透過損益按公平值列賬，原因是根據一份書面的風險管理及投資策略，相關財務資產構成一個組別，其表現按公平值評估，有關本集團的資料在內部按該基準提供予本集團的主要管理人員。

可換股票據一指於中國農產品交易有限公司(「中國農產品」，為於聯交所上市的公司)發行的可換股票據之投資的公平值。可換股票據一的本金額為23,200,000港元，可自開始日期起至到期日二零二一年十月十八日前五個營業日之日止期間，按每股0.4港元的轉換價轉換成58,000,000股中國農產品普通股。可換股票據一按每年7.5%計息，須於每曆年四月十九日及十月十九日每半年支付。可換股票據一可由中國農產品於到期日或之前任何日期按本金額贖回。

截至二零一九年十二月三十一日止年度，應收可換股票據的公平值收益1,372,000港元(二零一八年：公平值虧損429,000港元)於附註10的「其他收益/(虧損)」確認。

31. 銀行結餘—信託賬戶

本集團在經營證券經紀業務受規管活動過程中收取並持有客戶及其他機構存放的款項。該等客戶的款項於一個或多個信託銀行賬戶持有。本集團已確認應付各客戶及其他機構的賬款(附註33)。然而，本集團現時並無將該等應付款項與已存放按金相抵銷的執行權。

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32. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(a) Bank balances and cash comprise:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------|---------|----------------------------------|----------------------------------|
| Bank balances and cash | 銀行結餘及現金 | 734,412 | 104,244 |

The bank balances and cash include short-term bank deposits with an original maturity of three months or less. The bank balances carry interest at market rates which are as follows:

| | | 2019 二零一九年 | 2018 二零一八年 |
|-----------------------------------|--------|---------------------------------|---------------------------------|
| Range of interest rate per annum: | 年利率範圍： | | |
| Bank balances | 銀行結餘 | 0.001% to 0.01% 0.001%至0.01% | 0.001% to 0.01% 0.001%至0.01% |

At the end of the reporting period, included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the relevant group entities.

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----|----|----------------------------------|----------------------------------|
| USD | 美元 | 9,972 | 8,984 |
| EUR | 歐元 | 863 | 555 |
| GBP | 英鎊 | 17 | - |

32. 銀行結餘及現金以及其他現金流資料

(a) 銀行結餘及現金包括：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------|---------|----------------------------------|----------------------------------|
| Bank balances and cash | 銀行結餘及現金 | 734,412 | 104,244 |

銀行結餘及現金包括原到期日為三個月或以下之短期銀行存款。按市場利率計息之銀行結餘如下：

| | | 2019 二零一九年 | 2018 二零一八年 |
|-----------------------------------|--------|---------------------------------|---------------------------------|
| Range of interest rate per annum: | 年利率範圍： | | |
| Bank balances | 銀行結餘 | 0.001% to 0.01% 0.001%至0.01% | 0.001% to 0.01% 0.001%至0.01% |

於報告期末，銀行結餘及現金包括以下以有關集團實體功能貨幣以外貨幣計值之金額。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----|----|----------------------------------|----------------------------------|
| USD | 美元 | 9,972 | 8,984 |
| EUR | 歐元 | 863 | 555 |
| GBP | 英鎊 | 17 | - |

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32. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

32. 銀行結餘及現金以及其他現金流資料 (續)

(b) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的負債變動，包括現金流量及非現金流量導致的變動。融資活動所產生的負債指本集團綜合現金流量表中現金流量過往分類為或未來現金流將分類為融資活動所產生的現金流的負債。

| | | Borrowings- margins loans | Total |
|--|-------------------|--------------------------------------|---------------|
| | | 借貸－保證金貸款 | 總計 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | – | – |
| Changes from financing cash flows: | 融資現金流量變動： | | |
| Net proceeds from borrowings – margin loans | 借貸－保證金貸款所得款項淨額 | 43,268 | 43,268 |
| Margin loan interest paid | 已付保證金貸款利息 | (832) | (832) |
| Total changes from financing cash flows | 融資現金流量變動總額 | 42,436 | 42,436 |
| Other changes: | 其他變動： | | |
| Interest expenses | 利息開支 | 832 | 832 |
| | | 832 | 832 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 43,268 | 43,268 |

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32. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

| | | Borrowings- margin loans 借貸－保證金 貸款 HK\$'000 千港元 | Loans payable 應付貸款 HK\$'000 千港元 | Notes payable 應付票據 HK\$'000 千港元 | Leases Liabilities 租賃負債 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|------------------------------|--|---|---|--|--------------------------------|
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 43,268 | - | - | - | 43,268 |
| Impact of initial application of HKFRS 16 (note) | 首次應用香港財務報告準則 第16號的影響 (附註) | - | - | - | 6,211 | 6,211 |
| At 1 January 2019 | 於二零一九年一月一日 | 43,268 | - | - | 6,211 | 49,479 |
| Changes from financing cash flows: | 融資現金流量變動： | | | | | |
| Loans derecognised or repaid during the year | 年內終止確認或償還的貸款 | - | 128,000 | - | - | 128,000 |
| New loans originated | 新增貸款 | - | (128,000) | - | - | (128,000) |
| Net repayment of borrowings - margin loans | 借貸－保證金貸款償還淨額 | (43,268) | - | - | - | (43,268) |
| Loans interest paid | 已付貸款利息 | - | (640) | - | - | (640) |
| Margin loan interest paid | 已付保證金貸款利息 | (1,397) | - | - | - | (1,397) |
| Proceeds from notes payable | 應付票據所得款項 | - | - | 982,930 | - | 982,930 |
| Capital element of lease rentals paid | 已付租賃租金的本金部分 | - | - | - | (2,445) | (2,445) |
| Interest element of lease rentals paid | 已付租賃租金的利息部分 | - | - | - | (310) | (310) |
| Total changes from financing cash flows | 融資現金流量變動總額 | (44,665) | (640) | 982,930 | (2,755) | 934,870 |
| Other changes: | 其他變動： | | | | | |
| Interest expenses | 利息開支 | 1,397 | 640 | 13,829 | 310 | 16,176 |
| | | 1,397 | 640 | 13,829 | 310 | 16,176 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | - | - | 996,759 | 3,766 | 1,000,525 |

32. 銀行結餘及現金以及其他現金流資料 (續)

(b) 融資活動所產生的負債對賬 (續)

| | | Borrowings- margin loans 借貸－保證金 貸款 HK\$'000 千港元 | Loans payable 應付貸款 HK\$'000 千港元 | Notes payable 應付票據 HK\$'000 千港元 | Leases Liabilities 租賃負債 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|------------------------------|--|---|---|--|--------------------------------|
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 43,268 | - | - | - | 43,268 |
| Impact of initial application of HKFRS 16 (note) | 首次應用香港財務報告準則 第16號的影響 (附註) | - | - | - | 6,211 | 6,211 |
| At 1 January 2019 | 於二零一九年一月一日 | 43,268 | - | - | 6,211 | 49,479 |
| Changes from financing cash flows: | 融資現金流量變動： | | | | | |
| Loans derecognised or repaid during the year | 年內終止確認或償還的貸款 | - | 128,000 | - | - | 128,000 |
| New loans originated | 新增貸款 | - | (128,000) | - | - | (128,000) |
| Net repayment of borrowings - margin loans | 借貸－保證金貸款償還淨額 | (43,268) | - | - | - | (43,268) |
| Loans interest paid | 已付貸款利息 | - | (640) | - | - | (640) |
| Margin loan interest paid | 已付保證金貸款利息 | (1,397) | - | - | - | (1,397) |
| Proceeds from notes payable | 應付票據所得款項 | - | - | 982,930 | - | 982,930 |
| Capital element of lease rentals paid | 已付租賃租金的本金部分 | - | - | - | (2,445) | (2,445) |
| Interest element of lease rentals paid | 已付租賃租金的利息部分 | - | - | - | (310) | (310) |
| Total changes from financing cash flows | 融資現金流量變動總額 | (44,665) | (640) | 982,930 | (2,755) | 934,870 |
| Other changes: | 其他變動： | | | | | |
| Interest expenses | 利息開支 | 1,397 | 640 | 13,829 | 310 | 16,176 |
| | | 1,397 | 640 | 13,829 | 310 | 16,176 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | - | - | 996,759 | 3,766 | 1,000,525 |

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32. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

Note: The Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. See notes 2.

(c) Total cash outflows for leases

Amounts included in the cash flow statement for leases comprise the following:

32. 銀行結餘及現金以及其他現金流資料 (續)

(b) 融資活動所產生的負債對賬 (續)

附註：本集團已使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與早前根據香港會計準則第17號分類為營運租約的租約有關的租賃負債。請參閱附註2。

(c) 租賃現金流出總額

就租賃計入現金流量表的款項包括以下各項：

| | 2019 二零一九年 | 2018 二零一八年 |
|-------------------------------------|-----------------|-----------------|
| | HK\$'000 千港元 | HK\$'000 千港元 |
| Within operating cash flows 經營現金流量內 | - | (2,756) |
| Within investing cash flows 投資現金流量內 | - | - |
| Within financing cash flows 融資現金流量內 | (2,755) | - |
| | (2,755) | (2,756) |

Note: As explained in the note to note 32(b) above, the adoption of HKFRS 16 introduces a change in classification of cash flows of certain rentals paid on leases. The comparative amounts have not been restated.

附註：如上文附註32(b)之注釋所解釋，採納香港財務報告準則第16號引入就租賃已付的若干租金之現金流量分類變動。未重列比較金額。

These amounts relate to the following:

該等金額涉及以下各項：

| | 2019 二零一九年 | 2018 二零一八年 |
|---------------------------|-----------------|-----------------|
| | HK\$'000 千港元 | HK\$'000 千港元 |
| Lease rentals paid 已付租賃租金 | 2,755 | 2,756 |

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33. ACCOUNTS PAYABLE

33. 應付賬款

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Accounts payable arising from securities brokerage business: | | |
| – cash clients and clearing house | 5,444 | 4,444 |

The settlement terms of accounts payable to cash clients and cleaning house are two days after trade date. Accounts payable to cash clients are repayable on demand subsequent to settlement date. No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable amounting to HK\$5,325,000 as at 31 December 2019 (2018: HK\$4,177,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of conducting the regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

34. BORROWINGS

As at 31 December 2018, the balance represents margin payables of HK\$43,268,000 from financial institutions bore interest at 12% per annum and were repayable on demand. The Group's held-for-trading investments with an aggregate fair value of approximately HK\$540,976,000 are pledged to that financial institutions to secure the utilised margin facilities.

34. 借貸

應付現金客戶及結算所之賬款的結算日期為交易日期後兩日。應付現金客戶之賬款須於結算日期後按的要求償還。由於本公司董事認為，鑑於該業務的性質，賬齡分析並無額外意義，故並無披露相關賬齡分析。

於二零一九年十二月三十一日的應付賬款5,325,000港元(二零一八年：4,177,000港元)須就於經營受規管活動的過程中收到並為客戶持有的信託及獨立銀行結餘支付予客戶。然而，本集團現時並無將該等應付款項與已存放按金相抵銷的執行權。

於二零一八年十二月三十一日，結餘指來自金融機構的應付保證金43,268,000港元，按每年12%之利率計息且須按的要求償還。本集團公平值總額約540,976,000港元的持作買賣投資已抵押予該等金融機構，作為已動用保證金融資之抵押。

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35. LEASE LIABILITY

The Group is the lessee in respect of two office premises. The leases typically run for an initial period of 3 years. None of the leases includes contingent rentals.

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

35. 租賃負債

本集團為兩項辦公物業之承租人。租約一般初步為期3年。概無租約包括或然租金。

下表列示於當前及過往報告期間末及過渡至香港財務報告準則第16號之日本集團租賃負債的餘下合約到期時間：

| | | 31 December 2019 二零一九年十二月三十一日 | | 1 January 2019 (Note) 二零一九年一月一日 (附註) | | 31 December 2018 (Note) 二零一八年十二月三十一日 (附註) | |
|--------------------------------------|------------|---|---|---|---|---|---|
| | | Present value of the minimum lease payments 最低租賃付款之現值 HK\$'000 千港元 | Total minimum lease payments 最低租賃付款總額 HK\$'000 千港元 | Present value of the minimum lease payments 最低租賃付款之現值 HK\$'000 千港元 | Total minimum lease payments 最低租賃付款總額 HK\$'000 千港元 | Present value of the minimum lease payments 最低租賃付款之現值 HK\$'000 千港元 | Total minimum lease payments 最低租賃付款總額 HK\$'000 千港元 |
| Within 1 year | 一年內 | 2,567 | 2,756 | 2,445 | 2,756 | - | - |
| After 1 year but within 2 years | 一年後但於兩年內 | 1,199 | 1,258 | 2,567 | 2,756 | - | - |
| After 2 years but within 5 years | 兩年後但於五年內 | - | - | 1,199 | 1,258 | - | - |
| After 5 years | 五年後 | - | - | - | - | - | - |
| | | 1,199 | 1,258 | 3,766 | 4,014 | - | - |
| | | 3,766 | 4,014 | 6,211 | 6,770 | - | - |
| Less: Total future interest expenses | 減：未來利息開支總額 | | (248) | | (559) | | - |
| Present value of lease liabilities | 租賃負債之現值 | | 3,766 | | 6,211 | | - |

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35. LEASE LIABILITY (continued)

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. No liability has been brought forward since no leases previously classified as finance leases. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to HKFRS 16 are set out in note 2.

36. NOTES PAYABLE

On 13 November 2019, a subsidiary of the Company issued the notes (“Notes Payable”) at 100% in an aggregate nominal value of HK\$1,000,000,000 which will mature on 13 November 2022. The Notes Payable carry interest at the coupon rate of 10% per annum. The interest is payable semiannually in arrears on 13 May and 13 November each year. The Notes Payable are guaranteed by the Company. The notes are listed on Singapore Exchange Securities Trading Limited (“SGX-ST”) at 19 December 2019.

The directors of the Company considered that no derivatives were embedded in the Notes Payable and it is appropriate to use amortised cost to record the Notes Payable in the consolidated statement of financial position.

35. 租賃負債 (續)

附註： 本集團已使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與早前根據香港會計準則第17號分類為營運租約的租約有關的租賃負債。由於並無早前分類為融資租約之租約，因此並無結轉負債。未重列於二零一八年十二月三十一日的比較資料。過渡至香港財務報告準則第16號之影響的進一步詳情載列於附註2。

36. 應付票據

於二零一九年十一月十三日，本公司一間附屬公司按100%發行總面值為1,000,000,000港元的票據（「應付票據」），應付票據將於二零二二年十一月十三日到期。應付票據按每年10%之票息率計息。利息須於每年五月十三日及十一月十三日每半年期末支付。應付票據由本公司擔保。票據於二零一九年十二月十九日在新加坡證券交易所有限公司（「新交所」）上市。

本公司董事認為，應付票據並無內嵌衍生工具，適合使用攤銷成本將應付票據於綜合財務狀況表入賬。

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37. DEFERRED TAX LIABILITY

The component of deferred tax liability recognised in the consolidated statement of financial position and movement during the year ended 31 December 2019 are as follow:

37. 遞延稅項負債

截至二零一九年十二月三十一日止年度於綜合財務狀況表中確認的遞延稅項負債組成部分及變動如下：

| | | Temporary difference related to fair value adjustment on intangible asset – trading right 與無形資產 – 交易權 之公平值調整有關 之暫時差額 HK\$'000 千港元 |
|--|-----------------------------|---|
| At 1 January 2018 | 於二零一八年一月一日 | 484 |
| Credit to profit or loss (note 14(a)) | 計入損益 (附註14(a)) | (342) |
| 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 | 142 |
| Credit to profit or loss (note 14(a)) | 計入損益 (附註14(a)) | – |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 142 |

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38. SHARE CAPITAL AND RESERVES

(a) Share capital

38. 股本及儲備

(a) 股本

| | | Nominal value 面值 HK\$ 港元 | Number of shares 股份數目 '000 千股 | Share capital 股本 HK\$'000 千港元 |
|---|--|-----------------------------------|--|--|
| Authorised: | 法定： | | | |
| At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年一月一 日、二零一八年十二 月三十一日、二零一 九年一月一日及二零 一九年十二月三十一 日 | 0.040 | 25,000,000 | 1,000,000 |
| Issued and fully paid: | 已發行及繳足： | | | |
| At 1 January 2018 | 於二零一八年 一月一日 | 0.040 | 689,422 | 27,577 |
| Exercise of share options (note i) | 行使購股權 (附註i) | 0.040 | 2,500 | 100 |
| As at 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年 十二月三十一日、 二零一九年一月一日 及二零一九年 十二月三十一日 | 0.040 | 691,922 | 27,677 |

Note: During the year ended 31 December 2018, 2,500,000 ordinary shares of the Company of HK\$0.04 each were issued upon the exercise of 2,500,000 share options under share option scheme with proceeds of HK\$4,060,000. Share option reserve of HK\$1,845,000 was transferred to contributed surplus.

附註：截至二零一八年十二月三十一日止年度，於根據購股權計劃行使2,500,000份購股權後，本公司發行2,500,000股每股面值0.04港元的普通股，所得款項為4,060,000港元。1,845,000港元的購股權儲備已轉撥至繳入盈餘。

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38. SHARE CAPITAL AND RESERVES

(continued)

(b) Nature and purpose of reserves

(i) Contributed surplus

Pursuant to section 46(2) of the Companies Act 1981 of Bermuda and with effect after passing of a special resolution at a special general meeting held on 29 August 2011, the Company's entire amount standing to the credit of the share premium account and the deemed contribution reserve account were cancelled (the "Share Premium Cancellation"). Upon the Share Premium Cancellation becoming effective, the directors of the Company authorised the transfer of the credit arising therefrom to the contributed surplus account of the Company and to set off the accumulated losses of the Company in a manner permitted by the laws of Bermuda and the bye-laws of the Company.

(ii) Merger reserve

Merger reserve represents the difference between the nominal value of shares of subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition at the time of a previous corporate reorganisation.

38. 股本及儲備 (續)

(b) 儲備的性質及目的

(i) 繳入盈餘

根據百慕達一九八一年公司法第46(2)條，自於二零一一年八月二十九日舉行之股東特別大會上之特別決議案獲通過起，本公司股份溢價賬及視作注資儲備賬全部進賬額已被註銷（「股份溢價註銷」）。於股份溢價註銷生效後，本公司董事授權將因股份溢價註銷而產生之進賬轉撥至本公司繳入盈餘，以百慕達法例及本公司之公司細則允許之方式抵銷本公司累計虧損。

(ii) 合併儲備

合併儲備指於早前進行企業重組時所購入附屬公司股份面值與本公司就收購發行股份面值之差額。

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38. SHARE CAPITAL AND RESERVES

(continued)

(b) Nature and purpose of reserves (continued)

(iii) Translation reserve

Translation reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. HK\$), which are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

(iv) Share option reserve

Share option reserve represents the recognition of share options of the Company determined at the date of grant of the share options.

(v) Investment revaluation reserve

Investment revaluation reserve represents the cumulative fair value changes of debt securities at fair value through other comprehensive income until they are disposed of or impaired.

(vi) Other reserve

Other reserve represents (i) the difference between the amount by which the non-controlling interests are adjusted and the consideration paid for the acquisition of additional interest in Unimagi Investment Limited; and (ii) the difference between the amount by which the non-controlling interests are adjusted and the consideration received for the disposal of partial interest in Longtop Enterprises Limited.

38. 股本及儲備 (續)

(b) 儲備的性質及目的 (續)

(iii) 換算儲備

換算儲備指將本集團境外業務資產淨值從功能貨幣換算成本集團呈報貨幣(即港元)有關的匯兌差額,直接於其他全面收入確認,並累計於外幣換算儲備項下。外幣換算儲備中累計的匯兌差額在境外業務出售時重新分類至損益。

(iv) 購股權儲備

購股權儲備指於購股權授出日期釐定的確認本公司購股權。

(v) 投資重估儲備

投資重估儲備指透過其他全面收入按公平值列賬計量的債務證券在出售或減值前的累計公平值變動。

(vi) 其他儲備

其他儲備指(i)非控股權益的調整金額與就收購Unimagi Investment Limited額外權益而支付的代價之差額;及(ii)調整非控股權益的金額與就出售長泰企業有限公司部分權益已收代價之間的差額。

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39. SHARE-BASED PAYMENT TRANSACTIONS

On 16 August 2002, the Company adopted a share option scheme for the primary purpose of providing incentives to employees, executives or officers, directors of the Company or any of its subsidiaries and any business consultants, agents, legal or financial advisers or any supplier or provider of goods and services of the Company or any of its subsidiaries (the “Participants”) for their contribution to the Group (the “2002 Scheme”).

The 2002 Scheme was terminated on 11 June 2012 and a new share option scheme (the “2012 Scheme”) was adopted by the shareholder of the Company on the same date. All share option granted under 2002 Scheme remain effective until the end of the exercise period. The general terms and conditions of the two share option schemes are the same and listed as follow:

The directors of the Company may grant options to the Participants to subscribe for shares in the Company for a consideration of HK\$10 for each lot of share options granted. Options granted must be taken up within 28 days of date of grant. The exercise price is determined by the directors and shall not be less than the highest of:

- (i) the official closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of the grant which must be a business day;
- (ii) the average of the official closing prices of the shares as stated in the daily quotation sheet of the Stock Exchange for the 5 business days immediately preceding the offer date; and
- (iii) the nominal value of a share.

39. 以股份付款交易

於二零零二年八月十六日，本公司採納一項購股權計劃，主要目的在於獎勵對本集團作出貢獻之本公司或其任何附屬公司之僱員、行政人員或高級職員、董事及本公司或其任何附屬公司之任何業務顧問、代理、法律或財務顧問或貨品及服務之任何供應商（「參與人士」）（「二零零二年計劃」）。

二零零二年計劃於二零一二年六月十一日終止，本公司股東於同日採納一項新購股權計劃（「二零一二年計劃」）。所有根據二零零二年計劃授出之購股權仍然有效，直至行使期完結。兩份購股權計劃的一般條款及條件相同，列示如下：

本公司董事可向參與人士以按每批授出購股權10港元之代價授出購股權以認購本公司股份。已授出之購股權必須於授出日期起計二十八日內接納。行使價由董事釐定，惟不得低於下列最高者：

- (i) 股份於授出日期（必須為營業日）在聯交所每日報價表所報官方收市價；
- (ii) 股份緊接要約日期前五個營業日在聯交所每日報價表所報官方收市價之平均值；及
- (iii) 股份面值。

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39. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The maximum number of shares in the Company in respect of which options may be granted under the 2012 Scheme when aggregated with any other share option scheme of the Company is not permitted to exceed 10% of the issued share capital of the Company as at 11 June 2012. Subject to the approval of the shareholders of the Company in general meeting and such other requirements prescribed under the Listing Rules from time to time, the directors of the Company may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meetings. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2012 Scheme and any other share option scheme of the Company at any time shall not exceed 30% of the shares in issue from time to time.

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12-month period up to and including the date of grant exceeding 1% of total number of shares in issue at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the approval of the shareholders in general meetings, with such Participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

39. 以股份付款交易 (續)

根據二零一二年計劃授出之購股權涉及之本公司股份數目，當與本公司任何其他購股權計劃合併計算時，最多不得超過本公司於及二零一二年六月十一日之已發行股本10%。待取得本公司股東在股東大會批准及符合上市規則項下不時訂明之其他規定後，本公司董事可隨時更新限額至本公司股東在股東大會批准當日已發行股份總數10%。儘管有上述規定，二零一二年計劃及本公司任何其他購股權計劃項下所有已授出但尚未行使之購股權獲行使而可能發行之股份，於任何時間均不得超過當時已發行股份30%。

倘於截至及包括授出日期止任何十二個月期間，已經向任何人士發行及基於已授出之所有購股權而可以向彼發行之本公司股份總數，超過授出日期已發行股份總數1%，則不得向該人士授出任何購股權。

倘進一步授出超過1%限額之購股權，則須取得股東在股東大會批准，而該參與人士及其聯繫人士(定義見上市規則)須放棄投票及/或須遵守上市規則不時生效之其他規定。倘向主要股東或獨立非執行董事授出之購股權超過本公司股本0.1%或價值超過5,000,000港元，則須事先取得本公司股東之批准。

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39. SHARE-BASED PAYMENT TRANSACTIONS (continued)

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the directors of the Company are empowered to impose at their discretion any such minimum period at the time of grant of any particular options. The period during which an option may be exercised will be determined by the directors at their absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

The following table discloses movements of the share options held by directors and employees:

39. 以股份付款交易 (續)

現時並無特別規定購股權須於行使前持有任何最短期限，惟本公司董事可行使酌情權於授出任何特定購股權時釐定須持有最短期限。購股權之行使期由董事按絕對酌情權釐定，惟購股權不得於授出日期十年後行使。

下表披露由董事及僱員持有之購股權數目變動詳情：

| | Grant date | Vesting period | Exercisable period | Number of shares issuable under options outstanding at 1/1/2018 | Granted during the year | Exercised during the year | Number of shares issuable under options outstanding at | | Exercise price per share as at |
|------------------------------------|-------------|----------------|------------------------|---|-------------------------|---------------------------|---|--|--------------------------------|
| | | | | | | | 31/12/2018, 1/1/2019 and 31/12/2019 | 31/12/2019 | |
| | 授出日期 | 歸屬期 | 可行使期間 | 於二零一八年一月一日根據購股權的未行使可發行的股份數目 HK\$'000 千港元 | 年內授出 HK\$'000 千港元 | 年內行使 HK\$'000 千港元 | 於二零一八年十二月三十一日、二零一九年一月一日及二零一九年十二月三十一日根據未行使購股權可發行的股份數目 HK\$'000 千港元 | 於二零一八年十二月三十一日、二零一九年一月一日及二零一九年十二月三十一日的每股行使價 | |
| Other than directors and employees | 31/8/2016 | N/A | 31/8/2016 to 30/8/2021 | 2,500,000 | - | (2,500,000) | - | N/A | |
| 並非董事及僱員 | 二零一六年八月三十一日 | 不適用 | 二零一六年八月三十一日至二零二一年八月三十日 | | | | | 不適用 | |

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39. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Note:

Movements in the number of share options outstanding and their weighted average exercise prices for the years ended 31 December 2019 and 2018 are as follows:

| | | Weighted average exercise price 加權平均 行使價 HK\$ 港元 | No. of shares issuable under options granted 根據已授出購股權 可發行的股份數目 |
|---|---|---|--|
| At 1 January 2018 | 於二零一八年一月一日 | 1.6240 | 2,500,000 |
| Exercised during the year | 年內行使 | 1.6240 | (2,500,000) |
| Outstanding and exercisable at 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日 未行使及可行使 | - | - |

HK\$2,500,000 share options were exercised during the year ended 31 December 2018.

39. 以股份付款交易 (續)

附註：

截至二零一九年及二零一八年十二月三十一日止年度未行使的購股權數目變動及其加權平均行使價如下：

| | | Weighted average exercise price 加權平均 行使價 HK\$ 港元 | No. of shares issuable under options granted 根據已授出購股權 可發行的股份數目 |
|---|---|---|--|
| At 1 January 2018 | 於二零一八年一月一日 | 1.6240 | 2,500,000 |
| Exercised during the year | 年內行使 | 1.6240 | (2,500,000) |
| Outstanding and exercisable at 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日 未行使及可行使 | - | - |

截至二零一八年十二月三十一日止年度，2,500,000港元購股權獲行使。

40. SHARE AWARD SCHEME

On 22 October 2019, the directors of the Company adopted a share award scheme (the “Scheme”) to recognise the contribution by any employee(s), director(s) or advisor(s) of any member of the Group (the “Grantees”) and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

Up to the date of approving the Group’s consolidated financial statements, no shares are allotted or repurchased and no award shares are granted to eligible persons.

40. 股份獎勵計劃

於二零一九年十月二十二日，本公司董事採納一項股份獎勵計劃(「該計劃」)，以表彰本集團任何成員公司的任何僱員、董事或顧問(「承授人」)作出的貢獻，向彼等提供激勵，以就本集團的持續經營及發展挽留彼等，並為本集團進一步發展吸引合適人員。

截至本集團綜合財務報表批准之日，並無配發或購回股份，且並無向合資格人士授出任何獎勵股份。

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41. COMMITMENTS

(a) Commitments

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Commitments in respect of the investment for film rights contracted for but not provided in the consolidated financial statements | 11,100 | 16,500 |

已訂約但未於綜合財務報表中作出撥備的有關投資電影版權的承擔

(b) Operating lease commitments

The Group as lessee

For the year ended 31 December 2018, minimum lease payments paid under operating leases in respect of rented premises were approximately HK\$3,331,000.

At the end of the reporting period, the Group had commitments for future minimum lease payments under a non-cancellable operating lease which fall due as follows:

(b) 營運租賃承擔

本集團作為承租人

截至二零一八年十二月三十一日止年度，根據營運租約已就租賃場所支付之最低租賃付款約為3,331,000港元。

於報告期末，根據不可撤銷營運租約，本集團之未來最低租賃付款承擔的到期情況如下：

| | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|
| Within one year | 2,756 |
| In the second to fifth years inclusive | 4,014 |
| | 6,770 |

一年內
於第二至五年
(包括首尾兩年)

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42. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme.

The total expenses recognised in profit or loss of HK\$422,000 (2018: HK\$437,000) represents contribution payable to the plan by the Group at rate specified in the rules of the plan.

43. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

42. 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合資格僱員設立強積金計劃。由獨立受託人控制下，強積金計劃的資產與本集團持有的基金是分開的。根據強積金計劃的規則，僱主及其僱員均須各自向該計劃按規則規定之比率供款。本集團就強積金計劃的唯一責任是根據計劃作出所需供款。

於損益中確認之總開支為422,000港元（二零一八年：437,000港元），乃指依照計劃所列明之比率計算之本集團應付計劃供款額。

43. 有關連人士交易

主要管理人員報酬

年內，董事及其他主要管理人員之酬金如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Salaries and other benefits 薪金及其他福利 | 5,818 | 5,852 |
| Contributions to pension schemes 退休金計劃供款 | 90 | 113 |
| | 5,908 | 5,965 |

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44. ACQUISITION OF A SUBSIDIARY

For the year ended 31 December 2018

Longtop Enterprises Limited (“Longtop”)

During the year ended 31 December 2018, the Group acquired the entire interest in Longtop at a consideration of HK\$50,000 from an independent third party. Longtop is a licensed money lender, and authorised to engage in money lending activity. The acquisition was completed on 22 March 2018 and was accounted for as acquisition of assets because Longtop had no business on the completion date. Longtop commenced money lending business since May 2018.

44. 收購一間附屬公司

截至二零一八年十二月三十一日止年度

長泰企業有限公司（「長泰」）

截至二零一八年十二月三十一日止年度，本集團以代價50,000港元向一名獨立第三方收購長泰的全部權益。長泰為持牌放債人及獲授權進行放債活動。收購於二零一八年三月二十二日完成並按收購資產入賬，原因是長泰於完成日期並無業務。長泰自二零一八年五月起開展放債業務。

45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

45. 本公司財務狀況表及儲備

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------------------------|--------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 679 | 1,148 |
| Investments in subsidiaries | 於附屬公司之投資 | 251,853 | 347,814 |
| Club debenture | 會籍債券 | 1,300 | 1,300 |
| | | 253,832 | 350,262 |
| Current assets | 流動資產 | | |
| Other receivables and prepayments | 其他應收款項及預付款 | - | 9 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 766,477 | 354,864 |
| Bank balances and cash | 銀行結餘及現金 | 525,001 | 4,444 |
| | | 1,291,478 | 359,317 |

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45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

45. 本公司財務狀況表及儲備 (續)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Current liabilities | 流動負債 | | |
| Other payables and accruals | 其他應付款項及應計費用 | 3,328 | 2,317 |
| Financial guarantee | 融資擔保 | 19,618 | - |
| Amounts due to subsidiaries | 應付附屬公司款項 | 1,029,345 | 47,573 |
| | | 1,052,291 | 49,890 |
| Net current assets | 流動資產淨值 | 239,187 | 309,427 |
| Total assets less current liabilities | 總資產減流動負債 | 493,019 | 659,689 |
| Non-current liability | 非流動負債 | | |
| Financial guarantee | 融資擔保 | 37,601 | - |
| Net assets | 資產淨值 | 455,418 | 659,689 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 27,677 | 27,677 |
| Reserves | 儲備 | 427,741 | 632,012 |
| | | 455,418 | 659,689 |

Approved and authorised for issue by the board of directors on 16 March 2020.

由董事會於二零二零年三月十六日批准及授權刊發。

Mr. Kitchell Osman Bin
Kitchell Osman Bin先生
Director
董事

Mr. Shimazaki Koji
嶋崎幸司先生
Director
董事

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45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

Movement of the Company's reserve

45. 本公司財務狀況表及儲備 (續)

本公司儲備之變動

| | | Contributed surplus 繳入盈餘 HK\$'000 千港元 | Share option reserve 購股權儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 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 | 1,800,639 | 1,845 | (1,050,501) | 751,983 |
| Loss for the year | 年內虧損 | - | - | (123,931) | (123,931) |
| Exercise of share options | 行使購股權 | 5,805 | (1,845) | - | 3,960 |
| At 31 December 2018 and at 1 January 2019 | 於二零一八年十二月三十一日 及於二零一九年一月一日 | 1,806,444 | - | (1,174,432) | 632,012 |
| Loss for the year | 年內虧損 | - | - | (204,271) | (204,271) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,806,444 | - | (1,378,703) | 427,741 |

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46. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The particulars of subsidiaries of the Company for the year ended 31 December 2019 are listed as follows:

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或登記/營運地點 | Paid up issued share capital 繳足已發行股本 | Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例 | | Principal activities 主要業務 |
|---------------------------------|--|---|---|-----------------------|---|
| | | | Directly 直接 % | Indirectly 間接 % | |
| China Resources Enterprise Ltd. | BVI 英屬處女群島 | USD1 1美元 | 100 | - | Inactive 暫無營業 |
| Comanche Limited | BVI 英屬處女群島 | HK\$1 1港元 | 100 | - | Intermediate holding 中介控股 |
| Dai Gor Capital Ltd. | BVI 英屬處女群島 | HK\$750,014,141.40 750,014,141.40港元 | - | 100 | Inactive 暫無營業 |
| Divine Kings Limited | BVI 英屬處女群島 | HK\$864,832,564.46 864,832,564.46港元 | 100 | - | Intermediate holding 中介控股 |
| Hurricane Fly Limited | BVI 英屬處女群島 | HK\$1 1港元 | - | 100 | Intermediate holding 中介控股 |
| Imagi Character Licensing B.V. | Netherlands 荷蘭 | EUR18,100 18,100歐元 | - | 100 | Sub-licensing of intellectual property rights in respect of CGI animation pictures 轉授有關電腦造像動畫的知識產權 |

46. 本公司附屬公司詳情

截至二零一九年十二月三十一日止年度，本公司附屬公司詳情如下：

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46. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

The particulars of subsidiaries of the Company for the year ended 31 December 2019 are listed as follows: (continued)

46. 本公司附屬公司詳情 (續)

截至二零一九年十二月三十一日止年度，本公司附屬公司詳情如下：(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或登記/營運地點 | Paid up issued share capital 繳足已發行股本 | Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例 | | Principal activities 主要業務 |
|---|--|---|---|-----------------------|--|
| | | | Directly 直接 % | Indirectly 間接 % | |
| Imagi Core Company Limited | Hong Kong 香港 | HK\$1 1港元 | - | 100 | Provision of administrative services 提供行政服務 |
| Imagi Crystal Limited 意馬水晶有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100 | Holding and licensing of intellectual property rights in respect of CGI animation pictures 持有及授權有關電腦造像動畫的知識產權 |
| Imagi Holdings Limited 意馬控股有限公司 | Hong Kong 香港 | HK\$1 1港元 | 100 | - | Inactive 暫無營業 |
| Imagi Holdings Limited | BVI 英屬處女群島 | USD1 1美元 | 100 | - | Notes issue 票據發行 |
| Imagi International Development Limited | Cayman Islands 開曼群島 | USD1 1美元 | 100 | - | Intermediate holding 中介控股 |
| Imagi International Development Limited | Marshall Islands 馬紹爾群島 | USD1 1美元 | 100 | - | Inactive 暫無營業 |
| Imagi International Holdings Limited | BVI 英屬處女群島 | USD1 1美元 | 100 | - | Intermediate holding 中介控股 |
| Imagi Management Limited 意馬管理有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100 | Provision of administrative services 提供行政服務 |

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46. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

The particulars of subsidiaries of the Company for the year ended 31 December 2019 are listed as follows: (continued)

46. 本公司附屬公司詳情 (續)

截至二零一九年十二月三十一日止年度，本公司附屬公司詳情如下：(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或登記/營運地點 | Paid up issued share capital 繳足已發行股本 | Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例 | | Principal activities 主要業務 |
|--|--|---|---|-----------------------|--|
| | | | Directly 直接 % | Indirectly 間接 % | |
| Imagi Management Services Limited | BVI 英屬處女群島 | HK\$1 1港元 | - | 100 | Provision of administrative services 提供行政服務 |
| Imagi Platinum Limited | Hong Kong 香港 | HK\$1 1港元 | - | 100 | Inactive 暫無營業 |
| Imagi Wealth Limited 意馬匯富有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100 | Investment in securities 證券投資 |
| Infinite Lake Limited | BVI 英屬處女群島 | HK\$61,500,000 61,500,000港元 | 100 | - | Inactive 暫無營業 |
| Intellefund Finance Limited | Hong Kong 香港 | HK\$1 1港元 | - | 100 | Inactive 暫無營業 |
| John & Wong Securities Company Limited 宏昌證券有限公司 | Hong Kong 香港 | HK\$250,000,000 250,000,000港元 | - | 100 | Securities brokerage 證券經紀 |
| Longtop Enterprises Limited 長泰企業有限公司 | Hong Kong 香港 | HK\$134,500,778 134,500,778港元 | - | 91 | Money lending 放債 |
| Macallan Fine Holdings Ltd. | BVI 英屬處女群島 | HK\$1 1港元 | 100 | - | Intermediate holding 中介控股 |
| Magmagous Corporation | BVI 英屬處女群島 | USD1 1美元 | 100 | - | Inactive 暫無營業 |

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46. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

The particulars of subsidiaries of the Company for the year ended 31 December 2019 are listed as follows: (continued)

46. 本公司附屬公司詳情 (續)

截至二零一九年十二月三十一日止年度，本公司附屬公司詳情如下：(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或登記/營運地點 | Paid up issued share capital 繳足已發行股本 | Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例 | | Principal activities 主要業務 |
|--|---|---|---|-----------------------|-------------------------------------|
| | | | Directly 直接 % | Indirectly 間接 % | |
| Main Events Inc. | BVI 英屬處女群島 | USD1 1美元 | 100 | - | Inactive 暫無營業 |
| Project Martini Limited | England and Wales 英格蘭及威爾斯 | GBP1 1英鎊 | - | 100 | Acquisition of subsidiary 收購附屬公司 |
| Raytheon Investments Ltd. | BVI 英屬處女群島 | USD100 100美元 | 100 | - | Intermediate holding 中介控股 |
| Sky Field Holdings Limited 天域控股有限公司 | BVI 英屬處女群島 | USD1 1美元 | 100 | - | Intermediate holding 中介控股 |
| Step Goal Limited 階高有限公司 | BVI 英屬處女群島 | USD1 1美元 | 100 | - | Intermediate holding 中介控股 |
| Turbo Money Investments Limited | BVI 英屬處女群島 | USD4 4美元 | - | 100 | Investment in film rights 電影版權投資 |
| Unimagi Investment Limited | BVI 英屬處女群島 | HK\$750,000,000 750,000,000港元 | - | 100 | Trading of securities 買賣證券 |
| Unimagi Investment (HK) Limited | Hong Kong 香港 | HK\$1 1港元 | - | 100 | Inactive 暫無營業 |

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截至二零一九年十二月三十一日止年度

46. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

The following table lists out the information relating to the subsidiary of the Group which has material non-controlling interest (“NCI”). The summarised financial information presented below represents the amounts before any inter-company eliminations:

| | | Longtop Enterprises Limited 長泰企業有限公司 | |
|--------------------------------------|-------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| NCI | 非控股權益 | 9% | — |
| Non-current assets | 非流動資產 | — | — |
| Current assets | 流動資產 | 464,456 | — |
| Current liabilities | 流動負債 | (449,933) | — |
| Non-current liabilities | 非流動負債 | — | — |
| Net assets | 資產淨值 | 14,523 | — |
| Carrying amount of NCI | 非控股權益之賬面值 | 1,320 | — |
| Revenue | 收入 | 5,646 | — |
| Loss for the year | 年內虧損 | (1,748) | — |
| Total comprehensive income | 全面收入總額 | (1,748) | — |
| Loss allocated to NCI | 分配至非控股權益之虧損 | (195) | — |
| Dividend paid to NCI | 已付非控股權益之股息 | — | — |
| Cash flows from operating activities | 經營活動的現金流量 | 121,569 | — |
| Cash flows from investing activities | 投資活動的現金流量 | — | — |
| Cash flows from financing activities | 融資活動的現金流量 | 14,173 | — |

46. 本公司附屬公司詳情 (續)

下表列示擁有重大非控股權益(「非控股權益」)的本集團附屬公司之資料。下文呈列的財務資料概要為公司間對銷前的金額。

47. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2.

47. 比較數字

本集團已於二零一九年一月一日使用經修訂追溯法首次應用香港財務報告準則第16號。根據該方法，未重列比較資料。會計政策變動的進一步詳情於附註2披露。

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綜合財務報表附註

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48. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

48. 截至二零一九年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響

截至該等財務報表刊發之日，香港會計師公會已頒佈多項修訂及一項新準則香港財務報告準則第17號保險合約，有關修訂及準則於截至二零一九年十二月三十一日止年度尚未生效，且並未於該等財務報表中採納。該等發展包括以下可能與本集團有關者。

| | Effective for accounting periods beginning on or after 於以下日期或 之後開始的會計 期間生效 |
|---|---|
| Amendments to HKFRS 3, <i>Definition of a business</i> 香港財務報告準則第3號修訂業務的定義 | 1 January 2020* 二零二零年一月一日* |
| Amendments to HKAS 1 and HKAS 8, <i>Definition of material</i> 香港會計準則第1號及香港會計準則第8號修訂重大的定義 | 1 January 2020 二零二零年一月一日 |
| Amendments to HKFRS 10 and HKAS 28 Sales or contribution of assets between an investor and its associate and joint venture 香港財務報告準則第10號及香港會計準則第28號修訂投資者與其聯營及合營企業之間的資產出售或注資 | To be determined 待釐定 |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7, Interest rate benchmark reform 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂利率基準改革 | 1 January 2020 二零二零年一月一日 |
| New standard, HKFRS 17 Insurance contracts 新準則香港財務報告準則第17號保險合約 | 1 January 2021 二零二一年一月一日 |

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

* 就收購日期為二零二零年一月一日或之後開始的首個年度期間初或之後的業務合併及資產收購生效。

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48. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*

The Group is in the process of making an assessment of what the impact of these development is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

48. 截至二零一九年十二月三十一日止 年度已頒佈但尚未生效的修訂、新 準則及詮釋可能的影響 (續)

本集團正在評估該等發展於首次應用期間預期造成的影響。迄今為止，本集團的結論是，採納其不大可能對綜合財務報表造成重大影響。

FINANCIAL SUMMARY

財務概要

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

| | | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------------------------|-----------------|------------------|------------------|------------------|------------------|
| | | 二零一五年 | 二零一六年 | 二零一七年 | 二零一八年 | 二零一九年 |
| | | 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 |
| Revenue | 收入 | | | | | |
| Brokerage related commission and clearing fee income | 經紀相關佣金及結算費收入 | - | - | 1,140 | 2,227 | 1,665 |
| Royalty income | 特許費收入 | 505 | 436 | 264 | 256 | 185 |
| Dividend income from held-for-trading investments | 持作買賣投資之股息收入 | - | 1,132 | 751 | 20,577 | 15,152 |
| Interest income on loans receivable and margin clients | 應收貸款及保證金客戶之利息收入 | - | - | - | 3,479 | 12,300 |
| Net realised losses from sales of listed equity investments classified as held-for-trading | 出售分類為持作買賣之上市股本投資之已變現虧損淨額 | - | (30,360) | (92,573) | (8,050) | (80,339) |
| Total revenue | 總收入 | 505 | (28,792) | (90,418) | 18,489 | (51,037) |
| Loss before tax | 除稅前虧損 | (81,238) | (417,562) | (452,005) | (117,905) | (159,491) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | - | (10,967) | 10,967 | 342 | (200) |
| Loss for the year | 年內虧損 | (81,238) | (428,529) | (441,038) | (117,563) | (159,691) |
| Loss attributable to owners of the Company | 本公司擁有人應佔虧損 | (81,238) | (424,549) | (441,038) | (117,563) | (159,496) |

FINANCIAL SUMMARY

財務概要

ASSETS AND LIABILITIES

資產及負債

At 31 December

於十二月三十一日

| | | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------|----------|-----------|----------|----------|-------------|
| | | 二零一五年 | 二零一六年 | 二零一七年 | 二零一八年 | 二零一九年 |
| | | 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 |
| Total assets | 資產總值 | 845,364 | 1,128,205 | 789,673 | 716,033 | 1,517,369 |
| Total liabilities | 負債總額 | (3,983) | (17,976) | (9,828) | (50,991) | (1,010,489) |
| | | 841,381 | 1,110,229 | 779,845 | 665,042 | 506,880 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 841,381 | 1,110,229 | 779,845 | 665,042 | 505,560 |
| Non-controlling interest | 非控股權益 | - | - | - | - | 1,320 |
| Total equity | 權益總額 | 841,381 | 1,110,229 | 779,845 | 665,042 | 506,880 |

