

STOCK CODE

股份代號

376

Yunfeng Financial Group Limited

雲鋒金融集團有限公司

2020 | Annual Report
年度報告



云鋒金融

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Contents

目錄

	<i>Pages</i> 頁碼
Corporate Information 公司資料	2
CEO's Statement 行政總裁報告	4
Management Discussion and Analysis 管理層討論及分析	8
Independent Actuaries Report on Review of Embedded Value Information 內含價值信息審閱的獨立精算師報告	33
Embedded Value 內含價值	35
Biographical Details of Directors and Senior Management 董事及高級管理人員履歷	44
Corporate Governance Report 企業管治報告	51
Report of the Directors 董事會報告	69
Environmental, Social and Governance Report 環境、社會及管治報告	97
Independent Auditor's Report 獨立核數師報告	123
Consolidated Income Statement 綜合收益表	136
Consolidated Statement of Comprehensive Income 綜合全面收益表	138
Consolidated Statement of Financial Position 綜合財務狀況表	140
Consolidated Statement of Changes in Equity 綜合權益變動表	142
Consolidated Cash Flow Statement 綜合現金流量表	144
Notes to the Financial Statements 財務報表附註	148
Five Year Financial Summary 五年財務概要	338
Definitions 釋義	339

Corporate Information

公司資料

BOARD OF DIRECTORS

Chairman

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

Executive Directors

Mr. Zhang Ke (*Vice Chairman and Chief Executive Officer*)

Mr. Huang Xin

Ms. Hai Olivia Ou

Non-Executive Directors

Mr. Adnan Omar Ahmed

Mr. Michael James O'Connor

Independent Non-Executive Directors

Mr. Qi Daqing

Mr. Chu Chung Yue, Howard

Mr. Xiao Feng

AUDIT COMMITTEE

Mr. Chu Chung Yue, Howard (*Chairman*)

Mr. Qi Daqing

Mr. Xiao Feng

REMUNERATION COMMITTEE

Mr. Qi Daqing (*Chairman*)

Mr. Huang Xin

Mr. Chu Chung Yue, Howard

Mr. Xiao Feng

NOMINATION COMMITTEE

Mr. Yu Feng (*Chairman*)

Mr. Qi Daqing

Mr. Chu Chung Yue, Howard

AUTHORISED REPRESENTATIVES

Mr. Zhang Ke

Mr. Chan Man Ko

董事會

主席

虞鋒先生 (*非執行董事*)

執行董事

張可先生 (*副董事長兼行政總裁*)

黃鑫先生

海歐女士

非執行董事

Adnan Omar Ahmed 先生

Michael James O'Connor 先生

獨立非執行董事

齊大慶先生

朱宗宇先生

肖風先生

審核委員會

朱宗宇先生 (*主席*)

齊大慶先生

肖風先生

薪酬委員會

齊大慶先生 (*主席*)

黃鑫先生

朱宗宇先生

肖風先生

提名委員會

虞鋒先生 (*主席*)

齊大慶先生

朱宗宇先生

授權代表

張可先生

陳文告先生

COMPANY SECRETARY

Mr. Chan Man Ko

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance

BANKERS

Bank of Communications
Nanyang Commercial Bank, Limited
Shanghai Pudong Development Bank Co., Ltd.
Tai Fung Bank Limited
China Minsheng Banking Corporation Limited
Bank of China (Hong Kong)
The Hongkong and Shanghai Banking Corporation
Limited

REGISTERED AND PRINCIPAL OFFICE

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

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

WEBSITE

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376

公司秘書

陳文告先生

核數師

畢馬威會計師事務所
執業會計師
根據《財務匯報局條例》註冊之公眾利益實體
核數師

主要往來銀行

交通銀行
南洋商業銀行
上海浦東發展銀行
大豐銀行
中國民生銀行
中國銀行(香港)
滙豐銀行

註冊及主要辦事處

香港
康樂廣場八號
交易廣場一座
3201-3204室

股份過戶登記處

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

網站

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376

CEO's Statement

行政總裁報告

In 2020, against the backdrop of the outbreak of the Covid-19 pandemic which has caused disruptions to business activities across the world, Yunfeng Financial Group Limited (“Yunfeng Financial Group” or the “Company”) continued to overcome difficulties, adapt to changes and achieve breakthroughs in business innovations and record growth in the insurance and financial services businesses of the Group. In the insurance industry, although the Hong Kong insurance market has been negatively impacted by the sharp decline in the number of tourists from mainland China, under the initiatives introduced to expedite the economic development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Hong Kong government has continued to enhance the regulatory system and encourage insurance intermediaries to launch innovative products and services, which is conducive to the sustainable development of the insurance industry. Despite the unprecedented challenges posted by the COVID-19 pandemic and the turbulent macroeconomic conditions, the overall performance of the Hong Kong capital market in 2020 was robust. During the year, the insurance and financial services teams of the Group have grasped opportunities to apply innovations and technologies to enhance the competitiveness of our products and services with a view to strengthening our position as a leading integrated financial services group in Hong Kong.

For insurance business, in 2020, YF Life Insurance International Limited (“YF Life”) demonstrated satisfactory business performance. In spite of being under the shadow of the Covid-19 pandemic, YF Life successfully managed to record net growth in its tied agency force in 2020. It also achieved notable growth in the number of in-force individual insurance policies, premium income and net operating income compared to the prior year. YF Life successfully boosted sales by launching new products and actively promoting its Voluntary Health Insurance Scheme (VHIS) and Qualifying Deferred Annuity Policy (QDAP) products. It will continue to pursue this strategy to further strengthen sales. In addition, YF Life will continue to optimise its product mix through promotion of products with higher margins such as refundable critical illness policies. To further improve the information capacity and promote the usage of digital platforms, YF Life has been actively developing virtual face-to-face solicitation tools (SMART) to extend such kinds of activities to most of its flagship products and it will continue to enhance the online customer servicing tool “YF LINK” so as to provide a better user experience.

2020年，在全球爆發新冠肺炎大流行，導致各地業務活動中斷的背景下，雲鋒金融集團有限公司（「雲鋒金融集團」或「公司」）繼續迎難而上、靈活求變，實現集團保險及金融業務創新突破和業績增長。保險業方面，儘管香港保險市場受到了來自內地遊客數量急劇下滑的負面影響，但在推動粵港澳大灣區經濟發展的政策支持下，香港政府不斷完善監管制度，鼓勵保險中介推出創新產品和服務，促進保險業可持續發展。另一方面，雖然新冠肺炎大流行和動盪的宏觀經濟狀況帶來前所未有的挑戰，但由於更多美股中概股選擇回到港交所上市，香港資本市場在2020年整體表現穩健。年內，集團的保險和金融業務團隊抓緊機遇，積極採用創新和科技提高產品和服務的競爭力，不斷致力於成為香港領先的綜合金融服務集團。

保險業務方面，在2020年，萬通保險國際有限公司（「萬通」）業務表現令人滿意。儘管處於新冠疫情的陰霾之中，萬通獨家代理的數目在2020年仍持續增加，萬通擁有的有效個人保單數量、保費收入及淨營業收入亦較去年有顯著增長。萬通通過推出新產品並積極推廣自願性醫療保險（VHIS）和合資格延期年金保單（QDAP）產品，成功獲得了新業務增長。萬通將繼續採取該策略，以進一步獲得業務增長。此外，萬通將繼續通過推廣利潤率更高的產品（如可退還重疾保險產品）來優化產品結構。為進一步提高資訊能力和數位平台的推廣使用，萬通一直在發展虛擬面對面行銷工具（SMART），並將這類活動擴展至我們的大部分旗艦產品，同時繼續改善線上客戶服務工具「YF LINK」，以提供更佳的用戶體驗。

For asset management business, in 2020, the Company's asset management business achieved growth in both business size and revenue. A total of 393 public funds from 21 fund companies have been launched on Youyu Wealth. Regarding products and special accounts, the assets under management comprised two funds of funds, one note product, one project fund and one discretionary fund account. In addition, the Company took advantages of market opportunities to make proprietary investments in high quality equity projects and Chinese USD bonds, which have generated satisfactory returns. To seize market opportunities, the Company will, on one hand, strengthen the cooperation between Youyu Wealth and other channels to increase the sales of equity-based funds, and on the other hand, enhance the research and selection of funds to enhance the competitiveness of fund products on the Company's platform. In respect of asset management products and special accounts, the Asset Management Department will continue to strengthen and deepen cooperation with other departments of the Group and external parties, launch asset management products with "Yunfeng characteristics" and strategically provide overseas high-quality asset management products targeted at high-net-worth, ultra-high-net-worth and corporate clients in order to contribute to the brand building of Yunfeng in overseas markets.

For brokerage business, in 2020, the Company successfully implemented its To-C strategy, with multiple growth in the number of customers opening new accounts, the number of eligible customers and the number of active customers. The Company closely followed all popular trends in the IPO subscription market since the beginning of the year and increased the overall limits for IPO financing available to its customers. With respect to improvement in user experience, online procedures for bank-to-securities transfers were launched, which effectively improved the efficiency of bank-to-securities transfers and lowered error rate. The Company also launched FPS as a new cash deposit method, improving the efficiency of cash deposit. In addition to providing quality trading services, the Company will continue to fully enhance user experience in conducting online transactions and leveraging the advantage of access to capital for financial institutions, fully explore the needs of customers including margin financing while broadening the customer base. The Company will expedite the integration of the Group's ecosystem by strengthening the interaction and integration of its brokerage business with other business segments amid the rapid development of the Guangdong-Hong Kong-Macao Greater Bay Area.

資產管理業務方面，2020年，公司的資產管理業務在規模和收入上均實現了增長。有魚智投平台共上線21家基金公司的393隻公募基金。產品和專戶方面，資管業務包括兩隻母基金、一隻票據、一隻專案基金和一個全委專戶。此外，公司把握市場機會，以自有資金方式投資了優質股權專案和中資美元債，獲得了理想的回報。為抓住市場機遇，公司一方面加強智投平台和管道的合作，加大以股票類為主的基金銷售力度；另一方面加強基金的研究和評選，保證公司平台上基金產品的競爭力。資管產品和專戶方面，資產管理部會繼續加強和深化與集團內部以及外部的合作，發行有「雲鋒特色」的資管產品，有的放矢地為高淨值、超高淨值、以及公司客戶提供海外優質資產管理產品，為雲鋒在海外市場的品牌建設做出貢獻。

證券經紀業務方面，公司在2020年較好地落實C端（對個人）戰略，當年客戶較存量而言，開戶客戶、有效客戶及活躍客戶都實現倍數增長。公司年內持續抓住市場打新的熱點，提升了公司為客戶提供的融資打新總體額度。在用戶體驗提升方面，上線了銀證轉帳相應程式，有效提高銀證轉帳效率減少差錯率；上線FPS增加入金方式手段提高入金效率。除提供好交易服務以外，公司將繼續全面提升線上交易的使用者體驗，並在客戶基數擴大的基礎上深入挖掘客戶包括孖展融資等其他需求。同時，公司亦會加速集團生態融合，抓住粵港澳大灣區快速發展的機遇，加強各業務板塊的互動和融合。

CEO's Statement

行政總裁報告

For employee stock ownership plan administration (ESOP) business, in 2020, the Company successfully signed contracts with a number of listed companies and provided them with professional share incentive scheme management services. Besides, it helped clients improve management efficiency and reduce costs through the exclusive “Youyu eKeeper” platform. Over the year, the number of users of the platform has grown steadily and the related securities trading income as well as the asset management scale have also shown notable growth. In addition, the Company further expanded its customer resources for future business by entering into cooperation agreements with various renowned trust companies and actively establishing partnerships with different channels. Given the keen competition in the market, the Company will focus on system optimisation, providing more customised features, standardizing and reducing manual processes and operating costs and further strengthening flow of business from employees by creating a one-stop automated all-process management system. In terms of business development, the Company will continue to actively explore new channels to realise long-term cooperation and provide business support to increase business referral opportunities.

For the financial technology business, since its establishment in early 2019, the business of the Financial Technology Department of Yunfeng Financial Group has been steady. While maintaining the services provided to existing external clients, the Company restated its positioning as a technology services provider to support the Group's businesses and managed to concurrently execute internal and external projects. The Company will continue to apply technology to insurance, brokerage, fund and corresponding marketing strategies to support the Group's business development. It will launch “Yunfeng Youyu” online products and undertake continuous upgrade of their core functions. The Company will also commence the design and development of account opening, approval and information management systems to improve user experience and enhance work efficiency of the customer services and further build up our capacities on internal project management and operation and data management.

員工持股業務方面，於2020年，公司成功簽下了多家上市公司並為它們提供一套專業的股權激勵計劃管理服務，通過專屬的「有魚持股」平台為企業提升管理效率並降低成本。過去一年，平台的用戶數量處於穩定增長，相關的證券交易收入以及資產管理規模也有一個明顯的提升。另外，公司也通過和不同的優質信託商簽訂合作協定以及積極和不同管道建立合作關係，進一步拓展未來業務的客戶資源。面對市場日益激烈的競爭，未來公司會致力於系統優化，減少人工流程和降低運營成本，並通過打造一站式的全流程管理系統，進一步加強員工轉化及導流。業務拓展方面，公司會繼續積極開拓新的管道落實長期合作，提供業務支援從而增加客戶推薦的機會。

金融科技業務方面，雲鋒金融集團的金融科技部自2019年初成立以來，業務穩步發展，在維持現有外部客戶服務的基礎上，明確金融科技作為集團業務技術支援和產品輸出的定位，達成內外部專案雙軌並行。金融科技部將持續配合集團業務發展的需要，在保險、股票、基金及相應的行銷策略方面，實現技術的高效對接，金融科技部亦會達成「雲鋒有魚」產品的成功上線及持續功能反覆運算。同時，公司將啟動客戶開戶、審批、資訊管理系統的設計和開發，改善使用者體驗並提升客戶服務部的工作效能，並進一步實現內部專案管理、運營、資料管理能力。

For the investment research business, in 2020, the Company completed repositioning of its investment research business, changing the focus from operation of an official public account to asset investment research, primarily on four major research business sectors covering major asset classes allocation research, Hong Kong equities strategy research, Chinese USD bonds research and real estate research. Regarding the outlook in 2021, the Company will promote the implementation of a comprehensive investment-oriented asset investment research system and further refine the research areas and emphases, so as to enhance its investment research capability. For Hong Kong equities, the investment research will be extended to key industries and individual stocks to strengthen the investment research capability for IPO targets, which is in turn conducive to building investment portfolios. In respect of USD bonds and real estate research, it will broaden the credit coverage of real estate targets, strengthen the daily dynamic tracking of USD bonds and provide rapid feedbacks and in-depth analyses on industry hotspots.

Looking ahead, the pace of global economic recovery will depend on the degree of the Covid-19 vaccine rollouts and the effectiveness of stimulus policies introduced by governments of all major markets. At the same time, the Group will prudently monitor the impacts of such macroeconomic factors as the relations between the United States and China and the geopolitical environment on the execution of its business development plans. The Group will continue to focus on implementing its strategic plan to capture growth opportunities in the life and health insurance and wealth management markets in the Guangdong-Hong Kong-Macao Greater Bay Area with a view to successfully transforming itself into a comprehensive one-stop financial services provider offering high-quality online and offline insurance and wealth management solutions to our customers.

Finally, we would like to express our sincere gratitude to our Shareholders, business partners and customers for their continued support and trust on us.

投資研究業務方面，公司於2020年完成對投資研究業務的轉型定位，重心由公眾號運營轉型為資產投資研究，集中於大類資產配置研究、港股策略研究、中資美元債研究及地產研究四大研究業務板塊。展望2021年業務，公司將推進完善面向投資的資產投研體系，將研究領域和重點進一步細化，提升投研能力。港股方面，投研方向將向重點行業和個股延伸，加強IPO目標投研能力，構建投資組合。美元債和地產研究方面，將拓寬地產目標信用覆蓋範圍，加強美元債日常動態跟蹤，對行業熱點快速回饋深度分析。

展望未來，全球經濟復蘇的步伐將取決於新冠肺炎疫苗接種的推進程度及各主要市場政府刺激經濟政策的成效，同時集團將密切關注中美關係和地緣政治局勢等宏觀因素對推進業務發展計畫的影響。基於大灣區內人壽健康保險和財富管理市場的潛在機遇，集團將繼續專注於落實其戰略部署，致力於成為全面的一站式金融服務提供者，為客戶提供優質的線上和線下的保險及理財方案。

最後，感謝各位股東的鼎力支持，也感謝合作夥伴和客戶的支援和信任。

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

During the Year, Hong Kong's economy was affected by, amongst others, the global trade conflict and the outbreak of COVID-19 and financial markets continued to face uncertainties and challenges. Despite this difficult period, the Company has remained steadfast in providing its customers with comprehensive insurance and financial services, while maintaining business operation and development. At the same time, China's economy has first shown significant signs of recovery amid the global pandemic. The Group will take this opportunity to achieve breakthroughs and sustainable development in its business.

The Group's sources of revenue includes life insurance premium income and other financial businesses including subscription fees and management fees for products launched by the Group, platform fees for distribution of third-parties products, administration fee for employees stock ownership plan management services, brokerage commission income and corporate advisory fee income etc. For the Year, the Group's revenue amounted to HK\$7,763 million, representing an increase of 28% compared to that of HK\$6,044 million for the year 2019. The revenue included HK\$7,723 million premiums and fee income, representing an increase of 28% compared to that of HK\$6,016 million for the year 2019, and HK\$39 million of income from other financial services, representing an increase of 39% compared to that of HK\$28 million for the year 2019. The adjusted operating profit is approximately HK\$832 million, representing an increase of 16% compared to that of HK\$716 million for the year 2019. The Group's consolidated profit amounted to HK\$949 million, representing an increase of 54% compared to that of HK\$615 million for the year 2019. The net profit attributable to equity shareholders of the Company amounted to HK\$618 million, representing an increase of 141% compared to that of HK\$256 million for the year 2019. The improvement of the Group's results is mainly due to satisfactory performance of insurance business, the improvement in the operation of non-insurance businesses, and the significant increase in realised gains from equity investments.

概要

於二零二零年，香港經濟受到全球貿易磨擦及新冠肺炎疫情等因素影響，整體金融市場環境持續面臨不確定性與挑戰。即使金融市場處於艱困時期，公司依然堅定不移地為客戶提供全面的保險和金融服務，維持業務的運營和發展，而中國經濟在全球疫情背景下率先出現明顯復蘇跡象，集團將借此機會實現業務的突破和持續發展。

本集團的主營業務收入來源包括人壽保險保費收入及其他金融業務(包括發行產品的認購費及管理費、分銷第三方產品的平台費、員工持股計劃服務管理費、經紀佣金收入及企業諮詢服務費等)。本年度，本集團的收入為77.63億港元，較二零一九年60.44億港元增長28%，其中包括77.23億港元保費及費用收入，較二零一九年60.16億港元增長28%，及來自其他金融服務收入3,900萬港元，較二零一九年2,800萬港元上升增長39%。經調整後的經營溢利約為8.32億港元，較二零一九年7.16億港元上升16%，本集團的合併溢利為9.49億港元，較二零一九年6.15億港元增長54%。本公司權益股東應佔溢利淨額為6.18億港元，較二零一九年2.56億港元增長141%。本集團業績改善主要由於保險業務的表現理想、非保險業務的經營改善，以及權益類投資的已實現收益錄得顯著增長。

Management Discussion and Analysis

管理層討論及分析

CONSOLIDATED FINANCIAL RESULTS REVIEW

The financial highlights of the Group were as follows:

Consolidated financial result analysis

For the year ended 31 December, HK\$ million

綜合財務表現

本集團年內重點財務表現如下：

綜合財務表現分析

截至十二月三十一日止年度，百萬港元

		2020 二零二零年	2019 二零一九年	Change % 變化 %
Income	收入			
Premiums and fee income	保費及費用收入	7,723	6,016	28
Profit after taxation	除稅後溢利	949	615	54
Net profit attributable to the owners	擁有人應佔溢利淨額	618	256	141
Basic earnings per share (HK\$) (Note 1)	每股基本盈利(港元) (附註1)	0.186	0.080	133
Final dividend proposed per share	建議分派末期每股股息	—	—	NA無

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2020 二零二零年	2019 二零一九年	Change % 變化 %
Total assets	資產總額	87,553	75,327	16
Total equity	權益總額	19,342	15,463	25
Owner's equity	擁有人權益	13,381	10,103	32
Owner's equity per share (HK\$) (Note 2)	擁有人每股權益(港元) (附註2)	3.46	3.13	11

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

附註1：分母為本公司普通股的加權平均數。

Note 2: The denominator is total issued shares as of 31 December of the respective years.

附註2：分母為截至相應年度十二月三十一日的已發行股份總數。

Management Discussion and Analysis

管理層討論及分析

CONSOLIDATED FINANCIAL RESULTS REVIEW (Continued)

綜合財務表現(續)

Consolidated financial result analysis (Continued)

綜合財務表現分析(續)

Analysis on profit for the year, HK\$ million

本年度溢利分析，百萬港元

		2020 二零二零年	2019 二零一九年	Change % 變化 %
YF Life segment operating profit	萬通保險分部經營溢利	962	850	13
Other financial services and corporate segment operating loss	其他金融服務和公司分部經營虧	(130)	(134)	(3)
Total operating profit	經營溢利總額	832	716	16
Adjust for the following profit or loss and expenses impact:	調整以下損益及費用影響：			
– Investment income from disposal, fair value changes of risk hedging derivatives and fair value change and impairment of certain investments	– 處置產生的投資收益、風險套期衍生工具的公允價值變動以及某些投資的公允價值變動和減值	245	(82)	NA 無
– Staff share award amortisation expense	– 員工股份獎勵計劃攤銷	12	7	71
– Legal and professional fee and other expenses for acquisition of YF Life	– 收購萬通保險的法律和專業顧問費及其他費用	(8)	(46)	(83)
– Finance cost (Note 1)	– 融資成本(附註1)	(132)	(69)	91
– One-off adjustments (Note 2)	– 一次性調整(附註2)	(4)	(1)	3 times 倍
– Consolidation adjustments (Note 3)	– 合併調整(附註3)	4	90	(96)
Profit for the year	本年度溢利	949	615	54
Less: non-controlling interests	減：非控股權益	(331)	(359)	(8)
Net profit attributable to the owners	擁有人應佔溢利淨額	618	256	141

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

附註1：該金額包括本集團戰略投資所需資本產生的銀行利息費用和其他財務費用。

Note 2: One-off adjustments represent the impact of professional consultancy fees incurred for non-recurring project expense.

附註2：一次性調整指非經常性項目費用和所產生的專業諮詢費用的影響。

Note 3: The consolidation adjustments represent the financial impact arising from the acquisition of YF Life.

附註3：合併調整指收購萬通保險產生的財務影響。

Note 4: Certain comparative figure is restated based on the finalised purchase price allocation of prior year acquisition of YF Life.

附註4：某些比較數據是基於上年度收購萬通保險的最終購買價格分攤情況進行重述。

Management Discussion and Analysis

管理層討論及分析

CONSOLIDATED FINANCIAL RESULTS REVIEW (Continued)

綜合財務表現(續)

Changes in owner's equity

擁有人權益變動

HK\$ million

百萬港元

		2020 二零二零年	2019 二零一九年
Balance at 1 January	一月一日之餘額	15,463	15,354
Adoption of new accounting standard	採納新會計準則	—	(11)
Share based payment transaction	以股份權益為結算基礎的交易	(12)	(7)
Issue of subscription shares	發行認購股份	2,044	—
Acquisition of and capital injection to YF Life	收購萬通保險及注資	—	328
Acquisition of additional interest in YF Life	收購萬通保險的額外權益	—	(1,561)
Profit for the year	本年度溢利	949	615
Other comprehensive income and others	其他全面收益及其他	898	745
Balance at 31 December	十二月三十一日之餘額	19,342	15,463
Attributable to:	應佔權益：		
— equity shareholders of the Company	— 本公司權益股東	13,381	10,103
— non-controlling interests	— 非控股權益	5,961	5,360
Total equity	權益總額	19,342	15,463

The Group's total shareholders' equity amounted to approximately HK\$19,342 million as at 31 December 2020 as compared to the total shareholders' equity of HK\$15,463 million reported at the end of last year. The increase is mainly due to the improvement of operating result for the year and the completion of issue of subscription share of HK\$2,044 million.

於二零二零年十二月三十一日，本集團之股東權益總額約為193.42億港元，而上年度底錄得之股東權益總額則為154.63億港元。股東權益增加主要由於本年度的經營業績有所改善，以及已完成20.44億港元認購股份的發行。

INSURANCE BUSINESS REVIEW

To facilitate a more thorough and comprehensive review of the insurance business, YF Life, the related financial data excludes the fair value accounting adjustments made on the acquisition. Management considers the full year operation and financial data excluding fair value accounting adjustments made on YF Life acquisition and intragroup transaction elimination with other business segment of the Group is able to provide reader with more relevant information on the business performance of the insurance business segment operating results.

保險業務回顧

為便於更徹底和全面地審閱保險業務(即萬通保險)，相關財務資料不含對收購進行的公允價值會計調整。管理層認為，不含對收購萬通保險以及與集團其他業務分部的集團內部交易抵銷進行的公允價值會計調整的全年業務及財務資料能為財務報告使用者提供有關保險業務分部業務表現的更貼切資料。

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

During the year 2020, our insurance business remained as authorized insurer licensed to carry on life and annuity, linked long term, permanent health, and retirement scheme management long term insurance businesses in Hong Kong. It also operates in Macau through a branch office and is licensed to sell life insurance products in Macau.

Our insurance business division maintained diversified product suite includes four flagship products: (i) the “FLEXI-ULife Prime Saver”, an enhanced universal life insurance plan; (ii) the “MY Lifetime Annuity”, a plan providing guaranteed lifetime annuity income to act as a safety net during the customer’s retirement; (iii) the “Infinity Saver 2”, a flexible insurance savings plan allowing customers to accumulate capital with potentially higher return; and (iv) the “PrimeHealth” series which are critical illness products covering a wide range of illnesses.

The tied agency force consisted of approximately 3,409 (2019: 2,973) agents in Hong Kong and Macau as of 31 December 2020. In addition to the tied agency force, we also utilise brokers and agency intermediaries as well as banks and other financial institutions to distribute insurance products. As of 31 December 2020, the insurance business division has approximately 510 (2019: 442) employees and more than 506,000 (2019: 491,000) in-force individual policies.

During 2020, our insurance division continues to develop its tied agency, brokerage and agency intermediary and bancassurance distribution channels to increase penetration in the market, to broaden its access to potential customers and to meet the evolving preferences of existing customers. Tied agency is the most significant distribution channel in terms of premium and fee income contribution and we plan to continue to steadily grow its tied agency force. We also seek to expand our brokerage and agency intermediary distribution channel to serve sophisticated customers who we believe are more receptive to independent advice. For bancassurance distribution channel, we will aim to strengthen partnering relationships with existing banks and financial institutions. Furthermore, our insurance division has been exploring to re-formulate overall strategy of online sales channel.

概要

於二零二零年，在保險業務方面，我們仍然獲授權在香港從事壽險和年金險、連結式長期險、永久健康保險及退休計劃管理長期保險業務。本集團還通過分支機構在澳門運營，並獲准在澳門銷售人壽保險產品。

我們的保險業務分部持有多元化的產品系列，包括四類旗艦產品：(i) 首選靈活萬用壽險計劃，這是一個增強型萬用壽險計劃；(ii) 萬通終身年金，這是一個為客戶退休期間提供保障的終身年金收入計劃；(iii) 「富饒傳承儲蓄計劃2」，這是一項提供更高潛在回報的靈活保險儲蓄計劃，讓客戶能夠積攢資金；以及(iv) 首選健康保障系列，是一個覆蓋多種疾病的嚴重疾病保障系列。

截至二零二零年十二月三十一日，獨家代理在香港和澳門約有3,409個(二零一九年：2,973個)。除了獨家代理外，我們還利用經紀人和代理中介以及銀行和其他金融機構來分銷保險產品。截至二零二零年十二月三十一日，保險業務分部約有510名(二零一九年：442名)員工和超過506,000個(二零一九年：491,000個)有效個別投保人。

於二零二零年，我們的保險分部繼續發展獨家代理、經紀和代理中介以及銀行保險分銷渠道，以增加市場滲透率，擴大潛在客戶群並滿足現有客戶不斷變化的偏好。在保費及費用收入貢獻方面，獨家代理是最重要的分銷渠道，我們計劃繼續穩步發展獨家代理。我們還尋求擴大經紀和代理中介分銷渠道，以服務我們認為更樂於接受獨立建議的高端客戶。對於銀行保險分銷渠道，我們的目標是加強與現有銀行和金融機構的合作夥伴關係。此外，我們的保險分部一直探索重新制定線上銷售渠道的整體戰略。

OVERVIEW (Continued)

In addition, our insurance division aim to optimise product mix by developing and promoting products with higher margins, such as refundable critical illness products. To further improve the information capability and usage of digital platforms to match the preferences of potential and existing customers, our insurance division is actively developing virtual-face-to-face solicitation tools and continues to enhance online customer servicing tool.

Future development in the insurance business

In the year 2021 and coming years, our Group will continue to optimise the product mix through promotion of products with higher margins such as refundable critical illness policies. To further improve the information capability and usage of digital platforms to match the preferences of potential and existing customers, the insurance division has been developing virtual-face-to-face solicitation tools to extend such kinds of activities to most of our flagship products and continues to enhance the online customer servicing tool “YF LINK”.

概要(續)

此外，我們的保險分部將通過開發和推廣利潤率更高的產品(如可退還重疾保險產品)來優化產品組合。為提高數據平台的信息能力和使用率，以匹配潛在及現有客戶偏好，我們的保險分部正積極開發虛擬會面招攬工具，並繼續強化線上客戶服務工具。

保險業務之未來發展

於二零二一年及未來數年，本集團將繼續通過推廣利潤率更高的產品(如可退還重疾保單)來優化產品組合。為提高數據平台的信息能力和使用率，以匹配潛在及現有客戶偏好，保險分部一直在開發虛擬會面招攬工具，以將此類活動擴展到我們的大多數旗艦產品，並繼續強化線上客戶服務工具「YF LINK」。

Management Discussion and Analysis

管理層討論及分析

TOTAL PREMIUM AND FEE INCOME

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

保費和費用收入總額

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

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2020	2019
		二零二零年	二零一九年
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Total premium and fee income reported under IO	根據保險條例報告的保費及費用收入總額	10,329	8,881
Less: Premium deposits separated out from insurance contracts and recognition of fee income	減：從保險合同中單獨區分的保費儲金和費用收入確認	(2,604)	(2,863)
Premium and fee income recognized in the income statements under HKFRS	在基於《香港財務報告準則》的收益表中確認的保費及費用收入	7,725	6,018

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

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

Management Discussion and Analysis

管理層討論及分析

BUSINESS VOLUME

業務量

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

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

(i) By geographical region

(i) 地理區域

		For the year ended 31 December 截至十二月三十一日止年度			
		2020 二零二零年		2019 二零一九年	
		HK\$ million 百萬港元	%	HK\$ million 百萬港元	%
Hong Kong	香港	7,179	70	7,007	79
Macau	澳門	3,150	30	1,874	21
		10,329	100	8,881	100

(ii) By distribution channel

(ii) 按分銷渠道

		For the year ended 31 December 截至十二月三十一日止年度					
		2020 二零二零年			2019 二零一九年		
		HK\$ million 百萬港元			HK\$ million 百萬港元		
		Hong Kong 香港	Macau 澳門	Total 合計	Hong Kong 香港	Macau 澳門	Total 合計
Tied agency	獨家代理	4,307	1,136	5,443	4,099	1,091	5,190
Brokers and non-tied agency	經紀人和非獨家代理	2,289	151	2,440	2,370	22	2,392
Banks and other financial institution	銀行和其他金融機構	583	1,863	2,446	538	761	1,299
		7,179	3,150	10,329	7,007	1,874	8,881

Management Discussion and Analysis

管理層討論及分析

BUSINESS VOLUME (Continued)

業務量(續)

(iii) By product type

(iii) 按產品類型

		For the year ended 31 December 截至十二月三十一日止年度					
		2020 二零二零年 HK\$ million 百萬港元			2019 二零一九年 HK\$ million 百萬港元		
		Hong Kong 香港	Macau 澳門	Total 合計	Hong Kong 香港	Macau 澳門	Total 合計
Regular premium	期繳保費						
– First year	– 首年	763	1,381	2,144	1,336	892	2,228
Regular premium	期繳保費						
– Renewal	– 續期	6,140	1,702	7,842	5,274	933	6,207
Single premium	整付保費	273	65	338	394	48	442
Fee income	費用收入	3	2	5	3	1	4
		7,179	3,150	10,329	7,007	1,874	8,881

EMBEDDED VALUE AND VALUE OF NEW BUSINESS

內含價值和新業務價值

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

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

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

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

Management Discussion and Analysis

管理層討論及分析

EMBEDDED VALUE AND VALUE OF NEW BUSINESS (Continued)

內含價值和新業務價值(續)

The embedded value of the insurance business as at 31 December 2020 is HK\$15,736 million (31 December 2019: HK\$16,351 million) with breakdown as below.

截至二零二零年十二月三十一日，保險業務的內含價值為157.36億港元(二零一九年十二月三十一日：163.51億港元)，詳情如下。

HK\$ million

百萬港元

		31 December 2020 二零二零年 十二月三十一日	31 December 2019 二零一九年 十二月三十一日	Change % 變化
Adjusted Net Worth ("ANW") (note 1)	經調整淨值(附註1)	4,724	5,989	(21)
Value of in-force ("VIF") business after CoC (note 2)	有效業務扣除資本成本之 後的價值(附註2)	11,012	10,362	6
Embedded value	內含價值	15,736	16,351	(4)

Note 1: The ANW represents the net asset value on Hong Kong statutory basis, with marked-to-market adjustment to certain assets. The ANW change is driven by increase in liabilities arising from market interest rate drop.

附註1：經調整淨值指香港法定基準之上的資產淨值，含有我們保險業務分部的若干資產進行按市值計價調整。經調整淨值變化由市場利率下降引起的負債增加產生。

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

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

For further detailed discussion and movement analysis of embedded value of insurance business from 31 December 2019 to 31 December 2020, please refer to the Embedded Value section.

有關二零一九年十二月三十一日至二零二零年十二月三十一日的保險業務內含價值的進一步詳細討論及變動分析，請參閱內含價值部分。

Management Discussion and Analysis

管理層討論及分析

KEY FINANCIAL DATA OF INSURANCE BUSINESS SEGMENT

保險業務分部主要財務數據

The key financial data of insurance segment is presented under Hong Kong Financial Reporting Standards (“HKFRS”) on a full year basis before any fair value adjustment arising from the acquisition accounting policy and intra-group transaction eliminations:

保險分部的主要財務資料基於收購會計政策產生的任何公允價值調整和集團內部交易抵銷前呈現方式，根據《香港財務報告準則》按全年基礎呈報。

		2020 二零二零年 HK\$ million 百萬港元	2019 二零一九年 HK\$ million 百萬港元	Change % 變化
Income	收入			
Premiums and fee income (note a)	保費及費用收入(附註a)	7,725	6,018	28
Premiums ceded to reinsurer (note a)	分出保費(附註a)	(2,935)	(1,948)	51
Net premium and fee income	保費及費用收入淨額	4,790	4,070	18
Change in unearned revenue liability	未到期收入責任變動	(214)	(651)	(67)
Net earned premium and fee income	滿期保費及費用收入淨額	4,576	3,419	34
Net investment and other income (note b)	投資和其他收入淨額(附註b)	6,103	4,676	31
Reinsurance commission and profit	再保險佣金和溢利	97	78	24
Benefits, losses and expenses	給付、虧損和費用			
Net policyholders benefit (note c)	淨保戶給付(附註c)	3,273	3,197	2
Commission and related expenses	佣金和相關費用	1,351	1,205	12
Deferral and amortisation of deferred acquisition costs (note d)	遞延保單獲得成本的遞延和攤銷(附註d)	(437)	(853)	(49)
Management and other expenses	管理及其他開支	754	736	2
Change in future policyholder benefits (note e)	未來保單持有人給付變動(附註e)	4,695	3,038	55
Profit before taxation	除稅前溢利	1,140	850	34
Taxation	稅項	50	49	2
Profit after taxation	除稅後溢利	1,090	801	36

Management Discussion and Analysis

管理層討論及分析

KEY FINANCIAL DATA OF INSURANCE BUSINESS SEGMENT (Continued)

- Note a:** The increase of the balance mainly arises from the newly launched short-term endowment product, other new business and natural growth of in-force portfolio.
- Note b:** The balance includes net investment and other income, interest income from bank deposits and other operating income.
- Note c:** The balance includes net claims, policy benefits and surrenders, interest credited to policyholders' deposits and dividends to policyholders.
- Note d:** The balance decreases due to higher amortisation.
- Note e:** The balance includes both change in future policyholders' benefits to both insurance and investment contracts. The increase of the balance mainly arises from the newly launched short-term endowment product, other new business and natural growth of inforce portfolio.

保險業務分部主要財務數據(續)

- 附註 a:** 餘額的增加主要由於新推出的短期捐款產品、其他新業務和有效組合的自然增長。
- 附註 b:** 餘額包括投資淨額和其他收入、銀行存款利息收入和其他經營收入。
- 附註 c:** 餘額包括賠款淨額、保單收益和退保金，保單持有人的存款應計利息和保單持有人股息。
- 附註 d:** 餘額因攤銷額較高而減少。
- 附註 e:** 餘額包括未來保單持有人於保險和投資合同的收益變化。餘額的增加主要由於新推出的短期捐款產品、其他新業務和有效組合的自然增長。

OPERATING PROFIT

For management decision making and internal performance management purpose, the Group refers to the operating profit which excludes the investment income from disposal, fair value changes of risk hedging derivatives and impairment loss of investments. The operating profit and profit for the year grew by 13% to HK\$962 million and 36% to HK\$1.09 billion respectively.

經營溢利

本集團以經營溢利(不包括處置產生的投資收益、風險套期衍生工具的公允價值變動以及投資的減值虧損)作為管理層決策及內部履約管理目的。本年度經營溢利增長13%至9.62億港元及本年度溢利增長36%至10.9億港元。

		2020 二零二零年 HK\$ million 百萬港元	2019 二零一九年 HK\$ million 百萬港元	Change % 變化
Operating profit (note 1)	經營溢利(附註1)	962	850	13
Adjust for the following profit or loss and expenses impact:	調整以下損益及費用影響：			
— Realised capital gain/(loss) and short-term derivatives market value fluctuation and impairment loss on investment	— 已實現資本收益/(虧損)和短期衍生工具市場價值波動和投資減值損失	128	(49)	NA
Profit for the year	本年度溢利	1,090	801	36

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

附註 1: 經營溢利指由核心業務活動產生的溢利。

Management Discussion and Analysis

管理層討論及分析

ASSETS AND LIABILITIES

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

資產和負債

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

		As at 31 December	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		<i>HK\$ million</i>	<i>HK\$ million</i>
		百萬港元	百萬港元
Investments	投資	62,357	54,187
Cash and deposit	現金和存款	1,878	2,253
Deferred acquisition costs	遞延保單獲得成本	5,998	8,208
Other assets	其他資產	6,602	4,170
Total assets	資產總額	76,835	68,818
Insurance contract provisions	保險合同準備金	54,287	47,957
Investment contract liabilities	投資合同負債	4,529	4,613
Other payables	其他應付款項	3,262	3,382
Total liabilities	負債總額	62,078	55,952
Net assets	資產淨值	14,757	12,866

Management Discussion and Analysis

管理層討論及分析

INVESTMENT ASSETS

The table below sets forth the asset allocation of the investment portfolio of the insurance division based on the classification in conformity with the reports provided to the management of the Company to measure the performance of the investment portfolio which can be reconciled to total investments carrying amount in above table for the years ended 31 December 2020 and 2019.

投資資產

下表根據保險部門提供給公司管理層的投資組合的資產分配報告分類，以衡量投資組合的績效，該報告分類可以與上表中的截至二零二零年十二月三十一日止年度及二零一九年十二月三十一日止年度總投資賬面值進行對賬。

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$ million 百萬港元	2019 二零一九年 HK\$ million 百萬港元
Debt securities	債務證券	45,967	38,370
Mortgage loans	抵押貸款	6,547	7,023
Equity securities	權益證券	1,887	1,332
Cash for investment	用於投資的現金	515	1,082
		54,916	47,807
Unit trusts and investment policyholder plans related securities	單位信託及投資保單持有人計劃的相關證券	7,915	7,150
		62,831	54,957

Note: Certain comparatives have been adjusted to conform with current year end presentation.

附註：若干比較數據已作出調整，以符合本年度末的列報方式。

As at 31 December 2020, 91.7% (2019: 93%) of the debt securities invested have Standard and Poor's rating of BBB- or above or equivalent rating from other reputable rating agencies. As at 31 December 2020, 82.2% (2019: 96.3%) of the mortgage loans have internal rating equivalent to Standard and Poor's ratings of BBB or above or equivalent ratings from other reputable rating agencies.

截至二零二零年十二月三十一日，投資債務證券的91.7%（二零一九年：93%）具有標準普爾評級BBB-或以上或其他信譽良好的評級機構的同等評級。於二零二零年十二月三十一日，82.2%（二零一九年：96.3%）的抵押貸款的內部評級與標準普爾評級為BBB或以上或其他信譽良好的評級機構的同等評級相等。

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

下表載列了基於內部記錄的投資收益總額：

		For the year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$ million 百萬港元	2019 二零一九年 HK\$ million 百萬港元
Interest income and others	利息收入和其他	1,974	1,703
Dividend income	股息收入	166	151

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

投資收入不含投資相連壽險產生的收入。

Management Discussion and Analysis

管理層討論及分析

KEY OPERATIONAL DATA OF THE INSURANCE DIVISION

保險分部的主要經營數據

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

下表載列了保險分部的其他主要經營數據。

		As at 31 December	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
Market position/share (by regular premium income)	市場定位／份額(按定期保費收入)	12th/1.6% 第12位／ 1.6%	12th/1.5% 第12位／ 1.5%
Number of employees	僱員數量		
— Hong Kong	— 香港	486	421
— Macau	— 澳門	24	21
Number of tied agents	獨家代理數量		
— Hong Kong	— 香港	2,373	2,003
— Macau	— 澳門	1,036	970
Number of brokers and non-tied agents	經紀人和非獨家代理數量	527	502
Number of bancassurance partners	銀行保險合作夥伴數量	6	5
MDRT qualifiers (Note 1)	百萬圓桌會合格人員(附註1)	356	178
Expenses ratio (Note 2)	費用率(附註2)	7.3%	8.4%

Notes:

1. Million Dollar Round Table (“MDRT”) is a global professional association of life insurance and financial services professionals that recognizes significant sales achievements and high service standards.
2. Expenses ratio is operating expenses expressed as a percentage of TPI.

附註：

1. 百萬圓桌會(「MDRT」)是全球人壽保險和金融服務專業人員協會，致力於表彰重大銷售業績和高層次服務標準。
2. 費用比率是以保費和手續費的百分比表示的營業開支。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL STRENGTH AND SOLVENCY MARGIN

The table below sets forth a summary of the total available capital and solvency ratio, the ratio expressed as a percentage, of the surplus to the required solvency margin of the legal entity carried out the insurance business related activities, as determined at the relevant time in accordance with the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) ("IO"), as the case may be, as it may be amended from time to time, and its subsidiary legislation and based on standards required by the IO and methodology consistently applied by our insurance division.

財務實力和償付能力

下表載列了可用資本總額和償付比率情況，償付比率為根據《保險業條例》(香港法例第41章)(「保險條例」)(視情況而定，可能不時作出修訂)、及其附屬法規，並根據保險條例規定的標準和我們保險分部一致運用的方法於相關時間確定的法律實體執行保險業務相關活動所需償付能力的盈餘百分比。

		As at 31 December	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Total available capital	可用資本總額	6,868	6,801
Regulatory minimum capital	最低法定資本	2,384	2,083
Solvency Ratio	償債率	288%	326%

The solvency ratio was 288% at 31 December 2020, down by 38% from 326% at 31 December 2019. The lower solvency ratio was driven by increase in liabilities arising from market interest rate drop.

於二零二零年十二月三十一日，償債率為288%，比二零一九年十二月三十一日的326%下降了38%。償債率下降是由於市場利率下降引起的負債增加所致。

Management Discussion and Analysis

管理層討論及分析

OTHER BUSINESSES REVIEW

Brokerage Business

During 2020, the turnover of brokerage business amounted to HK\$20,490 million (2019: HK\$9,875 million), representing an increase of 107%. The brokerage team closely followed all popular trends in the IPO subscription market since the beginning of the year, increased the overall limits for IPO financing available to its customers, utilised external funds to provide margin financing facilities reserved for customers with large subscription amounts in selected IPOs, and allocate more resources from operating activities to the provision of IPO financing for IPO subscription activities. With respect to improvement in user experience, online procedures were introduced to improve the efficiency of funding transfers and lowered error rate. Going forward, the brokerage division will develop business in the following aspects according to the Company's To-C strategy: 1) riding on the launch of super APP and focusing on IPO subscriptions, the division will respond to and resolve issues encountered by customers on a timely and orderly basis to fully enhance user experience in conducting online transactions; 2) leveraging the advantage of access to capital for financial institutions, the division will fully explore the needs of customers including margin financing while broadening the customer base; and 3) the division will contribute to the acceleration of the integration of the Group's ecosystem.

EMPLOYEE STOCK OWNERSHIP PLAN ADMINISTRATION

In 2020, the Employee Stock Ownership Plan Administration ("ESOP") division successfully signed contracts with a number of listed companies and provided them with professional share incentive scheme management services. Besides, it helped clients improve management efficiency and reduce costs through the exclusive "Youyu eKeeper" platform. The number of users of the platform has grown steadily and the related securities trading income as well as the asset management scale have also shown notable growth. Going forward, the ESOP division will focus on system optimisation, providing more customised features and standardising, streamlining and automating internal procedures to reduce manual processes and operating costs. Moreover, it will further strengthen flow of business from employees by creating a one-stop automated all-process management system and continue to strengthen origination of new business and cooperation with existing channels, actively explore new channels to realise long-term cooperation.

其他業務回顧

經紀業務

於二零二零年，經紀業務的交易總額為204.9億港元(二零一九年：98.75億港元)，增幅為107%。自年初以來，經紀團隊密切監控跟隨首次公開募股(IPO)認購市場的所有流行趨勢，提高了客戶可獲得IPO融資的整體限額，利用外部資金提供為在所選首次公開募股中認購金額較大的客戶預留的保證金融資安排，並從經營活動中撥出資源，將更多資源用於為新股認購活動提供IPO融資。就提升用戶體驗而言，我們引入了線上程序以提高資金劃撥的效率並降低錯誤率。展望未來，經紀分部將根據本公司的C端戰略從以下方面拓展業務：1)基於所推出的超級APP並重點關注IPO認購，經紀分部將及時有序地回應並解決客戶所遇到的問題，全面改善用戶的線上交易體驗；2)利用為金融機構獲取資金的優勢，經紀分部將全面探討客戶需求(包括提供保證金融資)，同時，擴大客戶基礎；以及3)經紀分部將為加快本集團生態系統整合作出貢獻。

員工持股計劃管理

於二零二零年，員工持股計劃管理(「ESOP」)分部成功與多家上市公司簽訂合約，為其提供專業的股份激勵計劃管理服務。此外，通過獨有的「有魚持股」平台，員工持股計劃管理分部幫助客戶提高管理效率、降低成本。平台用戶數量逐步增加，相關證券交易收益以及資產管理規模亦已實現明顯增長。展望未來，員工持股計劃管理分部將致力於系統優化，提供更多客制化功能，規範、簡化內部程序並推動內部程序自動化，以減少人工流程和經營成本。此外，通過建立一站式自動化全流程管理系統，員工持股計劃管理分部將進一步從員工層面優化業務流程，並繼續加強發起新業務以及與現有渠道的合作，積極探索新渠道以實現長期合作。

FINTECH

In 2020, the Fintech Business Department was established to formulate solutions for different financial institutions. During the Year, our Fintech division has successfully implemented an internal project management system to enhance efficiency of project execution and quality of deliverables while achieved cost saving. Going forward, our Fintech team will leverage on the existing expertise and efficiently apply technology to insurance, brokerage, fund and corresponding marketing strategies to support the Group's business development and launch "Yunfeng Youyu" online products and achieve continuous upgrade of their core functions to bring user experience up to the middle to upper market level.

ASSET MANAGEMENT

In 2020, the Group's asset management business continued to enhance its existing advantages in overseas asset allocation. Going forward, although the real economy will remain relatively fragile, the global stock indexes have repeatedly reached new highs amid massive liquidity in capital markets. To seize market opportunities, the asset management division will, on one hand, strengthen the cooperation between Youyu Wealth and other channels to increase the sales of equity-based funds, and on the other hand, enhance the research and selection of funds to enhance the competitiveness of fund products on our platform. In respect of asset management products and special accounts, the asset management division will continue to strengthen and deepen cooperation with the Group and external parties, launch asset management products with "Yunfeng characteristics" and strategically provide overseas high-quality asset management products targeted at high-net-worth, ultra-high-net-worth and corporate clients in order to contribute to the brand building of Yunfeng in overseas markets.

金融科技

於二零二零年，金融科技業務部成立，為不同的金融機構定制解決方案。二零二零年，金融科技分部已成功實施內部項目管理系統，以提高項目執行效率和服務成果質量，同時降低成本。展望未來，我們的金融科技團隊將利用現有的專業知識，高效地將技術應用於保險、經紀、基金和相應的市場策略，以支持本集團的業務發展；推出「雲鋒有魚(Yunfeng Youyu)」在線產品，實現產品核心功能不斷升級，從而讓用戶體驗提升至中高端市場水平。

資產管理

於二零二零年，本集團資產管理業務繼續鞏固在全球海外資產配置方面的既有優勢。展望未來，儘管實體經濟仍將相對脆弱，但在資本市場存在巨大流動性的情況下，全球股指屢創新高。為把握市場機遇，一方面，資產管理部將加強有魚智投與其他渠道之間的合作，提高股權類基金銷量；另一方面，通過優化基金的研究和選擇，增強我們平台上基金產品的競爭力。在資產管理產品和特殊賬戶方面，資產管理部將繼續加強和深化與本集團及外部各方的合作，推出具有「雲鋒特色」的資產管理產品，並戰略性提供針對高淨值、超高淨值及企業客戶的海外優質資產管理產品，助力雲鋒在海外市場的品牌建設。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

Looking ahead, the pace of global economic recovery will depend on the degree of the Covid-19 vaccine rollouts and the effectiveness of stimulus policies introduced by governments of all major markets. At the same time, the Group will prudently monitor the continuing impacts of such factors as the heightened tensions between the United States and China, the higher geopolitical risks and the uncertain macroeconomic environment on the execution of its business development plans. The Group will continue to focus on implementing its strategic plan to capture growth opportunities in the life and health insurance and wealth management markets in the Guangdong-Hong Kong-Macao Greater Bay Area with a view to successfully transforming itself into a comprehensive one-stop financial services provider offering high-quality online and offline insurance and wealth management solutions to our customers.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had fixed bank deposits with original maturity over 3 months and cash and cash equivalents amounting to HK\$4,293 million (2019: HK\$2,555 million). As at 31 December 2020, the Group has HK\$1,554 million (2019: HK\$1,499 million) bank borrowing outstanding and HK\$1,641 million (2019: HK\$1,561 million) shareholder's loan outstanding. The Group's gearing ratio as at 31 December 2020 is 14.18% (2019: 16.52%), which was measured as total debt excluding those operation related liabilities to total debt excluding those operation related liabilities plus equity.

CAPITAL STRUCTURE

Details of movements in share capital of the Company during the year are set out in note 42(e) to the financial statements.

展望

展望未來，全球經濟復蘇的步伐將取決於新冠肺炎疫苗接種的推進程度及各主要市場政府刺激經濟政策的成效，同時本集團將審慎監察中美關係緊張和地緣政治局勢及宏觀經濟環境不明朗等因素，對其業務發展計劃的持續影響。基於大灣區內人壽健康保險和財富管理市場的潛在機遇，集團將繼續專注於實施其戰略部署，致力於成為全面的一站式金融服務提供者，為客戶提供高品質的線上線下保險和理財方案。

流動資金及財務資源

於二零二零年十二月三十一日，本集團之原定期限多於三個月的銀行存款和現金及現金等值項目合共為42.93億港元(二零一九年：25.55億港元)。於二零二零年十二月三十一日，本集團的未償還銀行借貸為15.54億港元(二零一九年：14.99億港元)，未償還股東貸款為16.41億港元(二零一九年：15.61億港元)。本集團的資產負債比率為14.18%(二零一九年：16.52%)，以不含經營相關負債的債務總額與不含與經營相關的負債和權益總和相比計量。

資本架構

本年度本公司股本變動詳情載於財務報表附註42(e)。

RISK FACTORS

In 2020, the Group carried out timely and complete identification and evaluation to manage the key risks. The identified risks are being monitored according to the risk appetite and also the related regulation by the board of directors and also the related committees assisting the board.

(i) Strategic Risk

Management recognised the importance of incorporating insurance business with the financial service ecosystem of the Group. On the other hand, management is keen on enhancing the business process and integration with financial technology to create values to all customers of the Group. The overall enhancement and integration process creates uncertainties and increase degree of difficulties on related risk management requirement. Management proactively devotes sufficient resources to support and enhance the ongoing process.

(ii) Insurance Risk

Management considers insurance risk mainly comprised:

Product design risk — potential defects in the development of a particular insurance product. To mitigate the risk, each of the new products is required to go through pre-launch reviews by various departments, including product development, actuarial, legal and underwriting to ensure the risk being aligned with the Group's risk appetite.

Lapse risk — the possibility of actual lapse experience that diverges from the anticipated experience assumed when products were priced as well as financial loss due to early termination of policies or contracts where the acquisition cost incurred may not be recoverable from future revenue. Management carries out regular studies of persistency experience which will be assimilated into new and in-force management and build in measures including surrender charges to manage the financial impact upon early termination by policyholders.

風險因素

於二零二零年，本集團及時、完整地進行了識別和評估，以管理主要風險。根據風險偏好監控已識別的風險，董事會以及協助董事會的相關委員會進行相關監管。

(i) 戰略風險

管理層意識到將保險業務納入本集團金融服務生態系統的重要性。另一方面，管理層致力於加強業務流程及與金融科技融合，為本集團所有客戶創造價值。整體提升和融合流程產生了不確定性，同時增加了相關風險管理要求的難度。管理層積極投入充分的資源來支持和強化正在進行的流程。

(ii) 保險風險

管理層認為保險風險主要包括：

產品設計風險 — 特定保險產品開發時存在的潛在缺陷。為降低風險，各類新產品都需要經過各部門(包括產品開發、精算、法務和核保)的發佈前審核，以確保風險與集團的風險偏好保持一致。

失效風險 — 實際失效經驗有別於產品定價時所假設的預期經驗的可能性，以及由於產生可能無法通過未來收入收回收購成本的保單或合同提前終止而導致的財務損失。管理層定期研究持續性經驗，將其納入新的有效管理，並制定相關措施(包括退保費用)，以管理保單持有人提前終止產生的財務影響。

Management Discussion and Analysis

管理層討論及分析

RISK FACTORS (Continued)

(ii) Insurance Risk (Continued)

Pricing or underwriting risk — the possibility of product related income being inadequate to support future obligations arising from a product. Further details related to this risk and the related mitigation and monitoring measures is set out in Note 5 “Insurance and financial risk management” to the consolidated financial statements.

Claim risk — the possibility that the frequency or severity of claims arising from insurance products exceed the levels assumed when the product were priced. Further details related to this risk and the related mitigation and monitoring measures is set out in Note 5 “Insurance and financial risk management” to the consolidated financial statements.

(iii) Market Risk, Credit Risk, Foreign Exchange Risk and Liquidity Risk

The details of the market risk, credit risk, foreign exchange risk and liquidity risk identified and their related mitigation and monitoring measures are detailed in Note 5 “Insurance, financial risk management” to the consolidated financial statements.

(iv) Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, personnel and systems or from external events. The Group manages the risk primarily through risk and control self-assessment and reviews losses and fraud issues and provides guidance, training and assistance to relevant personnel for ongoing risk management purpose.

Risk and management control

Detailed risk and management control is set out in corporate governance report section in this annual report from page 61 to 64.

風險因素(續)

(ii) 保險風險(續)

定價或核保風險 — 產品相關收入不足以支持產品產生的未來義務的可能性。有關該風險及相關風險降低及監控措施的更多詳情載於合併財務報表附註5「保險和財務風險管理」。

賠款風險 — 保險產品賠款的頻率或嚴重程度超過產品定價時所假設的水平的可能性。有關該風險及相關風險降低及監控措施的更多詳情載於合併財務報表附註5「保險和財務風險管理」。

(iii) 市場風險、信用風險、外匯風險和流動資金風險

已識別的市場風險、信用風險、外匯風險和流動資金風險及其相關的風險降低及監控措施詳情載於合併財務報表附註5「保險和財務風險管理」。

(iv) 經營風險

經營風險是由於內部流程、人員和系統不足或失效或外部事件導致的直接或間接損失的風險。本集團主要通過風險和控制自我評估，並審核損失和舞弊事項來管理風險，並為相關人員提供指導、培訓和協助，以實現持續的風險管理目的。

風險和管理控制

詳細的風險和管理控制載於本年報第61頁至64頁企業管治報告部分。

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group did not have any material acquisitions and disposals of subsidiaries and associates during the year ended 31 December 2020.

CHARGES ON ASSETS

At the year ended December 2020, the Group did not have any charges on assets, other than a security deposit of HK\$150,000 (2019: HK\$300,000) for banking facilities and HK\$7,542,647,000 (2019: HK\$5,609,487,000) of investment together with HK\$309,648,000 (2019: HK\$259,250,000) of fixed bank deposit in favour of Autoridade Monetaria de Macau to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

COMMITMENTS

Details of commitments are set out in note 45 to the financial statements.

SEGMENT INFORMATION

Details of segments are set out in note 16 to the financial statements.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2020.

STAFFING AND REMUNERATIONS

As at 31 December 2020, the Group employed 708 (2019: 654) full time employees, 553 (2019: 485) of which were located in Hong Kong, 24 (2019: 21) in Macau and 131 (2019: 148) in the People's Republic of China. The remuneration of employees includes salary retention package and discretionary bonus. The Group also adopted share option and share award schemes to provide an incentive to the employees.

The remuneration policy and package, including the share option and share awards, of the Group's employees are maintained at market level and reviewed annually by the management.

附屬公司及聯營公司之重大收購及出售

本集團於截至二零二零年十二月三十一日止年度並無任何附屬公司及聯營公司之重大收購及出售。

資產抵押

截至二零二零年十二月三十一日止年度，除就銀行融資額度提供之保證金150,000港元(二零一九年：300,000港元)外，根據《澳門保險條例》規定，為數7,542,647,000港元(二零一九年：5,609,487,000港元)的投資以及為數309,648,000港元(二零一九年：259,250,000港元)的固定銀行存款已抵押於澳門金融管理局，作為本集團技術準備金的擔保。

承擔

承擔詳情載於財務報表附註45。

分部信息

分部信息詳情載於財務報表附註16。

或然負債

本集團於二零二零年十二月三十一日並無任何重大或然負債。

員工及薪酬

於二零二零年十二月三十一日，本集團僱用708名(二零一九年：654名)全職僱員，當中553名(二零一九年：485名)位於香港，24名(二零一九年：21名)位於澳門及131名(二零一九年：148名)位於中國。僱員薪酬包括留任薪金福利及酌情花紅。本集團亦採納購股權及股份獎勵計劃，向僱員提供獎勵。

本集團僱員之薪酬政策及待遇(包括購股權及股份獎勵)維持於市場水平，並每年由管理層進行檢討。

Management Discussion and Analysis

管理層討論及分析

FUND RAISING ACTIVITIES AND CONNECTED TRANSACTION CONDUCTED DURING THE YEAR

As disclosed in the circular issued by the Company dated 21 September 2020 (the “Circular”), the Company entered into subscription agreements on 7 September 2020 with 1) Jade Passion in relation to the subscription of 484,665,279 ordinary shares of the Company at the subscription price of HK\$3.17 per ordinary share (the net price is approximately HK\$3.165 per share after the deduction of the related expense) and 2) MMI in relation to the subscription of 160,000,000 ordinary shares of the Company at the Subscription Price of HK\$3.17 per ordinary share (the net price is approximately HK\$3.165 per share after the deduction of the related expense) (together refer to “Issue”). The market price of the Company’s ordinary share on 7 September 2020 was HK\$3.37. As both Jade Passion and MMI are substantial shareholders, they are connected persons of the Company. Accordingly, the entering into of the subscription agreements and the transactions contemplated thereunder constituted connected transactions under Chapter 14A of the Listing Rules. The total consideration for the Issue was HK\$2,043,588,934 settled by cash. With its vision, the Group intends to utilise financial technology services to further establish a financial services ecosystem and provide a wide range of financial services and products. The directors considered that the Issue strengthened the Group’s capital base and enhance the Group’s financial capabilities, which would be beneficial to further optimizing the Group’s existing business and financial conditions and achieve the goal to diversify the development of the Group’s business. The Group would continue to focus on the development of existing business, and actively seek and develop new growth points, including but not limited to, the establishment and acquisition of projects which could create synergy effect with the existing business and diversification of the Group’s business.

The subscription of ordinary shares has been completed and total proceed of HK\$2,043,588,934 was received on 29 October 2020. After the completion, Jade Passion held 1,827,641,279 representing 47.25% of total issued ordinary share of the Company and MMI held 960,000,000 representing 24.82% of total issued ordinary share of the Company.

年內進行的集資活動及關連交易

如於本公司日期為二零二零年九月二十一日之通函所披露，本公司於二零二零年九月七日與 1) Jade Passion 訂立了認購協議，內容有關按每股 3.17 港元（扣除相關開支後的淨價約為每股 3.165 港元）之認購價認購 484,665,279 股本公司普通股，以及 2) MMI 訂立了認購協議，內容有關按每股 3.17 港元（扣除相關開支後的淨價約為每股 3.165 港元）之認購價認購 160,000,000 股本公司普通股（統稱為「發行」）。本公司普通股於二零二零年九月七日的市價為 3.37 港元。由於 Jade Passion 和 MMI 均為主要股東，因此均為本公司的關連人士。因此，根據上市規則第 14A 章，訂立認購協議及其項下擬進行的交易構成關連交易。發行的總代價為 2,043,588,934 港元，以現金支付。本集團的願景是利用金融科技服務，進一步建構金融服務生態圈，提供廣泛的金融服務和產品。董事認為發行將進一步鞏固本集團的資金基礎及增強本集團財務實力，有助於進一步優化本集團現有業務和財務狀況，實現本集團業務的多元化發展目標。本集團將繼續專注現有業務的發展，積極尋找及開拓新的增長點，包括但不限於開設及收購與現有業務產生協同效應及多元化本集團業務的項目。

上述普通股認購事項已完成，本公司於二零二零年十月二十九日收到的所得款項總額為 2,043,588,934 港元。完成後，Jade Passion 持有 1,827,641,279 普通股，佔公司已發行普通股總數的 47.25%，而 MMI 則持有 960,000,000 普通股，佔公司已發行普通股總數的 24.82%。

Management Discussion and Analysis

管理層討論及分析

USE OF NET PROCEEDS FROM SUBSCRIPTION SHARES

Subscription agreement dated 7 May 2015

The unutilized proceeds of HK\$120.9 million up to 31 December 2019 from the share subscription agreements dated 7 May 2015 have been fully utilised during the year for the establishment of a private wealth management platform and the development of a financial services ecosystem purposes. Such usage is in accordance with the intended use as set out under the section “Use of Proceeds” of the Company’s circular dated 18 August 2015, the subsequent adjustment in use of proceeds as set out in the announcement of the Company dated 18 October 2016 and the interim report of the Company dated 29 August 2019.

Subscription agreements dated 7 September 2020

For the proceeds from subscription shares have been utilised subsequent to the subscription as set out under the section “Use of Proceeds” of the Company’s Circular dated 21 September 2020, the table below sets out the proposed application of net proceeds and usage up to 31 December 2020:

		Use of Proceeds HK\$ million 百萬港元	Actual usage from 29 October 2020 to 31 December 2020 自二零二零年十月二十九日至二零二零年十二月三十一日止實際使用情況 HK\$ million 百萬港元	Unutilised Proceeds up to 31 December 2020 至二零二零年十二月三十一日尚未使用款項 HK\$ million 百萬港元	Expected timeline for utilising the remaining net proceeds 剩餘所得款項使用的預期時間表
Strategic investment (note 1)	戰略投資(附註1)	1,224.6	—	1,224.6	Expected to be fully utilised on or before Dec 31, 2023 預計在2023年12月31日或之前充分利用
Asset management business (note 2)	資產管理業務(附註2)	306.1	(23.4)	282.7	Expected to be fully utilised on or before Dec 31, 2023 預計在2023年12月31日或之前充分利用
Securities brokerage business (note 3)	證券經紀業務(附註3)	306.2	(284.1)	22.1	Expected to be fully utilised on or before Dec 31, 2021 預計在2021年12月31日或之前充分利用
Working Capital (note 4)	營運資金(附註4)	204.1	(37.9)	166.2	Expected to be fully utilised on or before Dec 31, 2022 預計在2022年12月31日或之前充分利用
Total:	總計:	2,041.0	(345.4)	1,695.6	

股份認購所得款項用途

二零一五年五月七日的認購協議

於二零一五年五月七日的股份認購協議截至二零一九年十二月三十一日止之未動用所得款項120,900,000港元已於年內悉數動用，以建立私人財富管理平台及發展金融服務生態系統。有關款項使用與本公司於二零一五年八月十八日之通函「所得款項用途」一節所載之擬定用途，及其後於日期為二零一六年十月十八日公告及於日期為二零一九年八月二十九日中期報告所載之「調整所得款項用途」使用之所得款項用途調整所述一致。

二零二零年九月七日的認購協議

根據本公司於二零二零年九月二十一日通函「所得款項用途」之擬定用途使用。下表載列截至二零二零年十二月三十一日止的所得款項淨額擬定用途及使用情況：

Management Discussion and Analysis

管理層討論及分析

USE OF NET PROCEEDS FROM SUBSCRIPTION SHARES (Continued)

Notes:

1. mainly utilised on potential strategic investment for business diversification and enhancement.
2. mainly utilised on asset management platform will launch the financial products from time to time, in order to achieve positive synergies between the Company's capital management and growth of its asset management business, and facilitate external fundraising for such products.
3. mainly utilised on the securities brokerage business (i) when more cash is required to be injected into the business to increase its liquid capital resources in accordance with the increased trading volumes; and (ii) the securities financing business when more cash is required to be injected into the business to support higher demand for IPO loans or margin financing transactions.
4. mainly utilised on general working capital which covers expenses incurred in the ordinary course of business of the Group, including but not limited to manpower, rental expenses, data license and network expenses and office equipment expenses.

Remark: The expected timeline of utilising the remaining proceeds is subject to significant uncertainties including but not limited to the negotiation with counterparties, market conditions and demand, global economic environment, investment sentiment and regulatory approval (if applicable) for the above purposes. The Company adopted a treasury management model that may involve (but shall not be limited to) holding fixed income instruments and high quality financial investments in order to maximize the Shareholders' interest as a whole.

EVENT AFTER THE REPORTING PERIOD

Details of event after the reporting period are set out in note 53 to the financial statements.

股份認購所得款項用途(續)

附註：

1. 主要用於潛在戰略投資，實現經營多元化和業務優化。
2. 主要用於資產管理平台，平台將不時推出金融產品，以發揮本公司資本管理與資產管理業務增長之間的積極協同作用，有助於此類產品獲得外部籌資。
3. 主要用於證券經紀業務，即(i)根據交易量增長，需要更多現金以向該業務注資從而增加其流動資金資源的情況；以及用於(ii)證券融資業務，即需要更多現金以向該業務注資以支持客戶認購首次公開招股新股的貸款或保證金融資交易更高需求的情況。
4. 主要用於一般營運資金，涵蓋本集團正常業務過程中發生的費用，包括但不限於人力、租金費用、數據許可證、網絡費用和辦公室設備費用。

備註：用於上述目的尚未使用所得款項的預期時間表存在重大不確定性，包括但不限於與交易對手的談判，市場條件和需求，全球經濟環境，投資意向和監管批准(如果適用)。本公司採用的資金管理模式可能涉及(但不限於)持有固定收益工具和高質量的金融投資，以最大程度地提高股東的整體利益。

報告期後的事件

報告期後的事件詳情載於財務報表附註53。

Independent Actuaries Report on Review of Embedded Value Information

內含價值信息審閱的獨立精算師報告

TO THE BOARD OF DIRECTORS OF YUNFENG FINANCIAL GROUP LIMITED

We have reviewed the Embedded Value of YF Life Insurance International Limited (“YF Life”) (“the YF Life EV”) set out on pages 35 to 43 of the Annual Report of Yunfeng Financial Group Limited (“the Company” or “Yunfeng Group”) for the year ended 31 December 2020 (“the EV information”).

The directors of the Company are responsible for the preparation and presentation of the EV information in accordance with the general principle and methodology of traditional embedded value and industry practice for publicly listed companies in Hong Kong. This responsibility includes designing, implementing and maintaining internal controls relevant to the maintenance of underlying data and information on the in-force business and preparation of the EV information which is free from material misstatement, whether due to fraud or error; performing EV calculations; selecting and applying appropriate methodologies; and making assumptions that are consistent with market information and are reasonable in the circumstances.

Our responsibility, as independent actuaries, is to perform certain review procedures set out in our letter of engagement and, based on these procedures, conclude whether the EV methodologies and assumptions are consistent with industry practice for publicly listed companies in Hong Kong, the general principle and methodology of traditional embedded value and available market information.

We have reviewed the methodology and assumptions used in preparing the EV information, including the following:

- The YF Life EV as of 31 December 2020;
- Value of one-year new business of YF Life issued during the year ended 31 December 2020; and
- Movement analysis of the YF Life EV and sensitivity analysis of value of in-force business and value of one-year new business of YF Life.

致雲鋒金融集團有限公司諸位董事

我們已經審閱了萬通保險國際有限公司(下稱「萬通保險」)截至二零二零年十二月三十一日內含價值(「萬通保險內含價值」)，該等信息在雲鋒金融集團有限公司(下稱「貴公司」或「雲鋒集團」)二零二零年年報第35頁至第43頁予以披露(統稱「內含價值信息」)。

貴公司的管理層有責任確保在準備和披露貴公司內含價值信息時符合傳統內含價值評估的一般原則和方法，並與香港上市公司的現行行業做法一致。這一責任不僅包括設計、實施並維護內部控制流程，確保有效業務的相關資料、信息，以及內含價值信息的準備工作不存在由於欺詐或錯誤而造成的重大錯報；還包括選擇並應用適當的方法，根據市場信息確定合理的假設，以及計算內含價值結果。

作為獨立的精算師，我們的責任是依據我們的業務約定書中確認的審閱流程進行審閱工作。根據我們的審閱工作，判斷內含價值的方法和假設是否與傳統內含價值評估的一般原則和方法及市場信息一致，是否與香港上市公司的現行行業做法一致。

我們審閱了貴公司準備內含價值信息時採用的方法和假設，包括：

- 審閱截至二零二零年十二月三十一日的萬通保險內含價值；
- 審閱截至二零二零年十二月三十一日的萬通保險一年新業務價值；及
- 審閱萬通保險內含價值的變動分析以及有效業務價值和一年新業務價值的敏感性分析。

Independent Actuaries Report on Review of Embedded Value Information 內含價值信息審閱的獨立精算師報告

TO THE BOARD OF DIRECTORS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Our review procedures included, but were not limited to, discussing with management of Yunfeng Group the methodology and assumptions, inspecting documentation relating thereto, and considering whether the methodologies are consistent with the general principle and methodology of traditional embedded value and industry practice for publicly listed companies in Hong Kong and whether the assumptions are consistent with available market information.

The preparation of EV information requires assumptions and projections to be made about future uncertain events, many of which are outside the control of Yunfeng Group. Therefore, actual experience may differ from these assumptions and projections, and this will affect the value of in-force business and the value of one-year new business.

In forming our conclusion, we have relied on the integrity, accuracy and completeness of audited and unaudited data and information provided by Yunfeng Group. Our work did not involve reperforming the EV calculations, nor verifying the data and information underlying the EV information.

Based on our review procedures, we have concluded that the methodologies and assumptions used in preparing the EV information are consistent with industry practice for publicly listed companies in Hong Kong and with available market information.

This report has been prepared for and only for the Board of Directors of the Company in accordance with our letter of engagement and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person whom this report is shown or in whose hands it may come.

For and on behalf of PricewaterhouseCoopers Ltd.

Xiaobin Yuan, FSA

Hong Kong, 26 March 2021

致雲鋒金融集團有限公司諸位董事(續)

我們的審閱工作包括但不僅限於：與雲鋒集團的管理層討論內含價值的評估方法與假設，檢查相關的文檔，以及評估內含價值計算方法與假設是否與傳統內含價值評估的一般原則和方法一致、是否與可獲得的市場信息一致，以及是否與香港上市公司的現行行業做法一致。

準備內含價值信息時，需要預測很多雲鋒集團無法控制的不確定事件，並就此作出假設。因此，雲鋒集團實際經驗的結果很有可能跟預測的假設存在差異，而這種差異將對有效業務和一年新業務的價值的結果產生影響。

我們做出審閱意見時，我們依賴由雲鋒集團提供的各種經審計和未經審計的數據和資料的真實性、準確性和完整性。我們的工作範圍並不包括重新計算內含價值，也沒有檢驗內含價值信息所用到的數據和相關信息。

根據我們的審閱工作，我們認為雲鋒集團在準備內含價值信息時所用的方法和假設與傳統內含價值評估的一般原則和方法一致、與可獲得的市場信息一致，並與香港上市公司的現行行業做法一致。

我們的審閱報告僅限於貴公司董事會使用，使用目的僅限於業務約定書中的約定，不得用於其他目的。對於業務約定書中約定以外的其他第三方使用本報告或作為其他目的使用本報告，我們將不承擔任何責任。

代表羅兵咸永道有限公司

袁曉斌 精算師

香港，二零二一年三月二十六日

1. BACKGROUND

The Group mainly consists of two major segments including life insurance business and financial services in the areas of investment holding, asset management, pensions, other businesses and corporate services. Life Insurance business is operated by YF Life, a 69.8% owned subsidiary, which is the most significant part of the Group in terms of total asset and profitability. To provide additional information of the insurance business of the Group, the Group disclosed the Embedded Value (“EV”) of the segment.

2. DEFINITION

EV is a measure of value of shareholders’ interests in the earnings distributable (“distributable earnings”) from assets allocated to the in-force business after sufficient allowance for the aggregate risks in the business.

The EV equals to:

- Adjusted Net Worth (“ANW”), plus
- Value of the in-force business before cost of capital (“VIF before CoC”), minus
- Cost of Capital (“CoC”)

The ANW represents the net asset value on Hong Kong statutory basis, with marked-to-market adjustment to certain assets of our insurance business segment.

The VIF before CoC is the present value of future estimated after-tax statutory profits from in-force business, discounted at the risk discount rate as at 31 December 2020. Cost of Capital is the difference between the amount of required capital as at 31 December 2020 and the present value of future releases, allowing for future after-tax investment earnings on the capital.

Similarly, the new business value is calculated as the difference of new business value before CoC and CoC arising from new business sales in the period. The new business value before CoC is the present value, discounted at issue date, of future estimated after-tax statutory profits emerging from new business sales in the past 12 months, ie 1 January 2020 to 31 December 2020.

1. 背景

本集團主要有兩個分部：人壽保險業務和金融服務，涵蓋投資控股、資產管理、退休金、其他業務和企業服務等領域。人壽保險業務由擁有69.8%權益的附屬公司萬通保險經營，該公司在資產總額和盈利能力方面是本集團的最重要組成部分。為提供本集團保險業務的其他資料，本集團披露該分部的內含價值。

2. 定義

內含價值是對企業總體風險計提充分準備後分配至有效業務的資產的可分配收益中股東權益的一種計量標準。

內含價值等於：

- 經調整淨值，加上
- 有效業務扣除資本成本之前的價值，減去
- 資本成本

經調整淨值指香港法定基準之上的資產淨值，含有我們保險業務分部的若干資產進行按市值計價調整。

有效業務扣除資本成本之前的價值是指有效業務的未來估計稅後法定利潤的現值，以二零二零年十二月三十一日的風險貼現率予以貼現。資本成本是二零二零年十二月三十一日所需資本金額與未來發行現值之間的差額，並考慮未來資本的稅後投資收益。

同理，新業務價值乃根據期間內扣除資本成本前的新業務價值與新業務銷售產生的資本成本之間的差額計算。扣除資本成本前的新業務價值是過去12個月（即自二零二零年一月一日至二零二零年十二月三十一日）新業務銷售產生的未來估計稅後法定利潤的現值（於發行日期貼現）。

Embedded Value

內含價值

3. BASIS OF PREPARATION

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

In determining the value of in-force business, our insurance segment's in-force policy databases as at 31 December 2020 were used. New business volumes and mix were based on the actual business written by our insurance segment in the 12-month period from 1 January 2020 to 31 December 2020.

It should be noted that, in assessing the total value of a life insurance company, the value attributed to future new business can be determined as the product of the one-year new business value and a multiple which reflects an allowance for future new business sales and the risks associated with it at the assumed profit margin.

The Group has appointed PricewaterhouseCoopers ("PwC"), an international firm of consulting actuaries, to examine whether the methodology and assumptions used by us in the preparation of the Embedded Value as at 31 December 2020 is consistent with standards generally adopted by insurance companies in Hong Kong.

4. CAUTIONARY STATEMENT

The calculations of Embedded Value and the New Business Value of insurance business segment are based on certain assumptions with respect to future experience. Thus, the actual results could differ significantly from what is envisioned when these calculations were made. In addition, the insurance business segment is held through a 69.8% owned subsidiary of the Group. With the Embedded Value and the New Business Value of the insurance business being presented on a 100% basis below, the related value assessment should be considered accordingly.

3. 編制基準

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

在確定有效業務的價值時，我們利用了於二零二零年十二月三十一日的保險分部的有效投保人數據庫。新業務量及組合乃根據我們的保險分部自二零二零年一月一日至二零二零年十二月三十一日的12個月期間所編制的實際業務表現計算。

應當指出的是，在評估人壽保險公司的總價值時，歸屬於未來新業務的價值可以根據一年內新業務價值與反映未來新業務銷售準備的倍數以及與假定利潤率相關的風險來確定。

本集團已委任國際諮詢精算師羅兵咸永道有限公司（「羅兵咸永道」）審核我們編制於二零二零年十二月三十一日的內含價值時所採用的方法及假設是否與香港保險公司通常採用的標準一致。

4. 提示聲明

保險業務分部的內含價值和新業務價值根據未來經驗的有關假設進行計算。因此，實際結果可能與進行這些計算時所作的設想有明顯差異。此外，保險業務分部由本集團擁有69.8%權益的附屬公司持有。保險業務的內含價值和新業務價值以100%基準呈報如下，因此應相應考慮相關的價值評估。

5. EMBEDDED VALUE OF YF LIFE

5.1 Embedded value

		31 December 2020	31 December 2019
		二零二零年 十二月 三十一日	二零一九年 十二月 三十一日
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Adjusted Net Worth	經調整淨值	4,724	5,989
Value of in-force business before cost of capital	有效業務扣除資本成本前的 價值	13,287	12,386
Cost of capital	資本成本	(2,275)	(2,024)
Embedded value	內含價值	15,736	16,351
Attributable to:	應佔權益：		
Owners of the Company	本公司權益股東	10,984	11,413
Non-controlling interests	非控股權益	4,752	4,938
Embedded value	內含價值	15,736	16,351

5.2 New business value

		For the past 12 months as of 31 December 2020	For the past 12 months as of 31 December 2019
		截至 二零二零年 十二月 三十一日止的 12個月	截至 二零一九年 十二月 三十一日止的 12個月
		HK\$ million	HK\$ million
		百萬港元	百萬港元
New Business Value before cost of capital	扣除資本成本前的新業務 價值	668	630
Cost of capital	資本成本	(127)	(107)
New Business Value after cost of capital	扣除資本成本後的新業務 價值	541	523

5. 萬通保險內含價值

5.1 內含價值

5.2 新業務價值

Embedded Value

內含價值

5. EMBEDDED VALUE OF YF LIFE (Continued)

5. 萬通保險內含價值(續)

5.3 Movement analysis of embedded value

5.3 內含價值變動分析

		Notes 附註	2020 二零二零年 HK\$ million 百萬港元
Embedded Value as at 1 January	於一月一日的內含價值		16,351
New business value	新業務價值	a	541
Expected return on Embedded value	內含價值預期收益	b	1,342
Assumption and model changes	假設和模型變化	c	(2,375)
Investment return variance	投資回報差異	d	152
Other experience variance and exchange rate impact	其他經驗差異和匯率影響	e	(275)
Embedded Value as at 31 December	於十二月三十一日的內含價值		15,736

Note:

附註：

- | | |
|---|----------------------------------|
| a) New business contribution from sales of new business in the past one-year | a) 過去一年內新業務銷售的貢獻 |
| b) Return on value of in-force business plus expected interest on Adjusted Net Worth | b) 有效業務的回報加上經調整淨值的預期利益 |
| c) Impact of assumption and model changes on the future distributable earnings of the in-force business | c) 假設和模型變化對有效業務未來可分配收益的影響 |
| d) Differences between the actual investment returns and expected investment returns | d) 實際投資回報與預期投資回報之間的差異 |
| e) Differences between the actual experience and expected experience for mortality, morbidity, lapses, and expenses | e) 實際經驗與死亡率、發病率、退保率和費用的預期經驗之間的差異 |

5. EMBEDDED VALUE OF YF LIFE (Continued)

5.4 Key assumptions

Our policies state that it adopts a best estimate approach in setting the assumptions which are used in the calculation of its Embedded Value and New Business Value. The assumptions were based on the actual experience of YF Life and certain industry experience.

The basis and assumptions used in the calculations are summarised below. These assumptions have been made on a “going concern” basis.

Risk discount rate

The risk discount rate represents the long-term post-tax cost of capital of the hypothetical investor for whom the valuation is made, together with an allowance for risk, taking into account factors such as the political and economic environment in Hong Kong.

We use risk discount rate of 8.75% for 31 December 2020, and 9% for 31 December 2019, respectively, as the base scenario assumption for both in-force and new business.

Investment returns

Future investment returns have been calculated as the weighted average of the investment returns on existing assets and new assets.

The investment returns on existing assets and new assets have been determined by book yield, the forward rate yields available on US government bonds, credit spreads that reflects the allowance for risk of default and equity return of underlying assets respectively.

5. 萬通保險內含價值(續)

5.4 主要假設

我們的政策指明設定用於計算其內含價值和新業務價值的假設時乃採用最佳估計方法。該等假設基於萬通保險的實際經驗和相關行業經驗。

計算中使用的基準和假設匯總如下。該等假設是基於「持續經營」作出的。

風險貼現率

風險貼現率指就假設投資者作出估值的長期稅後資本成本，並考慮到香港政治及經濟環境等因素的風險撥備。

我們分別使用8.75%和9%的風險貼現率作為二零二零年和二零一九年的有效和新業務的基本假設。

投資回報

未來投資回報按現有資產和新資產的投資回報的加權平均值計算。

現有資產和新資產的投資回報由賬面收益率、美國政府債券的遠期利率、反映基礎資產違約風險準備金的信用利差以及股票收益決定。

Embedded Value

內含價值

5. EMBEDDED VALUE OF YF LIFE (Continued)

5.4 Key assumptions (Continued)

Credit rate

The crediting rates for universal life business have been set to reflect regulatory and contractual requirements, policyholders' reasonable expectations and earn rate assumptions. The crediting rates were worked out as earn rate less crediting rate spread.

Mortality

The mortality assumption is based on both emerging experience and industry experience, reflecting its expectation of how experience will emerge.

The experience mortality rates have been set as a percentage of HKA93 mortality table with an adjustment of increased mortality at older ages ("Adj. HKA93"). There were also adjustment factor for non-smoker and smoker.

Morbidity

Morbidity rate assumptions have been set as a percentage of the reinsurance rates due to the lack of credible claims experience.

Lapse

The lapse assumptions were based on YF Life's experience and adjusted to reflect the results of its recent experience. The assumptions have been set with reference to pricing assumptions where credible experience data is not available.

The lapse assumptions vary by products and policy duration.

5. 萬通保險內含價值(續)

5.4 主要假設(續)

結算利率

萬用壽險業務結算利率的設定綜合考慮了監管和合同要求、投保人的合理預期和收益率假設等因素。結算利率按收益率減去利差計算。

死亡率

死亡率假設基於當前經驗和行業經驗，反映了其對死亡率經驗的預期。

死亡率假設設定為調增老年人口死亡率後的HKA93死亡率表(經調整HKA93)的百分比。非吸煙者和吸煙者也有相應的調整因子。

發病率

由於缺乏充分的經驗數據，發病率假設已設定為再保險假設的百分比。

退保率

退保假設基於萬通保險的經驗，並經調整以反映其近期經驗的結果。當沒有可靠經驗情況下，該等假設基於精算定價假設來確定。

退保假設因產品和保單期限而異。

5. EMBEDDED VALUE OF YF LIFE (Continued)

5.4 Key assumptions (Continued)

Operating expenses

Operating expenses have been projected based on unit expense assumption. Projected excess or saving of expense compared with unit expense assumption has not been included in VIF or new business value. The historical excess or saving of actual expense compared with unit expense assumption has been included in ANW component of EV.

Inflation rate

Future inflation rate was assumed to be 2% per annum for 2020. This assumption is based on expectations of long-term consumer price and salary inflation.

Taxation

A tax rate of 0.825% of net premium income has been assumed for 2020.

Required capital

The embedded value projections assume that it maintains required capital at 150% of minimum solvency margin.

Statutory valuation

The distributable earnings are based on statutory reserve in accordance with the Hong Kong reserving regulations.

Reinsurance

The cost of the financial reinsurance is modelled based on reinsurance contract terms. The cost of surplus reinsurance contract is not material and has not been explicitly modelled, but reflected in the margins added to the mortality and morbidity rates.

5. 萬通保險內含價值(續)

5.4 主要假設(續)

經營費用

經營費用根據單位費用假設進行預測。未來費用超支或盈餘尚未納入有效業務價值或新業務價值。實際費用超支或盈餘已納入內含價值的經調整淨值部分。

通貨膨脹率

於二零二零年，未來通脹率假設為2%。這一假設基於對長期消費者價格和工資通脹的預期。

稅項

於二零二零年，稅率假設為保費收入淨額之0.825%。

資本要求

資本要求是按最低償付能力的150%計算。

法定評估

根據香港相關規定計提的法定準備金計算可分配盈餘和評估最低償付能力。

再保險

基於合同規定對財務再保險的成本進行建模計算。由於溢額再保險合同的影響並不重大，並未直接建模評估，而是通過增加死亡率和發病率的邊際簡化評估。

Embedded Value

內含價值

5. EMBEDDED VALUE OF YF LIFE (Continued)

5.5 Sensitivity testing

We performed sensitivity analysis on the value of in-force business and the new business value as at 31 December 2020, by independently varying certain assumptions regarding future experience. Specifically, the following changes in assumptions have been considered.

- New money yields increased by 100 basis points per annum
- New money yields decreased by 100 basis points per annum
- Risk discount rate increased by 50 basis points
- Risk discount rate decreased by 50 basis points
- 10% increase in lapse rate and skip premium rates (i.e. 110% of the central assumptions)
- 10% decrease in lapse rate and skip premium rates (i.e. 90% of the central assumptions)
- 10% increase in mortality and morbidity rates and loss ratios (i.e. 110% of the central assumptions)
- 10% decrease in mortality and morbidity rates and loss ratios (i.e. 90% of the central assumptions)
- 10% increase in acquisition and maintenance expenses (i.e. 110% of the central assumptions)
- 10% decrease in acquisition and maintenance expenses (i.e. 90% of the central assumptions)

5. 萬通保險內含價值(續)

5.5 敏感性測試

於二零二零年十二月三十一日，我們通過單獨改變有關未來經驗的某些假設，對有效業務價值和新業務價值進行了敏感性分析。具體而言，我們已考慮下列假設的變化。

- 新增資產收益每年增加100個點子
- 新增資產收益每年減少100個點子
- 風險貼現率增加50個點子
- 風險貼現率減少50個點子
- 退保率和失效保費率增加10% (即基準假設的110%)
- 退保率和失效保費率減少10% (即基準假設的90%)
- 死亡率和發病率以及損失率增加10% (即基準假設的110%)
- 死亡率和發病率以及損失率減少10% (即基準假設的90%)
- 獲取和維護費用增加10% (即基準假設的110%)
- 獲取和維護費用減少10% (即基準假設的90%)

5. EMBEDDED VALUE OF YF LIFE
(Continued)

5.5 Sensitivity testing (Continued)

For the year 2020		Value of in-force business after cost of capital 扣除資本 成本後的 有效業務價值 HK\$ million 百萬港元	New business value after cost of capital Assumptions 扣除資本 成本後的 新業務價值 HK\$ million 百萬港元
二零二零年 Assumptions 假設			
Base scenario	基本假設	11,012	541
New money yields increased by 100 basis points per annum	新增資產收益每年增加100 個點子	12,178	680
New money yields decreased by 100 basis points per annum	新增資產收益每年減少100 個點子	8,146	403
Risk discount rate increased by 50 basis points	風險貼現率增加50個點子	10,145	476
Risk discount rate decreased by 50 basis points	風險貼現率減少50個點子	11,972	613
10% increase in lapse rate and skip premium rates	退保率和失效保費率增加 10%	11,009	535
10% decrease in lapse rate and skip premium rates	退保率和失效保費率減少 10%	11,026	548
10% increase in mortality and morbidity rates and loss ratios	死亡率和發病率以及損失率 增加10%	10,038	462
10% decrease in mortality and morbidity rates and loss ratios	死亡率和發病率以及損失率 減少10%	11,998	621
10% increase in acquisition and maintenance expenses	獲取和維持費用增加10%	10,858	510
10% decrease in acquisition and maintenance expenses	獲取和維持費用減少10%	11,167	572

5. 萬通保險內含價值(續)

5.5 敏感性測試(續)

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

CHAIRMAN

Mr. Yu Feng, aged 57, was appointed as the Chairman and a non-executive Director and the chairman of the Nomination Committee in November 2015. Mr. Yu is the co-founder and chairman of Yunfeng Capital, a private equity firm founded by Mr. Yu together with other entrepreneurs in 2010.

Mr. Yu is a director of YFHL, Key Imagination and Jade Passion. YFHL, Key Imagination and Jade Passion are substantial shareholders of the Company.

Mr. Yu obtained an EMBA degree from China Europe International Business School, the PRC in March 2001 and a master of arts degree in philosophy from Fudan University, the PRC in July 1991.

EXECUTIVE DIRECTORS

Mr. Zhang Ke, aged 56, was appointed as executive director, vice chairman and chief executive officer in October 2020. Mr. Zhang is a partner of Yunfeng Capital. He was the chief strategy consultant of China Taiping Insurance Group Limited, vice chairman of Taiping Life Insurance Limited (“Taiping Life”), chairman of Taiping Poly Investment Management Co., Ltd., director of Shanghai Rural Commercial Bank Co. Ltd., the secretary of the party committee, director and general manager of Taiping Life, general manager of Taiping General Insurance Co., Ltd. Mr. Zhang is the vice-president of the Insurance Association of China, chairman of China Insurance Marketing Elite Alliance Council (“中國保險營銷精英聯盟理事會”), global international director of LIMRA-LOMA, a full member of Geneva Association, part-time visiting professor of Sichuan University and is a senior financial manager.

Mr. Zhang obtained a doctoral degree in economics from Sichuan University in December 2006 and a bachelor’s degree in philosophy from Sichuan University in July 1985.

主席

虞鋒先生，57歲，於二零一五年十一月獲委任為本公司主席兼非執行董事，以及提名委員會主席。虞先生為雲鋒基金聯合創辦人及主席，該私募基金由虞先生與其他企業家於二零一零年成立。

虞先生為雲鋒金融控股，Key Imagination及Jade Passion之董事。雲鋒金融控股，Key Imagination及Jade Passion為本公司之主要股東。

虞先生於二零零一年三月獲授中國中歐國際工商學院高級管理人員工商管理碩士學位，並於一九九一年七月獲授中國復旦大學哲學碩士學位。

執行董事

張可先生，56歲，於二零二零年十月獲委任為本公司執行董事、副董事長及行政總裁。張先生為雲鋒基金合夥人，曾任中國太平保險集團有限責任公司首席戰略顧問，太平人壽保險有限公司（「太平人壽」）副董事長，太平保利投資管理有限公司董事長，上海農商銀行董事，太平人壽黨委書記、董事、總經理，太平財產保險有限公司總經理。張先生任中國保險行業協會副會長、中國保險營銷精英聯盟理事會主席，LIMRA-LOMA全球國際董事，日內瓦協會正式會員，四川大學兼職客座教授，為高級財務管理師。

張先生於二零零六年十二月取得四川大學政治經濟學博士學位，於一九八五年七月取得四川大學哲學學士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

EXECUTIVE DIRECTORS (Continued)

Mr. Huang Xin, aged 45, was appointed as an executive Director and a member of the Remuneration Committee in November 2015. Mr. Huang is a partner and a member of the investment committee of Yunfeng Capital. Mr. Huang served as vice president of Shanghai Kaituo Capital Limited from 2006 to 2010, where he was in charge of various investments. Mr. Huang was vice president of finance at Target Media Holdings Limited from 2005 to 2006, where Mr. Huang managed its daily financial operations and led its equity financing and merger and integration with Focus Media Holding Limited. Mr. Huang worked at General Electric Company from 1997 to 2005.

Mr. Huang is currently a director of Sanxiang Impression Co., Ltd (stock code: 000863) which is listed on the Shenzhen Stock Exchange and a director of YTO Express Group Co., Ltd (stock code: 600233) which is listed on the Shanghai Stock Exchange. Mr. Huang is a director of Jade Passion, a substantial shareholder of the Company.

Mr. Huang obtained a master of business administration degree from China Europe International Business School, the PRC in October 2011 and a bachelor's degree in accounting from Fudan University, the PRC in July 1997.

Ms. Hai Olivia Ou, aged 41, was appointed as a non-executive Director in November 2015 and was re-designated as an executive Director and appointed as interim chief executive officer in February 2020. She has ceased to be the interim chief executive officer of the Company in October 2020. Ms. Hai is a managing director of Yunfeng Capital and specialises in investments and management related to the financial services industry, especially for investments in Internet Finance and strategic management in insurance company. Prior to joining Yunfeng Capital, Ms. Hai was an actuarial partner at Deloitte China from 2012 and was engaged in the provision of consulting services to overseas and domestic insurance companies. Ms. Hai has also worked at HSBC Insurance (Asia) Limited in Hong Kong from 2010 to 2012 and PricewaterhouseCoopers LLP in the United Kingdom from 2002 to 2010.

Ms. Hai is a qualified fellow member of the Institute and Faculty of Actuaries in the United Kingdom and a fellow member of the China Association of Actuaries.

執行董事(續)

黃鑫先生，45歲，於二零一五年十一月獲委任為本公司執行董事，以及薪酬委員會成員。黃先生為雲鋒基金合夥人及其投資委員會成員。黃先生於二零零六年至二零一零年擔任上海開拓投資有限公司副總裁，負責多個投資項目。黃先生於二零零五年至二零零六年出任聚眾傳媒控股有限公司財務副總裁，負責其日常財務運作事宜並主導其股權融資及與分眾傳媒控股有限公司的併購與整合。黃先生曾在一九九七年至二零零五年任職通用電氣公司。

黃先生現任於深圳證券交易所上市之三湘印象股份有限公司(股份代號：000863)董事和於上海證券交易所上市之圓通速遞股份有限公司(股份代號：600233)董事。黃先生為Jade Passion之董事，該公司為本公司之主要股東。

黃先生於二零一一年十月自中國中歐國際工商學院取得工商管理碩士學位，並於一九九七年七月自中國復旦大學取得會計學學士學位。

海歐女士，41歲，於二零一五年十一月獲委任為本公司非執行董事，並於二零二零年二月調任為本公司執行董事及獲委任為代理行政總裁。其於二零二零年十月退任本公司代理行政總裁。海女士為雲鋒基金的董事總經理，專注於金融服務行業的投資與管理，尤其是互聯網金融領域的投資和保險公司的戰略管理。在加入雲鋒基金之前，海女士自二零一二年起擔任德勤華永會計師事務所的精算合夥人，為中國內地及海外的保險公司提供諮詢服務。海歐女士於二零一零年至二零一二年於香港滙豐保險(亞洲)有限公司任職，及於二零零二年至二零一零年於英國普華永道會計師事務所任職。

海女士為英國精算師協會資深會員和中國精算師協會的資深會員。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

NON-EXECUTIVE DIRECTORS

Mr. Adnan Omar Ahmed, aged 54, was appointed as a non-executive Director in November 2018. Mr. Ahmed is also a director of YF Life. Mr. Ahmed is the chairman, president and chief executive officer of MMI, a substantial shareholder of the Company. Mr. Ahmed joined MMLIC, the parent holding company of MMI, a substantial shareholder of the Company, in October 2015 as Executive Vice President and Chief Human Resources Officer. Mr. Ahmed brings with him an impressive history of more than 20 years of global financial services and leadership experience, ranging from operating to human resources roles. He joined MMI from Citigroup, Inc. in London where he was Managing Director and Head of Human Resources for Europe, Middle East and Africa as well as the Global Head of Recruitment for the firm. Previously, he led global shared services in the operations and technology division for all of Citigroup employees.

Prior to joining Citigroup in 2010, Mr. Ahmed began his career at Mitsubishi UFJ Financial Group, rotating through various roles including corporate finance, operations, credit and human resources. He then spent 17 years at Morgan Stanley in New York, Tokyo, Sydney and Hong Kong, during which time he held a range of roles including Chief Administrative Officer and Head of Human Resources, Asia.

Mr. Ahmed is a non-executive director on the board of Nippon Wealth Insurance in Japan, a subsidiary of Nippon Life. He is on the Advisory Board of NPX Capital, Korea since October 2019 and also on the Advisory Board of Essenlix Corp., US since November 2020. Prior to the current board directorship, he also served on the board of Temasek Management Services, Singapore between 2010-2018, Human Capital Leadership Institute in Singapore from 2017-2019, and Bank Handlowy, Poland and Citibank Turkey, both between 2012-2015.

Mr. Ahmed holds a bachelor of science degree in computer science, a bachelor of arts degree in international relations, and a master's degree in business administration, all from Tulane University. He is based in Hong Kong.

非執行董事

Adnan Omar Ahmed 先生，54歲，於二零一八年十一月獲委任為本公司非執行董事。Ahmed先生亦為萬通保險董事。Ahmed先生為MMI之主席、總裁及首席執行官，MMI為本公司之主要股東。Ahmed先生於二零一五年十月加入MMLIC，擔任常務副總裁及首席人力資源總監，MMLIC為MMI的母公司，為本公司之主要股東。Ahmed先生擁有超過20年環球金融服務及領導經驗，由營運至人力資源的職位均有所涉獵，履歷令人印象深刻。加入MMI前，彼於倫敦任職於花旗集團，期間曾擔任歐洲、中東及非洲區董事總經理及人力資源主管，以及環球招聘主管。彼過往曾領導營運及技術部門的環球共享服務，供花旗集團全體僱員使用。

二零一零年加入花旗集團之前，Ahmed先生於三菱日聯金融集團展開職業生涯，其職責包括企業融資、運營、信貸和人力資源。其後，彼於紐約、東京、悉尼及香港的摩根士丹利工作17年，在此期間，彼曾擔任一系列職務，包括行政總監及亞洲人力資源主管。

Ahmed先生為日本Nippon Wealth Insurance(日本生命的附屬公司)董事會非執行董事。Ahmed先生自二零一九年十月起擔任韓國NPX Capital顧問委員會成員，自二零二零年十一月起擔任美國Essenlix Corp顧問委員會成員。獲委任現時各董事職務前，Ahmed先生於二零一零年至二零一八年期間任職新加坡Temasek Management Services董事會，於二零一七年至二零一九年任職於新加坡Human Capital Leadership Institute董事會，並於二零一一年至二零一五年期間任職波蘭Bank Handlowy及土耳其花旗銀行董事會。

Ahmed先生持有杜蘭大學電腦科學理學士學位、國際關係文學士學位以及工商管理碩士學位。彼長駐香港。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Michael James O'Connor, aged 52, was appointed as a non-executive Director in March 2020. Mr. O'Connor is the General Counsel of MMLIC, leading its legal, compliance, government relations, internal audit and corporate governance functions. MMLIC is the sole member of MMI, a substantial shareholder of the Company. Mr. O'Connor was appointed as a manager of MMI, a substantial shareholder of the Company on August 2020. He is a member of MMLIC's Executive Leadership team. Mr. O'Connor initially joined MMLIC's Law Division in 2005 and from 2008-2011, he led the company's corporate law and government relations teams. From 2011 to 2017, Mr. O'Connor served in a number of business leadership positions at MMLIC, first as Chief of Staff to MMLIC's CEO Roger Crandall and later as head of corporate development and mergers and acquisitions and then as head of MMLIC's international insurance operations.

Prior to joining MMLIC, Mr. O'Connor served from 2002-2005 as U.S. General Counsel of Irving Oil Corporation, an independent global petroleum refiner and marketer. From 1995 until 2002, Mr. O'Connor practiced corporate law at Goodwin Procter LLP in Boston, where he was a member of the M&A/Corporate Governance and Securities & Corporate Finance practice groups. Mr. O'Connor received a B.A. in Legal Studies from the University of Massachusetts at Amherst. He earned his J.D. from the Boston University School of Law, where he was a G. Joseph Tauro Distinguished Scholar and an Editor of the Boston University Law Review, and his M.B.A., majoring in Finance, from the Wharton School of Business at the University of Pennsylvania.

非執行董事(續)

Michael James O'Connor 先生，52 歲，於二零二零年三月獲委任為本公司非執行董事。O'Connor 先生為 MMLIC 的總法律顧問，負責法律、合規、政府關係、內部審核及企業管治職能，MMLIC 為 MMI 的母公司，為本公司之主要股東。彼為 MMLIC 執行領導團隊成員。O'Connor 先生於二零二零年八月獲委任為 MMI 之理事，MMI 為本公司之主要股東。O'Connor 先生最初於二零零五年加入 MMLIC 法律部，二零零八年至二零一一年擔任該公司的企業法務及政府關係團隊負責人。二零一一年至二零一七年期間，O'Connor 先生曾出任 MMLIC 多個業務管理職位，先後包括 MMLIC 行政總裁 Roger Crandall 的總幹事、企業發展及併購主管、MMLIC 國際保險業務主管等。

加入 MMLIC 之前，O'Connor 先生於二零零二年至二零零五年期間出任獨立全球石油煉製生產商及銷售商 Irving Oil Corporation 的美國總法律顧問。於一九九五年至二零零二年期間，彼為從事公司法的波士頓高贏國際律師事務所執業律師，在併購／公司管治及證券及企業融資部門執業。O'Connor 先生獲馬薩諸塞大學阿默斯特分校頒發法律學士學位，其後獲波士頓大學法學院頒發法律博士學位，並成為 G. Joseph Tauro 傑出學者和波士頓大學法律評論編輯，以及獲賓夕凡尼亞大學華頓商學院頒發工商管理碩士學位，主修金融。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Daqing, aged 56, was appointed as an independent non-executive Director, and a member of the Audit Committee, Nomination Committee and Remuneration Committee in February 2016. In March 2019, Mr. Qi was appointed as the chairman of the Remuneration Committee. Mr. Qi is currently a professor of Cheung Kong Graduate School of Business where he previously served as director and associate dean of the executive master of business administration department. Mr. Qi's research interests primarily focus on financial accounting, financial reporting and their impact on corporate business strategy. Mr. Qi has published many articles in accounting and finance journals. Mr. Qi worked at The Chinese University of Hong Kong and the Feature Syndicate of the Department of Home News for Overseas, Xinhua News Agency prior to joining Cheung Kong Graduate School of Business in 2002.

Currently Mr. Qi serves as independent director of Sohu.com Inc. (NASDAQ: SOHU) and Momo Inc. (NASDAQ: MOMO), all of which are listed on NASDAQ; and independent non-executive director of Haidilao International Holdings Limited (stock code: 06862), Bison Finance Group Limited (stock code: 00888), SinoMedia Holding Limited (stock code: 00623) and Jutal Offshore Oil Services Limited (stock code: 03303), all of which are listed on the Stock Exchange. Mr. Qi served as an independent non-executive director of Honghua Group Limited (stock code: 00196) from 18 January 2008 to 1 January 2018, a company listed on the Stock Exchange, and an independent non-executive director of Dalian Wanda Commercial Properties Co., Ltd. (stock code: 03699) from 29 January 2016 to 20 September 2016, a company delisted from the Stock Exchange on 20 September 2016. Mr. Qi had also been an independent director of Focus Media Holding Limited (NASDAQ: FMCN) and AutoNavi Holdings Ltd. (NASDAQ: AMAP), all of which were listed on NASDAQ, an independent director of Bona Film Group Limited and iKang Healthcare Group, Inc. which were listed on NASDAQ and ceased to be public companies, and an independent director of China Vanke Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000002; and listed on the Stock Exchange, stock code: 02202).

獨立非執行董事

齊大慶先生，56歲，於二零一六年二月獲委任為本公司獨立非執行董事，以及審核委員會、提名委員會及薪酬委員會成員。於二零一九年三月獲委任為本公司薪酬委員會主席。齊先生現為長江商學院教授，曾任該學院高級管理人員工商管理碩士主任及副院長，齊先生的主要研究領域為財務會計、財務報告及其對企業業務戰略的影響。齊先生曾在財務及會計刊物上發表過多篇論文。齊先生於二零零二年加入長江商學院前曾任職於香港中文大學及新華社對外部特稿社。

齊先生現任在美國納斯達克上市的搜狐網絡有限公司(股份代號：SOHU)及陌陌科技公司(股份代號：MOMO)的獨立董事；以及在聯交所上市的海底撈國際控股有限公司(股份代號：06862)、貝森金融集團有限公司(股份代號：00888)、中視金橋國際傳媒控股有限公司(股份代號：00623)及巨濤海洋石油服務有限公司(股份代號：03303)的獨立非執行董事。齊先生曾於二零零八年一月十八日至二零一八年一月一日擔任宏華集團有限公司(股份代號：00196)之獨立非執行董事，該公司於聯交所上市；及於二零一六年一月二十九日至二零一六年九月二十日擔任大連萬達商業地產股份有限公司(股份代號：03699)之獨立非執行董事，該公司於二零一六年九月二十日於聯交所除牌。齊先生亦曾任在美國納斯達克上市的分眾傳媒控股有限公司(股份代號：FMCN)和高德軟件有限公司(股份代號：AMAP)之獨立董事、博納影業集團有限公司及愛康國賓健康體檢管理集團有限公司(曾於美國納斯達克上市，現不再為上市公司)之獨立董事及在深圳證券交易所及在聯交所上市的萬科企業股份有限公司(深圳證券交易所股份代號：000002和聯交所股份代號：02202)之獨立董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Qi graduated with a doctoral degree in accounting from The Eli Broad Graduate School of Management of Michigan State University in the U.S.A. in 1996. He also obtained a master's degree in management from University of Hawaii in the U.S.A in 1992 and dual bachelor's degrees (in biophysics and international news) from Fudan University in 1985 and 1987 respectively.

Mr. Chu Chung Yue, Howard, aged 72, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee in August 2011. Mr. Chu was the vice president, Asia and chief representative, China of Teck Resources Limited. Mr. Chu was responsible for the development of an Asian strategy for the company, monitoring China's economic performance and promoting business development opportunities in China. Mr. Chu held various positions including corporate controller for Teck Resources Limited from 1978 to 2007 and was the vice president, Asia and chief representative, China from 2007 to April 2011.

Mr. Chu serves as an independent non-executive director of Grandshores Technology Group Limited (stock code: 01647), a company listed on the Stock Exchange.

Mr. Chu holds a bachelor degree in commerce from University of British Columbia and was a member of the Chartered Professional Accountants of Canada.

Mr. Xiao Feng, aged 59, was appointed as an independent non-executive Director, and a member of the Audit Committee and Remuneration Committee in March 2019. Mr. Xiao is currently the vice chairman and executive director of China Wanxiang Holding Co., Ltd. (中國萬向控股有限公司). Mr. Xiao has more than 27 years of experiences in finance, asset management and securities management and had served key positions in different institutions including securities management office of the People's Bank of China, Shenzhen Branch from 1992 to 1993, Securities Management Office of Shenzhen from 1993 to 1998 and Bosera Fund Management Co., Ltd. from 1998 to 2011. Since 1998, Mr. Xiao has also been appointed as the director, chairman or president of various finance company, fund or asset management company, trust company and insurance company.

Mr. Xiao obtained a bachelor's degree of arts in Chinese from Jiangxi Normal University in 1983 and a doctoral degree in economics from Nankai University in 2003.

獨立非執行董事(續)

齊先生於一九九六年取得美國密歇根州立大學艾利布羅管理研究院會計學博士學位，並於一九九二年取得美國夏威夷大學的管理碩士學位及於一九八五年及一九八七年取得復旦大學的雙學士學位(生物物理及國際新聞)。

朱宗宇先生，72歲，於二零一一年八月獲委任為本公司之獨立非執行董事、審核委員會主席，以及薪酬委員會及提名委員會成員。朱先生為Teck Resources Limited之亞洲區副總裁兼中國區首席代表。朱先生負責發展該公司之亞洲策略、監察中國之經濟表現及促進中國之業務發展機會。朱先生自一九七八年至二零零七年間曾擔任Teck Resources Limited之多個職務(包括財務審計總監)，及自二零零七年至二零一一年四月間曾出任亞洲區副總裁及中國區首席代表。

朱先生現任雄岸科技集團有限公司(股份代號：01647)之獨立非執行董事，該公司於聯交所上市。

朱先生持有英屬哥倫比亞大學之商業學士學位，並為加拿大特許專業會計師公會之會員。

肖風先生，59歲，於二零一九年三月獲委任為本公司之獨立非執行董事、審核委員會及薪酬委員會成員。肖先生現為中國萬向控股有限公司副董事長兼執行董事。肖先生擁有超過27年的金融、資產管理及證券管理經驗，曾與不同機構擔任重要職位，包括於一九九二年至一九九三年任職於中國人民銀行深圳分行證券管理處、於一九九三年至一九九八年任職於深圳市證券管理辦公室及於一九九八年至二零一一年任職於博時基金管理有限公司。自一九九八年起，肖先生亦獲委任為多間金融公司、基金或資產管理公司、信託公司及保險公司的董事、主席或總裁。

肖先生於一九八三年取得江西師範大學中文文學士學位，並於二零零三年取得南開大學經濟學博士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

SENIOR MANAGEMENT

Ms. Dai Shuyan, aged 44, joined the Group in November 2020, is the Senior Managing Director of the Group. Ms. Dai has over 18 years of experience in insurance industry and team management. Before joining the group, Ms. Dai was the chief actuary and deputy general manager at Taiping General Insurance Co., Ltd., also she worked in China Taiping Insurance Group Limited (“China Taiping”) as deputy general manager of marketing department and general manager of business management department.

Ms. Dai graduated from Central University of Finance and Economics with master’s degree in finance and received a bachelor’s degree in international finance from Dalian University of Technology. She is also an associate member of China Association of Actuaries and Institute and Faculty of Actuaries.

Mr. Chan Man Ko, aged 46, joined the Group in November 2015, is the Chief Financial Officer, Company Secretary and a Senior Managing Director of the Group, and the executive director and senior vice president of YF Life. Before joining the Group, Mr. Chan was the deputy general manager of finance department of China Taiping and had served several positions including chief financial officer and company secretary in China Taiping Insurance Holdings Company Limited (a company listed on the Stock Exchange, stock code: 00966), the subsidiary of China Taiping for over 11 years. Prior to this, he worked for Deloitte Touche Tohmatsu for 7 years.

Mr. Chan is an associate member of Institute of Chartered Accountants in England and Wales, and associate member and practicing member of Hong Kong Institute of Certified Public Accountants.

高級管理人員

戴曙燕女士，44歲，於二零二零年十一月加入本集團，為集團高級董事總經理。戴女士擁有超過18年的保險業務和團隊管理經驗。在加入本集團前，戴女士在太平財產保險有限公司先後擔任總精算師及副總經理，亦於中國太平保險集團有限責任公司（「太平集團」）擔任過產品市場部副總經理及業務管理部總經理。

戴女士除了持有中央財經大學金融學碩士學位及大連理工大學國際金融學學士學位外，亦是中國精算師協會和英國精算師協會會員。

陳文告先生，46歲，於二零一五年十一月加入本集團，為本集團之首席財務總監、公司秘書及高級董事總經理，以及萬通保險執行董事及高級副總裁。加入本集團之前，陳先生於太平集團擔任財務部副總經理，歷任太平集團旗下於聯交所上市之公司，中國太平保險控股有限公司（股份代號：00966）財務總監及公司秘書等職位，工作超過11年。此前，他曾於德勤·關黃陳方會計師行工作7年。

陳先生為英格蘭及威爾斯特許會計師協會會員、香港會計師公會會員及執業會計師。

The Board of Yunfeng Financial Group Limited is committed to maintaining high standards of corporate governance. It believes that a high standard of corporate governance provides an effective framework and solid foundation for attracting and retaining high calibre and talented management, promoting high standards of accountability and transparency and meeting the expectations of all the Shareholders.

The principles of corporate governance adopted by the Group stress the importance of a quality board, sound internal controls, and transparency and accountability to all the Shareholders.

Throughout the Year, the Company has complied with the applicable code provisions of the CG Code, except for the following deviation which is summarised below:

Code Provision A.4.1

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

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

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

雲鋒金融集團有限公司董事會致力維持高水準之企業管治，相信高水準之企業管治能提供有效架構及穩固根基，吸引及挽留能力出眾及富有才幹之管理層、促進高標準之問責及透明度及達致本公司全體股東之期望。

本集團採納之企業管治原則著重高質素之董事會、健全之內部監控以及對全體股東保持透明及問責。

於本年度內，本公司已遵守企管守則條文，惟下文所述之偏離除外：

守則條文第 A.4.1 條

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

進行證券交易之行為守則

本公司已採納一套有關董事進行證券交易之行為守則，其條款不遜於標準守則所規定的標準。經本公司作出具體查詢後，本公司全體董事已確認，彼等於本年度內一直遵守標準守則規定的標準。

Corporate Governance Report

企業管治報告

THE BOARD

The Board is responsible for the formulation of the Group's strategies, policies and business plans, regulating and reviewing risk management and internal control systems, formulating the Group's corporate governance policy, and supervising the management of the business operations of the Group to ensure that its business objectives are met. The Board also ensures adequacy of resources, qualifications and experience of the Board members. The senior management of the Group is responsible for the day-to-day operations of the Group and accountable to the Board.

The Board has a balance of skills and experience appropriate for the requirements of the business of the Group. As at the date of this report, the Board comprises the following Directors:

Chairman

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

Executive Directors

Mr. Zhang Ke
(*Vice Chairman and Chief Executive Officer*)
Mr. Huang Xin
Ms. Hai Olivia Ou

Non-executive Directors

Mr. Adnan Omar Ahmed
Mr. Michael James O'Connor

Independent non-executive Directors

Mr. Qi Daqing
Mr. Chu Chung Yue, Howard
Mr. Xiao Feng

The current Directors and their brief biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Save as disclosed in the section headed "Biographical Details of Directors and Senior Management" of this annual report, there are no financial, business, family or other material/relevant relationships between Board members and between the Chairman and the CEO.

董事會

董事會負責制訂本集團之策略、政策及業務規劃、規範及檢討風險管理及內部監控體系、制訂本集團之企業管治政策，及監督本集團之業務營運管理，確保實現業務目標。董事會亦確保董事會成員具備充足的資源、資歷及經驗。本集團管理層負責本集團之日常營運，並對董事會負責。

董事會兼具本集團業務所需之適當技能和經驗。於報告日期，董事會由以下董事組成：

主席

虞鋒先生 (*非執行董事*)

執行董事

張可先生
(*副董事長及行政總裁*)
黃鑫先生
海歐女士

非執行董事

Adnan Omar Ahmed 先生
Michael James O'Connor 先生

獨立非執行董事

齊大慶先生
朱宗宇先生
肖風先生

現任董事及其簡歷載於本年報「董事及高級管理人員履歷」一節。

除本年報「董事及高級管理人員履歷」一節所披露外，董事之間及主席與行政總裁之間並無任何財務、業務、家屬或其他重大／相關關係。

THE BOARD (Continued)

The Company has been maintaining the number of independent non-executive Directors at not less than one-third of the number of the Board members with a number of at least three and has ensured that at least one of the independent non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. The participation of independent non-executive Directors in the Board brings independent judgement to ensure the interests of all Shareholders have been duly considered.

For a Director to be considered independent, that Director should not have any direct or indirect material interest in the Group. In determining the independence of Directors, the Board follows the requirement set out in the Listing Rules. The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules in respect of the year ended 31 December 2020 and the Company considers that they are independent.

The roles of the Chairman and the CEO are complementary, but importantly they are distinct and separate with a clear and well established division of responsibilities. The Chairman, Mr. Yu Feng, is responsible for setting strategic targets, providing leadership to the Board, monitoring Board effectiveness and fostering constructive relationship between Directors. The CEO, Mr. Zhang Ke, is responsible for managing the business of the Group, attending to the formulation and implementation of Group's policies, and assuming full accountability for the Group's operations.

董事會(續)

本公司一直維持獨立非執行董事人數至少三名且不少於董事人數三分之一，並確保至少有一名獨立非執行董事具備上市規則規定之適當專業資格或會計或相關財務管理專長。獨立非執行董事之參與賦予董事會獨立判斷，確保全體股東之利益得到妥善考慮。

就被視為獨立之董事而言，其不得於本集團擁有任何直接或間接重大權益。於釐定董事之獨立性時，董事會遵循上市規則之規定。本公司已收到各獨立非執行董事根據上市規則第3.13條發出的截至二零二零年十二月三十一日止年度的獨立性確認函，而本公司認為彼等均屬獨立。

主席與行政總裁兩個角色有互補作用，但重要的是兩者獨立分明、分工清晰妥當。主席虞鋒先生負責制定戰略目標、領導董事會、確保董事會具成效及促進董事良好關係。行政總裁張可先生負責管理本集團業務，參與制訂及實行本集團政策，並全權負責本集團營運。

Corporate Governance Report

企業管治報告

THE BOARD (Continued)

The Board meets regularly and at least 4 times a year. Between scheduled meetings, senior management of the Group provides to the Directors the information on the activities and developments in the businesses of the Group on a timely basis and, when required, additional Board meetings are held. In addition, the Directors have full access to the information of the Group and to independent professional advice whenever should they consider necessary. During the Year, a total of 7 Board meetings and 2 general meetings, including an annual general meeting and an extraordinary general meeting were held and the attendance of each Director is set out below:

董事會(續)

董事會定期召開會議，每年至少舉行4次。於已定會期的會議之間，本集團高級管理人員及時向董事提供有關本集團業務活動和發展之資料，並於有需要時舉行額外的董事會會議。此外，董事可於彼等認為有需要時全面獲得本集團資料及獨立的專業意見。於本年度，本公司合共舉行7次董事會會議及2次股東大會，包括1次股東週年大會和1次股東特別大會，各董事之出席情況載列如下：

		Number of meetings attended in the year ended 31 December 2020/ Number of meetings eligible to attend 截至二零二零年十二月三十一日出席會議次數/合資格參加的會議次數					
		Board 董事會	NC 提名委員會	RC 薪酬委員會	AC 審核委員會	AGM 股東週年大會(附註)	EGM 股東特別大會(附註)
Chairman	主席						
Mr. Yu Feng (non-executive Director)	虞鋒先生(非執行董事)	7/7	2/2	–	–	1/1	1/1
Executive Directors	執行董事						
Mr. Huang Xin	黃鑫先生	7/7	–	3/3	–	1/1	1/1
Ms. Hai Olivia Ou (re-designated as executive Director on 23 February 2020)	海歐女士(於二零二零年二月二十三日調任為執行董事)	7/7	–	–	–	1/1	1/1
Ms. Li Ting (resigned on 23 February 2020)	李婷女士(於二零二零年二月二十三日辭任)	–	–	–	–	–	–
Mr. Zhang Ke (appointed on 8 October 2020)	張可先生(於二零二零年十月八日獲委任)	1/1	–	–	–	–	1/1
Non-executive Directors	非執行董事						
Mr. Adnan Omar Ahmed	Adnan Omar Ahmed先生	7/7	–	–	–	0/1	1/1
Mr. Gareth Ross (resigned on 27 March 2020)	Gareth Ross先生(於二零二零年三月二十七日辭任)	0/2	–	–	–	–	–
Mr. Michael James O'Connor (appointed on 27 March 2020)	Michael James O'Connor先生(於二零二零年三月二十七日獲委任)	5/5	–	–	–	0/1	0/1
Independent non-executive Directors	獨立非執行董事						
Mr. Qi Daqing	齊大慶先生	7/7	2/2	3/3	2/2	1/1	1/1
Mr. Chu Chung Yue, Howard	朱宗宇先生	7/7	2/2	3/3	2/2	1/1	1/1
Mr. Xiao Feng	肖風先生	6/7	1/2	2/3	2/2	1/1	1/1

Note:

NC – Nomination Committee
RC – Remuneration Committee
AC – Audit Committee
AGM – annual general meeting held on 19 June 2020

EGM – extraordinary general meeting held on 9 October 2020

The Chairman also held a meeting with independent non-executive Directors without the presence of other Directors during the Year.

附註:

NC – 提名委員會
RC – 薪酬委員會
AC – 審核委員會
股東週年大會 – 於二零二零年六月十九日舉行的股東週年大會
股東特別大會 – 於二零二零年十月九日舉行的股東特別大會

於本年度，主席亦與獨立非執行董事舉行了沒有其他董事出席的會議。

PROFESSIONAL TRAINING FOR DIRECTORS

All Directors, including independent non-executive Directors, should always know their collective responsibilities as Directors and of the businesses and activities of the Group. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company.

During the Year, all Directors have received the following trainings:

董事專業培訓

全體董事(包括獨立非執行董事)應清楚彼等身為董事之共同責任並了解本集團的業務及活動。每名新上任之董事將收到一套入職資料，涵蓋本集團業務及上市公司董事須承擔之法定及監管責任。

於本年度，全體董事已接受下列培訓：

Directors		Training on corporate governance, regulatory development and other relevant topics
董事		有關企業管治、監管發展及其他相關課題之培訓
Chairman	主席	
Mr. Yu Feng (<i>non-executive Director</i>)	虞鋒先生(<i>非執行董事</i>)	✓
Executive Directors	執行董事	
Mr. Zhang Ke (appointed on 8 October 2020)	張可先生(於二零二零年十月八日獲委任)	✓
Mr. Huang Xin	黃鑫先生	✓
Ms. Hai Olivia Ou (re-designated as executive Director on 23 February 2020)	海歐女士(於二零二零年二月二十三日調任為執行董事)	✓
Ms. Li Ting (resigned on 23 February 2020)	李婷女士(於二零二零年二月二十三日辭任)	N/A 不適用
Non-executive Directors	非執行董事	
Mr. Adnan Omar Ahmed	Adnan Omar Ahmed 先生	✓
Mr. Michael James O'Connor (appointed on 27 March 2020)	Michael James O'Connor 先生 (於二零二零年三月二十七日獲委任)	✓
Mr. Gareth Ross (resigned on 27 March 2020)	Gareth Ross 先生(於二零二零年三月二十七日辭任)	N/A 不適用
Independent non-executive Directors	獨立非執行董事	
Mr. Qi Daqing	齊大慶先生	✓
Mr. Chu Chung Yue, Howard	朱宗宇先生	✓
Mr. Xiao Feng	肖風先生	✓

Corporate Governance Report

企業管治報告

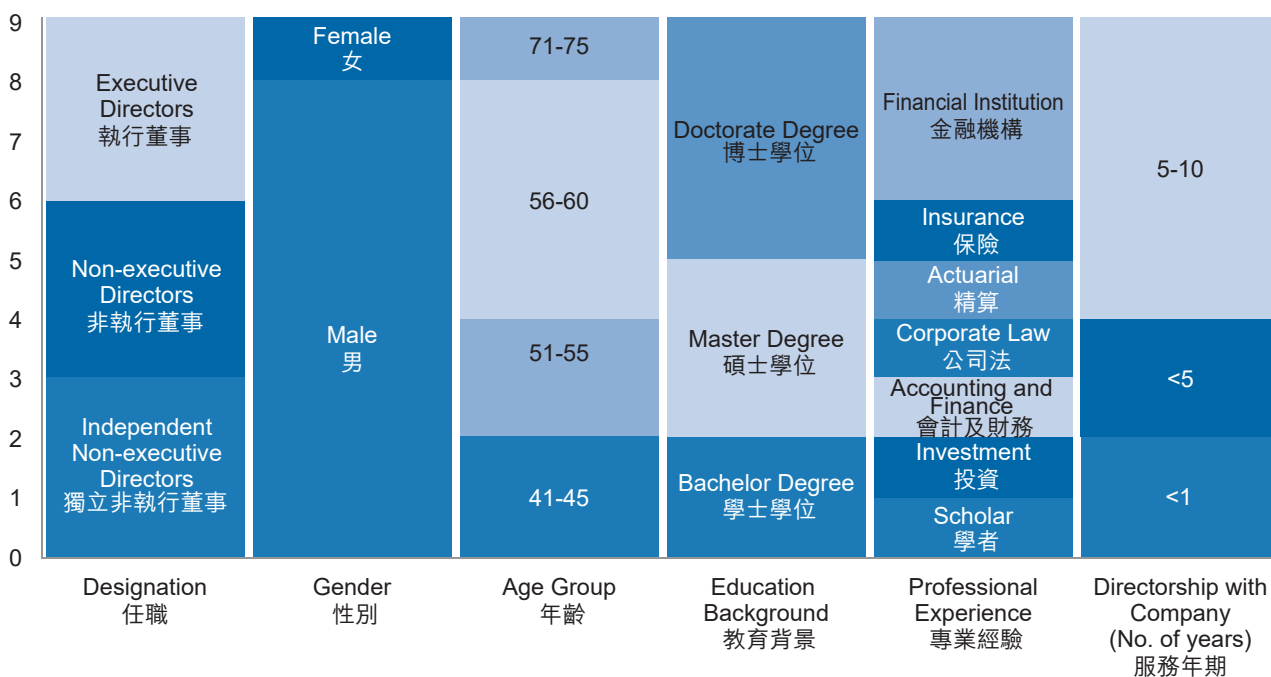
BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy in October 2013 (the “Board Diversity Policy”) which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company recognises the benefits of a Board that possesses an appropriate balance and levels of skills, experience, expertise and diversity of perspectives essential to support the execution of its corporate and business strategies and to enhance the quality and effectiveness of its performance. Board diversity will strengthen the Company’s strategic objectives in driving business results; enhancing good corporate governance and reputation; and attracting and retaining talent for the Board.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, race and ethnicity, gender, age and length of service. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

As at the date of this report, the Board composition under major criteria for diversity was summarised as follows:



董事會成員多元化政策

公司於二零一三年十月採納董事會成員多元化政策(「董事會多元化政策」)，當中載列為達致及維持董事會成員多元化，提升董事會運作效率而採取之方針。

本公司了解，具備平衡之結構及適當水平之技能、經驗、專長及不同觀點，對支持董事會執行企業及業務策略及提升其運作質素及效率至關重要。董事會成員多元化將增強本公司提升經營業績、完善良好的企業管治及聲譽及為董事會吸引及挽留人才之策略目標。

本公司力求考慮多項因素(包括專業資格及經驗、文化及教育背景、種族、性別、年齡及服務時間)，貫徹董事會成員多元化。於釐定董事會之最優配置時，本公司亦會根據自身業務模式及不時之需考慮其他因素。

於報告日期，按主要的多元角度之董事會的組成概覽如下：

BOARD DIVERSITY POLICY (Continued)

The Board considers that the current Board composition is diverse and meets the criteria of the board diversity policy. Accordingly, no measurable objectives have been set for implementing the said policy. The Board will review the policy from time to time to ensure that the Board Diversity Policy is complied with.

A copy of the Board Diversity Policy is published on the Company's website for public information.

BOARD COMMITTEES

Regarding the corporate governance function, during the year ended 31 December 2020, the Board has reviewed and monitored the training and continuous professional development of Directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory requirements, the code of conducts, corporate governance policies and practices and the disclosure in the Corporate Governance Report. Besides, the Company has set up three committees including, the Nomination Committee, the Remuneration Committee and the Audit Committee. Each committee has its specific terms of reference with reference to the CG Code.

REMUNERATION COMMITTEE

The Remuneration Committee was chaired by Mr. Qi Daqing with existing members of Mr. Huang Xin, Mr. Chu Chung Yue, Howard and Mr. Xiao Feng. The Remuneration Committee is responsible to make recommendation to the Board on the remuneration packages of Directors and senior management of the Group. In addition, the Remuneration Committee shall meet as and when required to consider remuneration related matters such as making recommendations to the Board on the Group's policy and structure for the remuneration of Directors and senior management, and to assist the Group in the administration of the fair and transparent procedure for setting policies on the remuneration of Directors and senior management of the Group. The written terms of reference of the Remuneration Committee are posted on the websites of the Company and the Stock Exchange. Code provision B.1.2(c)(ii) was adopted by the Remuneration Committee.

董事會成員多元化政策(續)

董事會認為現行董事會的組成是多樣的，符合董事會多元化政策的標準。據此，概無制定可計量目標對該政策加以落實。董事會將不時檢討董事會的多樣性，以確保符合董事會的多元化政策。

董事會多元化政策之文本載於本公司網站，供公眾查閱。

董事委員會

就企業管治職能而言，於截至二零二零年十二月三十一日止年度，董事會已檢討及監察董事及高級管理人員之培訓及持續職業發展。董事會亦已檢討及確保遵守相關法律及監管規定、行為守則，企業管治政策及實務及企業管治報告之披露。此外，本公司已設立三個委員會，包括提名委員會、薪酬委員會及審核委員會。各委員會均已參考企管守則制定明確的職權範圍。

薪酬委員會

本公司之薪酬委員會由齊大慶先生擔任主席，現有成員包括黃鑫先生、朱宗宇先生及肖風先生。薪酬委員會負責就本集團董事及高級管理人員之薪酬待遇向董事會提供建議。此外，薪酬委員會須於有需要時舉行會議，考慮薪酬相關事宜（如就本集團之董事及高級管理人員薪酬政策及架構向董事會提供建議），及協助本集團於制訂董事及本集團高級管理人員之薪酬政策時落實公平透明之程序。薪酬委員會的書面職權範圍載於本公司及聯交所網站。薪酬委員會已採納守則條文B.1.2(c)(ii)。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE (Continued)

During the Year, the Remuneration Committee held 3 meetings. The Remuneration Committee reviewed the remuneration packages for Directors and senior management of the Group by assessing their performance and with reference to their expected duties and responsibilities and the current market condition and made recommendation to the Board.

Details of the remuneration of the Directors during the Year are set out in note 13 to the financial statements. The remuneration of the senior management during the Year falls within the following bands:

		Number of Individual 僱員人數
HK\$2,000,001 – HK\$3,000,000	2,000,001 港元至 3,000,000 港元	1
HK\$4,000,001 – HK\$5,000,000	4,000,001 港元至 5,000,000 港元	1

NOMINATION COMMITTEE

The Nomination Committee was chaired by Mr. Yu Feng with existing members of Mr. Qi Daqing and Mr. Chu Chung Yue, Howard. The terms of reference of the Nomination Committee have been determined with reference to the CG Code and posted on the websites of the Company and the Stock Exchange.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board at least once every year, making recommendations on any proposed changes to the Board to complement the Group's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the CEO. In considering the nomination of new directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates.

薪酬委員會(續)

於本年度，薪酬委員會舉行3次會議。薪酬委員會已通過評估其表現以及市場慣例及情況，審閱了本集團董事及高級管理人員之薪酬待遇，並向董事會提供推薦意見。

於本年度，有關董事的薪酬披露載於財務報表附註13，高級管理層的薪酬介乎下列範圍：

提名委員會

本公司之提名委員會由虞鋒先生擔任主席，現有成員包括齊大慶先生及朱宗宇先生。提名委員會之職權範圍乃參考企管守則釐定，並載於本公司及聯交所網站。

提名委員會之角色及職能包括至少每年檢討董事會之架構、人數及組成一次，就擬對董事會作出調整以補充本集團之企業策略的事項提供建議，物色合資格擔任董事者及甄選獲提名擔任董事者(如需要)，評核獨立非執行董事之獨立性，及就董事之委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提供建議。考慮提名新董事時，董事會將考慮候選人之資歷、能力、工作經驗、領導才能及職業操守。

NOMINATION COMMITTEE (Continued)

The Nomination Committee is also responsible for the review of the Board Diversity Policy, considering factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service of Board members, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy (if any), and monitor the progress on achieving the measurable objectives (if any).

The Company has adopted a nomination policy on 1 January 2019 (the “Nomination Policy”). The objective of the Nomination Policy is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. The Nomination Policy sets out formal procedures for selection, appointment and re-appointment of Directors. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall include but not limited to his or her integrity, accomplishment and experience, in particular, in the industry of the Group’s businesses, commitment in respect of available time and relevant interest and ability to contribute to the diversity of the Board.

During the Year, the Nomination Committee held 2 meetings. The Nomination Committee considered the appointment of Mr. Zhang Ke as an executive Director, vice chairman and chief executive officer, Mr. Michael James O’Connor as a non-executive Director and the nomination of the retiring Directors for re-election based on the nomination policy. In considering the nomination of appointment and/or re-appointment of directors, the Nomination Committee assessed the relevant candidates on criteria such as integrity, experience, skill, professional qualifications, independent mind and ability to commit time etc, and made recommendation to the Board for approval. The Nomination Committee also reviewed the structure of the Board and the Board Diversity Policy.

提名委員會(續)

提名委員會亦負責檢討董事會多元化政策，所考慮因素包括(但不限於)董事之性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務時間，並會檢討董事會為實施董事會多元化政策而制定之可計量目標(如有)，以及監督可計量目標(如有)之完成進度。

本公司已於二零一九年一月一日採納提名政策(「提名政策」)。提名政策旨在確保董事會在技能、經驗及適合本公司業務要求的多元化方面取得平衡。提名政策載列了甄選、委任及重新委任董事的正式程序。委任新董事(增加董事或填補臨時空缺)或任何重新委任董事，均由董事會根據提名委員會推薦候選人的建議作出決定。

考慮候選人是否合資格所適用的準則，包括但不限於其誠信、成就及經驗(尤其對本集團業務所在之行業)、可投入時間的承諾及為董事會多元化作出貢獻的能力。

於本年度，提名委員會舉行2次會議。委員會已考慮委任張可先生作為執行董事、副董事長及行政總裁；委任Michael James O’Connor先生作為非執行董事以及重選退任董事。提名委員會在考慮提名董事和、或重選董事時，已考慮包括(但不限於)董事之誠信、經驗、技能、專業資格、獨立思想和投入時間的能力標準，並向董事會提供建議以供審批。提名委員會亦檢討董事會架構和董事會多元化政策。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee is chaired by Mr. Chu Chung Yue, Howard, with existing members of Mr. Qi Daqing and Mr. Xiao Feng.

Mr. Chu holds a bachelor's degree in commerce from University of British Columbia and is a member of the Chartered Professional Accountants of Canada. Mr. Chu has appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are in line with the CG Code and are posted on the websites of the Company and the Stock Exchange. The Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim results and annual results and to monitor the integrity of the financial statements of the Group, to review the scope, extent and effectiveness of the Company's financial controls, risk management and internal control systems, internal audit and to review the Group's financial and accounting policies.

The Audit Committee held 2 meetings during the Year. There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors. The Audit Committee has reviewed, *inter alia*, the accounting principles and practices adopted by the Group and discussed internal controls, financial reporting and risk management matters of the Group. The Audit Committee has also reviewed, and had meetings and discussions with external auditors, on the interim and annual consolidated financial statements of the Group.

審核委員會

本公司之審核委員會由朱宗宇先生擔任主席，現有成員包括齊大慶先生及肖風先生。

朱先生持有英屬哥倫比亞大學之商業學士學位，並為加拿大特許專業會計師公會會員。朱先生具備上市規則第3.10(2)及第3.21條規定之適當專業資格。

審核委員會之職權範圍符合企管守則，並載於本公司及聯交所網站。審核委員會須(其中包括)監察與外聘核數師之關係，審閱本集團之中期業績及年度業績，監察本集團財務報表之完整性，檢討本公司財務監控、風險管理、內部監控體系及內部審計之範圍、程度及成效，以及審閱本集團之財務及會計政策。

於本年度，審核委員會舉行2次會議。董事會與審核委員會對於挑選、委任、辭退或罷免外聘核數師並無分歧。審核委員會已審閱(其中包括)本集團採納之會計原則和實務，並已討論本集團之內部監控、財務報告及風險管理事宜。審核委員會亦已審閱並與外聘核數師討論本集團之中期及年度綜合財務報表。

AUDITOR'S REMUNERATION

A summary of fees for audit and non-audit services is as follows:

Nature of services	服務性質	31 December 2020	31 December 2019
		於二零二零年 十二月三十一日 HK\$'000 千港元	於二零一九年 十二月三十一日 HK\$'000 千港元
Audit services	審計服務	10,579	10,562
Non-audit services	非審計服務	738	767
Total	總計	11,317	11,329

核數師酬金

審計與非審計服務之費用概列如下：

RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The directors acknowledge that it is their responsibility for preparing financial statements which give a true and fair view.

The statement of the auditor of the Company on their responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

While the Group pursues growth in business, it also recognises the importance of effectively managing various risks associated with its operations. The Group aims to achieve a good balance between risks and growth by implementing appropriate risk management and internal control.

The Board has the responsibilities for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

編製財務報表的責任

董事確認編製真實與公平的財務報表是彼等的責任。

本公司的核數師就財務報表應承擔的責任聲明，詳列於本年報之獨立核數師報告內。

風險管理及內部監控

本集團在追求業務增長的同時，也認識到有效管理與經營相關的各種風險的重要性。本集團旨在通過實施適當風險管理及內部監控，在風險及增長間實現良好的平衡。

董事會對風險管理及內部監控系統負責，並有責任檢討該系統的有效性。該等系統旨在管理而非消除未能達到業務目標的風險，且僅能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

As the insurance business has become Group's dominant business, to achieve comprehensive risk management, the Group conducts risk management and internal control at the main subsidiary (insurance business) level as well as the Group level, and has built a comprehensive system for which the Board has ultimate responsibilities, and the risk management and internal control systems covering all business lines are supervised directly by the management and supported by relevant professional committees with close cooperation of all business functions.

ORGANISATION

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks which it is willing to take whilst achieving the Group's strategic objectives and maintaining sound and effective risk management and internal control systems (including their effectiveness) to safeguard Shareholders' investments and the Group's assets.

The board of directors of the main subsidiary of the Group (insurance business) (the "Board of Subsidiary") has established its own audit committee and board risk committee which are responsible for overall risk management and internal control and report to the Board of Subsidiary together with the management of the main subsidiary of the Group ("Management of Subsidiary"). Management of Subsidiary establishes and supervises the risk management committee which identifies, prevents and controls various risks and reports to the board risk committee. The internal audit functions are conducted by the key management appointed by the Management of Subsidiary and report to the Audit Committee. Overall, the Board of Subsidiary reports to the management of the Group on risk management and internal audit matters.

The internal control system of the Group is mainly composed of operations, finance, risk management, information technology, legal, compliance, and audit functions, which is responsible for the risk management of non-insurance business.

風險管理及內部監控(續)

鑒於保險業務已成為本集團主導業務，為實現全面風險管理，本集團從其主要子公司(保險業務)層面以及集團層面進行全面風險管理及內部監控，形成由董事會最終負責，管理層直接領導，相關專業委員會為依託，各職能部門密切配合，覆蓋各業務線的風險管理及內部監控體系。

組織

董事會全面負責評估及釐定為達成本集團戰略目標所願承擔風險的性質及程度，以及維持健全及有效的風險管理及內部監控系統(包括檢討有關成效)，以保障股東投資及本集團資產。

集團主要子公司(保險業務)董事會(「子公司董事會」)自設審核委員會和風險委員會，與集團主要子公司管理層(「子公司管理層」)共同就風險管理和內部監控對子公司董事會負責。子公司管理層設立並監督風險管理委員會，負責識別、阻止和監控各類風險，向子公司董事會風險委員會匯報。子公司管理層委派關鍵管理人員負責內部審計職能，向審核委員會匯報。子公司董事會就風險管理和內部審計事項對集團管理層匯報。

集團內控體系主要由運營、財務、風險管理、資訊技術、法務合規以及審計等功能構成，主要負責非保險領域業務風險管治職能。

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Currently, the risk management framework of the main subsidiary of the Group includes three lines of defences of the overall risk management model organized by key business functions, risk management, compliance and legal, and internal audit:

The first line of defence is in charged by a team of highly experienced and competent senior management from key business functions. In particular, the risk management policies and procedures are put in place to safeguard a prudent underwriting policy.

The second line of defence is taken by the risk management, compliance and legal department, as well as the board risk committee of the Board of Subsidiary which manage the respective business risks including insurance risk, currency exchange risk, investment and interest rate risk, credit risk, operational risk, and regulatory and compliance risk.

The third line of defence is maintained by the internal audit department. The audit committee of the Board of Subsidiary will oversee and monitor through a risk-based approach to its work, providing assurance to the Board of Subsidiary and Management of Subsidiary.

At Group level, the industry standard “Three Lines of Defense” for the management of risks was also adopted, comprising (1) first line of defence: various business departments manage risk that they respectively own; (2) second line of defence: the risk management, legal, compliance and operation function, which defines and co-ordinates the operational risk strategy and framework, and is responsible for the statistics and reporting of various risks; and (3) third line of defence: internal and external function provides independent assurance.

RISK MANAGEMENT AND INTERNAL CONTROL REVIEW

The review of the effectiveness of the Group’s risk management and internal control systems is conducted annually. Issues raised for improvement had been identified and appropriate actions were recommended. The major risks and benchmarks are set out in Report of the Directors on pages 70 to 73 of this report.

風險管理及內部控制系統

目前，集團主要子公司的風險管理框架包括按主要業務職能、風險管理，合規和法律以及內部審計組成的整體風險管理模型三道防線：

第一道防線由關鍵業務職能的經驗豐富且有能力的高級管理團隊負責，尤其制定了風險管理政策和程序以保障審慎的承保政策。

第二道防線由風險管理、合規和法律部門以及子公司董事會風險委員會負責管理各自的業務風險，包括保險風險、貨幣風險、投資及利率風險、信用風險、經營風險以及監管和合規風險。

第三道防線由內部審計部門進行維護。子公司董事會審計委員會將通過風險為本方法對其工作進行監督和監測，為子公司董事會和子公司管理層提供保證。

本集團亦採納管理風險納「三道防線」的行業標準，其包括：(1) 第一道防線：各業務部門各自管理其自身業務風險；(2) 第二道防線：風險管理、法務、合規及營運職能，定義並協調營運風險戰略及框架，負責對各類風險進行統計和匯報；及(3) 第三道防線：內部及外部職能，提供獨立保證。

風險管理及內部控制檢討

本集團每年檢討一次風險管理和內部控制系統的有效性。本集團已經確定了需要改進的問題，並獲建議採取適當的行動。主要風險和基準於本年報 70 至 73 頁的董事報告載列。

RISK MANAGEMENT AND INTERNAL CONTROL REVIEW *(Continued)*

In 2020, the management of the Group regularly conducted risk assessment and management, and to review the Group's risk management and internal control systems. The risk committee of the Board of Subsidiary held 3 meetings and weekly management meetings were also conducted to discuss routine risks monitoring.

During the Year, the Audit Committee of the Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems and considered that the risk management and internal control systems were effective and adequate. Various risks were identified, monitored and reported by risk management function, legal function and compliance function. Corresponding measures against those risks were implemented. In 2020, the risk management department implemented the internal audit function at the Group level and conducted internal audit mainly on department's operational risks including description of existing workflow and cases sampling inspection, which focuses on the inspection of problems and deficiencies that have occurred, in addition to tracking and recording follow-up improvements. For the main subsidiary of the Group (insurance business), internal audit department has conducted internal control reviews for various business functions throughout the Year including operational, management information systems and regulatory compliance reviews. The audit engagements are performed according to the risk-based and strategically-aligned audit plan which was approved by the audit committee of the Board of Subsidiary.

The Risk Management and Internal Control Reports were presented to the Audit Committee of the Board for review in March 2021 and the reports show that as of the time when the annual review is conducted, all risk assessment tests and risk monitoring reports showed stable trends and favorable results and no major risk incidents or events that have caused significant financial losses to the Group have been identified.

風險管理及內部控制檢討(續)

二零二零年，集團管理層定期進行風險評估和管理，檢討本集團風險管理和內部控制系統。子公司董事會風險委員會召開3次會議，亦每週召開管理層會議，討論日常風險監控。

於本年度，審核委員會已檢討本集團風險管理及內部監控系統的充分性和有效性，並認為風險管理及內部監控系統屬有效及充分。風險管理職能部門、法律職能部門和合規職能部門對各種風險進行了識別、監測和報告，並實施了相應的風險防範措施。二零二零年，風險管理部於集團層面實施內部審計職能，主要針對部門的操作風險進行了審計，主要包括對現在的工作流程描述和案例抽樣檢查，重點檢查出現過的問題和發現不足並對後續改進進行了跟蹤和記錄。對於本集團主要子公司(保險業務)，內部審計部全年對各項業務職能進行了內部控制檢討，包括經營、管理信息系統和合規性檢討。審計項目按照子公司董事會審計委員會批准的風險為本和策略一致的審計計劃進行。

風險管理及內部監控報告已於二零二一年三月提交審核委員會審閱。截至編製年度審閱報告時，各項風險評估測試和風險監測報告均呈穩定趨勢和良好結果，未發現重大風險事件，也未對本集團造成重大財務損失。

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently details disclosure of material information about the Group. With the guidelines of the Company regarding the disclosure of inside information, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

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

- is well aware of its obligations under the SFO, the Listing Rules and the overriding principle that information which is considered as inside information should be announced promptly when it is the subject of a decision
- conducts its affairs with close regard to the “Guidelines on Disclosure of Inside Information” issued by the SFC
- informs all Directors, senior management and related staff of the latest regulations and requirements according to the letters issued or announcements published by the SFC and the Stock Exchange
- has developed procedures and mechanisms for the disclosure of inside information
- has included in its compliance manual a strict prohibition on the unauthorised use of confidential, sensitive or inside information, and has communicated this to all staff
- has established and implemented procedures for responding to external enquiries about the Company’s affairs. Only Directors and delegated management of the Company can act as the Company’s spokespersons and respond to enquiries on designated areas

發佈內幕消息

本公司致力貫徹執行及時、準確及充份詳細地披露本集團之重大消息。在本公司有關內幕消息披露指引之基礎下，本集團已設有管理監控，確保可即時識別、評估及提交潛在內幕消息以供董事會決定是否需要作出披露。

就有關處理及發佈內幕消息的程序及內部監控措施而言，本公司：

- 清楚了解根據證券及期貨條例以及上市規則所應履行的責任，及內幕消息須在決定時立即公佈的重大原則
- 於處理有關事務時恪守證監會頒佈的「內幕消息披露指引」
- 根據證監會及聯交所發出的函件或所刊發的公告，將最新的規則及規定知會所有董事、高級管理層及有關員工
- 已建立內幕消息披露流程及機制
- 合規手冊已明確訂明嚴禁未經授權使用機密、敏感或內幕消息，並已將此項行為守則傳達予全體員工
- 就外界對本公司事務作出的查詢訂立及實施回應程序。僅本公司董事及指定管理人員能擔任本公司發言人，回應指定範疇內的查詢

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Board, and is responsible for ensuring that Board procedures are followed and for facilitating information flows and communications among Directors as well as with Shareholders and the management.

Mr. Chan Man Ko, the company secretary of the Company, has complied with the training requirement under Rule 3.29 of the Listing Rules during the Year.

SHAREHOLDERS' RIGHT

How Shareholders Can Convene an Extraordinary General Meeting ("EGM")

An EGM may be convened by the Directors on requisition of Shareholders holding not less than one-twentieth (5%) of the total voting rights of all Shareholders or by such Shareholder(s) who made the requisition (as the case may be) pursuant to section 566 to 568 of the Companies Ordinance and the articles of association of the Company. The objects of the meeting must be stated in the requisition which must be signed by the requisitioner(s) and deposited at the registered office of the Company. Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for convening an EGM.

Procedures for Putting Forward Proposals at a General Meeting

Pursuant to the Companies Ordinance, Shareholders representing not less than one-fortieth (2.5%) of the total voting rights of all Shareholders; or not less than 50 Shareholders on which there has been paid up an average sum, per Shareholder, of not less than HK\$2,000, may make requisition in writing for proposing resolution or business to be dealt with at the next general meeting. Shareholders should follow the requirements and procedures as set out in section 615 of the Companies Ordinance for putting forward a proposal at a general meeting.

公司秘書

所有董事均可以取得公司秘書的建議和享用其服務。公司秘書向董事會匯報，並負責確保董事會程序得到遵守、促進董事之間的信息流和相互溝通、以及股東與管理層之溝通。

於本年度，本公司之公司秘書，陳文告先生已遵守上市規則3.29條的培訓要求。

股東權利

股東召開股東特別大會(「股東特別大會」)之條件

股東特別大會可由董事因應持有不少於本公司所有股東總投票權二十分之一(5%)的本公司股東之要求召開，或由根據公司條例第566至568條及本公司組織章程細則提出要求(視情況而定)之股東召開。大會之目的必須於請求書中說明，並由請求人簽署後存放於本公司之註冊辦事處。股東必須遵守公司條例所載有關召開股東特別大會之規定及程序。

於股東大會上提出建議之程序

根據公司條例，持有不少於全體股東總投票權四十分之一(2.5%)之股東，或不少於50名本公司股東，且每人已繳足平均款項不少於2,000港元，可書面要求於下屆股東大會上提呈審議決議案或事項。股東於股東大會上提出建議須遵守公司條例第615條所載之規定及程序。

SHAREHOLDERS' RIGHT (Continued)

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details are as follows:

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

Fax: (852) 2845 9036/(852) 3102 9022

Email: ir@yff.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

INVESTOR RELATIONS AND DIVIDEND POLICY

The Board is committed to providing clear and full performance information of the Group to the Shareholders through the publication of interim and annual reports. In addition to the circulars, notices and financial reports sent to the Shareholders, additional information of the Group is also available to the Shareholders on the Group's website.

Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The Chairman and Directors (including chairman/members of the Audit Committee, the Nomination Committee and the Remuneration Committee) as well as the representative of external auditor, should attend and answer questions on the Group's business at the meeting. All resolutions at the general meeting are decided by a poll which is conducted by the Group's share registrar.

The Group values feedback from the Shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

Further, the Company has adopted a dividend policy on 1 January 2019. The Company does not have any predetermined dividend payout ratio. Declaration, recommendation and payment of dividends of the Company is subject to the approval of the Board, depending on results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Board may consider relevant from time to time.

股東權利(續)

股東向董事會作出查詢之程序

股東可隨時以書面形式透過公司秘書向董事會提出查詢及問題，公司秘書之聯絡方式如下：

香港中環康樂廣場8號交易廣場一座3201至3204室

傳真：(852) 2845 9036/(852) 3102 9022

電郵：ir@yff.com

股東亦可於本公司股東大會上向董事會作出查詢。

投資者關係及股息政策

董事會透過刊發中期及年度報告，致力向股東提供有關本集團表現的清晰及全面之資料。除向股東寄發的通函、通告及財務報告外，股東亦可登入本集團網站，查詢本集團之其他資料。

本集團鼓勵股東出席股東週年大會，並會至少提前20個完整營業日發出通告。主席與董事（包括審核委員會、提名委員會及薪酬委員會主席／成員）以及外聘核數師代表需要出席大會，解答有關本集團業務之問題。股東大會上提呈之所有決議案均以投票方式表決，票數由本集團之股份過戶登記處點算。

本集團致力提高透明度及鞏固投資者關係，十分重視股東之反饋意見。歡迎股東隨時提供寶貴的意見與建議。

此外，本公司已於二零一九年一月一日採納股息政策。本公司沒有任何既定的派息率。公司股息的宣派、建議及派付須經董事會批准，視乎業績、營運資金、財務狀況、未來前景及資本要求和董事會不時認為相關的其他因素而定。

Corporate Governance Report

企業管治報告

CONSTITUTIONAL DOCUMENTS

There are no changes in the constitutional documents of the Company during the Year. The latest version of the articles of association of the Company is posted on the websites of the Company and the Stock Exchange.

Hong Kong, 26 March 2021

憲章文件

於本年度，本公司之憲章文件並無變動。本公司之組織章程細則之最新版本刊載於本公司及聯交所網站。

香港，二零二一年三月二十六日

The Directors submit herewith their report together with the audited consolidated financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries are set out in note 21 to the financial statements. An analysis of the revenue and the results of the Group by business segments during the Year are set out in note 16 to the financial statements.

BUSINESS REVIEW

Detailed business review and future development of the Company's business are set out in "Management Discussion and Analysis ("MD&A")" section in this annual report from pages 8 to 26. An analysis of the Group's performance during the Year using financial key performance indicators is also provided in MD&A in this annual report from pages 8 to 30. Discussions on the Group's environmental policies and performance, compliance with relevant laws and regulations that have a significant impact on the Group and key relationships with employees, customers, suppliers and other stakeholders are set out in the Environmental, Social and Governance Report ("ESG Report") of this annual report. MD&A and ESG Report also form part of this report.

KEY RISKS AND UNCERTAINTIES

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in our businesses and operations as efficiently and effectively as possible. The Board delegates some of this responsibility to various operational departments.

The Group's financial position, operations, business and prospects may be affected by the following identified risks and uncertainties. The Group adopts risk management policies, measures and monitoring systems to prevent and control the exposures to the identified risks.

本公司董事提呈彼等之報告連同截至二零二零年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務載於財務報表附註21。本集團於本年度之業務分部收入及業績分析載於財務報表附註16。

業務回顧

詳細業務回顧以及本公司業務之未來發展載於本年報「管理層討論及分析」一節第8至26頁。本年報「管理層討論及分析」第8至30頁亦提供了本集團採用財務主要表現指標衡量本年度之表現分析。關於本集團環境政策和表現，遵守對本集團有重大影響的相關法律法規以及與員工，客戶，供應商和其他利益相關者的主要關係，載於本年報內的「環境，社會及管治報告」。「管理層討論及分析」及「環境，社會及管治報告」為本報告之組成部分。

主要風險與不確定因素

董事會最終負責保障本集團有充足的風險管理常規，能盡可能直接有效地減低業務及營運的風險。董事會將部分職責下放予各個經營部門。

本集團的財務狀況、經營、業務及前景會受以下已識別風險及不確定因素影響。本集團採用風險管理政策、措施及監控系統，防範及控制所面臨的相應已識別風險。

KEY RISKS AND UNCERTAINTIES (Continued)

Regulatory risk

Our businesses operate in highly-regulated markets and our success and operations can be impacted by changes to the regulatory environment and the structure of these markets. The Group pays close attention to financial regulatory and legislative developments of the markets it operates and actively monitors and consults with regulators of the markets on changes which could impact our business. Many of our key businesses are also subject to direct regulatory oversight and we are required to maintain the appropriate regulatory approvals and licenses to operate, and in some cases adhere to certain stringent financial and capital covenants.

Insurance risks

The Group prices its insurance products based on estimated benefit payments reflecting assumptions with respect to mortality, morbidity, longevity, persistency, interest rates and other factors. If actual policy experience emerges that is significantly and adversely different from assumptions used in product pricing, the effect could be material to the profitability of the Group. For participating whole life products, the insurance company's dividends to policyholders primarily reflect the difference between actual investment, mortality, expense and persistency experience and the experience embedded in the whole life premiums and guaranteed elements. The Group also makes use of reinsurance to mitigate the impact of its underwriting risk.

Market risks

Market risk comes from the changes in market value of investment exposures, which are caused by changes in market prices. The Group monitors daily market price fluctuations and major news with evaluation of their potential impact on the company, and monitors the company's exposure to the risk. Market risks disclosure and an overview of market risks are provided in weekly and quarterly reports.

主要風險與不確定因素(續)

監管風險

我們在受到高度監管的市場經營業務，而我們的成功與營運會受監管環境及市場結構的變動影響。本集團密切關注經營所在市場的金融監管及立法發展，積極監測並向市場監管機構諮詢可能影響我們業務的變化。我們的許多核心業務亦受監管機構的直接監督，須取得經營所需的適當監管批文及牌照，且在一些情況下還須遵循一些嚴格的金融及資本契諾。

保險風險

本集團根據反映有關死亡率、發病率、壽命長短、續保率、利率及其他因素的假設的估計利益付款，為其產品定價。倘實際保險經驗與產品定價所用假設有重大且不利的相異之處，對本集團的盈利能力可能屬重大影響。分紅終身壽險產品方面，保險公司對保單持有人的紅利主要反映實際投資、死亡率、費用和續保經驗之間的差異，以及終身壽險保費和保證要素中包含的經驗。本集團亦利用再保險來減輕承保風險的影響。

市場風險

市場風險來源於市場價格變動引起的投資敞口的市值變化。本集團每天監視市場的價格波動和重大新聞並評估其對公司的潛在影響，並對公司的敞口進行監測。在每週及每季度的報告中披露市場風險及提供市場風險概況。

KEY RISKS AND UNCERTAINTIES (Continued)

Currency exchange risks

For the main subsidiary of the Group (insurance business) (the “Main Subsidiary”), the currency exchange risk is mainly related to certain insurance policies that are not denominated in United States (U.S.) dollars. However, most of the insurance policies are denominated in U.S. dollars. As the Main Subsidiary of the Group’s investments are primarily made in U.S. dollars, coupled with the fact that the Hong Kong dollar is pegged to the U.S. dollar, management of the Main Subsidiary does not consider that the currency risk is material.

For investments made in non-U.S. dollars, Main Subsidiary mitigates currency risk through the use of cross-currency swaps and forward contracts. Cross-currency swaps are used to minimize currency risk for certain non-U.S. dollar assets and liabilities through a pre-specified exchange of interest and principal. Forward contracts are used to hedge movement in exchange rates. In year 2020, HKD liabilities were closely hedged by currency swaps and forward contracts and HKD bond.

Investment and interest rate risks

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

The main subsidiary of the Group tends to match dollar duration of the financial assets at fair value through other comprehensive income with its statutory liability dollar duration under current statutory regime of Hong Kong, to minimize the volatility in the statutory solvency ratio. Thus it allows a certain level of mismatch between asset and liability duration under economic basis. On the other hand, to prepare for the new risk-based capital regime, the Main Subsidiary has started lengthening of the asset duration (amortised cost investment) in the upcoming years and will continue to maintain its dollar-duration matched position under the current statutory regime.

After assessment of the ability of the Group to withstand adverse change in interest rates, the Group’s investment and interest rate risks are under control.

主要風險與不確定因素(續)

匯率風險

集團主要子公司(保險業務)的匯率風險主要與某些非使用美元的保單有關。但是，大多數保單均以美元結算。再加上本集團的主要子公司主要以美元投資，以及港元與美元掛鉤，主要子公司管理層認為匯率風險並不重大。

對於非美元投資，集團主要子公司通過使用交叉貨幣掉期和遠期合約來減輕匯率風險。交叉貨幣掉期用於通過預先指定的利息和本金交換將某些非美元資產和負債的匯率風險降至最低。遠期合約用於對沖匯率變動。在2020年，港元負債基本上由貨幣掉期、遠期合約和港元債券對沖。

投資及利率風險

利率風險是利率變化的可能性，其可能導致投資價值和應付保單持有人金額的波動。如果利率波動導致資產和負債的存續期的差異，則集團主要子公司通過資產和負債匹配技術(其中包括資產和負債的現金流量特徵)控制其風險敞口。

集團主要子公司意欲將待可供出售資產的價格存續期與其在香港現行法定制度下的法定負債價格存續期相匹配，以儘量減少法定償付能力充足率的波動。因此，在經濟基礎下，公司允許資產和負債存續期之間存在一定程度的錯配。另一方面，為準備新的風險資本制度，集團主要子公司已計劃於未來數年延長資產存續期並將會繼續維持現行法定制度下的價格存續期匹配狀況。

於評估本集團抵禦利率不利變化的能力後，本集團的投資及利率風險得到控制。

KEY RISKS AND UNCERTAINTIES (Continued)

Credit risks

Credit risk is the risk that issuers of investments owned by the Group may default or that other parties may not be able to pay amounts due to the Group. The management of the Group's credit risk mainly focuses on whether various credit risks are within the scope of the Group's institutional regulations and are summarized in the weekly risk report. The Group's stock margin business has been carried out smoothly by the end of the year, and it has been significantly improved when compared with that in 2019. The risk management department prepares separate reports on margins and trading limits every day. In the context of the quite volatile stock market this year, it promptly reminded the business and reduced the margin exposure, avoiding possible losses from credit risks.

The Main Subsidiary attempts to manage its investments to limit credit risk by diversifying its portfolio among various security types and industry sectors as well as purchasing credit default swaps to transfer some of the risk if necessary. Considering the resilience of the business to counterparty default events, the credit risk exposure is maintained within acceptable levels.

Cyber risks

Cyber risk means any risk of financial loss, disruption or damage to the reputation of an organization from some sort of failure of its information technology systems, mainly including the security of network equipment and possible external attacks.

For the year of 2020, the top cyber threats under concerns also includes:

- a) Data loss or theft. Confidential or restricted information has been exposed to an unauthorized party, internally or externally.
- b) Attrition or denial of Service. An attempt to make online service unavailable by overwhelming them with traffic from multiple sources; attacks that compromise, degrade, or destroy systems, or networks, over time.
- c) Supplier or third Party Breach. When a third party that the Group has a business relationship experiences a breach where the Group's confidential or restricted information has been compromised.

主要風險與不確定因素(續)

信用風險

信用風險是指本集團擁有的投資發行人可能違約，或其他方可能無法支付結欠集團款項的風險。本集團信用風險的管理主要關注各類信用風險是否在集團的制度規定範圍內，並集中在每週的風險報告中進行匯總。集團的股票孖展業務截止年底開展順利，且較2019年有大幅提升，風險管理部每天對孖展和交易限額準備單獨的報告進行匯報。在今年股票市場頗為波動的背景及及時提醒了業務並減低孖展敞口，避免了信用風險有可能帶來的損失。

集團主要子公司試圖通過將投資組合分散至各種證券類型和行業，並在必要時購買信用違約互換以轉移部分風險，從而管理其投資以限制信用風險。考慮到業務對交易對手違約事件的復原能力，信用風險敞口維持在可接受的水平。

網絡風險

網絡風險是指由於信息技術系統失靈，而引致任何財務損失、組織聲譽受到中斷或損害的風險，主要包括網絡設備的安全性以及可能存在的外部攻擊。

二零二零年，受關注的主要網絡威脅還包括：

- a) 數據損失或被盜。機密或受限制的信息已循內部或外部途徑披露給未經授權的一方。
- b) 耗損或阻斷服務。嘗試通過來自多個來源的流量使在線服務無法被使用；隨著時間的推移會破壞、降級或破壞系統或網絡的攻擊。
- c) 供應商或第三方違規。當本集團有業務關係的第三方違規，導致本集團的機密或受限信息受到損害。

KEY RISKS AND UNCERTAINTIES (Continued)

Cyber risks (Continued)

- d) Improper usage. Any unauthorized activity resulting in violation of the Company's technology acceptable use policy by an authorized user.
- e) Insider threat. An insider threat can occur from people who have some level of access to the Group's networks, computer system(s) or data, including: employees, former employees, contractors, business associates, or anyone who intentionally misuses that access to negatively affect the confidentiality, integrity, and availability of the Group's information or information systems.
- f) Malware or ransomware. Software that is intended to damage or disable computers and computer systems.

The cyber risk was monitored and the risk management and internal control report in year 2020 showed that the number of incidents was stable and manageable. There was no cyber issue to be alerted.

Operational risks

Operational risk is the risk caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and operation systems, or from external events. The sources of operational risk are relatively wide. System, personnel, process and other types of problems can lead to operational risks which may be transformed to other types of risks. It summarizes the risks a company undertakes when it attempts to operate within a given field or industry.

The Group reports and tracks various operational risks that have occurred to ensure the problems are corrected and resolved. For the potential risks discovered and recorded, the risk management department has conducted research and discussion with various relevant departments on preventive measures and emergency measures and attempts to avoid unexpected risk events. Emergency drills for each business line and support department have been conducted. Solutions for the problems found were formulated.

主要風險與不確定因素(續)

網絡風險(續)

- d) 使用不當。任何未經授權的活動導致授權用戶違反本集團的技術可接受使用政策。
- e) 內幕威脅。對本集團網絡、計算機系統或數據有一定程度訪問權限的人員會發生內幕威脅，包括：員工、前員工、承包商、商業夥伴或任何故意濫用訪問權限的人士，而對本集團信息或信息系統的保密性、完整性和可用性產生負面影響。
- f) 惡意軟件或勒索軟件。這些軟件目的是破壞或禁用計算機和計算機系統。

本集團定期監測網絡風險。二零二零年的風險管理及內控報告顯示，事故宗數穩定及處於可控制的範圍。並無網絡問題需要發出警示。

經營風險

經營風險是由於內部流程、人員和操作系統不足或失效或外部事件導致的直接或間接損失的風險。操作風險的來源比較廣泛，系統、人員、流程等各類問題均可導致操作風險的產生，並有可能轉化為其他類型的風險。其總結了公司在特定領域或行業內營運時所承擔的風險。

本集團匯報和跟蹤已經發生的各類操作風險事項，確保問題得到糾正及解決。對於發現的潛在風險和記錄到的風險，風險管理部會同各個相關部門進行研究和討論防範措施及應急手段，儘量避免出現意料之外的風險事件。針對各個業務線和支持部門開展了應急相應的演練並針對發現的問題制定了解決方案。

Report of the Directors

董事會報告

RESULTS AND DIVIDENDS

The results of the Group for the Year, and the statement of financial position of the Group as at 31 December 2020 are set out in the financial statements on pages 136 to 141.

The Directors do not recommend the payment of a final dividend for the Year (2019: nil).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 42(e) to the financial statements.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2020 are set out in note 42(c) to the financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 338.

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

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

EQUITY LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the Year or subsisting at the end of the Year are set out below:

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 21 July 2011 (the "Share Option Scheme") which has a life of 10 years from the date of adoption. The remaining life of the Share Option Scheme is approximately 1 year.

業績及股息

本集團於本年度之業績以及本集團於二零二零年十二月三十一日之財務狀況表載於財務報表第136至141頁。

董事會不建議派付本年度末期股息(二零一九年：無)。

股本

本公司於本年度之股本變動詳情載於財務報表附註42(e)。

可分派儲備

本公司於二零二零年十二月三十一日之可分派儲備詳情載於財務報表附註42(c)。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第338頁。

購買、出售或贖回本公司上市證券

於本年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

股票掛鈎協議

於年內訂立或於年末續存之股票掛鈎協議詳情載列如下：

購股權計劃

本公司於二零一一年七月二十一日採納一項購股權計劃(「購股權計劃」)，自採納日期起計有效期10年。購股權計劃的剩餘年期約為1年。

SHARE OPTION SCHEME (Continued)

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to the participants (being any employee (whether full-time or part-time), Directors or consultants of each member of the Group, provided that the board of Directors may have absolute discretion to determine whether or not one falls within the above category) and for such other purposes as the Board may approve from time to time.

Pursuant to the Share Option Scheme, the Company can grant options to participants for a consideration of HK\$1.00 for each grant payable by the participant.

No participant shall be granted an option, if the total number of shares issued and to be issued upon exercise of all the options granted and to be granted to such participant under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant would exceed 1% of the shares in issue unless such further grant has been approved by the Shareholders in general meeting with the participant and his associates abstaining from voting.

Where the Board proposes to grant any option to a participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate more than 0.1% of the total number of Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such proposed grant of options must be approved by the Shareholders in general meeting. In such a case, the Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. The participant concerned and all connected persons of the Company must abstain from voting in favour of the resolution at such general meeting. Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

購股權計劃(續)

購股權計劃旨在為本公司提供靈活之激勵方法，以獎賞、酬謝、補償及／或提供福利予參與者(即本集團各成員公司之任何僱員(不論全職或兼職)、董事或顧問，惟董事會可全權釐定有關人士是否屬於上述類別)，以及為董事會可不時批准之其他目的而設。

根據該購股權計劃，本公司可向參與者授出購股權，代價為參與者須就每次授出支付1.00港元。

倘於截至授出購股權當日止(包括該日)任何12個月期間，根據購股權計劃及本公司任何其他購股權計劃，已授予及將授予某參與者之所有購股權(包括已行使、已註銷及尚未行使之購股權)獲行使後所發行及將發行之股份總數超過已發行股份之1%，則不得向參與者授出購股權，除非該進一步授出已在參與者及其聯繫人士放棄投票之股東大會上獲本公司股東批准。

倘董事會建議向主要股東或獨立非執行董事或任何其相關聯繫人授予任何購股權，會令至有關人士根據購股權計劃及本公司任何其他購股權計劃獲授購股權當日止之12個月內所有已授予或將授予之購股權(包括已行使、已註銷及尚未行使之購股權)予以行使後所發行及將發行之股份：

- (i) 合共超過已發行股份總數之0.1%；及
- (ii) 根據各授出日期之股份收市價計算之總價值超過5,000,000港元，

則有關授予購股權之建議必須經股東於股東大會上批准，方可作實。在此情況下，本公司須向其股東發出一份載有所有上市規則規定該等條款之通函。於有關股東大會上，有關參與者及所有本公司關連人士須就決議案放棄投贊成票。任何於股東大會上就批准授出有關購股權進行的表決須以投票表決方式進行。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

Subscription price in respect of each share issued pursuant to the exercise of options granted hereunder shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange daily quotation sheet on the date on which the option is offered to a participant, which must be a trading day; (b) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediately preceding the date of offer; and (c) the nominal value of a share.

According to the Share Option Scheme, unless otherwise determined by the Board, there shall be no minimum holding period for the exercise of the options but the options are exercisable within the option period as determined by the Board and in any event such period shall not be longer than 10 years from the date upon which any particular option is granted.

The total number of share option that could be granted was 38,449,452, representing approximately 10% of the total issued shares of the Company on the date of passing the resolution to refresh the Share Option Scheme limit at the annual general meeting on 26 March 2012.

As at the date of this report, the total number of share option that can be granted was 27,954,040, representing approximately 0.72% of the total issued shares of the Company.

During the Year, no share options had been granted, exercised, cancelled, lapsed or outstanding.

SHARE AWARD SCHEMES

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

The purposes of the above share award schemes are to (i) encourage or facilitate the holding of Shares by the selected participants; (ii) encourage and retain such individual to work with the Group; and (iii) provide additional incentive for them to achieve performance goals.

購股權計劃(續)

因行使根據購股權計劃授出之購股權而發行之每股股份之認購價由董事會全權決定及通知參與者，且至少為下列各項中的最高者：(a) 於向參與者提呈購股權要約之日(該日須為交易日)股份在聯交所日報表所載之收市價；(b) 於要約日期前5個交易日股份在聯交所日報表所載收市價之均價；及(c) 股份面值。

根據購股權計劃，除非由董事會另行釐定，概無行使購股權前須持有購股權之最短期限。購股權可在董事會釐定之購股權期限內行使，惟自授出任何特定購股權之日起的上述期限無論如何不得超過10年。

可授出之購股權總數為38,449,452，相當於本公司於二零一二年三月二十六日之股東週年大會上通過更新購股權計劃上限之決議案當日之已發行股本約10%。

於本報告日期，可予授出之購股權數目總數為27,954,040，佔本公司已發行股本約0.72%。

於本年度，概無購股權獲授出、行使、取消、失效或尚未行使。

股份獎勵計劃

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

股份獎勵計劃旨在：(i) 鼓勵或促進獲選參與者持有本公司股份；(ii) 鼓勵及挽留有關個人於本集團工作；及(iii) 向彼等提供額外獎勵，激勵其達成表現目標。

SHARE AWARD SCHEMES (Continued)

The maximum number of shares can be issued or purchased under the 2016 Share Award Scheme and the 2014 Share Award Scheme is 10% of the Shares in issue from time to time (i.e. 322,332,639 Shares, representing 8.33% of total issued Shares as at the date of this report).

2014 Share Award Scheme

Since the date of adoption of 2014 Share Award Scheme (i.e. 30 October 2014) (the “2014 Adoption Date”) and up to the date of this report, a total of 9,330,239 Shares have been awarded under the 2014 Share Award Scheme, representing about 2.09% of the total number of Shares in issue as at the 2014 Adoption Date and about 0.24% of the total issued Shares as at the date of this report.

During the Year, no Shares had been awarded under the 2014 Share Award Scheme and as at 31 December 2020, 26,667 Shares were held by the trustee under the 2014 Share Award Scheme.

Further details of the 2014 Share Award Scheme are set out in Note 43 to the financial statements. Details and other principal terms of the 2014 Share Award Scheme are set out in the announcement of the Company dated 30 October 2014.

2016 Share Award Scheme

Since the date of adoption of 2016 Share Award Scheme (i.e. 12 December 2016) (the “2016 Adoption Date”) and up to the date of this report, 9,330,239 Shares have been awarded pursuant to the 2014 Share Award Scheme while 43,040,000 Shares have been awarded pursuant to the 2016 Share Award Scheme, representing in aggregate about 2.18% of the total number of Shares in issue as at the 2016 Adoption Date and about 1.11% of the total issued shares as at the date of this report.

TMF Trust (HK) Limited (“TMF Trustee”) and Bank of Communications Trustee Limited (“BoCom Trustee”) have been appointed as the trustees for the administration of the 2016 Share Award Scheme. TMF Trustee shall hold the Shares for the benefit of the selected participants who are not connected persons (as defined under the Listing Rules) of the Company. BoCom Trustee shall hold the Shares for the benefit of the selected participants who are connected persons of the Company. BoCom Trustee and/or TMF Trustee shall not be entitled to exercise any voting rights in respect of any Shares held under the trusts.

股份獎勵計劃(續)

根據二零一六年股份獎勵計劃及二零一四年股份獎勵計劃可發行或購買之最高股份數目為本公司不時發行股份數目的10% (即322,332,639股股份，相當於本報告日期已發行股份之8.33%)。

二零一四年股份獎勵計劃

自採納二零一四年股份獎勵計劃日期起(即二零一四年十月三十日)(「二零一四年採納日期」)及截至本報告日期，已根據二零一四年股份獎勵計劃授出合共9,330,239股股份，相當於二零一四年採納日期已發行股份數目總數約2.09%，及於報告日期已發行股份數目總數約0.24%。

於本年度，概無根據二零一四年股份獎勵計劃授出股份，且於二零二零年十二月三十一日，信託人根據二零一四年股份獎勵計劃持有26,667股股份。

二零一四年股份獎勵計劃之進一步詳情載於財務報表附註43。二零一四年股份獎勵計劃之詳情及其他主要條款載於本公司日期為二零一四年十月三十日之公告。

二零一六年股份獎勵計劃

自採納二零一六年股份獎勵計劃日期起(即二零一六年十二月十二日)(「二零一六年採納日期」)及截至本報告日期，已根據二零一四年股份獎勵計劃授出9,330,239股股份及根據二零一六年股份獎勵計劃授出43,040,000股股份，相當於約二零一六年採納日期已發行股份數目總數約2.18%，及於報告日期已發行股份數目總數約1.11%。

達盟信託服務(香港)有限公司(「達盟信託人」)及交通銀行信託有限公司(「交通銀行信託人」)已獲委任為管理二零一六年股份獎勵計劃之信託人。達盟信託人將為非本公司關連人士(定義見上市規則)之獲選參與者持有股份。交通銀行信託人將為屬本公司關連人士之獲選參與者持有股份。交通銀行信託人及/或達盟信託人不得行使於信託項下持有之任何股份之任何投票權。

Report of the Directors

董事會報告

SHARE AWARD SCHEMES (Continued)

2016 Share Award Scheme (Continued)

During the Year, no Shares had been awarded under the 2016 Share Award Scheme. As at 31 December 2020, 15,395,000 Shares were held by TMF Trustee under the 2016 Share Award Scheme.

Further details of the 2016 Share Award Scheme are set out in Note 43 to the financial statements. Details and other principal terms of the 2016 Share Award Scheme are set out in the announcements of the Company dated 12 December 2016, 11 January 2017 and 24 January 2017.

DIRECTORS

The Directors during the Year and up to the date of this report are:

Chairman

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

Executive Directors

Mr. Zhang Ke (*Vice chairman and Chief Executive Officer*) (appointed on 8 October 2020)

Mr. Huang Xin

Ms. Hai Olivia Ou (re-designated as executive Director on 23 February 2020)

Ms. Li Ting (resigned on 23 February 2020)

Non-executive Directors

Mr. Adnan Omar Ahmed

Mr. Michael James O'Connor (appointed on 27 March 2020)

Mr. Gareth Ross (resigned on 27 March 2020)

Independent non-executive Directors

Mr. Qi Daqing

Mr. Chu Chung Yue, Howard

Mr. Xiao Feng

In accordance with article 103(A) of the Company's articles of association, Mr. Yu Feng, Mr. Zhang Ke, Mr. Hunag Xin and Mr. Chu Chung Yue, Howard shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

股份獎勵計劃(續)

二零一六年股份獎勵計劃(續)

於本年度，概無根據二零一六年股份獎勵計劃授出股份，且於二零二零年十二月三十一日，15,395,000股股份由達盟信託人持有。

二零一六年股份獎勵計劃之進一步詳情載於財務報表附註43。二零一六年股份獎勵計劃之詳情及其他主要條款載於本公司日期為二零一六年十二月十二日、二零一七年一月十一日及二零一七年一月二十四日之公告。

董事

本公司於本年度內及截至本報告日期之董事包括：

主席

虞鋒先生(*非執行董事*)

執行董事

張可先生(*副董事長及行政總裁*)(於二零二零年十月八日獲委任)

黃鑫先生

海歐女士(於二零二零年二月二十三日調任為執行董事)

李婷女士(於二零二零年二月二十三日辭任)

非執行董事

Adnan Omar Ahmed 先生

Michael James O'Connor 先生(於二零二零年三月二十七日獲委任)

Gareth Ross 先生(於二零二零年三月二十七日辭任)

獨立非執行董事

齊大慶先生

朱宗宇先生

肖風先生

根據本公司組織章程細則第103(A)條，虞鋒先生、張可先生、黃鑫先生及朱宗宇先生須於本公司應屆股東週年大會上輪值告退，並符合資格及願膺選連任。

DIRECTORS (Continued)

The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules in respect of the Year and the Company considers that they are independent.

CHANGES OF DIRECTORS' INFORMATION

There is no change in the information of the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2020 interim report and up to the date of this report.

DIRECTORS OF SUBSIDIARIES

The names of directors who have served on the boards of the subsidiaries of the Company during the Year and up to the date of this report included: Mr. Yu Feng, Mr. Huang Xin, Ms. Hai Olivia Ou, Mr. Zhang Ke, Mr. Qi Daqing, Mr. Adnan Omar Ahmed, Mr. Chan Man Ko, Mr. Ng Yu Lam Kenneth, Ms. Liu Shu-Yen, Mr. Liu Zhiguang, Mr. Leung Pui Hong, Mr. Ku Sanqi, Mr. He Shiqiang, Mr. Wong Yin Hing, Mr. Lam Shing, Ms. Zhang Ting, Ms. Jiao Qi, Ms. Wang Jing¹, Mr. Liu Shaojie¹, Mr. Brian Eden¹, Mr. Neil Gray¹, Ms. Qin Li², Mr. Tay Keng Puang², Ms. Liao Yee Ching², Ms. Li Ting², Mr. Cai Junyi², Mr. Zhang Hongbin², Mr. Thomas Parsons JR², and Mr. Leon Rhule².

Notes:

1. Companies in which they serve as directors are incorporated in places other than Hong Kong
2. No longer directors of the subsidiaries as at the date of this report

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which requires the Company to give a period of notice of more than one year, or to pay compensation or make other payments equivalent to more than one year's emolument.

董事(續)

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其於本年度之獨立性提交之確認函，而本公司認為彼等均屬獨立。

董事資料之變動

自刊發本公司二零二零中期報告以來直至本報告日期，概無董事資料變動須根據上市規則第13.51B(1)條予以披露。

附屬公司董事

於本年度及截至本報告日期，曾於本公司附屬公司服務之董事包括：虞鋒先生、黃鑫先生、海歐女士、張可先生、齊大慶先生、Adnan Omar Ahmed先生、陳文告先生、吳俞霖先生、劉淑艷女士、劉之光先生、梁沛康先生、庫三七先生、何世強先生、黃賢興先生、林晟先生、張婷女士、焦琪女士、王婧女士¹、劉少杰先生¹、Brian Eden先生¹、Neil Gray先生¹、秦莉女士²、鄭慶藩先生²、廖義禎女士²、李婷女士²、蔡俊毅先生²、張洪斌先生²、Thomas Parsons JR先生²及Leon Rhule先生²。

附註：

1. 彼等擔任董事之公司乃於香港以外地方註冊成立
2. 於本報告日期已不再擔任附屬公司董事

董事之服務合約

概無董事與本公司訂有規定本公司須給予超過一年之通知期，或支付相等於超過一年酬金之報酬或其他付款之服務合約。

Report of the Directors

董事會報告

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

As at 31 December 2020, the interests and short positions of each director of the Company and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, or known to the Company, were as follows:

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

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

於二零二零年十二月三十一日，本公司各董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有已記錄於本公司須根據證券及期貨條例第352條存置之登記冊內，或已根據證券及期貨條例第XV部或上市規則下的標準守則知會本公司及聯交所，或本公司已知悉之權益及淡倉如下：

於本公司普通股及相關股份之好倉：

Name of Director 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	
		Long position 好倉	Percentage of shareholding 持股百分比
Mr. Yu Feng (note 1) 虞鋒先生(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,827,641,279	47.25%

Note:

- Mr. Yu Feng, Chairman of the Group and a non-executive Director, was interested in 1,827,641,279 Shares through Jade Passion, a company which is owned as to 73.21% of its issued share capital by Key Imagination. 91% of the issued share capital of Key Imagination is owned by YFHL, the issued share capital of which in turn, is owned as to 70.15% by Mr. Yu Feng.

附註：

- 本集團主席兼本公司非執行董事虞鋒先生透過 Jade Passion 於 1,827,641,279 股股份中擁有權益，Key Imagination 擁有 Jade Passion 已發行股本之 73.21%，雲鋒金融控股擁有 Key Imagination 已發行股本之 91%，而虞鋒先生擁有雲鋒金融控股已發行股本之 70.15%。

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

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

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

於相聯法團股份及相關股份之好倉：

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

Notes:

附註：

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

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

Report of the Directors

董事會報告

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

Save as disclosed above, as at 31 December 2020, none of the Directors and chief executive of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company and/ or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

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

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

除上文所披露者外，於二零二零年十二月三十一日，概無本公司董事及主要行政人員及／或任何彼等各自之聯繫人士於本公司及／或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有任何已記錄於本公司須根據證券及期貨條例第352條存置之登記冊內，或已根據證券及期貨條例第XV部或本公司採納之標準守則已知會本公司及聯交所之權益或淡倉。

董事收購股份之權利

除本報告其他部分所披露者外，本公司或其任何附屬公司或相聯法團概無訂立任何安排，致令董事(包括彼等各自之配偶及18歲以下子女)可藉購入本公司或其他法團之股份或相關股份或債券而獲利。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 31 December 2020, the Company was notified of the following substantial Shareholders' and other persons' interests, being 5% or more of issued Shares and recorded in the register kept under Section 336 of the SFO.

主要股東及其他人士於股份之權益

於二零二零年十二月三十一日，本公司獲知會下列主要股東及其他人士權益，即根據證券及期貨條例第336條存置之登記冊內本公司已發行股份中5%或以上之權益。

Name of Substantial Shareholder 主要股東姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	
		Long position 好倉	Percentage of shareholding 持股百分比
Mr. Yu Feng (Note 1) 虞鋒先生(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,827,641,279	47.25%
Yunfeng Financial Holdings Limited (Note 1) 雲鋒金融控股有限公司(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,827,641,279	47.25%
Key Imagination Limited (Note 1) Key Imagination Limited (附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,827,641,279	47.25%
Jade Passion Limited (Note 1) Jade Passion Limited (附註1)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	1,827,641,279	47.25%
Massachusetts Mutual Life Insurance Company (Note 2) Massachusetts Mutual Life Insurance Company (附註2)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	960,000,000	24.82%
MassMutual International LLC (Note 2) MassMutual International LLC (附註2)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	960,000,000	24.82%

Notes:

- Mr. Yu Feng, Chairman of the Group and a non-executive Director, was interested in 1,827,641,279 Shares through Jade Passion, a company which is owned as to 73.21% of its issued share capital by Key Imagination. 91% of the issued share capital of Key Imagination is owned by YFHL, the issued share capital of which in turn, is owned as to 70.15% by Mr. Yu Feng.
- Massachusetts Mutual Life Insurance Company was interested in 960,000,000 Shares through its 100% controlled corporation "MassMutual International LLC".

Save as disclosed above, as at 31 December 2020, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under divisions 2 and 3 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

附註:

- 本集團主席兼本公司非執行董事虞鋒先生透過 Jade Passion 擁有 1,827,641,279 股股份之權益，Key Imagination 擁有 Jade Passion 已發行股本之 73.21%，雲鋒金融控股擁有 Key Imagination 已發行股本之 91%，而虞鋒先生擁有雲鋒金融控股已發行股本之 70.15%。
- Massachusetts Mutual Life Insurance Company 透過其 100% 控股公司 MassMutual International LLC 擁有 960,000,000 股股份。

除上文所披露者外，於二零二零年十二月三十一日，概無其他人士於本公司之股份或相關股份中擁有須根據證券及期貨條例第2及第3部向本公司披露，或根據證券及期貨條例第336條記錄於本公司存置之登記冊內之權益或淡倉。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed elsewhere in this report, no transactions, arrangements or contracts of significance (i) to which the Company, its holding company or any of their subsidiaries was a party, and in which a Director or his connected entities was materially interested, whether directly or indirectly, subsisted at any time during the Year or at the end of the Year, nor (ii) between the Company, or one of its subsidiaries, and a controlling shareholder or any of its subsidiaries.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

During the year, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The following persons, among others, are connected person of the Company:

- MMI, which holds approximately 24.82% of the issued Shares, and hence a substantial shareholder and a connected person of the Company under Rule 14A.07 (1) of the Listing Rules;
- MMLIC, the sole shareholder of MMI, and hence an associate of MMI and a connected person of the Company under Rule 14A.13 (1) of the Listing Rules; and
- Barings LLC, a limited liability company organized in the State of Delaware, the U.S.A. and an indirect wholly-owned subsidiary of MMLIC, and hence an associate of MMI and a connected person of the Company under Rule 14A.13 (1) of the Listing Rules.

董事於交易、安排或合約之權益

除本報告其他部分所披露者外，概無(i)由本公司、其控股公司或其任何附屬公司所訂立、董事直接或間接在其中擁有重大權益，且於本年度內任何時間或於本年度末仍然生效；或(ii)由本公司或其附屬公司與控股股東或其任何附屬公司訂立的重大合約。

董事於競爭業務之權益

於年內，概無董事或其緊密聯繫人(定義見上市規則)於正與或可能會與本集團業務進行直接或間接競爭之業務中擁有權益，惟除擔任本公司和/或其子公司的董事除外。

關連交易及持續關連交易

下列人士(其中包括)為本公司的關連人士：

- MMI，持有本公司已發行股本約24.82%，因此根據上市規則第14A.07(1)條為本公司的主要股東及關連人士；
- MMLIC，為MMI的唯一股東，因此根據上市規則第14A.13(1)條為MMI的聯繫人及本公司的關連人士；及
- Barings LLC，為一間於美利堅合眾國特拉華州組織的有限公司，並為MMLIC的間接全資附屬公司，因此根據上市規則第14A.13(1)條為MMI的聯繫人及本公司的關連人士。

**CONNECTED TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**
(Continued)

關連交易及持續關連交易(續)

During the Year and up to the date of this report, the Group conducted the following transactions which constituted continuing connected transactions for the Company that are not exempt from annual reporting requirement in Chapter 14A of the Listing Rules, in respect of which a circular dated 21 December 2017 (the “2017 Circular”), an announcement dated 15 November 2019 (the “2019 Announcement”) and an announcement dated 30 December 2020 were issued.

於本年度及截至本報告日期，本集團進行下列交易，該等交易構成持續關連交易並無獲豁免遵守上市規則第14A章的年度報告規定，並已就該等交易於二零一七年十二月二十一日發出通函(「二零一七年通函」)，於二零一九年十一月十五日發出公告(「二零一九年公告」)以及二零二零年十二月三十日發出公告。

1. Policies Endorsement Fee Agreement

1. 保單附加擔保費用協議

Parties: MMLIC and YF Life
訂約方： MMLIC及萬通保險

Date: 15 December 2017
日期： 二零一七年十二月十五日

Principal terms: Between 2004 and 2014, YF Life underwrote approximately 300 life insurance policies which included a claims payment endorsement by MMLIC, which would be triggered in the event of insolvency of YF Life. Pursuant to the Policies Endorsement Fee Agreement, MMLIC will continue to provide such endorsement to the outstanding policies until such policies mature.

Upon the occurrence a triggering event, namely the solvency ratio of YF Life ceasing to be at least 150% and such cessation not being remedied within a certain agreed period, a change of control of YF Life, or the independent Shareholders failing to approve the fee payable to MMLIC for maintaining its endorsement to the outstanding policies, MMLIC will have the right to require YF Life to cede to MMLIC the rights and obligations of YF Life under the life insurance policies which include the claims payment endorsement by MMLIC, and YF Life shall transfer assets (of a value equivalent to the obligations or liabilities of YF Life attributable to such life insurance policies) to MMLIC. The Company and YF Life consider that it is extremely unlikely that the aforementioned triggering events will occur. The value of the obligations to be assumed, and therefore the amount of assets and the selection of the assets to be transferred, will be determined by MMLIC and YF Life in good faith if any triggering event takes place.

The initial term of the Policies Endorsement Fee Agreement will be three years from 16 November 2018. The Policies Endorsement Fee Agreement will be automatically extended for successive three-year terms. The Company intends that the Policies Endorsement Fee Agreement shall continue until the expiry or lapse of the life insurance policies which included a claims payment endorsement by MMLIC. All such policies were underwritten by YF Life between 2004 and 2014 and no such policies which include such claims payment endorsement by MMLIC have been underwritten by YF Life since then. The Company intends that the Policies Endorsement Fee Agreement shall be renewed if there are any such policies subsisting upon the expiry of the initial term of the Policies Endorsement Fee Agreement. The Company will re-comply with the applicable requirements under the Listing Rules as and when the Policies Endorsement Fee Agreement is renewed after the expiry of the initial term.

**CONNECTED TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**
(Continued)

關連交易及持續關連交易(續)

1. Policies Endorsement Fee Agreement
(Continued)

1. 保單附加擔保費用協議(續)

The Policies Endorsement Fee Agreement was negotiated by the Company, YF Life and MMI on an arm's length basis and entered into on normal commercial terms.

主要條款：

二零零四年至二零一四年間，萬通保險已承保約300份壽險保單，該等保單包括由MMLIC提供索賠支付的附加擔保，這可能會觸發萬通保險無償債能力事件。根據保單附加擔保費用協議，MMLIC將繼續向未到期保單提供該等附加擔保，直至保單到期。

在發生一項觸發事件時，即萬通保險的償債能力比率不再不低於150%且該終止未能在若干協定期間內糾正、萬通保險的控制權變動或本公司的獨立股東未能批准就維持其對未到期保單的附加擔保而向MMLIC支付的費用，MMLIC將有權要求萬通保險向其轉讓萬通保險在包括MMLIC索賠支付附加擔保的壽險保單項下的權利和義務，並且萬通保險應將資產(其價值相等於萬通保險因該等壽險保單引起的義務或責任)轉讓予MMLIC。本公司及萬通保險認為將會發生上述觸發事件的可能性極低。倘若任何觸發事件發生，待繼承的義務的價值，以及因而應轉讓資產的金額和選擇，將由MMLIC和萬通保險善意確定。

保單附加擔保費用協議的初步年期將自二零一八年十一月十六日起計為期三年。保單附加擔保費用協議將自動續訂連續三年。本公司有意保單附加擔保費用協議應繼續，直至人壽保險保單屆滿或失效，包括MMLIC之索償款項附加擔保。所有有關保單於二零零四年至二零一四年間均由萬通保險核保，而萬通保險自此概無核保由MMLIC提供索賠支付的保單。倘任何有關保單於保單附加擔保費用協議初步年期屆滿後存續，則本公司擬重續保單附加擔保費用協議在保單附加擔保費用協議初步年期屆滿後獲續訂時，本公司將重新遵守上市規則項下的適用規定。

保單附加擔保費用協議乃經本公司、萬通保險及MMI按公平基準磋商並按正常商業條款訂立。

Pricing terms:

YF Life will pay to MMLIC an annual fee calculated and paid semi-annually at a rate of 0.18% of the average account value of the outstanding policies as consideration for maintaining the claims payment endorsement.

The fee rate was determined based on arm's length negotiation with reference to the average default rates of corporates with investment credit ratings ranging from A- to BBB- published by S&P Global.

The reason for YF Life entering into the Policies Endorsement Fee Agreement is that certain life insurance policies underwritten by YF Life included a claims payment endorsement by MMLIC which would be triggered in the event of insolvency of YF Life. Given that the claims payment endorsement by MMLIC is a term of the relevant life insurance policies and YF Life cannot unilaterally revise or cancel the claims payment endorsement term without the consent of each of the relevant policyholders, there are no comparable arrangements which YF Life may obtain from independent third parties to replace the claims payment endorsement by MMLIC under such life insurance policies.

**CONNECTED TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**
(Continued)

關連交易及持續關連交易(續)

1. Policies Endorsement Fee Agreement
(Continued)

1. 保單附加擔保費用協議(續)

定價條款： 萬通保險將向MMLIC支付按未到期保單賬面值0.18%費率計算的年費並每半年支付一次，作為維持索賠支付的附加擔保的對價。

費率乃基於公平磋商並參考標準普爾發佈的投資信用評級介乎A-至BBB-的公司平均違約率而釐定。

萬通保險訂立保單附加擔保費用協議的理由是萬通保險承保之若干人壽保單載有MMLIC索償款項附加擔保，倘萬通保險無償付能力，便會觸發附加擔保索償。鑒於MMLIC提供的索償款項附加擔保是相關人壽保單的條款之一，萬通保險不能未經各相關保單持有人同意前單方面修訂或取消索償款項附加擔保條款。概無萬通保險可向獨立第三方取得可資比較協議以取代MMLIC根據有關人壽保單的索償款項附加擔保。

Reasons for the transaction:

The Company believes it is important to assure policyholders that the acquisition of YF Life will not result in any change to the terms of their existing policies, including the claims payment endorsement by MMLIC.

交易理由：

本公司相信，向保單持有人保證收購萬通保險事項將不會對彼等現有保單(包括MMLIC作出的索賠支付的附加擔保)的條款造成任何變動十分重要。

Annual caps:

The maximum aggregate annual amount of fees payable by YF Life to MMLIC for the years ending 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 shall not exceed the caps set out below:

年度上限：

截至二零一八年十二月三十一日、二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十一日止年度，萬通保險應付MMLIC的最高年度費用總額不得超過下列上限：

		Proposed Annual Cap for the Year Ending 31 December (HKD'000)			
		截至十二月三十一日止年度 的擬議年度上限(千港元)			
		2018	2019	2020	2021
		二零一八年	二零一九年	二零二零年	二零二一年
Total fees	費用總額	5,611	5,835	6,068	5,500

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

關連交易及持續關連交易(續)

2. Barings Investment Advisory Agreement

2. 霸菱投資諮詢協議

Parties: Barings LLC and YF Life
訂約方： Barings LLC 及萬通保險

Date: 15 December 2017
日期： 二零一七年十二月十五日

Principal terms: Barings LLC is an investment adviser and has provided investment management services to YF Life since 2000. Pursuant to the Barings Investment Advisory Agreement, YF Life will engage Barings LLC as its investment adviser to acquire, manage, service and dispose of investments for YF Life.

The assets and the type and amount of assets to be managed by Barings LLC pursuant to the Barings Investment Advisory Agreement will be determined by the investment committee of YF Life. Barings LLC will manage all fixed income portfolio investments for YF Life for a period of three years from 16 November 2018.

The initial term of the Barings Investment Advisory Agreement will be three years from the 16 November 2018. The Barings Investment Advisory Agreement will be automatically renewed for successive one-year terms. Either party may terminate the Barings Investment Advisory Agreement upon 30 days' written notice to the other party. Following the initial term of the Barings Investment Advisory Agreement, and subject to the satisfactory performance of Barings LLC, the relevant expertise and the pricing terms, Barings LLC shall continue to be the preferred manager of YF Life's fixed income investment portfolio. The Company shall re-assess the investment needs of YF Life closer to the expiry of the initial term of the Barings Investment Advisory Agreement and if the Company considers the continued provision of such services by Barings LLC to YF Life to be beneficial to YF Life, the term of the Barings Investment Advisory Agreement may be extended. The Company will re-comply with the applicable requirements under the Listing Rules as and when the Barings Investment Advisory Agreement is renewed after the expiry of the initial term.

The Barings Investment Advisory Agreement was negotiated by the Company, YF Life and MMI on an arm's length basis and entered into on normal commercial terms.

主要條款： Barings LLC 是一家投資顧問，自二零零零年起一直向萬通保險提供投資管理服務。根據霸菱投資諮詢協議，萬通保險將委聘 Barings LLC 為其投資顧問，為萬通保險收購、管理、服務和處置投資。

根據霸菱投資諮詢協議由 Barings LLC 管理的資產及該等資產的類型和金額，將由萬通保險投資委員會確定。Barings LLC 將為萬通保險管理所有固定收益組合投資，自二零一八年十一月十六日起計為期三年。

**CONNECTED TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**
(Continued)

關連交易及持續關連交易(續)

2. Barings Investment Advisory Agreement
(Continued)

2. 霸菱投資諮詢協議(續)

霸菱投資諮詢協議的初步年期為自二零一八年十一月十六日起計為期三年。霸菱投資諮詢協議將自動續訂連續一年。任何一方可向其他方發出30天書面通知後終止霸菱投資諮詢協議。於霸菱投資諮詢協議初步年期後，及待遵守Barings LLC滿意履行、相關專門知識及定價條款，則Barings LLC應繼續為萬通保險固定收益投資組合。本公司將於接近霸菱投資諮詢協議初步年期屆滿時重新評估萬通保險之投資需要，且倘本公司認為Barings LLC向萬通保險持續提供有關服務將會對萬通保險有利，霸菱投資諮詢協議年期可延長。在霸菱投資諮詢協議初步年期屆滿後獲續訂時，本公司將重新遵守上市規則項下的適用規定。

霸菱投資諮詢協議乃經本公司、萬通保險及MMI按公平基準磋商並按正常商業條款訂立。

Pricing terms:

YF Life will pay to Barings LLC fees calculated at rates based on asset type. The fee rates range from 0.25 basis points to 100 basis points. Such fee rates were determined based on arm's length negotiations taking into account (i) the type of assets to be managed by Barings LLC and (ii) preferred partner status granted by the Company to MMI under the Strategic Cooperation Agreement.

The Company has assessed the business needs of YF Life for the services under the Barings Investment Advisory Agreement. The Company considered (i) the historical amounts of fees paid by YF Life to Barings LLC; (ii) the historical fee rates charged by Barings LLC; and (iii) the fee rates for comparable services offered by two other competent independent third party service providers which the Company considered to be fair and representative given that such independent third party service providers offer comparable investment advisory services to clients in Hong Kong. The Company considers that the fee rates offered by Barings LLC are in line with the market rates offered by other competent independent third party providers for comparable services as a whole.

定價條款：

萬通保險將向Barings LLC支付基於資產類型按費率計算的費用。費率介乎0.25個基點至100個基點。有關費率於考慮(i) Barings LLC管理的資產類型及(ii)本公司根據戰略合作協議向MMI授予的優先合作夥伴地位後經公平磋商釐定。

本公司已評估霸菱投資諮詢協議項下服務對萬通保險之業務需要。本公司考慮到(i) 萬通保險向Barings LLC支付之歷史費用金額；(ii) Barings LLC徵收之歷史費率；及(iii) 其他兩家稱職獨立第三方供應商提供之可資比較服務費率(由於該獨立第三方服務供應商在香港為客戶提供可比較投資諮詢服務，本公司認為比較屬公平及具代表性)。本公司認為Barings LLC提供之費率整體與其他稱職獨立第三方供應商提供之市場費率一致。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

關連交易及持續關連交易(續)

2. Barings Investment Advisory Agreement (Continued)

2. 霸菱投資諮詢協議(續)

Reasons for the transaction:

In connection with underwriting insurance policies, YF Life invests policy premium, to generate sufficient return for satisfying future insurance claims and dividend obligations. Barings LLC has assisted YF Life in executing its long term investment asset allocation strategies since the year 2000. The continuation of Barings LLC's asset management services will not only avoid the operational risks resulting from contracting a new asset manager but will also avoid any material disruptions in the execution of YF Life's long term asset allocation strategies.

交易理由：

就核保保單而言，萬通保險投資於保單，以產生足以償付未來保險理賠以及分紅責任的回報。Barings LLC自二零零零年起一直協助萬通保險執行其長期投資資產配置策略。Barings LLC資產管理服務的持續將不僅可避免與新資產經理訂約造成的經營風險，亦可避免萬通保險長期資產配置策略執行方面的任何重大中斷。

Annual caps:

The maximum aggregate annual amount of fees payable by YF Life to Barings LLC for the years ending 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 shall not exceed the caps set out below:

年度上限：

截至二零一八年十二月三十一日、二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十日止年度，萬通保險應付Barings LLC的最高年度費用總額不得超過下列上限：

		Proposed Annual Cap for the Year Ending 31 December 截至十二月三十一日止年度的 擬議年度上限			
		2018 二零一八年	2019 二零一九年	2020 二零二零年	2021 二零二一年
Total fees	費用總額	US\$8,000,000 (equivalent to approximately HK\$62,590,000) 8,000,000美元 (相等於約 62,590,000 港元)	US\$10,500,000 (equivalent to approximately HK\$82,150,000) 10,500,000美元 (相等於約 82,150,000 港元)	US\$12,500,000 (equivalent to approximately HK\$97,798,000) 12,500,000美元 (相等於約 97,798,000 港元)	HK\$111,000,000 111,000,000港元

**CONNECTED TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**
(Continued)

關連交易及持續關連交易(續)

3. Extension to the Transitional Services Agreement

3. 延期過渡服務協議

Parties: MMI and YF Life
訂約方：MMI及萬通保險

Date: 15 November 2019
日期：二零一九年十一月十五日

Principal terms: MMI will provide certain treasury and financial reporting services relating to investment or portfolio management such as classification, monitoring and allocation of purchases and sales of securities, compiling and monitoring pricing and fund performance for alternative investments, preparing risk sensitivity analysis, impairment analysis, facilitating cash management and managing specified cash accounts to YF Life.

The term of the services will be beginning on 16 November 2019 and ending on 31 December 2021, provided that the term of any Service may be terminated earlier by YF Life in accordance with the Extension to the Transitional Services Agreement.

主要條款： MMI 將向萬通保險提供與投資或投資組合管理有關的財務管理及財務報告服務，如證券買賣的分類、監控及分配、另類投資的定價及基金表現的編纂及監控、風險敏感度分析、減值分析的編制、促進現金管理以及管理特定現金帳戶。

服務將自二零一九年十一月十六日至二零二一年十二月三十一日內提供，惟任何服務的期限或會由萬通保險根據過渡服務協議提早終止。

Pricing terms: YF Life will pay to MMI a monthly service fee which shall be the greater of:

- (i) 0.00275% of the Average Portfolio Book Value for the relevant month; and
- (ii) US\$116,667.

The service fee shall be payable to MMI monthly in arrears.

Pursuant to the Extension to the Transitional Services Agreement, the service fee is subject to the following caps:

- (a) US\$250,000 for the period from 16 November 2019 to 31 December 2019;
- (b) US\$2,277,000 for the year ending 31 December 2020; and
- (c) US\$2,619,000 for the year ending 31 December 2021.

**CONNECTED TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**
(Continued)

關連交易及持續關連交易(續)

**3. Extension to the Transitional Services
Agreement (Continued)**

3. 延期過渡服務協議(續)

Furthermore, YF Life has the right to terminate any portion of the Services by giving three months prior notice. In the event one or more (but not all) of the Services are terminated, prior to the expiration of the term, MMI and YF Life will negotiate in good faith a pro rata reduction of the remaining balance of the service fee.

The fees for the Services were determined after arm's length negotiations between the parties and taking into account the current size and the anticipated growth in the investment portfolio of YF Life managed by MMI and with reference to the prevailing market rate charged by independent third party service providers in the ordinary course of business.

The Company has compared the fees payable by YF Life to MassMutual for the Services with the prevailing market rate offered by two other competent independent third party service providers which the Company considered to be fair and representative given that such independent third party service providers offer comparable services in Hong Kong. The Company considered that the fees payable by YF Life to MMI are no less favourable than the prevailing market rate offered by other competent independent third party service providers. In view of this and taking into account that the Services are currently provided by MassMutual to YF Life, the Company considers it is beneficial to and in the interests of YF Life for it to enter into the Extension to the Transitional Services Agreement.

定價條款：

萬通保險將向MMI支付的月度服務費應高於：

- (i) 相關月份平均投資組合賬面值的0.00275%；及
- (ii) 116,667美元。

服務費延後一個月向MMI支付。

根據延期過渡服務協議，服務費上限如下：

- (a) 自二零一九年十一月十六日至二零一九年十二月三十一日期間，250,000美元；
- (b) 截至二零二零年十二月三十一日止年度，2,277,000美元；及
- (c) 截至二零二一年十二月三十一日止年度，2,619,000美元。

此外，萬通保險有權提前三個月發出通知，終止服務的任何部分。如果一項或多項(但非全部)服務終止，於本協議期滿前，MMI和萬通保險將真誠協商，按比例扣減服務費的剩餘部分。

服務費用是在雙方進行公平談判後，同時考慮MMI管理的萬通保險投資組合的當前規模和預期增長，並參考稱職獨立第三方供應商收取之現行市價而確定的。

**CONNECTED TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**
(Continued)

關連交易及持續關連交易(續)

**3. Extension to the Transitional Services
Agreement (Continued)**

3. 延期過渡服務協議(續)

本公司已將萬通保險根據過渡服務協議項下服務向MMI應付之費用與其他兩家稱職獨立第三方供應商提供之現行市價相比(由於該獨立第三方服務供應商在香港提供可比較服務，本公司認為比較屬公平及具代表性)。本公司認為萬通保險向MMI應付之費用不遜於其他稱職獨立第三方供應商提供之現行市價。鑒於本理由及考慮到MMI目前根據延長過渡服務協議向萬通保險提供服務，本公司認為簽訂延長過渡服務協議有利於及符合萬通保險的利益。

**Reasons for the
transaction:**

The Services are currently provided by MMI to YF Life under the Transitional Services Agreement. The Company believes that the continued provision of the Services by MMI to YF Life is economically efficient as it will cost YF Life more to establish the necessary systems and recruit the appropriate staff if YF Life were to carry out the Services itself.

交易理由：

MMI現時向萬通保險提供延長過渡服務協議項下的服務。本公司相信，如萬通保險需要自行開展服務，萬通保險需要花更多的時間來建立必要的系統並招聘合適的員工，因此MMI繼續向萬通保險提供服務具有經濟效益。

Annual caps:

US\$250,000, US\$2,277,000 and US\$2,619,000 have been set as the annual caps for the amounts of service fees payable by YF Life to MassMutual under the Extension to the Transitional Services Agreement for (i) the period beginning on 16 November 2019 and ending on 31 December 2019, (ii) the year ending 31 December 2020 and (iii) the year ending 31 December 2021, respectively. These annual cap amounts have been set out in the Extension to the Transitional Services Agreement and have been determined with reference to the current size and the anticipated growth of the investment portfolio of YF Life managed by MassMutual. As at 31 December 2018, the book value of YF Life's asset portfolio managed by MassMutual was US\$4,990.5 million.

年度上限：

萬通保險根據過渡服務協定延期應向MMI支付的服務費250,000美元、2,277,000美元及2,619,000美元已被設定為(i)自二零一九年十一月十六日至二零一九年十二月三十一日期間、(ii)截至二零二零年十二月三十一日止年度及(iii)截至二零二一年十二月三十一日止年度的年度上限。這些年度上限金額已於延期過渡服務協議中列出，並根據MMI管理的萬通保險投資組合的當前規模和預期增長而定。截至二零一八年十二月三十一日，MMI管理的萬通保險資產組合的賬面值為49.905億美元。

The aggregate amount paid by the Group in respect of the Extension to the Transitional Services Agreement, the Policies Endorsement Fee Agreement and the Barings Investment Advisory Agreement for the year ended 31 December 2020 is approximately HK\$16,203,000 (being 91% of the annual cap for 2020), HK\$5,170,000 (being 85% of the annual cap for 2020), HK\$84,292,000 (being 86% of the annual cap for 2020) respectively.

本集團就延期過渡服務協議、保單附加擔保費用協議及霸菱投資諮詢協議於截至二零二零年十二月三十一日支付之總額約分別為16,203,000港元(佔二零二零年度上限約91%)、5,170,000港元(佔二零二零年度上限約85%)、及84,292,000港元(佔二零二零年度上限約86%)。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

All the independent non-executive Directors, having reviewed the transactions under the Policies Endorsement Fee Agreement, the Barings Investment Advisory Agreement and the Extension to the Transitional Services Agreement (the “2020 CCTs”), confirmed that such transactions had been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the Shareholder as a whole.

The Company has engaged its external auditor to report on the 2020 CCTs in accordance with Hong Kong Standard on Assurance Engagements 3000 (revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. Based on the work performed, the external auditor of the Company has confirmed in its letter to the Board that nothing has come to its attention which caused it to believe that:

- (i) the 2020 CCTs have not been approved by the Board;
- (ii) the 2020 CCTs were not entered into, in all materials respects, in accordance with the relevant agreements governing such transactions; and
- (iii) the aggregate amount paid by the Group in respect of the 2020 CCTs has exceeded the annual cap of 2020 as disclosed in the 2017 Circular and the 2019 Announcement.

During the Year, the Group did not have any connected transactions that were subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

關連交易及持續關連交易(續)

本公司全體獨立非執行董事經審閱保單附加擔保費用協議、霸菱投資諮詢協議及延期過渡服務協議(「二零二零年持續關連交易」)後，確認該等交易是(a)在本集團之日常及一般業務中訂定；(b)按一般(或更佳)之商業條款進行；及(c)根據規管各自協議之條款進行，條款屬公平合理並且符合本公司股東之整體利益。

本公司已委聘其外聘核數師，根據香港會計師公會頒佈之香港鑒證業務準則第3000號(經修訂)下之《非審核或審閱過往財務資料之鑒證工作》規定，並參照實務說明第740號《關於香港上市規則所述持續關連交易的核數師函件》，就二零二零年持續關連交易作出匯報。根據已執行之工作，本公司之外聘核數師已在其致董事會之函件中確認並無發現任何事宜導致其認為：

- (i) 二零二零年持續關連交易並未獲董事會批准；
- (ii) 二零二零年持續關連交易在各重大方面無根據規管該等交易之有關協議進行；及
- (iii) 本集團就二零二零年持續關連交易支付之總額如二零一七年通函以及二零一九年公告所披露已超逾二零二零年之年度上限。

於本年度，本集團並無任何須遵守上市規則第14A章有關申報，公告及獨立股東批准規定的關連交易。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

A summary of all related parties transactions entered into by the Group during the Year is contained in Note 46 to the financial statements. All the related parties transactions described in the said note do not fall under the definition of “connected transaction” or “continuing connected transaction” under the Listing Rules, other than transactions under the Policies Endorsement Fee Agreement, the Barings Investment Advisory Agreement and the Extension to the Transitional Services Agreement as described in Note 46 which falls under the definition of “continuing connected transaction” under the Listing Rules and was disclosed previously by the Company pursuant to the Listing Rules.

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the Year.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND MAJOR CUSTOMERS

During the Year, revenue derived from the Group’s 5 largest customers accounted for approximately 1.2% of the total revenue for the Year, with the single largest customer contributing approximately 0.3%.

The Group is a provider of financial services. In the opinion of the Board, it is therefore of no value to disclose details of the Group’s suppliers.

Save as disclosed elsewhere in this report, none of the Directors, their close associates or any Shareholders, which to the knowledge of the Directors own more than 5% of the issued Shares, had an interest in the major customers.

CHARITABLE DONATIONS

During the Year, no charitable donations is made by the Group (2019: nil).

關連交易及持續關連交易(續)

有關本集團於本年度所訂立之所有關連人士交易之概要載於財務報表附註46內。除附註46所述，有關保單附加擔保費用協議、霸菱投資諮詢協議及延期過渡服務協議之交易屬於上市規則定義之「持續關連交易」并已於先前根據上市規則披露外，上述附註所述之所有關連人士交易並不屬於上市規則定義之「關連交易」或「持續關連交易」。

本公司已遵守上市規則第14A章規定有關本集團於本年度訂立之關連交易及持續關連交易之披露要求。

管理合約

於本年度內，並無訂立或存有有關本公司全部或任何重大業務之管理及行政的合約。

主要供應商及主要客戶

於本年度內，來自本集團五大客戶之收入佔本年度總收入約1.2%，其中單一最大客戶約佔0.3%。

本集團為金融服務供應商。因此，董事會認為披露本集團供應商之詳情並無意義。

除上文所披露者外，概無董事、彼等之聯繫人士或據董事所知擁有本公司5%以上已發行股份之任何股東於主要客戶中擁有權益。

慈善捐款

本集團於本年度內並無作出慈善捐款(二零一九年：無)。

Report of the Directors

董事會報告

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practice of the Company is set out in the Corporate Governance Report of this annual report.

INDEMNITY OF DIRECTORS

A permitted indemnity provision as set out in the articles of association of the Company that provides for indemnity against liability incurred by directors and executive officers of the Group is currently in force and was in force throughout the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there was sufficient public float of the Company's securities as required under the Listing Rules.

INDEPENDENT AUDITORS

The consolidated financial statements have been audited by KPMG who will retire at the forthcoming annual general meeting of the Company. A resolution for reappointment of KPMG will be proposed for Shareholders' approval at the forthcoming annual general meeting.

REVIEW BY AUDIT COMMITTEE

As at the date of this report, the Audit Committee comprised three independent non-executive Directors. The Audit Committee is chaired by Mr. Chu Chung Yue, Howard with Mr. Qi Daqing and Mr. Xiao Feng being the other members. The terms of reference of the Audit Committee are in line with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The Group's consolidated financial statements for the Year have been reviewed by the Audit Committee.

By order of the Board
Yunfeng Financial Group Limited

Zhang Ke
Executive Director, Vice Chairman and Chief Executive Officer

Hong Kong, 26 March 2021

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納企業管治守則之資料載於本年報之企業管治報告內。

董事彌償

載有對本集團之董事及高級職員所產生的負債進行彌償之經批准彌償條文(如本公司組織章程細則所載)現仍有效,且於本年度內持續有效。

足夠公眾持股量

按本公司可公開取得之資料及據董事所知,於本報告日期,本公司證券擁有上市規則所規定之足夠公眾持股量。

獨立核數師

綜合財務報表由畢馬威會計師事務所審核,彼將於本公司應屆股東週年大會上退任。續聘畢馬威會計師事務所之議案將於下屆股東週年大會上提呈供股東批准。

審核委員會審閱

於報告日期,審核委員會由三名獨立非執行董事組成。主席由朱宗宇先生擔任,成員包括齊大慶先生及肖風先生。審核委員會之職權範圍符合上市規則附錄十四所載之企業管治守則。本集團截至本年度之綜合財務報表已由審核委員會審閱。

承董事會命
雲鋒金融集團有限公司

張可
執行董事、副董事長兼行政總裁

香港,二零二一年三月二十六日

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

Our Business

Listed on the Hong Kong Stock Exchange Main Board, Yunfeng Financial Group Limited principally engages in the provision of insurance products through YF Life, as well as other financial services covering brokerage, investment research, corporate finance, asset and wealth management, employee stock ownership plan administration services and fintech business.

Through YF Life, we are authorized by the Insurance Authority to conduct long-term insurance business in Hong Kong. Based in Hong Kong with branch offices in Macau, we provide a wide range of insurance products including life insurance, medical insurance, annuities, pension and mandatory provident fund schemes to customers. YF Life is one of the first (and one of the few) insurance companies to introduce annuities to the region.

Reporting Reference

Yunfeng Financial Group Limited (the “Company”, and together with its subsidiaries the “Group”) is committed to maintaining a high standard of corporate social governance in order to constantly improve its environmental and social surroundings while providing sustainable returns to shareholders.

To communicate our efforts on environmental, social and governance (“ESG”) matters, this Environment Social and Governance report (“ESG Report”) has been prepared in accordance with “comply or explain” provisions of the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. In the preparation of this ESG Report, the Group follows the four reporting principles of materiality, quantitative, consistency and balance as set out in the ESG Guide.

Scope and Boundary of the ESG report

This ESG Report covers the ESG policies and procedures of the Group’s operation in all jurisdictions for the year ended 31 December 2020. The boundary of the ESG Report covers our dominant insurance business under YF Life, and other non-insurance financial services including brokerage, investment research, corporate finance, asset and wealth management, employee stock ownership plan administration services and fintech business.

關於本報告

我們的業務

雲鋒金融集團有限公司在香港聯合交易所主板上市，主要業務是通過萬通保險提供保險產品，以及涵蓋經紀、投資研究、企業融資、資產管理、員工持股計劃管理服務和金融科技業務的其他金融服務。

通過萬通保險，我們獲保險業監管局授權在香港開展長期保險業務。我們總部設在香港，在澳門設有分支機構，為客戶提供各種保險產品，包括人壽保險、醫療保險、年金保險、養老保險和強制性公積金計劃。萬通保險是為數不多首批向該地區提供年金保險業務的保險公司之一。

報告參考

雲鋒金融集團有限公司（「本公司」及其附屬公司，統稱「本集團」）致力維持高水平之企業社會管治，以不斷改善本集團環保及社會環境方面之努力，並為股東創造可持續回報。

為說明我們在環境、社會及管治方面的努力，本環境、社會及管治報告乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）之附錄27所載環境、社會及管治報告指引下「不遵守就解釋」條款編製。在編制本環境、社會及管治報告時，本集團遵循了《環境、社會及管治報告指引》中規定的重要性、量化、一致性和平衡四項匯報原則。

環境、社會及管治報告之範圍及邊界

本環境、社會及管治報告涵蓋了截至二零二零年十二月三十一日止年度本集團在所有司法管轄區內經營的政策和程序。本環境、社會及管治報告邊界涵蓋：佔主導地位的萬通保險下的保險業務、及其他非保險金融服務，包括財富管理、股票經紀和公司融資。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT *(Continued)*

Unless otherwise specified, the boundary of the reported ESG data covers all offices of the Group in Hong Kong S.A.R. (“Hong Kong”), Macao S.A.R. (“Macao”) and the Mainland of People’s Republic of China (“PRC”). They include:

- Three Company offices in Hong Kong, Beijing and Shenzhen;
- Thirteen YF Life offices and one warehouse in Hong Kong; and
- Five YF Life branch offices in Macau.

Contact

The views and opinions of our stakeholders are important for the continuous improvement of our business and ESG performance. Any constructive feedback regarding this ESG report are welcomed and may be sent to this email: ir@yff.com.

OUR APPROACH TO ESG

Governance and Risk Management

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group’s strategic objectives, and maintaining sound and effective risk management and internal control systems (including reviewing their effectiveness) to safeguard Shareholders’ investment and the Group’s assets.

The board of directors of the main subsidiary of the Group (insurance business) (the “Board of Subsidiary”) has established its own audit committee and board risk committee which are responsible for overall risk management and internal control and report to the Board of Subsidiary together with the management of the main subsidiary of the Group (“Management of Subsidiary”). Management of Subsidiary establishes and supervises the risk management committee which identifies, prevents and controls various risks and reports to the board risk committee. The internal audit functions are conducted by the key management directly appointed by the Management of Subsidiary and report to the audit committee. Overall, Board of Subsidiary reports to the management of the Group on risk management and internal audit matters and is supervised by the Board.

關於本報告(續)

除非另有指明，本環境、社會及管治報告數據邊界涵蓋本集團位於香港特別行政區(「香港」)、澳門特別行政區(「澳門」)和中華人民共和國內地的所有辦事處的所有辦事處。它們包括：

- 本公司於香港、北京和深圳的三個辦公室；
- 萬通保險於香港的13個辦公室，以及一間倉庫；以及
- 萬通保險於澳門的五個分支機構。

聯繫方式

本集團利益相關者的觀點和意見對於持續改進我們的業務和環境、社會及管治報告績效非常重要。歡迎任何有關本環境、社會及管治報告的建設性反饋意見，並發送至此電郵：ir@yff.com。

我們的環境、社會及管治方法

管治和風險管理

董事會全面負責評估及釐定為達成本集團戰略目標所願承擔風險的性質及程度，以及維持健全及有效的風險管理及內部監控系統(包括檢討有關成效)，以保障股東投資及本集團資產。

集團主要子公司(保險業務)董事會(「子公司董事會」)自設審核委員會和風險委員會，與集團主要子公司管理層(「子公司管理層」)共同就風險管理和內部監控對子公司董事會負責。子公司管理層建立並監督風險管理委員會，風險管理委員會識別、預防和控制各種風險並向子公司董事會風險委員會報告。內部審計職能由子公司管理層直接委任的關鍵管理人員執行，該關鍵管理人員須向審計委員會報告。總體而言，子公司董事會就風險管理及內部審計事項向本集團管理層報告，並接受董事會監督。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR APPROACH TO ESG (Continued)

The internal control system is led by the senior management of the Group including executive directors together with heads of business functions composed of operations, finance, risk management, information technology, legal and compliance, which is responsible for the risk management of non-insurance business.

As we are primarily engaged in the financial and insurance service sector, we are required to comply with all related laws and regulations including the Securities and Futures Ordinances and the Insurance Ordinance etc. The overall governance effort is led by senior management of the Group including executive directors together with heads of business functions and implemented primarily through our operations, finance, risk management, information technology, legal and compliance teams.

For details regarding corporate governance discussions, please refer to the Corporate Governance Report section of the Annual Report 2020.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The opinions of our stakeholders are crucial to the Group's development and we place great emphasis on communicating with different stakeholders. As an integral part of our business, we engage with different stakeholder groups on an on-going basis throughout our daily operations. Through our interaction with different stakeholder groups, we have summarised and presented in the below table their key concerns:

Table 1 Summary of stakeholder communication channels

Stakeholder groups 利益相關者團體	Communication and feedback channels 溝通及反饋渠道	Frequency 頻率	Topics of discussion 討論主題
Employees	Meetings Performance reviews Internal email correspondences	Monthly Annually Event-driven basis	Talent attraction, development and retention
員工	會議 表現評估 內部電郵往來	每月 每年 事件驅動基準	人才吸引、發展及挽留

我們的環境、社會及管治方法(續)

內部監控系統由包括執行董事在內的高級管理人員以及由運營，財務，風險管理，信息技術，法律和合規組成的業務部門負責人領導，負責非保險業務的風險管理。

由於我們主要從事金融及保險服務業，我們須遵守所有相關法律及法規，包括《證券及期貨條例》(SFC)及《保險業條例》等。本集團的整體管治工作由由包括執行董事在內的高級管理人員以及業務部門負責人領導，主要通過我們的運營，財務，風險管理，信息技術，法律和合規團隊來實施。

關於企業管治討論詳情，請參閱二零二零年年報的「企業管治報告」部分。

利益相關者團體與重要性評估

利益相關者的意見對本集團的發展至關重要，我們非常重視與不同利益相關者的溝通。作為我們業務必不可少的一部分，我們在日常運營中持續與不同的利益相關者團體進行溝通。通過與不同利益相關者團體進行溝通，我們在下表匯總並呈列了其重要關注點：

表 1 利益相關者團體溝通渠道之概述

Environmental, Social and Governance Report

環境、社會及管治報告

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT (Continued)

利益相關者團體與重要性評估(續)

Stakeholder groups 利益相關者團體	Communication and feedback channels 溝通及反饋渠道	Frequency 頻率	Topics of discussion 討論主題
Shareholders	Annual general meetings (“AGM”), extraordinary general meetings (“EGM”) Announcements, annual reports, interim reports, circulars	Annually for AGM Event-driven basis for other channels	Business development Financial performance Corporate governance Major corporate actions and transactions
股東	股東週年大會(「股東週年大會」)、股東 特別大會(「股東特別大會」) 公告、年報、中期報告及通函	每年召開股東週年大會 其他渠道之事件驅動基準	業務發展 財務表現 企業管治 主要公司行動及交易
Regulators	Correspondence mails/emails Phone calls Site visits	Event-driven basis	Compliance with regulations Business updates
監管部門	郵件／電郵往來 電話 實地視察	事件驅動基準	遵守法規 業務更新
Clients	Know-your-client (KYC) onboarding process Face-to-face meetings with our business representatives Phone calls and emails with our client service representatives	Meeting/phone call, emails on event-driven basis Electronic trading platform on event-driven basis	Product and trading system quality and development Fair and transparent dealing practice Enterprise branding
客戶	瞭解客戶引導流程 與業務代表之面對面會議 與客戶服務代表之電話及電郵往來	按事件驅動基準之會議／ 電話、電郵 按事件驅動基準之電子交易平台	產品及交易系統質素及發展 公平透明之交易慣例 企業品牌
Business partners	On-site visits Meetings Conference calls	Event-driven basis	Business development Fair business practice and market reputation Sound financial strength and management
商業夥伴	實地視察 會議 電話會議	事件驅動基準	業務發展 公平商業慣例及市場聲譽 健全之財務管理
Media	Press releases Marketing campaigns Exhibitions	Event-driven basis	Business development and strategies Product and service promotion
媒體	新聞稿 營銷活動 展覽	事件驅動基準	業務發展及戰略 產品及服務推廣
Communities	On-site visits Meetings	Event-driven basis	Policy and commitment to communities
社區	實地視察 會議	事件驅動基準	對社區之政策及承諾

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT *(Continued)*

Materiality assessment

To determine what ESG issues are material to our operations, we conducted interviews and surveys with management with hands-on knowledge of our operations as well as close relationships with our business partners. The results are reviewed from time to time based on changes in the Group's business operations and updates on sustainability reporting standards to ensure the applicability of the material issues to the Group's operations.

With no major changes to the Group's businesses, we continue to consider the overall social aspects to be more material than that of environment aspects, with the most important matters being anti-corruption, customer privacy, and the health and safety of our employees. We will continue to review our materiality results based on stakeholder opinions and any changes in our business operations and sustainability reporting trends.

EMPLOYMENT AND LABOUR PRACTICE

To enable us to deliver value to our shareholders and serve our clients, we endeavour to attract and retain the best talents. We are committed to maintaining a non-discriminatory workplace where all employees are provided with opportunities to reach their full potential. We maintain a policy of equal employment opportunity, and all human resources decisions including recruitment, promotion, salary administration and training opportunities are based on bona fide occupational requirements, but not individual traits like race, colour, religion, age, gender or medical history.

利益相關者團體與重要性評估 *(續)*

重要性評估

為確定哪些環境、社會及管治問題對我們經營至關重要，我們對擁有關於經營的實用知識且與業務合作夥伴保持密切關係的管理層進行訪談與調查。我們根據本集團業務運營的變化以及可持續發展報告標準的更新不時檢討相關結果，以確保重要問題適用於本集團的業務運營。

在本集團的業務未發生重大變化的情況下，我們仍然認為整體社會範疇的重要性要高於環境範疇，最重要的方面涉及反貪污、客戶私隱以及員工的健康和安全。我們將繼續根據利益相關者的意見、我們業務運營的任何變化和可持續發展報告趨勢審查我們的重要性結果。

僱傭及勞工常規

為使我們能夠為股東創造價值並為客戶服務，我們努力吸引及挽留最優秀之人才。我們致力於維持一個無歧視的工作場所，讓所有員工都有機會充分發揮潛力。我們擁有平等就業機會的政策，所有人力資源決策，包括招聘、晉升、薪酬管理和培訓機會，均基於真正的職業要求，而不是基於種族、膚色、宗教、年齡、性別或病史等個人特徵。

Environmental, Social and Governance Report

環境、社會及管治報告

EMPLOYMENT AND LABOUR PRACTICE

(Continued)

Employment

Talent recruitment and retention

To recruit and retain high-calibre talents, we provide competitive remuneration packages to attract and motivate our employees. We offer competitive remuneration, share option and share award schemes, retirement and medical benefits, insurance coverage and leave entitlement commensurate to market standards. The remuneration package of employees is reviewed regularly based on individual performance and market conditions. As part of the effort to retain talent, we offer internal mobility opportunities, which drive the overall efficiency of operations through better matching of required skills with talents. All the above details are documented in the two Employee Handbooks of the Group and YF Life, along with other provisions like employment terms, remuneration, benefits, training and regulations, and business conduct.

Diversity and equal opportunity

The Group adopts an equal employment opportunity policy and is committed to maintaining a non-discriminatory workplace where all employees are treated with fairness and respect. We make recruitment and other employment-related decisions based on bona fide occupational requirements, and prohibit discrimination, harassment, bias or prejudice on the basis of an individual's traits, including but not limited to gender, disability, family status, race, marital status or pregnancy. Employees are encouraged to report any potential violations to the human resources department and violations may result in disciplinary action or even termination of employment.

At the Board level, we have adopted a board diversity policy in October 2013 which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Under the policy, the Group seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, race and ethnicity, gender, age and length of service. For further details, please refer to the Corporate Governance Report.

僱傭及勞工常規(續)

僱傭

招聘和留住人才

為了招聘和留住高素質人才，我們提供有競爭力的薪酬方案，以吸引和激勵我們的員工。我們提供相比市場標準具競爭性之薪酬、購股權及股份獎勵計劃、退休及醫療福利、保險範圍及休假權利。我們根據個人績效及市場條件定期檢討員工之薪酬計劃。作為挽留人才工作之一部分，我們提供內部流動機會，可通過更好地匹配所需之技能及人才，提高整體營運效率。所有上述詳情均記錄在雲鋒和萬通保險的兩份員工手冊中，同時包含其他條款，如僱傭條款、薪酬、福利、培訓和法規以及商業行為準則。

多元化與機會均等

本集團採納平等就業機會政策，並致力於維持一個無歧視的工作場所，讓所有員工都獲得公平對待和尊重。我們基於真正的職業要求作出招聘和其他僱傭相關的決策，並禁止基於個人特點的歧視、騷擾、偏見，這些個人特點包括但不限於性別、殘疾、家庭狀況、種族、婚姻狀況或懷孕。我們鼓勵員工向人力資源部報告任何可能的違規行為或可能導致紀律處分甚至解除僱傭關係的違規行為。

在董事會層面，我們於二零一三年十月採納董事會成員多元化政策，當中載列為達致及維持董事會成員多元化，提升董事會運作效率而採取之方針。基於該政策，本集團力求考慮多項因素(包括專業資格及經驗、文化及教育背景、種族、性別、年齡及服務時間)，貫徹董事會成員多元化。有關進一步詳情，請參閱企業管治報告。

EMPLOYMENT AND LABOUR PRACTICE

(Continued)

Labour Practices

We strictly adhere to Employment of Children Regulations and other regulations under the Employment Ordinance in Hong Kong together with other relevant laws in other jurisdictions, which prohibit any illegal employment of children or forced labour. To prevent child labour, we perform checks on candidates' relevant information including personal identification and other documents to verify their age. Through the two Employee Handbooks of the Company and YF Life, we communicate to employees their employment terms and conditions, to ensure that they clearly understand their employee rights and benefits.

Our Workforce

As at 31 December 2020, the Group had 708 employees, among which male and female employees represent 46.2% and 53.8% of the total workforce respectively. Geographically, about 77.8% of our employees are stationed in Hong Kong, with another 18.6% residing in the PRC and the remaining 3.5% in Macau. By age group, 33.5% of our employees are below 30 years of age, with another 56.2% aged between 30 to 50, and the remaining 10.3% above 50 years of age.

The overall turnover rate was 18.2% in 2020, and breakdown of turnover by gender, geographical region and age group is provided in the table below.

Breakdown of turnover rate

Turnover by category	按類別劃分的人員流失情況	Employee turnover in 2020 二零二零年 僱員流失數	Turnover rate in 2020 (%) 二零二零年 人員流失比率 (%)
By gender	按性別		
Male	男性	63	21.6%
Female	女性	61	15.6%
By geographical region	按地理區域		
Hong Kong	香港	64	12.4%
Macau	澳門	1	4.3%
PRC	中國內地	59	42.0%
By age group	按年齡組		
Below 30	30以下	55	23.9%
30-50	30-50	66	17.1%
Above 50	50以上	3	4.7%

僱傭及勞工常規(續)

勞工常規

我們嚴格遵守香港《僱用兒童條例》及《僱傭條例》項下其他法規以及其他司法管轄區之相關法例，這些法例禁止非法僱用兒童或強迫勞工。為防止童工，我們核實應徵者的有關資料，包括個人身份以及核實年齡所需之其他文件。通過本公司和萬通保險的兩份員工手冊，我們告知員工其僱傭條款及條件，確保其理解所擁有的員工權力和利益。

我們的員工

於二零二零年十二月三十一日，本集團有708名員工。其中男性及女性員工分別佔總員工數之46.2%及53.8%。地區方面，77.8%員工居住於香港，另有18.6%員工居住於中國內地及餘下3.5%居住於澳門。按年齡組劃分，年齡在30歲以下的員工佔33.5%，56.2%員工的年齡在30至50歲之間，餘下10.3%員工年齡在50歲以上。

於二零二零年，員工的流失比率為18.2%，下表列出了按性別、地區及年齡組劃分的流失情況。

人員流失比率明細

EMPLOYMENT AND LABOUR PRACTICE

(Continued)

Regulatory compliance

During the reporting period, the Group adhered to the Employment Ordinance and other relevant regulations, and was not aware of any material non-compliance regarding employment, child or forced labour.

Employee Health and safety

The well-being of our employees directly affects the Group's productivity and we make every effort to increase the awareness of all staff members regarding occupational health and safety issues within the Group.

While there is no significant health and safety risk in the office environment, we take all practical measures to ensure a safe and healthy working environment and communicate with employees to enhance their awareness. We seek to promote the well-being of employees by providing medical insurance coverage to our employees, covering services like clinical visits, hospitalisation benefits, dental benefit, specialist visits and health check-ups.

During the COVID-19 outbreak, we have also taken various measures to protect our colleagues and prevent the spread of disease in our offices. For instance, we adopted flexible working arrangements and a split team system to minimise the chance of infection from daily commuting and interactions between colleagues. Employees who went back to our offices are required to wear masks in offices and lifts, and the Company provided two masks per day for each employee. We also followed the government's instructions, and all unnecessary business trips were cancelled and employees were required to report any trips to foreign countries to the human resources department. In the event that there was any confirmed case of COVID-19 in buildings our employees live in, or if they were involved in any infection cluster, such employees were required to alert the human resource department and work from home until receiving a negative COVID-19 test result.

During the reporting year, we adhered to relevant laws and regulations and were not aware of any incidence of material non-compliance relating to health and safety.

僱傭及勞工常規(續)

監管合規

於報告期內，本集團遵守《僱傭條例》及其他有關規例，未發現與僱傭、兒童或強迫勞工相關的重大違規情況。

僱員健康及安全

員工之福祉直接影響本集團的生產力，我們將盡一切努力提高所有員工對本集團職業健康和 safety 問題的認識。

雖然本集團的辦公環境不存在重大健康及安全風險，我們仍會採取一切可行措施，確保安全健康之工作環境，並與員工溝通以增強其意識。我們通過為員工提供醫療保險，包括臨床探訪、住院津貼、診牙福利、專家探訪和健康檢查等服務，以提升僱員福祉。

在新型冠狀病毒肺炎爆發期間，我們亦採取了各種措施來保護我們的員工並防止新冠病毒肺炎在辦公室傳播。例如，我們實行靈活的工作安排和團隊拆分制度，以盡量減少同事之間日常通勤和互動交流所引起的感染幾率。返回辦公室的員工在辦公室和電梯必須佩戴口罩，公司每天向每名員工發放兩個口罩。我們亦遵循政府指示，取消了所有不必要的出差安排，並且要求員工向人力資源部報告任何出國旅行。如果我們員工所居住的建築內有新冠病毒肺炎確診病例，或者員工涉及任何群聚感染，要求相關員工向人力資源部發出警示並在家辦公，直至收到新冠病毒肺炎測試呈陰性的結果。

於報告年度，我們遵守相關法律法規，並未發現任何與健康和 safety 有關的重大違規情況。

EMPLOYMENT AND LABOUR PRACTICE

(Continued)

Development and training

The Group emphasises the importance of the on-going professional development of our employees, and seeks to provide different training and development opportunities to assist their career progression. Through a relevant, systematic and organised training platform, we aim to align the knowledge and skill sets of our staff members with our business objectives and operation requirements, in order to enhance efficiency and productivity. We believe that upskilling our staff members can help reduce overall operational risks in the long run.

At YF Life, staff training is broadly categorised into three main types for new, existing and management staff. Upon joining YF Life, employees receive basic training on legal compliance, company product knowledge, service selling techniques and mentor training in person. For staff with management roles, we offer leadership-related training to assist them in discharging their management responsibilities.

To ensure that our agents act in line with the regulatory requirements, we offer regular legal compliance e-refreshers on different compliance topics including anti-money laundering, direct marketing and data privacy. Agents must complete the required compliance training or their agent contract may be terminated. For insurance sales to mainland clients, we have also established an Internal Compliance Guide for Sales to PRC Clients outlining the requirements for agents working on sales to clients from PRC.

Besides the abovementioned regular training, we also encourage our employees at YF Life to pursue further development by joining the Designation Programs offered by the Life Office Management Association (LOMA). The Designation Programs offer various topics including customer service, reinsurance and compliance, allowing staff to learn more about various facets of the insurance industry and fulfil their self-improvement commitments. To encourage participation, we offer full refund on the registration fees for each course passed as well as exam bonus and examination leave to eligible staff.

僱傭及勞工常規(續)

發展及培訓

本集團強調僱員持續專業發展的重要性，並尋求提供不同的培訓及發展機會，以協助其職業發展。通過相關系統性的以及有組織的培訓平台，我們旨在使員工的知識和技能與我們的業務目標和運營要求保持一致，以提升生產效率。長遠而言，我們相信提升員工技能水平可以幫助降低總體運營風險。

於萬通保險，員工培訓大致分為新員工、在職員工和管理人員三種主要類型。加入萬通保險後，員工將接受法律合規、公司產品知識、服務銷售技巧和面對面導師培訓等基礎培訓。對於承擔管理職責的僱員，我們提供領導能力相關的培訓，以協助他們行使管理職責。

為確保我們的代理遵循法規要求，我們提供關於不同合規主題的定期法律合規電子更新培訓，涵蓋反洗錢、直銷和數據私隱。我們的代理必須完成所要求的合規培訓，否則他們的代理合同可能會被終止。對於面向內地客戶的保險銷售，我們亦制定了《中國客戶銷售內部合規指引》，概述了代理從事對中國內地客戶銷售的相關要求。

除上述定期培訓外，我們亦鼓勵萬通保險的員工通過加入壽險管理學會(「LOMA」)提供的指定計劃，得到進一步提升。該指定計劃涵蓋包括客戶服務、再保險和合規性在內的各種主題，讓員工能夠瞭解更多保險業各方面的信息，實現自我完善。為鼓勵員工參加培訓，對於符合資格的僱員，考試合格的各門課程的報名費可得到全額退還，僱員還可以獲得考試津貼並享有考試假。

Environmental, Social and Governance Report

環境、社會及管治報告

EMPLOYMENT AND LABOUR PRACTICE

(Continued)

Development and training (Continued)

For our staff engaging in non-insurance businesses, we also offer internal and external training to promote and cultivate the ongoing professional development of our staff. On a regular basis, staff members are provided with internal seminars including various team building sessions, FATCA¹ and CRS² updates, SFC³ seminars with regulatory updates and financial reporting updates. In the reporting year, we have also provided trainings covering topics like anti-money laundering and counter financing of terrorism, cybersecurity and data breach, and refresher training on compliance matters for our staff. We also support our employees to seek external education relevant to their job duties, and provide benefits including examination leave and fee reimbursement, subject to approval of their department head and senior management.

Operation Practices

Product responsibility

The Group emphasises quality in providing insurance products and other financial services to our valued customers. Both industries are highly regulated by the governing bodies and regulators such as the Securities and Futures Commission, Insurance Authority, Mandatory Provident Fund Schemes Authority and Monetary Authority of Macau. We comply strictly with the local laws and regulations such as sales practice, KYC check, credit control, compliance, risk disclosure, information protection and data security as well as trademarks and intellectual property. To ensure that our employees are capable of providing quality services to customers, we regularly provide our employees with refresher training on relevant regulatory requirements.

In 2020, there was no incident of material non-compliance against the relevant laws and regulations relating to our products and services.

¹ Foreign Account Tax Compliance Act

² Common Reporting Standard

³ Securities and Futures Commission

僱傭及勞工常規(續)

發展及培訓(續)

我們還向從事非保險業務的員工提供內部及外部培訓，以促進和培養我們員工的持續專業發展。我們定期向員工提供內部研討會，包括各種團隊建設活動、《海外賬戶稅收合規法案》¹及《共同匯報標準》²以及證監會³有關法規更新之研討會以及財務報告更新等。報告年內，我們還提供了有關打擊洗錢及恐怖分子資金籌集、網絡安全和數據泄露等主題的培訓，以及針對合規事項為員工開展更新培訓。我們還支持員工尋求與其工作職責相關的外部教育，並提供相關福利，包括考試假和費用報銷(須獲得其部門主管和高級管理層的批准)。

經營規範

產品責任

本集團向尊貴的客戶強調我們所提供的保險產品及其他金融服務的品質。金融和保險產品行業均受到管理機構和監管機構的嚴格監管，例如證券及期貨事務監察委員會及保險業監管局、強制性公積金計劃管理局及澳門金融管理局等。我們嚴格遵守當地法律法規，如銷售慣例、瞭解客戶檢查、信貸控制、合規、風險披露、信息保護和數據安全以及商標和知識產權。為確保我們的員工能夠向客戶提供優質服務，我們定期為僱員提供相關監管機構要求的更新培訓。

二零二零年，本集團不存在與產品和服務相關的違反法律法規的重大不合規事項。

¹ 《海外賬戶稅收合規法案》

² 《共同匯報標準》

³ 證監會

Operation Practices (Continued)

Providing quality insurance product and services

Our insurance products are developed to protect customers from unexpected events and support their long-term life planning. It is therefore vital that our insurance products are of high quality and meet relevant regulatory requirements. We collaborate with different institutions from time to time to conduct market research to keep abreast of the latest market trends and to ensure our products meet the needs of our customers.

As the bridge connecting our products to the customers, we ensure our agents provide quality services. Our agents are all properly licensed according to the rules promulgated by the Insurance Authority of Hong Kong and the Monetary Authority of Macau, and have satisfied all legal and internal standards of YF Life before being permitted to distribute YF Life insurance products. Besides strictly following the Insurance Authority's Code of Conduct for Licensed Insurance Agents and the industry best practices, our agents are also required to conduct business in accordance with our "Agent Handbook". We regularly communicate and educate our agents with respect to our insurance products to allow proper and accurate representations of product features to customers.

We also have an "Internal Compliance Guide for PRC sales" in place to ensure our staff and agents are fully aware of the "Dos and Don'ts" when dealing with PRC clients. The policy covers daily practices, from sales and mentoring to internal training and qualification requirements. Agents are required to strictly follow the internal qualification requirements with no exceptions.

The monitoring of our service quality also extends to the post-sales period. We follow industry practices as issued by the Insurance Authority, such as making audio-recorded calls to reaffirm client's understanding of the insurance policy purchased, including both investment-linked and life insurance products. In addition, we make use of third-party Mystery Shopper Programmes on an irregular basis to review and assess the selling practice of our agents.

經營規範(續)

提供優質保險產品和服務

我們的保險產品旨在保護客戶免受意外事件的影響，並支持其長期生活規劃。因此，我們的保險產品必須具備高品質特點並符合相關監管要求。我們不時與不同的機構合作進行市場研究，以保持跟進最新的市場趨勢，並確保我們的產品能滿足客戶需求。

作為連接本集團產品與客戶的橋樑，我們確保代理能提供優質服務。我們的代理均根據香港保險業監管局及澳門金融管理局頒佈的條例獲得適當許可，並且在獲准許開展萬通保險的保險產品業務前已滿足所有法律和萬通保險的內部標準要求。在嚴格遵守保險業監管局的持牌保險代理人行為準則和行業最佳實務以外，我們的代理必須按照我們的「代理手冊」指引開展業務。我們定期就我們的保險產品向代理進行溝通和培訓，以便為客戶提供適當、準確的產品特點展示。

我們還制定了「中國客戶業務內部合規指引」，以確保我們的員工和代理充分了解在面對中國內地客戶時應做與不應做事項的相關知識。該政策涵蓋銷售、內部培訓指導和鑒定要求等日常實務。代理商必須嚴格遵守內部資格要求，並無例外。

我們對服務品質的監督也延伸至售後期間。我們遵循保險監管機構發佈的行業慣例，如製作電子錄音電話以再次確定客戶對其所購買保單（含投資連結式和壽險產品）的理解。此外，我們還會不定期地利用第三方神秘顧客評核，以審核以及評估代理商的銷售行為。

Environmental, Social and Governance Report

環境、社會及管治報告

Operation Practices (Continued)

Providing quality financial products and services

For our investment products, we have an investment committee which is chaired by the Chief Executive Officer of the Group, which oversees all investment decisions and the new financial products/services launching process. An internal approval process is used to govern the new product launching process and mitigate relevant risks of new products. The launch of new products requires approvals from all relevant middle and back office functions to ensure that relevant market practices and regulations are met.

It is also important that we empower our customers to make informed decisions in relation to their wealth and investment opportunities. Our staff receives training on product sales best practices from time to time, and we ensure that throughout our promotion campaigns and press releases, our communication materials convey clear, concise and transparent information to allow customers to make informed decisions. We have a chatbot to provide automatic replies to frequently asked questions from customers, and when clients are not satisfied with the answer they receive, they will be directed to our customer service representatives.

Customer privacy and feedback

Information security and business continuity

As a financial institution, we rely on information systems to deliver quality services to our clients and are committed to protecting and managing our information resources to enable us to meet our regulatory responsibilities. To provide guidance on cybersecurity efforts, we have in place a group-wide Cybersecurity Policy and a separate Information Security Policy for YF Life.

We need to deal with sensitive information of our clients and it is important that we take all necessary steps to protect such information. We adhere strictly to the Personal Data (Privacy) Ordinance in Hong Kong and any violation of data privacy obligations is subject to disciplinary actions. There are also internal compliance manuals to guide us on the proper handling of customer information. Varying access right levels have been set to prevent unnecessary access to sensitive client information and prevent information leakage.

經營規範(續)

提供優質金融產品和服務

對於我們的投資產品，我們設有投資委員會，由集團行政總裁擔任主席，負責監督所有投資決策和新金融產品／服務發佈流程。我們使用內部審批流程管理新產品發佈流程和降低新產品的相關風險。新產品的發佈需要所有相關中臺及後臺部門職能的批准，以確保滿足相關的市場慣例和法規。

同樣重要的是，我們賦予客戶就財富和投資機會作出明智決策的能力。我們的員工不時接受產品銷售最佳實務培訓，而且我們確保所有推廣活動和新聞稿中使用的傳播材料均傳達清晰、簡潔和透明的信息，讓客戶能夠在掌握相關信息的情況下決策。我們備有一個聊天機器人，可以自動回復客戶常見的問題。而當客戶對其收到的答復不滿意時，客戶會被引導至我們的客戶服務代表。

客戶私隱及反饋

資訊安全及業務連續性

作為一家金融機構，我們依靠資訊系統向客戶提供優質服務，我們致力於保護和管理我們的信息資源，以便我們能夠履行監管責任。為網絡安全工作指引，我們已制定整個集團適用的網絡安全政策及單獨制定的萬通保險資訊安全政策。

我們的工作需要處理客戶的敏感信息，因此我們有必要採取所有必要措施保護此類信息。我們嚴格遵守香港《個人資料(私隱)條例》，任何違反資料私隱責任的行為均須受到紀律處分。相關內部合規手冊也涉及我們如何正確處理客戶信息。我們各設定各種訪問權限級別，以避免非必要訪問客戶敏感信息的情況，並防止信息洩漏。

Operation Practices (Continued)

Customer privacy and feedback (Continued)

Information security and business continuity (Continued)

The protection of information from external threats is also of critical importance when protecting customers' privacy. Our IT security efforts are guided by the Group Cybersecurity Policy. From time to time, we also invite external service providers to provide cybersecurity training and update our staff on the latest cybersecurity risks.

We fully understand the significance of service stability to our clients. We have established a business continuity plan ("BCP") with comprehensive and systematic measures in place to deal with potential threats from major unexpected events and/or operational disruptions to ensure business continuity and services to our customers. We back-up our data servers regularly and in case of server breakdown, we can switch to the back-up server within a short period to ensure minimal disruption to our services.

Customer Feedback

We welcome customer feedback and collect their opinions through various channels, including our staff, website and customer service hotline. We also regularly seek inputs from our front-line business units to look for areas that require improvement. We promptly handle all complaints from our customers, and meet the response pledge as prescribed by regulatory requirements.

Anti-corruption

We strictly adhere to applicable laws and regulations and conduct our businesses with high standards of business integrity and ethical dealing. Upon joining the Group, all new employees are provided with internal guidelines including the Corporate Compliance Guide and different compliance manuals regarding their professional obligations to transact business affairs in a legal and ethical manner.

經營規範(續)

客戶私隱及反饋(續)

資訊安全及業務連續性(續)

在保護客戶私隱時，保護信息免受外部威脅亦非常重要。我們的信息技術安全工作以《集團網路安全政策》為指引。我們還不時邀請外部服務供應商提供網路安全培訓並向我們的員工介紹最新的網路安全風險。

我們完全理解服務穩定性對客戶的重要性。我們已制定業務連續性計劃，採取全面和系統的措施來應對重大突發事件和／或運營中斷帶來的潛在威脅，以確保業務連續性以及為客戶提供服務。我們還定期備份數據服務器，若發生服務器故障，我們可以在短時間內切換到備份服務器，以確保對服務造成最小干擾。

客戶反饋

我們歡迎客戶反饋並通過各種渠道收集客戶意見，包括我們的員工、網站和客戶服務熱線。我們還定期從前綫業務部門獲取意見，以尋找需要作出改進的領域。我們及時處理客戶的所有投訴，並滿足行業指引規定的回應承諾。

反貪污

我們嚴格遵守適用的法律法規，並以高標準的商業信譽和交易道德開展業務。在入職本集團時，我們為所有新員工提供了關於以合法和道德的方式處理商務事務的職業責任內部指引，包括《公司合規指引》和各種合規手冊。

Environmental, Social and Governance Report

環境、社會及管治報告

Operation Practices (Continued)

Anti-corruption (Continued)

The Group is committed to ensuring strict compliance with all applicable anti-money laundering (“AML”) laws and regulations to prevent the use of its products and services for money laundering and terrorist financing purposes. For our insurance business, an AML policy is established with reference to the Insurance Authority’s Guideline on Anti-Money Laundering and Counter-Terrorist Financing. Under the policy, any identified suspicious client activities would be reported to relevant authorities immediately. From time to time, updates are made to the AML policy to incorporate the latest legal requirements which our employees should follow. Any report made with sufficient supporting evidence will be promptly investigated and appropriate actions will be taken to handle the situation.

For our other financial services regulated by the Hong Kong Securities and Futures Commission (“SFC”), regulated entities under the Company are governed by our AML/Know-your-client (“KYC”) policy, and are required to perform KYC procedures prior to entering into business relationships with proposed customers.

To assist individual employees across levels and divisions/departments to disclose (at a high-level) information related to any misconduct or malpractice they are aware of, a formal Whistleblowing Policy of the Company and a Speak-up Policy for YF Life are in place to protect any employee who reports misconduct. Under these policies, the reporter’s identity is protected and we take all reasonable steps to ensure that the employee suffers no detriment for making reports in good faith.

Besides internal guidelines, we also provide employees with regular training to ensure clear understanding of the Group’s compliance requirements. For example, employees of the Company receive annual refresher training and updates on important compliance guidelines, and at YF Life the Independent Commission Against Corruption is invited to provide annual seminars to strengthen employees’ awareness towards possible misconduct. To enhance corporate management, we standardise and systemise our expenditures through the Regulations on Financial Expenditure Management by clearly documenting the various approval requirements of different expenditure by their nature and amount.

經營規範(續)

反貪污(續)

本集團致力確保嚴格遵守所有適用的反洗錢法律及法規，以防止使用其產品及服務用於洗錢和恐怖融資。我們就保險業務制定了反洗錢政策，其中參考了保險管理部門的反洗錢和反恐融資指引。基於這些政策，我們將立即向有關部門報告發現的任何可疑客戶活動。我們會不時對反洗錢政策進行更新，以納入我們員工應遵循的最新法律要求。對於任何附有充分支持性證據的報告事項，我們將及時進行調查，並將採取適當行動以處理相關情況。

本公司旗下受香港證券及期貨事務監察委員會（「證監會」）監管的其他金融服務、受監管實體均受反洗錢／瞭解客戶政策規管，並須在與潛在客戶訂立業務關係前執行瞭解客戶程序。

為了幫助各級別和區域／部門的員工（在高層次）披露與其所知悉的任何不當行為或不法行為有關的資料，我們已制定正式的公司舉報政策和萬通保險的敢於發言政策，以保護報告不當行為的員工。根據這些政策，舉報人的身份受到保護，我們將採取一切合理措施，以確保員工不會因誠信舉報而受傷害。

除了內部指引外，我們還為員工提供定期培訓，以確保對集團合規要求的清晰理解。如本公司的員工每年都會接受重要合規指引的鞏固培訓和更新培訓。在萬通保險，我們邀請廉政公署開展年度研討會，以強化員工對可能不當行為的認識。為加強企業管理，我們在《財務開支管理條例》明確規定各種開支按其性質和金額所需的不同批准要求，進而對開支進行規範和系統化管理。

Environmental, Social and Governance Report

環境、社會及管治報告

Operation Practices (Continued)

Anti-corruption (Continued)

In 2020, there was no reported non-compliance or concluded cases relating to corruption or money laundering.

Supply chain and counterparties management

At YF Life, we appoint various service providers to support our operations, particularly on IT services. When selecting these service providers, we consider different factors including price, capability and credentials of suppliers, availability of local support and possible synergy from leveraging on other services.

For our other financial services, effective counterparty and transaction due diligence processes are the foundation of our approach to form long-term partnerships with our valued business partners. We promote an ownership system where service/business users within the Company are responsible for selecting the counterparties and entering into transactions. The users are responsible for gathering sufficient information and using an appropriate mechanism to address different business, financial, and legal and compliance related concerns raised by relevant internal functions. Once all concerns are addressed and cleared by the relevant internal functions governed by the internal new business approval process, the proposed transactions are then recommended to senior management for final approval and execution. Significant concerns and issues identified will be escalated to the senior management and Risk Oversight Committee for thorough review and discussion to determine the next course of action to be taken.

As part of the implementation of the counterparty management policy, our risk management, finance, legal and compliance teams review the transaction terms and related documents and determine the need for, and depth of, additional due diligence of counterparties including counterparty risk and the corresponding extent of on-boarding procedures required. We have outlined the activities and types of counterparties that the Company does not associate with, such as those where there is evidence of forced or child labour and certain transactions involving market misconduct, mis-selling or those with negative publicity. For service quality maintenance purpose, we continue monitoring the market reputation and business practice of all existing counterparties.

經營規範(續)

反貪污(續)

於二零二零年，不存在有關貪污或洗錢的已報告違規事件或已完結個案。

供應鏈及交易對手管理

在萬通保險，我們委任各類服務供應商來支持我們的運營，尤其是信息技術服務。在選擇這些服務供應商時，我們會考慮不同的因素，如供應商的價格、能力和資質、當地支援的可用性以及利用其他服務的可能協同效應。

對於我們其他金融服務，有效的交易對手及交易盡職調查流程是與我們尊貴的商業夥伴建立長期合作關係之基礎。我們推行所有權制度，本公司的服務／業務用戶負責選擇交易對手及訂立交易。該用戶有責任收集足夠之信息並使用適當之機制來解決集團內部職能部門提出之不同業務、財務、法律及合規性相關問題。根據內部新業務審批流程，在內部職能部門確認解決所有關注事項後，建議交易屆時由高級管理層推薦以作最終批准及執行。經確定的重大關注事項及問題，建議將提交至本集團高級管理層及風險監督委員會進行徹底審查及討論，以確定下一步行動。

作為執行交易對手管理政策之一部分，我們的風險管理、財務、法律及合規團隊審查交易條款及相關文件，並確定交易對手之額外盡職調查之需要及深度，包括交易對手風險及相應引導程序之程度要求。我們概述與本公司無關聯之交易對手之活動及類型，例如有證據表明存在強迫或童工勞動及若干涉及市場失當、誤銷或負面宣傳之交易。為維持服務質素，我們繼續監控所有現有交易對手之市場聲譽及商業慣例。

Environmental, Social and Governance Report

環境、社會及管治報告

Operation Practices (Continued)

Supply chain and counterparties management (Continued)

In relation to the sourcing of professional service and financial data providers, the Company has established proper tendering and quotation procedures to engage the most suitable service providers with criteria tailored for covering areas such as product/service quality together with internal control and risk management requirements to manage various operational risks including credit, reputational and concentration risks. Consequently, in addition to pricing evaluation, all relevant factors will be considered in the selection of counterparties/service providers.

For internally-developed service provision processes with the aim to maximise automation and segregation of duties to reduce human error, we have set up a project management and quality control team to liaise with different areas of operations including the development of different product initiatives, financial infrastructure and applications by developing a procedural manual and conducting regular progress meetings. The teams ensure quality services and products as per the standard set by senior management.

ENVIRONMENT & COMMUNITY

Environment

Use of resources

As a financial institution, the Group mainly conducts its businesses in the office environment and has a less significant environmental footprint compared to other sectors. However, we still seek to minimise resource consumption and adopt environmental best practices in our operations by regularly reviewing our environmental practices and considering additional eco-friendly measures, sustainability targets and practices.

Concerning energy consumption, our server units and data centres consume the most energy. While we do not have control over the energy use in the rented data centres, we have long adopted in-rack cooling for server units at YF Life's data centre for better thermal management, thus reducing overall energy consumption.

經營規範(續)

供應鏈及交易對手管理(續)

關於專業服務及金融數據提供商之採購，本公司已經建立了適當之招標及報價程序，按為涵蓋如產品／服務質量連同內部控制及風險管理要求所制定之標準委聘最適合之服務提供商，以管理各種營運風險，包括信用、聲譽及集中風險。因此，除定價評估外，選擇交易對手／服務提供商將考慮所有相關因素。

就旨在最大限度地實現自動化及職責分離以減少人為錯誤之內部開發服務提供過程而言，我們設立項目管理及質量控制團隊，於不同運營領域進行聯絡，包括通過制定程序手冊及定期舉行進度會議開發不同產品計劃、金融基礎設施及應用。團隊確保高質素服務及按照高級管理層設定之標準及時交付產品。

環境與社區

環境

使用資源

作為一家金融機構，本集團主要在辦公環境中開展業務，與其他行業相比，環境足跡不太重大。但是，我們仍通過定期審查環保實務並考慮進一步環保措施、可持續發展目標及實務，力求最大限度減少資源消耗，並在本集團業務營運中採納環保最佳實踐。

對於能量消耗問題，我們的服務器和數據中心消耗了最多能量。雖然我們對租用數據中心的能源使用不具有控制權，但我們長期以來在萬通保險的數據中心採用內置機櫃冷卻服務器，以實現更好的熱管理，從而降低整體能耗。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENT & COMMUNITY (Continued)

Environment (Continued)

Use of resources (Continued)

In our offices, we reinforce the principles of reduce, recycle and reuse, to further minimise our already low impact on the environment. We have adopted various green practices to reduce the consumption of resources (including electricity, water and paper). Examples of such green practices are:

- Switching off idle lightings, air conditioning and electrical appliances to reduce energy consumption;
- Encouraging double-sided printing and using recycled paper for printing and copying; and
- Setting up recycling bins in office areas

As part of our effort to reduce our environmental impact, we have been progressively digitalising our business operations. FinTech mobile applications were launched in 2019 to support eFNA, online applications, electronic policy issue, online payment, ePolicy Services and claims, etc. In the coming years, we will continue to enhance these applications to enrich the functionalities and improve customer experiences as well as reducing our environmental impact while improving efficiency in our operations.

Details of electricity, water and paper consumptions at our offices are summarised in the table below.

Summary of resources consumptions

Use of resources 使用資源	Unit 單位	2020 二零二零年
Electricity 電	kWh 千瓦時	3,059,234
Water ⁴ 水 ⁴	m ³ 立方米	472
Paper (A3) ⁵ 紙 (A3) ⁵	Sheets 張	110,110
Paper (A4) ⁵ 紙 (A4) ⁵	Sheets 張	7,908,469

⁴ Since the water consumption of some offices was managed by the buildings' property management, we cannot obtain the actual water consumption data. Hence the reported water consumption excluded these offices, which include the Company's Hong Kong office and Beijing office, ten YF Life Hong Kong offices and four YF Life Macau offices.

⁵ Excluding the Company's Beijing office where such data is not tracked.

環境與社區(續)

環境(續)

使用資源(續)

在我們的辦公區域，我們強化減少、循環及再利用之原則，以進一步減少其對環境已經較低之影響。我們已採用各種綠色實踐來減少資源的使用，包括電、水和紙。該等綠色實踐實例包括：

- 通過關閉閒置照明、空調及電器來減少能源消耗；
- 使用再生紙進行打印及複印、雙面打印及複印；及
- 在辦公區域設置回收箱

為進一步減少環境影響，我們已逐步將業務運營數碼化。我們於二零一九年推出了金融科技移動應用程序，以支持eFNA、在線申請、出具電子保單、在線支付、ePolicy（電子保單）服務和理賠等。在未來幾年，我們將繼續增強這些應用程序，豐富相關功能並完善客戶體驗，在減少環境影響的同時，提高運營效率。

我們辦事處的電、水和紙消耗詳情見下表。

資源消耗概況

⁴ 由於部分辦公室的用水是由大廈物業管理負責管理，我們無法獲得實際的用水量數據。因此報告的用水量排除了該等辦公室，其中包括公司的香港辦公室和北京辦公室，十個萬通保險香港辦公室以及四個萬通保險澳門辦公室。

⁵ 不包括未跟蹤有關數據的公司北京辦公室。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENT & COMMUNITY (Continued)

Emissions

Due to the nature of our business operations, we do not produce significant direct environmental emissions such as air emission, discharges to water and land as well as generation of hazardous and non-hazardous wastes, and do not consider such emissions to be material. However, we are aware of the carbon emissions caused by our electricity consumption and strive to minimise electrical consumption in our offices, servers and data centres.

In 2020, there was no material non-compliance regarding environmental emissions reported.

The environmental and natural resources

As a financial institution, the impact of our business extends beyond our own operations to the impact our investment strategies have on the environment. While we have not formulated specific policies or guidelines on the ESG considerations of our investment strategies, ESG considerations are indirectly addressed as described below.

At YF Life, we have appointed Barings to be the investment manager of our fixed-income assets portfolio, who is a signatory of the United Nation's Principle of Responsible Investment and has incorporated ESG factors into its rigorous investment analysis process. Such integration of ESG factors into the investment process provides better insights into long-term risks and opportunities and enhances the stability of our portfolio.

For our wealth management services, we seek to work with top-tier fund managers which we believe have incorporated fundamental ESG considerations into their investment decisions. We select mutual fund partners by focusing on new industries and avoid investment in industries with obvious negative ESG impact. As part of our due diligence procedures, we also conduct news search on funds to better understand their performance. Any negative news identified, including ESG-related ones, may trigger further investigation or clarification with the fund managers, depending on the nature of the issue.

環境與社區(續)

排放

由於我們的業務運營性質，我們不會產生大量直接的環境排放(如廢氣排放，向水體和土地的排污以及有害及無害廢棄物的產生)，且我們認為此類排放均不重大。但我們確實意識到由電力消耗造成的碳排放，並力求最大限度地減少辦公室以及服務器和數據中心的電力消耗。

於二零二零年，未報告有關環境排放的重大違規情況。

環境及天然資源

作為一家金融機構，我們的業務影響不僅現於我們自身的運營，還包括我們的投資策略對環境的影響。雖然我們尚未就投資策略的環境、社會及管治制定具體政策或指引，但環境、社會及管治考慮因素已如下方所述間接提及。

在萬通保險，我們已委任巴林銀行擔任我們固定收益資產投資組合的投資經理。巴林銀行為聯合國的責任型投資原則的支持者，將環境、社會及管治因素納入了嚴格的投資分析流程。通過將環境、社會及管治因素融入投資流程，我們在長期風險及機遇方面能提供更為深刻的洞察，我們投資組合的穩定性已有所增強。

對於我們的財富管理服務，我們尋求與頂級基金管理人合作，我們相信這些基金管理人已將基本的環境、社會及管治考慮因素納入其投資決策中。在選擇共同基金合作夥伴時，我們主要專注新行業，並避免投資於明顯負面環境、社會及管治影響的行業。作為我們盡職調查程序的一部分，我們還會對基金進行新聞搜索，以便更好地瞭解其績效。所發現的任何負面新聞，包括與環境、社會及管治相關的新聞，都可能引發對基金管理人進行進一步調查或澄清，具體取決於問題性質。

ENVIRONMENT & COMMUNITY (Continued)

Community Investment

The Group is committed to participating in community events. When approached by charitable organisations, we perform due diligence on their background, mission and plan. If they match with the Group's vision, we will provide financial and other assistance to the maximum practicable extent, on a case-by-case basis.

YF Life Jr. Space Camp Program

The "YF Life Jr. Space Camp Program" was a first of its kind programme started by YF Life Insurance International Ltd. in 1999 to provide simulated astronaut training for children from Hong Kong, Macau and China. Since its inception, this program has helped over 150 children make their space dreams come true. With its all-round, innovative and unique training methodology, the program is designed to spark and nurture children's interest in space exploration and advanced aerospace technology, as well as strengthen the parent-child bond through a series of parent-child collaboration activities. The program's slogan "It is Possible!" encourages children to take on challenges and go beyond their comfort zone.

With the spread of COVID-19 and in the interests of all participants' health and safety, the 2020 YF Life Jr. Space Camp Program was temporarily suspended. We will continue to monitor the situation of the pandemic and restart the program when feasible.

Participation and sponsorships in social and environmental events

Besides our flagship YF Life Jr. Space Camp Program, we also actively participate in different charitable events organised by non-governmental organisations ("NGOs"). In 2020, we continued to participate in and make monetary donations to the Dress Casual Day and Love Teeth Day organised by The Community Chest. In addition, we participated in the AVS Flag Day organised by the Agency for Volunteer Service and the World Sight Day 2020 organised by Orbis in Hong Kong and Macau.

We also made in-kind donations to different NGOs during the year, including food donation to Food Angel, and 1,600 pieces of Fook Calendar to two NGOs under The Community Chest.

環境與社區(續)

社區投資

本集團致力於參與社區活動。當慈善組織聯絡我們時，我們將對組織背景、使命及計劃進行盡職調查。倘彼等符合本集團之願景，我們將根據具體情況為相關慈善組織提供最大可行範圍內之財務及其他援助。

「萬通保險小太空人訓練計劃」

「萬通保險小太空人訓練計劃」於一九九九年由萬通保險國際有限公司發起，是首個為香港、澳門及中國內地小朋友提供模擬太空人訓練的計劃。該計劃自創辦以來，已成就了超過150名小朋友實現他們的太空夢想；透過全面及別具創意的培訓方式，激發和培養小朋友對太空探索和先進航空航天技術的興趣，並通過一系列親子協作活動，增進親子感情。藉著「It is Possible!」的計劃口號，我們鼓勵小朋友勇於接受挑戰，不斷超越自己的舒適區。

在新型冠狀病毒肺炎疫情蔓延的情況下，為保障所有參與者的健康和 safety，二零二零年萬通保險小太空人訓練計劃暫停舉辦。我們將繼續監控疫情，並在可行的情況下重新啟動該計劃。

參與及贊助社會和環境活動

除我們的旗艦社區活動「萬通保險小太空人訓練計劃」外，我們積極參與由非政府組織舉辦的不同的慈善活動。於二零二零年，除透過捐款參加香港公益金的「便服日」和「公益愛牙日」外，我們亦參加了由義務工作發展局舉辦的「全港賣旗日」和在香港和澳門參加了奧比斯的「世界視覺日2020」。

去年，我們還向不同的非政府組織進行實物捐贈，包括向惜食堂捐贈食物，以及向香港公益金下屬的兩個非政府組織捐贈了1,600份福字月曆。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENT & COMMUNITY (Continued)

YF Life Jr. Space Camp Program (Continued)

Participation and sponsorships in social and environmental events (Continued)

To raise awareness on climate change, we participated in the Green Low Carbon Day 2020 co-organised by The Community Chest and the Earth Hour 2020 organised by the World Wide Fund for Nature. Staff members were encouraged to participate in these events and make donations to show their support.

In the face of COVID-19, in addition to responding to the threat with strengthened protection for our customers by offering them free Hospital Income Benefit, we also extended this benefit to non-YF Life customers in both Hong Kong and Macau. In addition, we donated hand sanitisers to various member agencies of The Community Chest dedicated to serving the visually impaired.

環境與社區(續)

「萬通保險小太空人訓練計劃」(續)

參與及贊助社會和環境活動(續)

為了提高對氣候變化的認識，我們參加了由香港公益金舉辦的「綠色低碳日2020」以及由世界自然基金會組織的「地球一小時2020」活動。我們鼓勵員工參與活動並進行捐款，藉此出一分力。

就「新型冠狀病毒肺炎」的疫情發展，我們除為客戶提供免費住院現金津貼，亦將此保障伸延至非客戶的港澳居民，並特別向香港公益金旗下多間服務視障人士的會員機構捐贈消毒搓手液。

A APPENDIX: HKEX ESG REPORTING GUIDE INDEX

	Aspects 範疇
A	Environmental 環境
A1	Emissions
	a) Policies and b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	排放物
	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：
	(a) 政策；及
	(b) 遵守對發行人有重大影響的相關法律及規例

A 附錄：香港交易所《環境、社會及管治報告指引》索引

Section 章節	Remarks 備註
Environmental & Community 環境與社區	
Emissions 排放	

Environmental, Social and Governance Report

環境、社會及管治報告

A APPENDIX: HKEX ESG REPORTING GUIDE INDEX (Continued)

A 附錄：香港交易所《環境、社會及管治報告指引》索引(續)

Aspects 範疇	Section 章節	Remarks 備註
<p>A1.1 The Types of Emissions and respective emission data</p> <p>排放物的種類及相關排放資料</p>	—	<p>Due to our business nature, no significant amount of air emission was generated.</p> <p>由於我們的業務性質，未有產生重大數量的有害廢棄物。</p>
<p>A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	—	<p>Greenhouse gas emissions are not identified as material to the Group. We will continue to observe any regulatory changes to review our disclosure in the future.</p> <p>溫室氣體排放未被識別為對本集團屬重要。我們將持續遵循監管變化，同時審核未來相關披露。</p>
<p>A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	—	<p>Due to our business nature, no significant amount of hazardous waste was generated.</p> <p>由於我們的業務性質，未有產生重大數量的有害廢棄物。</p>
<p>A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	—	<p>Non-hazardous wastes are not identified as material to the Group and no data was tracked.</p> <p>無害廢棄物未被識別為對本集團屬重要，因此未跟蹤相關數據。</p>
<p>A1.5 Description of measures to mitigate emissions and result achieved</p> <p>描述減低排放量的措施及所得成果。</p>	Emissions 排放	
<p>A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved</p> <p>描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。</p>	Emissions 排放	

Environmental, Social and Governance Report

環境、社會及管治報告

A APPENDIX: HKEX ESG REPORTING GUIDE INDEX (Continued)

A 附錄：香港交易所《環境、社會及管治報告指引》索引(續)

Aspects 範疇	Section 章節	Remarks 備註
<p>A2 Use of Resources</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials. 資源使用</p> <p>有關有效使用資源(包括能源、水及其他原材料)的政策。</p>	Use of resources 使用資源	
<p>A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in “000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。</p>	Use of resources 使用資源	
<p>A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。</p>		
<p>A2.3 Description of energy use efficiency initiatives and result achieved. 描述能源使用效益計劃及所得成果。</p>		
<p>A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。</p>		There was no issue in sourcing water that is fit for purpose. 在採購適用水源上未有遇到任何問題。
<p>A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)，及(如適用)每生產單位佔量。</p>		Due to our business nature, no significant amount of packaging material was used. 由於我們的業務性質，未有使用重大數量的包裝材料。
<p>A3 The Environment and Natural Resources</p> <p>Policies on minimizing the issuer’s significant impact on the environment and natural resources. 環境及天然資源</p> <p>有關減低發行人對環境及天然資源造成重大影響的政策。</p>	The environment and natural resources 環境及天然資源	

Environmental, Social and Governance Report

環境、社會及管治報告

A APPENDIX: HKEX ESG REPORTING GUIDE INDEX *(Continued)*

A 附錄：香港交易所《環境、社會及管治報告指引》索引(續)

Aspects 範疇	Section 章節	Remarks 備註
A3.1 Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。		The Group's businesses are mainly conducted in offices and hence there is insignificant impact on the environment and natural resource. 本集團的業務主要在辦公室進行，因此對環境和自然資源的影響不大。
B Social 社會		
B1 Employment	Employment 僱傭	
Policies on employment and compliance with local laws and regulations that have a significant impact on the issuer on the following aspects: <ul style="list-style-type: none"> • Compensation and dismissal • Recruitment and promotion • Working hours and rest periods • Equal opportunity and anti-discrimination • Diversity • Other benefits and welfare 僱傭		
有關僱傭的政策及遵守於以下方面對發行人有重大影響的本地法律及規例： <ul style="list-style-type: none"> • 薪酬及解僱 • 招聘及晉升 • 工作時數及假期 • 平等機會及反歧視 • 多元化 • 其他待遇及福利 		
B1.1 Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Employment 僱傭	
B1.2 Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Employment 僱傭	

Environmental, Social and Governance Report

環境、社會及管治報告

A APPENDIX: HKEX ESG REPORTING GUIDE INDEX (Continued)

A 附錄：香港交易所《環境、社會及管治報告指引》索引(續)

Aspects 範疇	Section 章節	Remarks 備註
<p>B2 Health and Safety</p> <p>Policies and compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. 健康與安全</p> <p>有關提供安全工作環境及保障僱員避免職業性危害的政策及遵守對發行人有重大影響的相關法律及規例。</p>	Employee health and safety 僱員健康及安全	
<p>B3 Development and Training</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 發展與培訓</p> <p>有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。</p>	Development and training 發展與培訓	
<p>B4 Labour Standard</p> <p>Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 勞工準則</p> <p>有關防止童工或強制勞工及對發行人有重大影響的政策及遵守相關法律及規例。</p>	Employment 僱傭	
<p>B4.1 Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。</p>	Employment 僱傭	
<p>B4.2 Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。</p>	Employment 僱傭	
<p>B5 Supply Chain Management</p> <p>Policies on managing environmental and social risks of the supply chain. 供應鏈管理</p> <p>有關管理供應鏈的環境及社會風險的政策。</p>	Supply chain and counterparties management 供應鏈及交易對手管理	

Environmental, Social and Governance Report

環境、社會及管治報告

A APPENDIX: HKEX ESG REPORTING GUIDE INDEX (Continued)

A 附錄：香港交易所《環境、社會及管治報告指引》索引(續)

Aspects 範疇	Section 章節	Remarks 備註
<p>B6 Product Responsibility</p> <p>Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 產品責任</p> <p>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法及對發行人有重大影響的政策以及遵守相關法律及規例。</p>	Product responsibility 產品責任	
B6.1	—	Not applicable to the Group's businesses. 對本集團的業務不適用。
B6.2	—	Not applicable to the Group's businesses. 對本集團的業務不適用。
B6.3	Product responsibility 產品責任	
<p>B7 Anti-corruption</p> <p>Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 反貪污</p> <p>有關防止賄賂、勒索、欺詐及洗黑錢及對發行人有重大影響的政策及遵守相關法律及規例。</p>	Anti-corruption 反貪污	
B7.1	Anti-corruption 反貪污	
B7.2	Anti-corruption 反貪污	

Environmental, Social and Governance Report

環境、社會及管治報告

A APPENDIX: HKEX ESG REPORTING GUIDE INDEX *(Continued)*

A 附錄：香港交易所《環境、社會及管治報告指引》索引(續)

	Aspects 範疇	Section 章節	Remarks 備註
B8	<p>Community Investment</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p> <p>社區投資</p> <p>有關以社區參與來瞭解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p>	Community investment 社區投資	

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Yunfeng Financial Group Limited ("the Company") and its subsidiaries ("the Group") set out on pages 136 to 337, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2020 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 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.

獨立核數師報告致雲鋒金融集團有限公司成員

(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第136至第337頁的雲鋒金融集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零二零年十二月三十一日的綜合財務狀況及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》妥為擬備。

意見基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證是充足和適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED *(Continued)*

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.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

獨立核數師報告致雲鋒金融集團有限公司成員(續)

Key audit matters (Continued)

關鍵審計事項(續)

Valuation of insurance contract provisions

保險合同準備金的估值

Refer to note 31 to the consolidated financial statements and the accounting policies at note 2(h).

請參閱綜合財務報表附註31和附註2(h)的會計政策。

The Key Audit Matter

How the matter was addressed in our audit

關鍵審計事項

我們的審計如何處理該事項

The Group has significant insurance contract provisions comprised of policyholders' deposits, future policyholders' benefits and unearned revenue liability amounted to HK\$54,488 million representing 80 per cent of the Group's total liabilities.

The computation of future policyholders' benefits involves the use of a reserving model and significant judgement over uncertain future outcomes, primarily the ultimate total settlement value of future policyholders' benefits. The estimation of these future policyholders' benefits includes the determination of economic assumptions, including investment yields and associated discount rates, and operating assumptions including mortality, morbidity, expenses and lapses.

We identified valuation of insurance contract provisions as a key audit matter because of its significance to the Group's consolidated financial statements and the significant degree of management judgement involved.

Our audit procedures to assess the valuation of insurance contract provisions with the involvement of our internal actuarial specialists included the following:

- assessing the Group's methodology for calculating the insurance contract provisions and the movements in insurance contract provisions during the year, including consideration of whether the movements are in line with the assumptions adopted by the Group, our understanding of developments in the business and expectation derived from market experience;
- assessing the reasonableness of the key assumptions adopted over the calculation of insurance contract provisions based on the relevant experience studies and future expectation;
- testing the design, implementation and operating effectiveness of key controls over the valuation process, including the accuracy and completeness of policy data input into the actuarial models, assessment and approval of the methods and assumptions adopted over the calculation of insurance contract provisions as well as appropriate access and change management controls over the actuarial models;

貴集團有重大的保險合同準備金包括保單持有人的存款、未來保單持有人給付及未到期收入責任，總額為544.88億港元，佔貴集團負債總額的80%。

未來保單持有人給付的計算涉及使用準備金模型及對不確定未來收益的重大判斷，主要是未來保單持有人給付的最終結算價值總額。估計這些未來保單持有人給付包括確定經濟假設(包括投資收益和相關折現率)，以及經營假設(包括死亡率、發病率、費用和失效)。

我們把保險合同準備金的估值列為關鍵審計事項，是因為其對貴集團綜合財務報表的重要性和所涉及的重大管理層判斷。

我們在內部精算專家的協助下，對評估保險合同準備金的估值執行的審計程序包括：

- 評估貴集團計算保險合同準備金的方法及其對本年度保險合同準備金變動的分析，包括考慮變動是否符合貴集團採納的假設、我們對業務發展的理解以及我們由市場經驗得出的預期；
- 根據相關經驗研究和對未來的預期，評估在計算保險合同準備金時採用的主要假設的合理性；
- 測試估值流程的關鍵控制的設計、實施及運作上的成效，包括測試輸入精算模型中的保單數據的準確性和完整性、評估及審批計算保險合同準備金時採用的方法和假設、以及與精算模型相關的適當訪問權及變更管理控制；

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Key audit matters (Continued)

Valuation of insurance contract provisions (Continued)

The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> sample testing the future policyholders' benefits calculation of material product groups; assessing the methodology and assumptions used by the management in the Liability Adequacy Test ("LAT") calculation; and assessing whether the disclosures in relation to the assumptions used in the valuation of insurance contract provisions are compliant with the relevant accounting standard requirements and appropriately represent the sensitivities of the liabilities to alternative scenarios and inputs.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

關鍵審計事項(續)

保險合同準備金的估值(續)

關鍵審計事項	我們的審計如何處理該事項
	<ul style="list-style-type: none"> 抽樣測試重大產品組合的未來保單持有人給付計算； 評估管理層在負債充足性測試計算中所採用的方法及假設；以及 評估與保險合同準備金估值中所使用假設相關的披露是否符合相關會計準則要求，並適當列示負債對替代方案和輸入值的敏感度。

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Key audit matters (Continued)

Valuation of investments measured at fair value

Refer to note 25 to the consolidated financial statements and the accounting policies at note 2(j).

The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2020, the fair value of the Group's investments carried at fair value totalled HK\$34,884 million, of which HK\$7,370 million was classified as level 3 investments under the fair value hierarchy.</p> <p>The valuation of level 3 investments within the investment portfolio involves significant judgement due to the lack of readily available pricing sources and the expert judgement involved in determining the appropriate valuation methodology and assumptions to be used.</p> <p>We identified the valuation of investments measured at fair value as a key audit matter because of the degree of complexity involved in valuing level 3 investments and the significant degree of judgement exercised by management.</p>	<p>Our audit procedures to assess the fair value of level 3 investments with the involvement of our internal valuation specialists included the following:</p> <ul style="list-style-type: none"> • assessing the design and implementation of key controls over the valuation of level 3 investments; • assessing the appropriateness of the valuation methodologies; • assessing the reasonableness of a sample of the valuation assumptions; • evaluating the valuation assessment and resulting conclusions to determine the appropriateness of the valuations recorded; • assessing the appropriateness of the use of the net asset value reports provided by external fund administrators or the quoted price provided by external calculation agent when these are the pricing source of the level 3 investments at reporting date; and • assessing whether the disclosures in relation to the level 3 investments are compliant with the relevant accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcomes.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

關鍵審計事項(續)

投資公允價值的估值

請參閱綜合財務報表附註25和附註2(j)的會計政策。

關鍵審計事項	我們的審計如何處理該事項
<p>於二零二零年十二月三十一日，貴集團以公允價值計量的投資的公允價值總計348.84億港元，其中73.7億港元被分類為公允價值層級下的第三層級投資。</p> <p>由於缺少易於獲得的定價來源且在確定適當的估值方法及假設時涉及專家判斷，因此，投資組合內的第三層級投資的估值涉及重大判斷。</p> <p>我們把投資公允價值的估值列為關鍵審計事項，是因為第三層級投資估值所涉及的複雜程度，同時也因為管理層所作出的重大判斷。</p>	<p>我們在內部估值專家的協助下，對評估第三層級投資的公允價值執行的審計程序包括：</p> <ul style="list-style-type: none"> • 評估第三層級投資估值方面的關鍵控制的设计及實施； • 評估估值方法的適當性； • 評估估值假設樣本的合理性； • 評價估值評估及所得出的結論，以確定所記錄估值的適當性； • 評估使用由外部基金管理人提供的資產淨值報告，或外部計算代理機構提供的報價作為第三層級投資報告日的定價來源的適當性；以及 • 評估與第三層級投資相關的披露是否符合相關會計準則要求，並基於替代結果恰當地列示估值的敏感度。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Key audit matters (Continued)

Recoverability and amortisation of Value of Business Acquired

Refer to note 23 to the consolidated financial statements and the accounting policies at note 2(h(v)).

The Key Audit Matter

How the matter was addressed in our audit

As at 31 December 2020, the Group has reported Value of Business Acquired ("VOBA") of HK\$9,013 million and amortisation of the VOBA of HK\$324 million for the year. The recoverability assessment and amortisation of the VOBA are based on the achieved and projected future premium and profit profile, which involves management making assumptions about future outcomes.

We identified the recoverability and amortisation of VOBA as a key audit matter because of its significance to the Group's consolidated financial statements and the significant degree of management judgement.

Our audit procedures to assess the recoverability and amortisation of VOBA with the involvement of our internal actuarial specialists included the following:

- assessing the calculation of the VOBA amortisation factors which includes assessing the appropriateness of assumptions relating to the projected future gross premium and profit profile;
- testing the accuracy of the calculations performed on the amortisation of VOBA;
- assessing management's recoverability assessment of the VOBA in the connection with the LAT calculation; and
- assessing whether the disclosures in relation to the valuation and amortisation of VOBA are compliant with the relevant accounting standard requirements.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

關鍵審計事項(續)

收購業務價值的可收回性及攤銷

請參閱綜合財務報表附註23和附註2(h(v))的會計政策。

關鍵審計事項

我們的審計如何處理該事項

於二零二零年十二月三十一日，貴集團錄得本年度收購業務價值為90.13億港元，收購業務價值的攤銷為3.24億港元。收購業務價值的可收回性評估及攤銷是基於已實現及管理層基於假設對未來保費和利潤情況作出的預計。

我們把收購業務價值的可收回性及攤銷列為關鍵審計事項，是因為其對貴集團綜合財務報表的重要性和所涉及的重大管理層判斷。

我們在內部精算專家的協助下，對收購業務價值的可收回性及攤銷執行的審計程序包括：

- 評估收購業務價值的攤銷因數的計算，包括評估與估計未來毛保費和毛利潤相關的假設的合理性；
- 測試收購業務價值的攤銷計算的準確性；
- 結合負債充足性測試的計算，評估管理層對收購業務價值的可收回性評估；以及
- 評估與收購業務價值的估值及攤銷相關的披露是否符合相關會計準則要求。

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

獨立核數師報告致雲鋒金融集團有限公司成員(續)

Key audit matters (Continued)

關鍵審計事項(續)

Amortisation of deferred acquisition costs

遞延保單獲得成本的攤銷

Refer to note 24 to the consolidated financial statements and the accounting policies at note 2(h(iv)).

請參閱綜合財務報表附註24和附註2(h(iv))的會計政策。

The Key Audit Matter

How the matter was addressed in our audit

關鍵審計事項

我們的審計如何處理該事項

As at 31 December 2020, the Group has reported deferred acquisition costs ("DAC") of HK\$ 1,931 million and amortisation of the DAC of HK\$ 492 million for the year. The amortisation of the DAC is based on the achieved and projected future premium and profit profile, which involves management making assumptions about future outcomes.

Our audit procedures to assess the amortisation of the DAC with the involvement of our internal actuarial specialists included the following:

- assessing the calculation of the DAC amortisation factors which includes assessing the appropriateness of assumptions relating to the projected future gross premium and profit profile;
- testing the accuracy of the calculations performed on the amortisation of DAC; and
- assessing whether the disclosures in relation to the amortisation of DAC is compliant with the relevant accounting standard requirements.

We identified the amortisation of the DAC as a key audit matter because of its significance to the Group's consolidated financial statements and the significant degree of management judgement involved.

於二零二零年十二月三十一日，貴集團錄得本年度遞延保單獲得成本為19.31億港元，遞延保單獲得成本的攤銷為4.92億港元。遞延保單獲得成本的攤銷是基於已實現及管理層基於假設對未來保費和利潤情況作出的預計。

我們把遞延保單獲得成本的攤銷列為關鍵審計事項，是因為其對貴集團綜合財務報表的重要性和所涉及的重大管理層判斷。

我們在內部精算專家的協助下，對評估遞延保單獲得成本的攤銷執行的審計程序包括：

- 評估遞延保單獲得成本的攤銷因數的計算，包括評估與估計未來毛保費和毛利潤相關的假設的合理性；
- 測試遞延保單獲得成本的攤銷計算的準確性；以及
- 評估與遞延保單獲得成本的攤銷相關的披露是否符合相關會計準則要求。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Key audit matters (Continued)

Impairment assessment of goodwill

Refer to note 22(a) to the consolidated financial statements and the accounting policies at note 2(d).

The Key Audit Matter	How the matter was addressed in our audit
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As at 31 December 2020, the Group has recognised goodwill of HK\$1,826 million for the acquisition of YF Life Insurance International Limited ("YF Life").	Our audit procedures to assess the impairment assessment of goodwill with the involvement of our internal actuarial specialists included the following:
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There is a risk that the carrying value of goodwill may not be recoverable in full through the future cash flows to be generated from the relevant cash-generating unit ("CGU") to which the goodwill has been allocated. To assess the recoverable amount of goodwill, management calculated the appraisal value of YF Life as they considered this is the appropriate estimation of the recoverable amount of YF Life.	<ul style="list-style-type: none"> assessing management's identification of CGU and the allocation of goodwill with reference to our understanding of the Group's business and the requirement of the prevailing accounting standards; assessing the appropriateness of the methodology used to calculate the appraisal value; assessing the reasonableness of the selected assumptions based on our understanding of developments in the business and expectations derived from market experience; and
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We identified the impairment assessment of goodwill as a key audit matter because of its significance to the Group's consolidated financial statements and the significant degree of management judgement and estimation involved, particularly in the determination of the assumptions used in the calculation of the appraisal value.	<ul style="list-style-type: none"> assessing whether the disclosures in relation to the assessment of potential impairment of goodwill are compliant with the relevant accounting standard requirements.
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獨立核數師報告致雲鋒金融集團有限公司成員(續)

關鍵審計事項(續)

商譽減值評估

請參閱綜合財務報表附註22(a)和附註2(d)的會計政策。

關鍵審計事項	我們的審計如何處理該事項
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於二零二零年十二月三十一日，貴集團就收購萬通保險確認了商譽18.26億港元。	我們在內部精算專家的協助下，對評估商譽減值評估執行的審計程序包括：
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通過已分配商譽的相關現金產生單位所產生的未來現金流量而全額收回商譽的賬面值存在風險。為評估商譽的可收回金額，管理層已計算萬通保險的精算評估價值，因為管理層認為這是對萬通保險的可收回金額所作出的適當估計。	<ul style="list-style-type: none"> 根據我們對貴集團業務的理解及現行會計準則的規定，評估管理層對現金產生單位的識別以及對商譽的分配； 評估用於計算精算評估價值的方法的適當性；
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我們把商譽減值評估列為關鍵審計事項，是因為其對貴集團綜合財務報表的重要性和所涉及的重大管理層判斷和估計(尤其是對確定用於計算精算評估價值的假設而言)。	<ul style="list-style-type: none"> 基於我們對業務發展的理解以及我們根據市場經驗得出的期望值，評估所選假設的合理性；及 評估與商譽的減值風險評估相關的披露是否符合相關會計準則要求。
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Other matter

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The reconciliation between HKFRSs and US generally accepted accounting principles included in note 50 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

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 report, 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.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

其他事項

我們的審計是為了對綜合財務報表發表意見。附註50所載《香港財務報告準則》與美國公認會計準則之間的對賬乃為額外分析而呈列，並非綜合財務報表的必要組成部分。該等信息經過執行綜合財務報表審計所採用的審計程序，我們認為，該等信息在所有重大方面均中肯地呈列。

綜合財務報表及其核數師報告以外的信息

董事須對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

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 Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The 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 405 of the Hong Kong Companies Ordinance, 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.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

董事就綜合財務報表須承擔的責任

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

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

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

As part of an audit in accordance with HKSA's, we exercise professional 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.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

核數師就審計綜合財務報表承擔的責任(續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

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, actions taken to eliminate threats or safeguards applied.

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.

獨立核數師報告致雲鋒金融集團有限公司成員(續)

核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及為消除對獨立性的威脅所採取的行動或防範措施(若適用)。

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

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED *(Continued)*

獨立核數師報告致雲鋒金融集團有限公司
成員(續)

The engagement partner on the audit resulting in this independent auditor's report is Lee Lok Man.

出具本獨立核數師報告的審計項目合夥人是李樂文。

KPMG
Certified Public Accountants

畢馬威會計師事務所
執業會計師

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

香港中環
遮打道10號
太子大廈8樓

26 March 2021

二零二一年三月二十六日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Income	收入			
Premiums and fee income	保費及費用收入	6	7,723,441	6,016,075
Premiums ceded to reinsurer	分出保費		(2,934,969)	(1,948,003)
Net premium and fee income	保費及費用收入淨額		4,788,472	4,068,072
Change in unearned revenue liability	未到期收入責任變動		(525,825)	(715,649)
Net earned premium and fee income	滿期保費及費用收入淨額		4,262,647	3,352,423
Brokerage commission, interest and other service income	經紀佣金、利息收入和 其他服務收入		33,944	18,566
Subscription, management and rebate fee income	認購、管理費及 回退費收入		5,432	8,850
Consultancy and advisory income	顧問及諮詢收入		—	1,060
Net investment income	投資收入淨額	7a	3,691,641	3,290,299
Overlay adjustment	覆蓋調整		(119,419)	(93,666)
Other income	其他收益	7b	2,697,478	1,624,033
Reinsurance commission and profit	再保險佣金和溢利		97,301	78,204
Total income	收入總額		10,669,024	8,279,769
Benefits, losses and expenses	給付、虧損和費用			
Net policyholders benefit	淨保戶給付	8	(3,272,837)	(3,196,552)
Commission and related expenses	佣金和相關費用	9	(1,349,851)	(1,199,947)
Deferral and amortisation of deferred acquisition costs and value of business acquired	遞延保單獲得成本的遞延和 攤銷及收購業務的價值		743,691	913,505
Management and other expenses	管理及其他開支		(940,046)	(1,001,438)
Change in future policyholder benefits	未來保單持有人給付變動	10	(4,727,089)	(3,076,718)
Total benefits, losses and expenses	給付、虧損和費用總額		(9,546,132)	(7,561,150)
Finance cost	融資成本	11(c)	(170,385)	(103,488)
Share of result in associates	聯營公司業績份額		303	(1,080)
Profit before taxation	除稅前溢利	11	952,810	614,051
Tax (expenses)/credit	稅項(支出)/抵免	12	(3,823)	699
Profit after taxation	除稅後溢利		948,987	614,750

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Note 附註			
Profit attributable to:		下列各方應佔溢利：		
Equity shareholders of the Company		本公司權益股東	618,315	255,619
Non-controlling interests		非控股權益	330,672	359,131
			948,987	614,750
Earnings per share attributable to equity shareholders of the Company		本公司權益股東應佔每股盈利		
Basic (HK\$)		基本(港元)	0.186	0.080
			15(a)	
Diluted (HK\$)		攤薄(港元)	0.186	0.080
			15(b)	

The notes on pages 148 to 337 form part of these financial statements.

第148頁至第337頁附註為本綜合財務報表的組成部分。

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit for the year after taxation	本年度稅後溢利	948,987	614,750
Other comprehensive income for the year	本年度其他全面收益		
Item that will not be reclassified subsequently to profit or loss:	其後不會重新分類為損益的項目：		
Equity investment at fair value through other comprehensive income — net movement in fair value reserve (non-recycling)	以公允價值計量且其變動計入其他全面收益的股權投資 — 公允價值儲備變動淨額 (不可轉回)	732	4,084
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類為損益的項目：		
Net movement in the fair value reserve during the year recognised in other comprehensive income	年內在其他全面收益中確認的公允價值儲備變動淨額	17	1,143,832
Net movement in fair value of financial asset at fair value through profit or loss under overlay adjustment	覆蓋調整下以公允價值計量且其變動計入損益的金融資產	17	93,666
Exchange differences arising on translation of results of foreign operations	換算外國業務業績產生之匯兌差額	3,085	(5,172)
Unrealised loss related to amortisation of deferred acquisition costs and value of business acquired	遞延保單獲得成本攤銷及收購業務的價值相關的未變現虧損	23, 24	(986,349)
Unrealised gain related to amortisation of unearned revenue liability — Insurance contract provisions	未到期收入責任攤銷相關的未變現收益 — 保險合同準備金	31(iii)	527,205
Unrealised gain related to amortisation of unearned revenue liability — Investment contract liabilities	未到期收入責任攤銷相關的未變現收益 — 投資合同負債	32(iii)	67,838
		898,052	745,334
Total comprehensive income for the year	本年度全面收益總額	1,847,039	1,360,084

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Total comprehensive income attributable to:	應佔全面收益總額：		
Equity shareholders of the Company	本公司權益股東	1,246,308	702,384
Non-controlling interests	非控股權益	600,731	657,700
		1,847,039	1,360,084

The notes on pages 148 to 337 form part of these financial statements.

第148頁至第337頁附註為本綜合財務報表的組成部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

(Expressed in Hong Kong dollars) (以港幣列示)

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		Note 附註		
Assets	資產			
Property and equipment	物業及設備	18	600,451	495,328
Statutory deposits	法定存款	19	5,721	3,243
Deferred tax asset	遞延稅項資產	37(b)	150	44
Investments in associates	於聯營公司的投資	20	30,074	27,860
Goodwill and other intangible assets	商譽及其他無形資產	22	1,909,079	1,923,360
Value of business acquired	收購業務價值	23	9,012,571	10,057,446
Deferred acquisition costs	遞延保單獲得成本	24	1,931,197	1,128,980
Investments	投資	25	62,807,704	54,822,243
Advance reinsurance premiums	預付再保險保費	26	1,289,587	1,455,458
Reinsurers' share of outstanding claims	未決賠款之再保險公司份額	33	55,443	48,349
Insurance and reinsurance receivables	應收保費及再保險賬款	27	3,755,753	1,579,543
Other accounts receivable and accrued income	其他應收賬款及應計收入	28	158,878	124,446
Other receivables, deposits and prepayment	其他應收款、按金及預付款項	29	954,639	627,511
Bank balance — trust and segregated accounts	銀行餘額 — 信託及獨立賬戶	30	747,841	478,465
Fixed bank deposits with original maturity over 3 months	原定期限多於三個月的銀行定期存款	30	236,733	385,417
Cash and cash equivalents	現金及現金等值項目	30	4,056,734	2,169,751
			87,552,555	75,327,444
Liabilities	負債			
Insurance contract provisions	保險合同準備金	31	54,487,776	46,455,874
Investment contract liabilities	投資合同負債	32	4,492,855	4,364,600
Outstanding claims	未決賠款	33	184,160	161,913
Reinsurance premium payables	應付再保險保費	34	321,989	529,562
Other accounts payables	其他應付賬款	35	869,533	578,545
Other payables and accrued expenses	其他應付款項和應計開支	36	2,520,712	2,436,967
Tax payable	應付稅項	37(a)	13,893	52,086
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入損益的金融負債	38	618,561	630,569
Lease liabilities	租賃負債	39	286,412	326,584
Deferred tax liabilities	遞延稅項負債	37(b)	1,220,317	1,267,384
Bank borrowings	銀行借款	40	1,553,503	1,498,758
Shareholder's loan	股東貸款	41	1,641,077	1,561,444
			68,210,788	59,864,286
NET ASSETS	資產淨值		19,341,767	15,463,158

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日
(Expressed in Hong Kong dollars) (以港幣列示)

		Note	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		附註		
CAPITAL AND RESERVES	資本和儲備			
Share capital	股本	42(e)	11,872,683	9,829,094
Reserves	儲備		1,507,893	273,604
			13,380,576	10,102,698
Non-controlling interests	非控股權益		5,961,191	5,360,460
TOTAL EQUITY	權益總額		19,341,767	15,463,158

Approved and authorised for issue by the board of directors on 26 March 2021

董事會於二零二一年三月二十六日核准並許可發出。

Zhang Ke

張可

Executive Director, Vice Chairman and
Chief Executive Officer

執行董事、副董事長及行政總裁

The notes on pages 148 to 337 form part of these financial statements.

Huang Xin

黃鑫

Executive Director

執行董事

第148頁至第337頁附註為本綜合財務報表的組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔										Total 總計 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Share award scheme 就股份獎勵計劃所持有之股份 HK\$'000 千港元	Share-based payment reserve 以股份為基礎之付款儲備 HK\$'000 千港元	Asset revaluation reserve 資產重估儲備 HK\$'000 千港元	Fair value reserve (recycling) 公允價值(可轉回)儲備 HK\$'000 千港元	Fair value reserve (non-recycling) 公允價值(不可轉回)儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Statutory and capital reserve 法定和資本儲備 HK\$'000 千港元	Accumulated loss 累計虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	
Balance at 31 December 2018 (Restated)	於二零一八年十二月三十一日之結餘(重述)	9,829,094	(83,230)	28,033	2,650	33,791	(4,456)	65,883	(629,887)	9,235,392	6,118,634	15,354,026
First adoption of HKFRS 16	首次採用《香港財務報告準則》第16號	-	-	-	-	-	-	-	(6,580)	(6,580)	(4,387)	(10,967)
Adjusted balance at 1 January 2019	經調整的於二零一九年一月一日之結餘	9,829,094	(83,230)	28,033	2,650	33,791	(4,456)	65,883	(636,467)	9,228,812	6,114,247	15,343,059
Changes in equity for the year ended 31 December 2019:	截至二零一九年十二月三十一日止年度權益變動:											
Acquisition of additional interest in subsidiaries	收購附屬公司之額外權益	-	-	-	-	-	-	-	178,043	178,043	(1,739,487)	(1,561,444)
Capital contribution to a non-wholly owned subsidiary	向一家非全資附屬公司注資	-	-	-	-	-	-	-	-	-	328,000	328,000
Equity settled share-based transactions	以權益結算的以股份為基礎的交易	-	-	(6,541)	-	-	-	-	-	(6,541)	-	(6,541)
Profit for the year	本年度溢利	-	-	-	-	-	-	-	255,619	255,619	359,131	614,750
Other comprehensive income for the year	本年度其他全面收益	-	-	-	(1,112)	447,853	4,084	-	-	446,765	288,569	745,334
Retirement of revalued assets	報廢重估資產	-	-	-	-	-	-	-	1,112	-	-	-
Appropriation to statutory and capital reserve	劃撥至法定和資本儲備	-	-	-	-	-	-	582	(582)	-	-	-
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	9,829,094	(83,230)	21,492	1,538	481,644	(972)	66,465	(202,275)	10,102,698	5,360,460	15,463,158

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔											
		Share- based payment reserve 以股份為 基礎之 付款儲備	Asset revaluation reserve 資產重估 儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Total
Share capital 股本	Share scheme 儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Asset revaluation reserve 資產重估 儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Share- based payment reserve 以股份為 基礎之 付款儲備	Total
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
9,829,094	(83,230)	21,492	1,538	481,644	(372)	(11,658)	66,465	(202,275)	10,102,698	5,360,460	15,463,158		
2,043,589	-	-	-	-	-	-	-	-	2,043,589	-	2,043,589		
-	-	(12,019)	-	-	-	-	-	-	(12,019)	-	(12,019)		
-	-	-	-	-	-	-	-	618,315	618,315	330,672	948,987		
-	-	-	-	624,176	732	3,085	-	-	627,993	270,069	898,062		
-	-	-	-	-	-	-	610	(610)	-	-	-		
11,872,683	(83,230)	9,473	1,538	1,105,820	360	(8,573)	67,075	415,430	13,380,576	5,961,191	19,341,767		

Balance at 31 December 2019 and
1 January 2020 於二零一九年十二月三十一日及
二零二零年一月一日之結額

Changes in equity for the year ended
31 December 2020: 截至二零二零年十二月三十一日止年度
權益變動:

Issue of subscription shares 發行認購股份
Equity settled share-based transactions 以權益結算的以股份為基礎的交易
Profit for the year 本年度溢利
Other comprehensive income for the year 本年度其他全面收益
Retirement of revalued assets 報廢重估資產
Appropriation to statutory and capital reserve 劃撥至法定和資本儲備

Balance at 31 December 2020 於二零二零年十二月三十一日結額

The notes on pages 148 to 337 form part of these financial statements. 第 148 頁至第 337 頁附註為本綜合財務報表的組成部分。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before taxation	除税前溢利	952,810	614,051
Adjustments for:	調整：		
Net gain on financial assets and financial liabilities at fair value through profit and loss	以公允價值計量且其變動計入損益的金融資產及金融負債之收益淨額	(1,350,924)	(1,132,980)
Net gain on disposal of financial assets at fair value through other comprehensive income	出售以公允價值計量且其變動計入其他全面收益的金融資產收益淨額	(98,620)	(19,798)
Net (gain)/loss on disposal of financial assets measured at amortised cost	出售按攤銷成本計量的金融資產的(收益)/虧損淨額	(8,067)	220
Dividend and distribution income from financial asset at fair value through profit and loss	以公允價值計量且其變動計入損益的金融資產的股息和分配收入	(235,760)	(255,480)
Impairment loss of debt instrument measured at amortised cost and fair value through other comprehensive income	按攤銷成本計量及以公允價值計量且其變動計入其他全面收益的債務工具減值損失	137,992	18,650
Impairment loss of investment in an associate	聯營公司權益之減值虧損	—	35,000
Depreciation and amortisation	折舊和攤銷	157,922	139,516
Finance costs	融資成本	170,385	103,488
Interest income	利息收入	(19,455)	(48,456)
Equity-settled share-based payment expenses	以權益結算並以股份支付之開支	(12,019)	(6,541)
Effect of shadow accounting on change in value of business acquired, deferred acquisition costs and unearned revenue liability	影子會計對收購業務的價值變動、遞延保單獲得成本和未到期收入責任的影響	(391,306)	(491,076)
Share of result of associates	聯營公司業績份額	(303)	1,080
Interest credited to policyholders' deposits	保單持有人的存款應計利息	2,784,500	2,690,237
Effective interest income of investments	投資的有效利息收入	(107,485)	(100,979)
Other movements in investment and others	投資及其他的其他變動	249	17,822
		1,979,919	1,564,754

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Changes in working capital:	營運資金變動：		
Change in financial asset and financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產和金融負債之變化	32,149	29,766
Increase in other accounts receivable	其他應收賬款增加	(34,233)	(29,812)
Increase in other receivables, deposits and prepayments	其他應收款項、存款及預付款項增加	(259,357)	(87,452)
Increase in bank balances — trust and segregated accounts	銀行餘額增加 — 信託及獨立賬戶	(269,376)	(38,502)
Increase in other accounts payable	其他應付賬款增加	290,988	56,681
Increase in accrued expenses and other payables	應計費用及其他應付款項增加	230,207	1,586,709
Decrease in value of business acquired	收購業務價值減少	1,044,875	1,018,216
Increase in deferred acquisition costs	遞延保單獲得成本增加	(802,217)	(898,522)
(Decrease)/increase in unearned revenue liability	未到期收入責任(減少)/增加	(69,217)	173,524
Decrease/(increase) in advance reinsurance premiums	預付再保險保費減少/(增加)	165,871	(1,444,806)
Increase in reinsurer's share of outstanding claims	未決賠款之再保險人份額增加	(7,094)	(17,147)
Increase in insurance and reinsurance receivable	應收保費和再保險款增加	(2,175,327)	(1,335,621)
Decrease in policyholders' deposits	保單持有人的存款減少	(2,042,681)	(2,030,219)
Increase in future policyholders' benefits	未來保單持有人給付增加	4,727,089	3,076,718
Increase in outstanding claims	未決賠款增加	22,247	38,090
(Decrease)/increase in reinsurance premium payables	應付再保險保費(減少)/增加	(207,573)	215,551
Others	其他	3,304	(12,006)
Cash generated from operation	經營業務產生之現金	2,629,574	1,865,922

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Operating activities	經營活動		
Cash generated from operations	經營業務產生的現金	2,629,574	1,865,922
Interest received	已收利息	769	1,141
Interest paid	已付利息	(46,665)	(15,740)
Tax paid:	已付稅項：		
Hong Kong profit tax paid	已付香港利得稅	(88,387)	(2,071)
Overseas tax paid	已付海外稅	(795)	(2,348)
Net cash generated from operating activities	經營活動產生的現金淨額	2,494,496	1,846,904
Investing activities	投資活動		
Payment for purchased of property and equipment	購買物業及設備付款	(156,710)	(81,964)
Payment for purchase of intangible asset	購買無形資產付款	(45)	(233)
Proceeds from dividend and distribution income from financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產的股息和分配收益	54,311	80,352
Purchase of/payment for acquisition of financial assets at fair value through other comprehensive income	購買／支付所購入的以公允價值計量且其變動計入其他全面收益的金融資產	(9,055,787)	(9,037,401)
Proceeds from disposal of financial assets at fair value through other comprehensive income	出售以公允價值計量且其變動計入其他全面收益的金融資產之所得款項	5,395,801	3,480,808
Proceeds from disposal of financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益的金融資產之所得款項	2,962,427	2,322,348
Purchase of/payment for acquisition of and contribution made to financial assets at fair value through profit or loss	購買／支付以公允價值計量且其變動計入損益金融資產的收購和出資	(2,436,149)	(2,150,555)
Decrease/(increase) in fixed bank deposits placed with original maturity over 3 months	原定期限多於三個月的固定銀行存款減少／(增加)	148,684	(126,167)
Purchases of amortised cost investments	購買攤銷成本投資	(3,667,004)	(4,272,765)
Proceeds from sales, maturities and repayments of amortised cost investments	銷售、到期和償還攤銷成本投資所得款項	1,449,527	1,154,514
Purchases of policy loans	購買保單貸款	(2,575)	(626)
Proceeds from sales, maturities and repayments of policy loans	銷售、到期和償還保單貸款所得款項	1,692	316
Interest received	已收利息	24,251	46,479
Net cash used in investing activities	投資活動耗用之現金淨額	(5,281,577)	(8,584,894)

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列示)

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financing activities	融資活動		
Payment made for interest component of lease liabilities	支付租賃負債 — 利息成分	(9,543)	(10,384)
Payment made for capital component of lease liabilities	支付租賃負債 — 資本成分	(124,296)	(106,087)
Proceeds from issuance of placement shares	發行配售股份之所得款項	2,043,589	—
Net proceeds from issuance of preference shares by a subsidiary	附屬公司發行優先股之所得款淨額	—	76,063
Drawdown of bank borrowings	提取銀行借款	843,300	1,406,800
Repayment of bank borrowings	償還銀行借款	(788,232)	(1,106,800)
Interest paid	已付利息	(57,871)	(65,484)
Capital injection from non-controlling interest to a subsidiary	非控股權益向一家附屬公司作出的注資	—	328,000
Policyholders' account deposits for insurance and investment contracts	保單持有人之保險和投資合同之賬戶儲金	4,741,469	4,931,169
Policyholders' account withdrawals for insurance and investment contracts	保單持有人之保險和投資合同之賬戶提取	(1,981,003)	(1,729,217)
Net cash generated from financing activities	融資活動所產生之現金淨額	4,667,413	3,724,060
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加／(減少)淨額	1,880,332	(3,013,930)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等值項目	2,169,751	5,184,229
Effect of foreign exchange rate changes	外幣匯率變動的影響	6,651	(548)
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等值項目	4,056,734	2,169,751

The notes on pages 148 to 337 form part of these financial statements.

第148頁至第337頁附註為本綜合財務報表的組成部分。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

1 GENERAL INFORMATION

Yunfeng Financial Group Limited (the “Company”) is a limited liability company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is Suites 3201-3204, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

The principal activities of the Group are long term assurance business, the provision of securities brokerage, consultancy and advisory services and investment research, wealth management, employee stock ownership plan administration and principal investment. The principal activities and other particulars of its principal subsidiaries are set out in note 21 to the financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“HKD”), which is the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

1 一般資料

雲鋒金融集團有限公司(「本公司」)乃於香港註冊成立之有限公司，其股份在香港聯合交易所有限公司上市。本公司之註冊辦事處位於香港中環康樂廣場8號交易廣場1座3201-3204室。

本集團之主要業務為承保長期保險業務、提供證券經紀、企業融資諮詢及投資研究、財富管理、員工持股計劃管理及主要投資。本集團主要附屬公司之主要業務及其他詳情載於財務報表附註21。

綜合財務報表以港元呈列，港元亦為本公司之功能貨幣，除另有指明者外，所有數值均以最接近之千位列值。

2 主要會計政策

(a) 合規聲明

本財務報表是按照香港會計師公會頒布的所有適用的《香港財務報告準則》(此統稱包含所有適用的個別《香港財務報告準則》、《香港會計準則》和詮釋)、香港公認會計原則和香港《公司條例》的規定編製。本財務報表同時符合《香港聯合交易所有限公司證券上市規則》(「上市規則」)披露規定。本集團採納之主要會計政策概要載列如下。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Statement of compliance (Continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 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 information.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries including the consolidated structured entities (together referred to as “the Group”) and the Group’s interests in associates and joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments in certain debt and equity securities and derivative financial instruments are stated at their fair value as explained in the accounting policies set out below.

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 that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 主要會計政策(續)

(a) 合規聲明(續)

香港會計師公會頒布了若干新訂和經修訂的《香港財務報告準則》。這些準則在本集團和本公司當前的會計期間開始生效或可供提早採用。在與本集團有關的範圍內初始應用這些新訂和經修訂的準則所引致當前和以往會計期間的任何會計政策變動，已於本財務報表內反映，有關資料載列於附註3。

(b) 財務報表之編製基準

截至二零二零年十二月三十一日止年度的綜合財務報表涵蓋本公司和各附屬公司(統稱「本集團」)，以及本集團所持有聯營公司和合營企業的權益。

誠如以下所載之會計政策所解釋，除於若干債務和權益證券以及衍生金融工具的投資按其公允價值列賬外，編製財務報表所採用之計量基準為歷史成本基準。

管理層需在編製符合《香港財務報告準則》的財務報表時作出會對會計政策的應用，以及資產、負債、收入和支出的報告數額構成影響的判斷、估計和假設。這些估計和相關假設是根據以往經驗和管理層因應當時情況認為合理的多項其他因素作出的，其結果構成了管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於估計數額。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year 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.

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, 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.

2 主要會計政策(續)

(b) 財務報表之編製基準(續)

各項估計和相關假設會被不斷審閱。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

有關管理層在應用《香港財務報告準則》時所作出對本財務報表有重大影響的判斷，以及下一年度重大調整涉及重大風險的估計載列於附註4。

(c) 附屬公司及非控股權益

附屬公司是指受本集團控制的實體。當本集團因參與實體業務而承擔可變動回報的風險或因此享有可變動回報，且有能力透過向實體施加權力而影響該等回報時，則本集團控制該實體。在評估本集團是否擁有上述權力時，僅考慮(本集團和其他方所持有的)實質權利。

於附屬公司的投資由控制開始當日至控制終止當日在綜合財務報表中合併計算。集團內公司間之餘額、交易和現金流量，以及集團內部交易所產生的任何未變現溢利，會在編製綜合財務報表時全數抵銷。集團內部交易所引致未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值的部分。

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiaries and non-controlling interests (Continued)

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 their proportionate share of the subsidiary's net identifiable assets.

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 income statement and the consolidated statement of 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, no gain or loss is recognised.

2 主要會計政策(續)

(c) 附屬公司及非控股權益(續)

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益，而本集團並沒有與這些權益的持有人訂立任何可導致本集團整體就這些權益而承擔符合金融負債定義的合同義務的額外條款。就每項企業合併而言，本集團可選擇按附屬公司的可辨別資產淨值的公允價值或非控股權益所佔附屬公司可辨別資產淨值的比例計量任何非控股權益。

非控股權益在綜合財務狀況表內的權益項目中，與本公司權益股東應佔的權益分開列示。本集團業績之非控股權益乃於綜合收益表及綜合全面收益表列作本公司非控股權益及權益持有人之間本年度溢利或虧損總額及全面收益總額之分配結果。非控股權益持有人提供之貸款及向該等持有人承擔之其他合同責任乃視乎負債之性質於綜合財務狀況表列作金融負債。

倘本集團於附屬公司之權益變動不會導致喪失控制權，則作為股權交易入賬，據此，於綜合權益內之控股及非控股權益金額會作出調整，以反映相關權益轉變，惟不會確認盈虧。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiaries and non-controlling interests (Continued)

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 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(t)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

The Group serves as the manager of funds. The funds invest mainly in equities, debt securities and monetary market instruments. The Group's percentage ownership in these structured entities can fluctuate from day to day according to the Group's and third-party participation in them. Where the Group is deemed to control such funds, with control determined based on an analysis of the guidance in HKFRS 10 Consolidated Financial Statements, they are consolidated, with the interests of parties other than the Group being classified as liabilities because there is a contractual obligation for the relevant group entity as an issuer to repurchase or redeem units or return of capital in such funds for cash. These are presented as "Third-party interests in consolidated funds" within financial liabilities at fair value through profit or loss in the consolidated statement of financial position.

2 主要會計政策(續)

(c) 附屬公司及非控股權益(續)

當本集團喪失於附屬公司的控制權時，按出售有關附屬公司的全部權益列賬，由此產生的收益或虧損在損益中確認。任何在喪失控制權之日仍保留之該前附屬公司權益按公允價值確認，而此金額被視為初步確認金融資產之公允價值，或(如適用)初步確認於聯營公司或合營企業之投資之成本。

於本公司之財務狀況表中，於附屬公司之投資乃按成本扣除減值虧損(參閱附註2(t)(ii))列賬，除非該投資乃分類為持作出售(或計入分類為持作出售之出售組別)。

本集團擔任基金的管理人。此等基金主要投資於股票、債務證券和貨幣市場工具。本集團在此類結構化主體中的持股比例可能隨著本集團及第三方對該等主體的參股情況每日波動。此類集合資產管理計劃及基金若被視為由本集團控制(控制是基於對《香港財務報告準則》第10號「合併財務報表」中指引的分析加以確定)，其將被納入合併範圍；由於相關集團實體(作為發行人)具有以現金回購或贖回此類集合資產管理計劃及基金份额的合同義務，因此除本集團外的其他方的權益將歸類為負債。相關金額在綜合財務狀況表中以公允價值計量且其變動計入損益的金融負債下的「納入合併範圍的基金中的第三方權益」內列示。

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(t)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2 主要會計政策(續)

(d) 商譽

商譽指以下：

- (i) 所轉讓代價之公允價值、於被收購方之任何非控股權益金額，以及本集團先前持有被收購方權益之公允價值之總和；大於
- (ii) 被收購方之可識別資產及負債於收購當日之公平淨值。

當(ii)大過於(i)時，超出的數額即時在損益中確認為議價收購的收益。

商譽是按成本減去累計減值虧損後列賬。企業合併產生的商譽會分配至預期可透過合併的協同效益獲利的每個現金產出單元或現金產出單元組別，並且每年接受減值測試(參閱附註2(t)(ii))。

當年內處置的現金產出單元的任何應佔購入商譽均包括在處置項目的損益內。

(e) 合營企業

合營企業是一項共同安排，對該安排擁有共同控制的各方擁有共同安排的淨資產的權利。共同控制是指基於合同約定對安排的共同控制權，且僅在相關活動的決策需要擁有共同控制權的各方一致同意時才存在。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Joint venture (Continued)

When the Group ceases to have 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 is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

When an investment in a joint venture is held by, or is held indirectly through, a group entity that is a venture capital organisation and similar entities, the Group may elect to measure investments in those joint ventures at fair value through profit or loss in accordance with HKFRS 9 Financial Instruments.

(f) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate 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). 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 note 2(t)(ii)). 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 income statement, 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 comprehensive income.

2 主要會計政策(續)

(e) 合營企業(續)

當本集團不再對合營企業擁有共同控制時，按出售有關被投資公司的全部權益列賬，由此產生的收益或虧損在損益中確認。在喪失重大影響力日期所保留有關前被投資公司的權益，按公允價值確認，此筆金額在初始確認金融資產時當作公允價值。

當於合營企業的投資由作為合營資本組織及類似實體的集團實體持有或間接持有時，本集團可選擇按照《香港財務報告準則》第9號「金融工具」計量於該等合營企業的投資(以公允價值計量且其變動計入損益)。

(f) 聯營公司

聯營公司指本集團對該實體之管理層有重大影響力(而非控制或共同控制)，包括參與其財務及經營決策。

於聯營公司或合營企業的投資是按權益法記入綜合財務報表，但劃歸為持有待售(或已計入劃歸為持有待售的處置組合)的投資除外。按照權益法，有關投資以成本初始入賬，並就本集團於收購日所佔被投資公司可辨別資產淨值的公允價值超過投資成本的數額(如有)作出調整，然後就本集團所佔被投資公司資產淨值的收購後變動以及與這些投資有關的任何減值虧損作出調整(參閱附註2(t)(ii))。於收購日超過成本的任何數額、本集團年內所佔被投資公司的收購後稅後業績和任何減值虧損在綜合損益表中確認，而本集團所佔被投資公司的收購後稅後其他全面收益項目則在綜合全面收益表中確認。

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Associates (Continued)

When the Group's share of losses exceeds its interest in the associate, 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 the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates 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.

If an investment in an associate becomes an investment in a joint venture, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

When the Group ceases to have significant influence over an associate, 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 is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

2 主要會計政策(續)

(f) 聯營公司(續)

當本集團對聯營公司或合營企業承擔的虧損額超過其所佔權益時，本集團所佔權益便會減少至零，並且不再確認額外虧損；但如本集團須履行法定或推定義務，或代被投資公司作出付款則除外。就此而言，本集團所佔權益是以按照權益法計算投資的賬面金額，以及實質上構成本集團在聯營公司或合營企業投資淨額一部分的長期權益為準。

本集團與其聯營公司間之交易所產生之未變現損益乃以本集團於被投資公司之權益為限予以抵銷，除非未變現虧損提供已轉讓資產之減值證據，在此情況下，則該等未變現虧損會即時於損益中確認。

如果於聯營公司的投資變為於合營企業的投資，則毋須重新計量保留權益。反之，有關投資繼續以權益法核算。

當本集團喪失對聯營公司的重大影響時，按出售有關被投資公司的全部權益列賬，由此產生的收益或虧損在損益中確認。在喪失重大影響力日期所保留有關前被投資公司的權益，按公允價值確認，此筆金額在初始確認金融資產時當作公允價值。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Classification of insurance and investment contracts

Contracts under which the Group accepts significant insurance risk from another party (“the policyholder”) by agreeing to compensate the policyholder if a specified uncertain future event (“the insured event”) adversely affects the policyholder are classified as insurance contracts. Insurance risk is risk, other than financial risk, transferred from the holder of a contract to the issuer. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

Insurance risk is significant if, and only if, an insured event could cause the Group to pay significant additional benefits. Once a contract is classified as an insurance contract it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

Contracts under which the transfer of insurance risk to the Group from the policyholder is not significant are classified as investment contracts.

2 主要會計政策(續)

(g) 保險及投資合同的分類

如果指定的不確定未來事件(「受保事故」)對另一方(「保單持有人」)產生不利影響，則集團通過同意向保單持有人賠償來接受保單持有人的重大保險風險的合同被歸類為保險合同。保險風險是指從合同持有人轉移至發行人的風險(金融風險除外)。金融風險是指一個或多個特定利率、證券價格、商品價格、外匯匯率、價格或利率指數、信用評級或信用指數或其他變數可能出現未來變化的風險，惟非金融變數是指不特定於合同一方的變數。保險合同也可能轉移部分金融風險。

如果且僅當受保事故可能導致集團支付重大額外給付時，保險風險屬於重大。一旦合同被歸類為保險合同，在所有權利和義務廢除或屆滿前，它仍被歸類為保險合同。

保單持有人向集團轉移不重大保險風險的合同被分類為投資合同。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(g) Classification of insurance and investment contracts** *(Continued)***Contracts with a discretionary participation feature (“DPF”)**

Certain insurance contracts issued by the Group contain a DPF. A DPF is a contractual right held by a policyholder to receive, as a supplement to guaranteed minimum benefits, additional benefits that are likely to be a significant portion of the total contractual benefits, whose amount or timing is contractually at the Group’s discretion and is contractually based on:

- (i) the performance of a specified pool of contracts or a specified type of contract;
- (ii) realised and/or unrealised investment returns on a specified pool of assets held by the Group; and
- (iii) the profit or loss of the Group.

(h) Insurance contracts**(i) Recognition and measurement***Revenue*

Premiums in respect of insurance contracts are recognised as revenue when due. Fee income is recognised as revenue when services are rendered. Premiums and fee income exclude any taxes or duties.

Reinsurance commission refers to the amount paid by reinsurers to reimburse the expenses associated with issuing a policy. It is recognised as revenue when due. Profit commission is the reward paid by reinsurers for favourable experience.

2 主要會計政策(續)**(g) 保險及投資合同的分類(續)***具有酌情參與分紅特點的合同*

本集團發行的某些保險合同具有酌情參與分紅特點。這項特點是指保單持有人持有的合同權利，可以獲得可能是合同總利益重要部分的額外利益，其金額或時間由集團酌情訂約，並按下列條件訂約，作為保證最低給付的補足：

- (i) 指定合同池或指定合同類型的表現；
- (ii) 在集團持有的特定資產池中實現和／或未實現的投資回報；和
- (iii) 集團損益。

(h) 保險合同**(i) 確認和計量***收益*

保險合同的保費在到期時確認為收入。費用收入在提供服務時確認為收入。保費及費用收入不包括任何稅費。

再保險佣金是指再保險公司為報銷發出保單相關的費用而支付的金額。於到期時確認為收入。盈餘佣金是再保險公司為有利經驗所支付的獎勵。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Insurance contracts (Continued)

(i) Recognition and measurement (Continued)

Claims

Claims include maturities, annuities, surrenders and death claims. Maturity and annuity claims are recognised as an expense when due for payment. Surrender claims are recognised when notified. Death claims are recognised when notified.

Outstanding claims includes estimates of both claims that have been reported but not paid and those that have been incurred but not reported, also includes estimates of all future expenses associated with processing and settlement of these claims.

The estimation process is primarily based on the assumption that experience is an appropriate indication of future events, and involves a variety of actuarial techniques that analyse experience, trends and other relevant factors. The amount recorded represents the best estimate based upon currently known facts and actuarial guidelines.

Policyholders' deposits

Policyholders' deposits include deposit components of insurance contracts, liabilities for universal and variable life products, annuities and investment related policies and contracts. These liabilities are established by contract deposits, increased by interest credited and decreased by interest debited, contract fees and contract withdrawals. Interest credited represents the interest accrued to universal life contracts account balance based on the credited rate declared by the Group from time to time. For linked contracts, it represents the earnings credited to the account balance based on the performance of selected investment choices. Interest credited is recognised as expense when paid in payable.

2 主要會計政策(續)

(h) 保險合同(續)

(i) 確認和計量(續)

賠款

賠款包括到期、年金、退保和死亡賠款。到期和年金賠款在到期時確認為費用。退保賠款在收到通知後予以確認。死亡賠款在收到通知後予以確認。

未決賠款包括已報告但尚未支付的賠款以及已發生但未報告的賠款的估計，亦包括與處理和結算該等賠款有關的所有未來費用估計。

估計過程主要基於經驗作為未來事件的適當跡象的假設，同時涉及分析經驗、趨勢和其他相關因素的各類精算技術。錄入金額指根據目前已知事實和精算準則的最佳估計。

保單持有人的存款

保單持有人的存款包括保險合同的存款部分、萬用及可變壽險產品的負債、年金及投資相關保單及合同。這些負債由合同存款確定，通過利息貸記增加，並由利息借入、合同費用和合同提取減少。利息貸記是指根據本集團不時宣佈的抵補利率計算的萬能壽險合同賬戶餘額所產生的利息。對於連結式合同，指根據選定投資方案的績效記入賬戶餘額的收入。利息貸記於應付時確認為費用。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(h) Insurance contracts** *(Continued)***(i) Recognition and measurement**
*(Continued)**Future policyholders' benefits*

Liability for future policyholders' benefits of insurance contracts for traditional life contracts and additional coverages offered under policy riders are calculated using the net level premium method and assumptions as to investment yields, mortality, withdrawals and dividends. The assumptions are based on best estimate projections of past experience from the commencement of each contract and include provisions for possible adverse deviations. The assumptions are made at the time the contract is issued and do not change, unless a loss needs to be recognised.

The reserves for participating whole life products are calculated using the net level premium method based upon prescribed estimates as to investment yield, mortality, withdrawals. Dividends are also included. Reserves for accident and disability contracts are based upon mortality, morbidity and withdrawal assumptions which are based on the Group's own experience and certain reinsurance tables. Unpaid disability claim liabilities are established based on disability payments earned from the last payment date to the valuation date.

2 主要會計政策(續)**(h) 保險合同(續)****(i) 確認和計量(續)***未來保單持有人的給付*

傳統壽險合同的未來保單持有人的給付和保單附加條款提供的額外保障責任，是使用淨保費方法和投資收益率、死亡率、退保和股息的假設計算的。這些假設基於每份合同開始時過去經驗的最佳估計預測，並包括就可能不利偏差作出的準備金。除非需要確認損失，否則這些假設在合同簽訂時作出，並且不會發生變化。

參與終身壽險產品的儲備金會使用以既定估計為基礎的淨保費法計算投資收益率、死亡率和退保假設。股息也包括在內。意外和殘疾合同的儲備是以死亡率、發病率和退保假設為基礎，而這些基礎則取決於集團自身的經驗和某些再保險表而定。未付的殘疾賠款責任是根據從上一個支付日到估值日期獲得的殘疾支付釐定。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Insurance contracts (Continued)

(i) Recognition and measurement (Continued)

Unearned revenue liability (“URL”)

Amounts assessed against policyholders’ account balances that represent compensation to the Group for services to be provided in future periods are not recognised in the period assessed. These amounts are reported as unearned revenue liability and recognised in the income statements over the period benefited, using the same assumptions and factors utilised to amortise deferred acquisition costs.

Shadow accounting is applied so that the URL balance is also adjusted by an amount that represents the change in amortisation of URL that would have been required as a charge or credit to profit and loss had unrealised amounts recorded in fair value reserve been realised. These adjustments are charged or credited to the fair value reserve.

The accounting treatment for URL arising from insurance contracts is also applied to investment contracts.

(ii) Embedded derivatives in insurance contracts

Features contained within insurance contracts that would be considered derivatives if they were stand alone instruments which have not been separated and measured at fair value if those embedded derivatives are closely related to the host insurance contract.

The Group has taken advantage of the exemption available in HKFRS 4 *Insurance Contract* not to separate and measure at fair value policyholder options to surrender insurance contracts for a fixed amount even if the exercise price differs from the carrying amount of the host insurance liability.

2 主要會計政策(續)

(h) 保險合同(續)

(i) 確認和計量(續)

未到期收入責任

根據保單持有人的賬戶餘額評估的金額，代表對未來期間提供的服務的集團補償，在評估期間不予確認。這些金額作為未到期收入責任報告，並在受益期間在收入賬戶中確認，並使用與攤銷遞延保單獲得成本相同的假設和因素。

通過使用影子會計，就未到期收入責任的餘額調整一個金額，以反映當記錄於公允價值儲備的未變現金額獲變現時作為扣自或計入損益而需要對未到期收入責任的攤銷作出的變動。

對保險合同產生的未到期收入責任採用的會計處理也適用於投資合同。

(ii) 保險合同的嵌入衍生工具

保險合同中包含的特徵如是獨立工具則會被視為衍生工具。如嵌入衍生工具與主體保險合同密切相關並不會分拆和按公允價值計量。

本集團已利用《香港財務報告準則》第4號保險合同所載的豁免，即使行使價與主保險負債的賬面值不同，亦不會以公允價值分離和計量保單持有人按固定金額退保的選擇權。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(h) Insurance contracts (Continued)****(iii) Reinsurance**

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities, income and expense arising from ceded reinsurance contracts are presented separately from the related assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Group from its direct obligations to policyholders.

Only rights under contracts that give rise to a significant transfer of insurance risk are accounted for as reinsurance assets. Rights under contracts that do not transfer significant insurance risk are accounted for as financial instruments.

Reinsurance premiums for ceded reinsurance are recognised as an expense on a basis that is consistent with the recognition basis for the premiums on the related insurance contracts.

(iv) Deferred acquisition costs (“DAC”)

The Group’s DAC is an intangible asset comprised of incremental direct costs of contract acquisition and the portion of employee total compensation and payroll-related fringe benefits directly related to time spent performing the following acquisition activities: (a) underwriting; (b) policy issuance and processing; (c) medical and inspection; (d) sales force contract selling; and (e) other direct costs that would not have been incurred if the contract had not been acquired.

2 主要會計政策(續)**(h) 保險合同(續)****(iii) 再保險**

本集團在正常業務過程中分出再保險，以通過分散風險來限制其淨虧損潛力。分出再保險合同產生的資產、負債、收入和支出與相關保險合同的相關資產、負債、收入和支出分開列報，因為再保險安排不會減輕集團對保單持有人的直接責任。

只有導致重大保險風險轉移的合同下的權利才作為再保險資產入賬。不轉移重大保險風險的合同下的權利作為金融工具入賬。

分出再保險的再保險保費按與相關保險合同保費的確認依據一致的基础確認為費用。

(iv) 遞延保單獲得成本

本集團的遞延保單獲得成本是一項無形資產，包括保單獲得的增量直接成本，以及與執行以下保單獲得活動所花費的時間直接相關的員工總薪酬和與薪資相關的附加給付部分：(a) 承保；(b) 保單發出和處理；(c) 醫療和檢查；(d) 銷售團隊的保單銷售；(e) 未取得保單時不會發生的其他直接費用。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Insurance contracts (Continued)

(iv) Deferred acquisition costs (“DAC”) (Continued)

Incremental direct costs of acquisition include commissions or volume-related sales bonuses and medical and inspection fees for a successful contract acquisition. The portion of employee compensation and related benefits include only those costs directly related to time spent performing those activities for actual acquired contracts. Related benefits include medical insurance, Group life insurance and retirement plans.

The Group also defers the commissions and volume-related expense allowances for successful contract acquisitions in transactions with our career agents. All other acquisition-related costs such as soliciting potential customers, market research, training, administration, unsuccessful acquisition or renewal efforts and product development is charged to expense as incurred. Administration costs, rent, depreciation, occupancy, equipment, and all other general overhead costs are also charged to expense as incurred.

DAC for universal life and investment-type products are amortised with interest spread over the expected life of the contract in proportion to the estimated gross profits from investment, mortality, expense margins and surrender charges. Amortisation interest rates are based upon rates in effect at the inception of the contracts. The amortisation rate is periodically updated to reflect current period experience or changes in assumptions that affect future profitability, such as investment returns, asset growth rates, lapse rates, expenses, surrender charges and mortality experience. These changes result in adjustments to the DAC balances in the period that the Group changes its assumptions, as well as changes in prospective DAC amortisation.

2 主要會計政策(續)

(h) 保險合同(續)

(iv) 遞延保單獲得成本(續)

所增加的直接保單獲得成本包括佣金或與銷量相關的銷售獎金，以及成功獲得保單的醫療和檢查費用。員工薪酬和相關給付的部分僅包括就實際獲得的保單執行這些活動所花費的時間直接相關的成本。相關給付包括醫療保險、團體人壽保險和退休計劃。

在與我們的專業代理人進行交易時，本集團還遞延計算與成功保單獲得相關的佣金和與銷量相關的費用補貼。所有其他與保單獲得相關的成本，例如徵求潛在客戶、市場研究、培訓、管理、不成功的保單獲得或續保工作，以及產品開發，均在發生時計入費用。管理成本、租金、折舊、佔用、設備和其他所有其他一般間接費用也在發生時計入費用。

萬用壽險和投資類型產品涉及的遞延保單獲得成本會按照與投資、死亡率、費用差額和退保費用的估計毛利潤成比例的利息，在保單的預期壽命內攤銷。攤銷利率以保單開始時生效的利率為基礎。攤銷率會定期更新，以反映當前期間的經驗，或影響未來盈利能力的假設變化，例如投資回報、資產增長率、失效率、開支、退保收費及死亡率經驗。這些變化導致在集團改變其假設期間調整遞延保單獲得成本的餘額，以及預期遞延保單獲得成本的攤銷變化。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Insurance contracts (Continued)

(iv) Deferred acquisition costs (“DAC”) (Continued)

DAC for traditional life and non-medical health products are amortised in proportion to anticipated premiums. Assumptions as to anticipated premiums are made at the date of issuance and are applied during the lives of the contracts consistently. Deviations from estimated experience are included in profit or loss when they occur.

Shadow accounting is applied so that the DAC balance is also adjusted by an amount that represents the change in amortisation of DAC that would have been required as a charge or credit to profit or loss had unrealised amounts recorded in fair value reserve been realised. These adjustments are charged or credited to the fair value reserve.

The accounting treatment for DAC arising from insurance contracts is also applied to investment contracts.

2 主要會計政策(續)

(h) 保險合同(續)

(iv) 遞延保單獲得成本(續)

傳統壽險和非醫療保健產品的遞延保單獲得成本按預期保費比例攤銷。有關預期保費的假設於發行日期作出，並在保單期限內貫徹適用。來自估計經驗的偏差在發生時包括在損益中。

通過使用影子會計，就遞延保單獲得成本的餘額調整一個金額，以反映當記錄於公允價值儲備的未變現金額獲變現時作為扣自或計入損益而需要對遞延保單獲得成本的攤銷作出的變動。

對保險合同產生的遞延保單獲得成本採用的會計處理也適用於投資合同。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Insurance contracts (Continued)

(v) Value of business acquired (“VOBA”)

VOBA, in respect of a portfolio of long-term insurance and investment contracts, is an intangible asset that reflects the estimated fair value of in-force contracts in a life insurance company acquisition and represents the portion of the purchase price that is allocated to the value of the right to receive future cash flows from the business in-force at the acquisition date of a subsidiary. VOBA is based on actuarially determined projections, by each block of business, of future policy and contract charges, premiums, mortality and morbidity, separate account performance, surrenders, operating expenses, investment returns and other factors. If this results from the acquisition of an investment in a joint venture or an associate, the VOBA is held within the carrying amount of that investment. The VOBA is amortised over the estimated life of the contracts in the acquired portfolio on a systematic basis. The rate of amortisation reflects the profile of the value of in-force business acquired. The carrying value of VOBA is reviewed annually for impairment and any reduction is charged to the consolidated income statement.

Shadow accounting is applied so that the VOBA balance is also adjusted by an amount that represents the change in amortisation of VOBA that would have been required as a charge or credit to profit or loss had unrealised amounts recorded in fair value reserve been realised. These adjustments are charged or credited to the fair value reserve.

The accounting treatment for VOBA arising from insurance contracts is also applied to investment contracts.

2 主要會計政策(續)

(h) 保險合同(續)

(v) 收購業務價值

對於長期保險和投資合同組合而言，收購業務價值的價值是指無形資產，能反映人壽保險公司已獲得有效合同的估計公允價值，並代表分配至於附屬公司獲得日有權獲取有效業務之未來現金流量的權力價值的購買價部分。收購業務價值基於每個業務分部對未來保單和合同費用、保費、死亡率和發病率、獨立賬戶業績、退保金、經營開支、投資回報和其他因素的精算確定預測。如果這由獲得於合營企業或聯營公司的投資而產生，則已獲得業務的價值計入該投資的賬面值。收購業務價值以系統基準在已獲得投資組合的合同的預計生命週期內攤銷。攤銷率反映了已獲得有效業務價值的特點。已獲得業務的價值的賬面值每年進行減值審核，任何減少額均計入綜合收益表。

通過使用影子會計，就收購業務價值的餘額調整一個金額，以反映當記錄於公允價值儲備的未變現金額獲變現時作為扣自或計入損益而需要對收購業務價值的攤銷作出的變動。

對保險合同產生的收購業務價值採用的會計處理也適用於投資合同。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(h) Insurance contracts (Continued)****(vi) Liability adequacy test**

At the end of each reporting period, liability adequacy tests are performed to determine if the insurance contract provisions, less deferred acquisition costs and VOBA, are adequate. Current best estimates of all future contractual cash flows and related expenses, such as claims handling expenses, and investment income from assets backing the insurance contract provisions are used in performing these tests. If a shortfall is identified the related deferred acquisition costs and VOBA are written down and, if necessary, an additional provision is established. The deficiency is recognised in the consolidated income statement for the year.

(i) Investment contracts

Investment contracts are recognised as financial liabilities in the statement of financial position when the Group becomes a party to their contractual provisions. Contributions received from policyholders are not recognised in the consolidated income statement but are accounted for as deposits in the consolidated statement of financial position.

All investment contracts issued by the Group are designated by the Group on initial recognition at fair value through profit or loss. This designation eliminates or significantly reduces a measurement inconsistency that would otherwise arise if these financial liabilities were not measured at fair value since the assets held to back the investment contract liabilities are also measured at fair value.

Changes in the fair value of investment contracts are included in the consolidated income statement in the period in which they arise.

2 主要會計政策(續)**(h) 保險合同(續)****(vi) 負債充足性測試**

在每個報告期末進行負債充足性測試，以確定當保險合同準備金減去遞延保單獲得成本和已獲得業務的價值後是否足夠。當前對所有未來合同現金流量和相關費用的最佳估計，例如賠款處理費用，以及支持保險合同準備金的資產投資收入，會用來執行這些測試。如果發現缺額，則減記相關的遞延保單獲得成本和已獲得業務的價值，並在必要時建立額外的準備金。該項缺失在本年度的綜合收益表中確認。

(i) 投資合同

當本集團成為其合同條款的一方時，投資合同在財務狀況表中確認為金融負債。從保單持有人收到的供款不在綜合收益表中確認，但在綜合財務狀況表中作為存款入賬。

本集團發行的所有投資合同均由本集團於初步確認時按公允價值計入損益。該項指定消除或顯著減少了當這些金融負債不是以公允價值計量而將會出現不一致的計量情況，因為支援投資合同負債的資產也以公允價值計量。

投資合同的公允價值變動計入其產生期間的綜合收益表。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 5. These investments are subsequently accounted for as follows, depending on their classification.

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 2(x)(iii)).
- fair value through other comprehensive income ("FVOCI") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

2 主要會計政策(續)

(j) 投資

本集團有關債務和權益證券投資(於附屬公司、聯營公司和合營企業的投資除外)的政策如下。

債務及股本證券投資於本集團承諾購買/出售投資當日確認/終止確認。投資初始按公允價值加直接應佔交易成本列賬，惟以公允價值計量且其變動計入當期損益的投資則除外，其交易成本直接計入損益。有關本集團如何確定金融工具公允價值的詮釋，請參閱附註5。這些投資其後按所屬分類以下列方式入賬。

除股權投資外的投資

本集團持有的非股權投資劃歸為以下計量類別之一：

- 攤銷成本，如果投資僅是為了收取僅代表本金和利息的支付的合同現金流量而持有。投資的利息收入採用實際利率法計算(參閱附註2(x)(iii))。
- 以公允價值計量且其變動計入其他全面收益 — 可轉回，如果該投資的合同現金流量包括僅為本金和利息的支付，且持有該投資所屬的商業模式目標是通過收取合同現金流量出售來實現。公允價值變動計入其他全面收益，但預期信用損失的損益、利息收入(採用實際利率法計算)和匯兌收益和虧損的確認的除外。當終止確認投資時，在其他全面收益中累計的金額將從權益轉回至損益。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(j) Investments (Continued)**

- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(x)(ii).

2 主要會計政策(續)**(j) 投資(續)**

- 如果投資不符合以攤銷成本或以公允價值計量且其變動計入其他全面收益(可轉回)的標準，則以公允價值計量且其變動計入損益。投資的公允價值變動(包括利息)在損益中確認。

股權投資

股權證券投資被劃歸為以公允價值計量且其變動計入損益，除非股權投資不是為交易目的而持有，並且在初始確認投資時，本集團選擇指定該投資以公允價值計量且其變動計入其他全面收益(不可轉回)，因此，其後的公允價值變動在其他全面收益中確認。該選擇是基於逐項工具作出，但僅限於投資符合發行人認可的股權定義時才可行。進行該選擇時，在其他全面收益中累計的金額保留在公允價值儲備(不可轉回)，直至投資出售。出售投資時，公允價值儲備(不可轉回)中累計的金額轉入保留盈利，不通過損益轉回。股權證券投資的股息，無論是劃歸為以公允價值計量且其變動計入損益還是以公允價值計量且其變動計入其他全面收益，均按照附註2(x)(ii)所載政策在損益中確認為其他收入。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Investments (Continued)

Overlay approach

The Group has applied the overlay approach under HKFRS 4, to reclassify between profit or loss and other comprehensive income the difference between amounts recognised in profit or loss under HKFRS 9 and those would have been reported under HKAS 39, for designated financial assets including hybrid debt instruments (recognised on bifurcated basis), unit trust and partnership investments on an instrument-by-instrument basis. A financial asset is eligible for designation if 1) it is not held for an activity that is unconnected with contracts in the scope of HKFRS 4; and 2) it is measured at fair value through profit or loss under HKFRS 9 but would have not been under HKAS 39. The overlay impact is shown in the consolidated income statement.

(k) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(l) Accounts payable and other payables

Accounts payable and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 主要會計政策(續)

(j) 投資(續)

覆蓋調整

本集團已應用《香港財務報告準則》第4號「保險合同」以重新劃分損益及其他全面收益、根據《香港財務報告準則》第9號於損益內確認的金額與根據《香港會計準則》第39號呈報的金額差異。指定金融資產包括混合債務工具(單獨確認)、單位信託及基於逐項工具的合夥投資。如果1)金融資產的持有並非為了與《香港財務報告準則》第4號範圍內合同無關的活動；2)金融資產根據《香港財務報告準則》第9號以公允價值計量且其變動計入當期損益，但根據《香港會計準則》第39號則不以公允價值計量且其變動計入當期損益，那麼該金融資產符合指定資格。覆蓋法的影響於綜合收益表中列示。

(k) 衍生金融工具

衍生金融工具以公允價值初始確認。於各報告期末，公允價值乃重新計量。本集團會於報告期末重新計量公允價值，由此產生的收益或虧損即時在損益中確認。然而，如屬符合現金流量套期會計條件或用作對境外經營的淨投資套期的衍生工具，則所產生的任何收益或虧損須依據被套期項目的性質確認。

(l) 應付賬款及其他應付款項

應付賬款及其他應付款項初始按公允價值確認，其後則按攤銷成本列賬，除非貼現影響輕微，則在該情況下按成本列賬。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(m) Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(n) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 *Business Combinations* applies, (ii) held for trading or (iii) those designated as at FVPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2 主要會計政策(續)**(m) 帶息借款**

帶息借款按公允價值減去應佔交易成本後初始確認。初始確認後，帶息借款以攤銷成本列賬，而初始確認的數額與贖回價值之間的任何差異，連同任何應付利息和費用，均以實際利息法於借款期內在損益中確認。

(n) 以公允價值計量且其變動計入損益的金融負債

金融負債為(i)收購方可能支付作為業務合併的一部分的或然代價(適用於《香港財務報告準則》第3號)「企業合併」(ii)持作買賣或(iii)指定為以公允價值計量且其變動計入損益，則劃歸為以公允價值計量且其變動計入損益。

倘出現下列情況，金融負債將被劃歸為持作買賣：

- 其獲收購的主要目的為於短期內購回；或
- 於初步確認時，其為本集團集中管理且具有短期獲利的最近實際模式的已識別財務工具組合的一部分；或
- 其為並非指定及有效為對沖工具的衍生工具。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(n) Financial liabilities at fair value through profit or loss (Continued)

A financial liability other than a financial liability held for trading or contingent consideration may be paid by an acquirer as part of a business combination may be designated as at FVPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract (asset or liability) to be designated as at FVPL.

Financial liabilities at FVPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities. Fair value is determined in the manner described in note 5.

2 主要會計政策(續)

(n) 以公允價值計量且其變動計入損益的金融負債(續)

倘屬下列情況，持作買賣的金融負債或收購方可能支付作為業務合併一部分的或然代價以外的金融負債於初步確認時可被指定為以公允價值計量且其變動計入損益：

- 該指定消除或顯著減少原應出現之計量或確認的不一致性；或
- 金融負債組成一組財務資產或金融負債或兩者的一部分，以公允價值基準作出管理及評估，並根據本集團明文制定的風險管理或投資策略以及有關組合按該基準向內部提供資料；或
- 其組成包含一項或多項嵌入式衍生工具的合同一部分，而《香港會計準則》第9號容許將整份合併合同(資產或負債)指定為以公允價值計量且其變動計入損益。

以公允價值計量且其變動計入損益的金融負債按公允價值計量，而重新計量產生的任何收益或虧損於損益確認。於損益確認的收益或虧損淨額不包括就金融負債所支付的任何利息。公允價值按附註5所述的方式釐定。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Property and equipment

Property and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of fixed assets, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

— Leasehold improvements	Shorter of lease term and useful lives
— Office furniture and equipment	5 years
— Computers equipment	3 to 20 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in consolidated income statement on the date of retirement or disposal.

(p) 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.

2 主要會計政策(續)

(o) 物業及設備

物業及設備乃按成本扣除累計折舊及減值虧損於財務狀況表內列賬。

物業及設備項目採用直線法於其估計可使用年期內計算折舊，以撇銷其成本扣除其估計剩餘價值(如有)如下：

— 租賃物業裝修	租期與使用年期之較短者
— 辦公室傢私及設備	5年
— 電腦設備	3-20年

本集團會每年審閱資產的可用期限和殘值(如有)。

報廢或出售物業及設備項目所產生之收益或虧損按出售所得款項淨額與項目賬面值之差額釐定，並於報廢或出售當日於收益表內確認。

(p) 租賃資產

本集團於合同開始時對合同進行評估，確定該合同是否為一項租賃或者包含一項租賃。倘合同於一段時間內，為換取對價而讓渡一項可識別資產使用的控制權，則該合同是一項租賃或包含一項租賃。若客戶不但擁有主導可識別資產使用的權利，還有權獲得使用可識別資產所產生的幾乎全部經濟利益，則資產的使用權發生讓渡。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Leased assets (Continued)

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.

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.

2 主要會計政策(續)

(p) 租賃資產(續)

對於所有租賃，若合約同時包含租賃組成部分和非租賃組成部分，本集團選擇不拆分非租賃組成部分，而將各個租賃組成部分和與其相關的非租賃組成部分作為單一的租賃組成部分進行會計處理。

本集團於租賃開始日確認使用權資產和租賃負債，惟租賃期為12個月或以下的短期租賃及低價值資產租賃(就本集團而言，主要為筆記本電腦和辦公家具)除外。當本集團就一項低價值資產訂立租賃時，本集團以每一項租賃為基礎決定是否將該租賃予以資本化。與未進行資本化的租賃相關的租賃付款額於整個租賃期內系統地確認為費用。

若租賃被資本化，租賃負債按照租賃期內的應付租賃付款額按租賃內含利率(若租賃內含利率無法直接確定，則使用相關的增量借款利率)折現後的現值進行初始確認。初始確認後，租賃負債按攤余成本計量，並採用實際利率法計算利息費用。不取決於指數或比率的可變租賃付款額不納入租賃負債的計量，因此在其發生的會計期間內在損益中列支。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Leased assets (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. Depreciation is calculated to write off the cost of leased assets, using the straight line method over their estimated useful lives as follows:

— Properties leased for own use	Shorter of lease term and useful lives
— Office furniture and equipment	Shorter of lease term and 5 years
— Computers equipment	Shorter of lease term and 3 to 5 years

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 'Property and equipment' and presents lease liabilities separately in the statement of financial position.

2 主要會計政策(續)

(p) 租賃資產(續)

在資本化租賃時確認的使用權資產按成本初始計量。使用權資產的成本包括租賃負債的初始金額，加上在租賃期開始日或之前支付的租賃付款額以及已發生的初始直接費用。在適用情況下，使用權資產的成本還包括拆卸及移除標的資產、復原標的資產或其所在場所估計將發生的成本折現後的現值，減去收到的租賃激勵。使用權資產後續按成本減去累計折舊和減值虧損後的金額列賬。租賃物業及設備項目採用直線法於其估計可使用年內計算折舊，以撇銷其成本如下：

— 自用租賃物業	租期與使用年期之較短者
— 辦公室傢私及設備	租期與使用年期之較短者及5年
— 電腦設備	租期與使用年期之較短者及3-5年

倘指數或比率變化導致未來租賃付款額發生變動，或者本集團根據餘值擔保估計的應付金額發生變動，或者對於本集團是否合理確定將行使購買、續租或終止租賃選擇權的重估結果發生變化，則應重新計量租賃負債。倘在這種情況下重新計量租賃負債，應對使用權資產的賬面金額作出相應調整；倘使用權資產的賬面金額已減至零，則將相關調整計入損益。

本集團將不符合投資物業定義的使用權資產列示於「物業和設備」項下，並在財務狀況表中單獨列示租賃負債。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Insurance and reinsurance receivables and other receivables

Insurance and reinsurance receivables and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment losses, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment losses.

(r) Reinsurance premium and other payables

Reinsurance premium and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(s) Intangible assets

The intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(t)(ii)). Amortisation begins when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives as follows:

— Computers software	3-5 years
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Intangible assets, such as trade name, are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2 主要會計政策(續)

(q) 應收保費及再保險賬款及其他應收款項

應收保費及再保險賬款及其他應收款項按公允價值初始確認，其後以實際利率法按攤銷成本減去減值虧損後所得數額入賬；但如應收款為提供予關聯方並不設固定還款期的免息貸款或其折現影響並不重大則除外。在此情況下，應收款會按成本減去減值虧損後所得數額入賬。

(r) 再保險保費及其他應付款項

再保險保費及其他應付款項初始按公允價值確認，其後則按攤銷成本列賬，除非貼現影響輕微，則在該情況下按成本列賬。

(s) 無形資產

本集團購買之無形資產乃按成本減累計攤銷(倘具有有限估計可使用年期)及減值虧損列賬(見附註2(t)(ii))。資產可以使用時即當其處於必要的位置和條件下以能夠以預期的方式運行時開始攤銷。

具有有限可使用年期之無形資產之攤銷乃於資產估計可使用年期內以直線法在損益中扣除如下：

— 電腦軟件	3-5年
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年評估為具有無限可使用年期之無形資產如商品名不會攤銷。任何確定為具有無限可使用年期之無形資產會每年檢討，以釐定事件及情況是否繼續支持該資產列為具有無限可使用年期。倘並無無限可使用年期，則資產之使用年期評估會由無限變成有限，並自變動日期起根據上文所載使用年期有限之無形資產攤銷政策於未來入賬。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(t) Credit losses and impairment of assets****(i) Credit loss from financial instruments**

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including debt securities, cash and cash equivalents, trade and other receivables and loans to joint venture);
- debt securities measured at FVOCI (recycling); and
- loan commitments issued, which are not measured at FVPL.

Financial assets measured at fair value, including units in bond funds, equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

2 主要會計政策(續)**(t) 信用損失及資產減值****(i) 金融工具的信用損失**

本集團確認下列項目預期信用損失的損失準備：

- 以攤銷成本計量的金融資產(包括債務證、券現金及現金等值項目、應收賬款及其他應收款項及向合營企業作出的貸款)；
- 以公允價值計量且其變動計入其他全面收益(可轉回)的債務證券；以及
- 不以公允價值計量且其變動計入損益的已發出貸款承諾。

以公允價值計量的金融資產，包括債券基金單位、以公允價值計量且其變動計入損益的權益證券、指定以公允價值計量且其變動計入其他全面收益的權益證券(不可轉回)以及衍生金融資產，均無需進行預期信用損失評估。

預期信用損失的計量

預期信用損失是信用損失的概率加權估計。信用損失以所有現金所缺金額的現值(即根據合同應歸還予實體的現金流量與本集團預計收到的現金流量之間的差額)計量。

對於未提取的貸款承諾，預期現金短缺按(i)貸款承諾持有人減少貸款時應支付的合同現金流量與(ii)如果貸款被提取時本集團預計收到的現金流量之間的差額計量。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Credit losses and impairment of assets

(Continued)

(i) Credit loss from financial instruments

(Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2 主要會計政策(續)

(t) 信用損失及資產減值(續)

(i) 金融工具的信用損失(續)

預期信用損失的計量(續)

如果貼現影響重大，則使用以下貼現率貼現預期現金短缺：

- 固定利率金融資產、應收賬款和其他應收款以及合同資產：初始確認時確定的實際利率或其近似值；
- 浮動利率金融資產：當前實際利率；
- 貸款承諾：針對現金流量特定風險調整的當前無風險利率。

預期信用損失的最長期間按本集團面臨信用風險的最長合同期計量。

在計量預期信用損失時，本集團會考慮毋須支付過多成本或努力而已可得的合理及具支持理據的資料。該等資料包括以往事件、現有條件及未來經濟環境的預測。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(t) Credit losses and impairment of assets**
*(Continued)***(i) Credit loss from financial instruments**
*(Continued)**Measurement of ECLs (Continued)*

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 主要會計政策(續)**(t) 信用損失及資產減值(續)****(i) 金融工具的信用損失(續)***預期信用損失的計量(續)*

預期信用損失按如下任意基準計量：

- 12個月預期信用損失：即報告日後12個月內可能違約事件產生的預期信用損失；及
- 生命週期的預期信用損失：即在預期信用損失模型適用項目的預計生命週期內所有可能違約事件產生的預期信用損失。

本集團以相等於整個生命週期內預期信用損失的金額計量應收賬款和合同資產的損失撥備。該等金融資產的預期信用損失使用基於本集團歷史信用損失經驗的撥備矩陣進行估計，並根據債務人特有的因素進行調整，同時對報告日當前和預測的整體經濟狀況進行評估。

至於所有其他金融工具，本集團確認等同於12個月預期信用損失的損失撥備，除非金融工具的信用風險自初始確認後大幅增加。為此，損失撥備按等同於生命週期的預期信用損失的金額計量。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Credit losses and impairment of assets

(Continued)

(i) Credit loss from financial instruments

(Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- 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

2 主要會計政策(續)

(t) 信用損失及資產減值(續)

(i) 金融工具的信用損失(續)

信用風險大幅上升

在評估自初始確認後金融工具的信用風險(包括貸款承諾)是否大幅上升時,本集團將報告日評估的金融工具違約風險與初始確認日評估的風險進行比較。進行重新評估時,本集團認為,當(i)借款人不可能全數支付其對本集團的信用義務,且本集團不會就諸如實現擔保等行為(如有)訴諸追索權;或(ii)該金融資產逾期90天,即發生違約風險。本集團會考慮毋須支付過多成本或努力而已可得的合理及具支持理據的定量和定性資料。該等資料包括以往經驗和前瞻性信息。

尤其是,在評估自初始確認後信用風險是否大幅上升時,會考慮以下資料:

- 未在合同到期日支付本金或利息;
- 金融工具的外部或內部信用評級(如有)的實際或預期發生顯著惡化;
- 債務人的經營業績實際或預期發生顯著惡化;以及

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(t) Credit losses and impairment of assets***(Continued)***(i) Credit loss from financial instruments**
*(Continued)**Significant increases in credit risk*
(Continued)

- 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.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

2 主要會計政策(續)**(t) 信用損失及資產減值(續)****(i) 金融工具的信用損失(續)***信用風險大幅上升(續)*

- 對債務人履行其對本集團義務的能力產生重大不利影響的技術、市場、經濟或法律環境的當前或預期變化。

對於貸款承諾，為評估預期信用損失而初始確認的日期視為本集團成為不可撤銷承諾的一方的日期。在評估自初始確認貸款承諾後信貸風險是否大幅上升時，本集團會考慮貸款承擔所涉及的貸款發生違約風險的變化。

根據金融工具的性質，對信用風險是否大幅上升的評估是按個別基準或組合基準執行。以組合基準執行評估時，金融工具根據共有信用風險特徵進行分組，例如逾期狀態和信用風險評級。

於各報告日重新計量預期信用損失，以反映自初始確認後金融工具信用風險的變化。預期信用損失金額的任何變動均在損益中確認為減值收益或虧損。本集團確認所有金融工具的減值收益或虧損，並通過損失準備賬戶對其賬面值進行相應調整，但以公允價值計量且其變動計入其他全面收益(可轉回)的債務證券投資除外，其損失準備在其他全面收益中確認，並於公允價值儲備(可轉回)中累計。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Credit losses and impairment of assets

(Continued)

(i) Credit loss from financial instruments

(Continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 2(x)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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 delinquency in interest or principal payments;
- 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
- the disappearance of an active market for a security because of financial difficulties of the issuer.

2 主要會計政策(續)

(t) 信用損失及資產減值(續)

(i) 金融工具的信用損失(續)

利息收入的計量基準

根據附註2(x)(iii)確認的利息收入乃根據金融資產的賬面總值計算，除非該金融資產發生信用減值，在此情況下，利息收入乃根據金融資產的攤銷成本計算(即金融資產的賬面總值減去損失準備)。

於各報告日，本集團評估金融資產是否出現信用減值。當發生對金融資產預計未來現金流量有不利影響的一項或多項事件時，金融資產發生信用減值。

金融資產信用減值的證據包括以下可觀察數據：

- 債務人出現重大的財務困難；
- 違反合同，如拖欠利息或本金付款；
- 借款人很可能面臨破產或其他財務重組；
- 技術、市場、經濟或法律環境出現對債務人構成負面影響的重大變動；或
- 因為發行人財政困難而導致某擔保失去活躍市場。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(t) Credit losses and impairment of assets**
*(Continued)***(i) Credit loss from financial instruments**
*(Continued)**Write-off policy*

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current 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 and equipment (other than properties carried at revalued amounts);
- intangible assets;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

2 主要會計政策(續)**(t) 信用損失及資產減值(續)****(i) 金融工具的信用損失(續)***撇銷政策*

金融資產、應收租賃款或合同資產的賬面總值在沒有實際可收回的情況下予以撇銷(部分或全部)。當本集團確定債務人沒有資產或收入來源可以產生足夠的現金流來償還撇銷金額時，通常就屬於這種情況。

早前已撇銷資產的其後收回於收回發生的期間在損益中確認為減值撥回。

(ii) 其他非流動資產的減值

本集團於報告期末審閱內部和外來的信息，以確定以下資產是否出現減值跡象，或是以往確認的減值虧損(與商譽有關則除外)已經不再存在或可能已經減少：

- 物業和設備(按重估數額列賬的物業除外)；
- 無形資產；
- 商譽；以及
- 在本公司財務狀況表中列示的於附屬公司、聯營公司和合營企業的投資。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

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.

— 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).

2 主要會計政策(續)

(t) 信用損失及資產減值(續)

(ii) 其他非流動資產的減值(續)

如果出現任何這類跡象，便會估計資產的可收回數額。此外，就商譽和尚未可供使用的無形資產與可用期限未定的無形資產而言，不論是否有任何減值跡象存在，本集團也會每年估計其可收回數額。

— 計算可收回數額

資產的可收回數額是其公允價值(已扣除出售成本)與使用價值兩者中的較高額。在評估使用價值時，預計未來現金流量會按照能反映當時市場對貨幣時間值和資產特定風險的評估的稅前貼現率，折現至其現值。如果資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產類別(即現金產出單元)來釐定可收回數額。

2 SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(t) Credit losses and impairment of assets**
*(Continued)***(ii) Impairment of other non-current assets** *(Continued)*— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if 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 cash-generating unit (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 value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— *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.

2 主要會計政策(續)**(t) 信用損失及資產減值(續)****(ii) 其他非流動資產的減值(續)**— *確認減值虧損*

當資產或所屬現金產出單元的賬面金額高於其可收回數額時，減值虧損便會在損益中確認。就現金產出單元確認的減值虧損會作出分配，首先減少已分配至該現金產出單元(或該組單元)的任何商譽的賬面金額，然後按比例減少該單元(或該組單元)內其他資產的賬面金額；但資產的賬面值不得減少至低於其個別公允價值減去出售成本(如能計量)後所得數額或其使用價值(如能釐定)。

— *撥回減值虧損*

就商譽以外的資產而言，如果用以釐定可收回數額的估計數額出現正面的變化，有關的減值虧損便會轉回；但商譽的減值虧損不會轉回。

所轉回的減值虧損以在以往年度沒有確認任何減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益中。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Credit losses and impairment of assets

(Continued)

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, 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 2(t)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed 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.

(u) 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. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

2 主要會計政策(續)

(t) 信用損失及資產減值(續)

(iii) 中期財務報告和減值

根據《香港聯合交易所有限公司證券上市規則》，本集團須就財政年度的首六個月編製符合《香港會計準則》第34號「中期財務報告」規定的中期財務報告。本集團在中期期末採用了在財政年度終結時會採用的相同減值測試、確認和轉回準則(參閱附註2(t)(i)和(ii))。

中期期間就商譽確認的減值虧損不在其後期間進行撥回。即使僅在該中期所屬的財政年度終結時才評估減值並確認沒有虧損或所確認的虧損較少，也不會轉回減值虧損。

(u) 現金及現金等值項目

現金及現金等值項目包括銀行存款和現金、存放於銀行和其他金融機構的活期存款，以及短期和高流動性的投資。這些投資可以隨時換算為已知的現金額、價值變動方面的風險不大，並在購入後三個月內到期。就編製綜合現金流量表而言，現金及現金等值項目也包括須於接獲通知時償還，並構成本集團現金管理一部分的銀行透支。

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The fair value of share awards and share options granted to employees is recognised as an employee cost with a corresponding increase in share-based payment capital reserve within equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share awards and options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share awards and share options that are expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share awards and options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based payment reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profit).

2 主要會計政策(續)

(v) 僱員福利

薪金、年度獎金、有薪年假、界定供款退休計劃的供款和非貨幣福利成本在僱員提供相關服務的年度內累計。如果延遲付款或結算會造成重大的影響，則這些數額會以現值列賬。

授予僱員的股份獎勵和股份期權按公允價值確認為僱員成本，而權益中的以股份為基礎之付款資本儲備亦會相應增加。公允價值是在授予日以蘇期定價模式計量，並會考慮股份獎勵和期權授予條款和條件。如果僱員須符合歸屬條件才能無條件地享有期權的權利，在考慮到期權歸屬的可能性後，估計授予期權的公允價值便會在整個歸屬期內分攤。

本公司會在歸屬期內審閱預期歸屬的股份獎勵和股份期權數目。已於以往年度確認的累計公允價值因此所作的任何調整會在審閱當年在損益中列支／計入；但如果原來的僱員支出符合確認為資產的資格，便會對以股份為基礎之付款儲備作出相應的調整。已確認為支出的數額會在歸屬日作出調整，以反映所歸屬股份獎勵和期權的實際數目(同時對資本儲備作出相應的調整)；但只會在無法符合與本公司股份市價相關的歸屬條件時才會放棄股份期權。權益數額在以股份為基礎之付款儲備中確認，直至期權獲行使(計入於已發行股份的股本中確認的金額)或期權到期(直接轉入保留溢利)時為止。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(w) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策(續)

(w) 所得稅

本年度所得稅包括當期稅項和遞延稅項資產與負債的變動。當期稅項和遞延稅項資產與負債的變動均在損益確認，但如果是在其他全面收益或直接在權益中確認的相關項目，則相關稅款分別在其他全面收益或直接在權益中確認。

當期稅項是按本年度應稅所得，根據已執行或在報告期末實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產與負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產與負債在財務報表上的賬面金額跟這些資產與負債的計稅基礎的差異。遞延稅項資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

除了某些有限的例外情況外，所有遞延稅項負債和遞延稅項資產(只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應稅溢利)都會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應稅溢利包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關和同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一期間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一年間內轉回。

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(w) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

(x) Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

2 主要會計政策(續)

(w) 所得稅(續)

商譽產生的暫時性差異是確認遞延所得稅資產和負債的有限例外情況，不能用於稅收目的，初始確認既不影響會計利潤也不影響應稅利潤的資產或負債(前提是它們不屬於企業合併)，與應付子公司投資有關的暫時性差異，如果是應稅差異，則本集團控制轉回的時間，並且差異很可能在可預見的未來不會轉回，或者在可抵扣差異的情況下，除非他們將來很可能會逆轉。

已確認遞延稅額是按照資產與負債賬面金額的預期實現或結算方式，根據已執行或於報告期末實質上已執行的稅率計量。遞延稅項資產與負債均不折現計算。

(x) 收入確認

本集團將業務的正常過程中銷售商品或提供服務產生的收入劃歸為收益。

本集團在產品或服務的控制權轉移至客戶，或承租人有權以本集團預計可獲得的承諾對價的金額使用資產(不包括代表協力廠商收取的金額)時確認收入。收入不含增值稅或其它銷售稅，並已扣除所有商業折扣。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Revenue recognition (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 *Revenue from Contracts with Customers* and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

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

- (i) The accounting policies for the recognition of revenue from insurance contracts are disclosed in note 2(h).
- (ii) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.
- (iii) Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

2 主要會計政策(續)

(x) 收入確認(續)

當合同包含一個可在12個月以上的期間內為客戶提供重大融資利益的融資組成部分時，收入為以與該客戶訂立的另一項融資交易中反映的折現率折現的應收款項的現值，利息收入單獨按實際利率法計提。當合同包含一個為本集團提供重大融資利益的融資組成部分時，該合同下確認的收入包含實際利率法下合同負債產生的利息支出。本集團採用《香港財務報告準則》第15號「客戶合約之收入」第63段的簡易操作方法，在融資期為12個月或以下時，不就重大融資組成部分的任何影響調整對價。

有關本集團收益及其他收入確認政策的進一步詳情如下：

- (i) 有關保險合同收入確認的會計政策載列於附註2(h)。
- (ii) 非上市投資的股息收入在股東收取款項的權利確立時確認及上市投資的股息收入在投資項目的股價除息時確認。
- (iii) 利息收入是在產生時按照實際利率法確認，按照將金融資產的預計使用年限內的預估未來現金收入與其賬面總額折現的利率計算。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Revenue recognition (Continued)

- (iv) Brokerage and commission income is recognised on trade date basis.
- (v) Service fee income, including advisory fee income, handling fee income, custodial service fee income, subscription fee income, placing and underwriting commission and financial management are recognised when the underlying services had been provided.

(y) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains or losses from trading securities or financial instruments designated at fair value through profit or loss.

Exchange differences relating to fair value through other comprehensive income debt instruments are included in profit or loss.

2 主要會計政策(續)

(x) 收入確認(續)

- (iv) 佣金及經紀收入按交易日基準確認。
- (v) 服務費收入包括諮詢費收入、手續費、保管服務費、認購費、配售及包銷佣金以及財務管理，於相關服務提供時確認。

(y) 外幣換算

年內的外幣交易按交易日的外幣匯率換算。以外幣為單位的貨幣資產與負債則按於報告期末的外幣匯率換算。匯兌盈虧在損益中確認。

以歷史成本計量的外幣非貨幣資產與負債是按交易日的外幣匯率換算。

有關以公允價值計量且其變動計入損益的投資及衍生金融工具之匯兌差額乃計入交易用途證券或指定以公允價值計量且其變動計入損益的金融工具之收益減虧損。

有關以公允價值計量且其變動計入其他全面收益之債務工具的匯兌差額計入損益。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(y) Translation of foreign currencies

(Continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Items of statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the consolidated income statement when the profit or loss on disposal is recognised.

(z) Fiduciary activities

The Group maintains segregated accounts with authorised institutions to hold clients' monies arising from its normal course of the regulated business activities. The Group has classified the "bank balances – trust and segregated accounts" within the current assets in the consolidated statement of financial position and recognised the corresponding account payables to respective clients and other institutions on the grounds that it is liable for any loss or misappropriation of clients' monies.

The Group is not allowed to use the clients' monies to settle its own obligations. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

2 主要會計政策(續)

(y) 外幣換算(續)

境外經營的業績按與交易日的港幣匯率相若的匯率換算為港幣。財務狀況表項目(包括將二零零五年一月一日或之後收購的境外經營合併計算時產生的商譽)則按於報告期末的現行匯率換算為港幣。所產生的匯兌差額在其他全面收益中確認,並在權益中的匯兌儲備分開累計。二零零五年一月一日之前收購的境外經營於合併計算時所產生的商譽則按收購境外經營當日的港幣匯率換算。

於出售海外業務時,有關該海外業務之匯兌差額累計金額乃於確認出售事項之損益時自權益重新分類至收益表。

(z) 受信活動

本集團於認可機構開立獨立賬戶,以持有其正常受規管活動業務過程中產生之客戶款項。本集團已將「銀行餘額 – 信託及獨立賬戶」分類為綜合財務狀況表之流動資產項下,並因須就客戶款項之任何損失或不當挪用負責而確認相應之應付予有關各戶及其他機構之賬款。

本集團不得使用客戶賬款結算其自身債務。代客戶持有之現金受《證券及期貨條例下之證券及期貨(客戶款項)》規則限制及規管。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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.

(ab) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.

2 主要會計政策(續)

(aa) 分部報告

經營分部及綜合財務報表所呈報各分部項目之金額，乃識別自定期向本集團最高行政管理層提供以向本集團各項業務及地理位置分配資源及評估有關表現之財務資料。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分準則，則可以合計。

(ab) 關聯方

- (i) 任何人士或其近親如屬以下情況，即視為與本集團有關聯：
 - (1) 控制或共同控制本集團；
 - (2) 對本集團有重大影響力；或
 - (3) 是本集團或本集團母公司的關鍵管理人員。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(ab) Related parties (Continued)

- (ii) An entity is related to the Group if any of the following conditions applies:
- (1) 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);
 - (2) 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);
 - (3) Both entities are joint ventures of the same third party;
 - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (6) The entity is controlled or jointly controlled by a person identified in (i);
 - (7) A person identified in (i)(1) 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); or
 - (8) 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.

2 主要會計政策(續)

(ab) 關聯方(續)

- (ii) 倘以下情況適用，則任何實體即視為與本集團有關聯：
- (1) 該實體與本集團為同一集團成員(即母公司、附屬公司及同系附屬公司各自互有關聯)；
 - (2) 一個實體為另一實體之聯營公司或合營企業(或為另一實體所屬集團成員公司之聯營公司或合營企業)；
 - (3) 兩個實體均為同一第三方之合營企業；
 - (4) 一個實體為第三間實體之合營企業，而另一實體為第三方之聯營公司；
 - (5) 該實體乃為本集團或與本集團有關聯實體之僱員提供福利之離職後福利計劃；
 - (6) 該實體受(i)所識別人士控制或共同控制；
 - (7) 上述第(i)(1)項內所認定人士對該實體有重大影響力或是該實體(或該實體母公司)的關鍵管理人員；或
 - (8) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供關鍵管理人員服務。

一名個人的近親是指與有關實體交易並可能影響該個人或受該個人影響的家庭成員。

3 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to HKFRS 3, Definition of a Business
- Amendment to HKFRS 16, Covid-19-Related Rent Concessions

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 current accounting period.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Actuarial assumptions on future policyholders' benefits, VOBA and DAC

The process used to determine the assumptions is intended to result in estimates of the most likely outcome with reasonable provisions for possible adverse deviations.

The assumptions that are considered include the expected number and timing of deaths, surrenders, discount rates, renewal expenses and inflation over the period of exposure.

(i) Mortality

Prudent mortality tables and industry mortality tables with margins are used. They are compared with the Group's internal mortality experience on a regular basis to ensure their appropriateness.

3 會計政策的修訂

香港會計師公會已頒布新訂的《香港財務報告準則》及若干修訂，該項準則及有關修訂在本集團的本會計期間首次生效，詳情如下：

- 《香港財務報告準則》第3號修訂「業務的定義」
- 《香港財務報告準則》第16號修訂「新型冠狀病毒肺炎相關租金減讓」

相關修訂並未對本集團編制或列報當期或前期業績及財務狀況的方式產生重大影響。本集團並無採用任何於本會計期間尚未生效的新訂準則或詮釋。

4 重要會計判斷及估計不確定因素之重要來源

(a) 對未來保單持有人給付、收購業務價值及遞延保單獲得成本的精算假設

用於確定假設的過程旨在通過估計最有可能出現的結果及就可能的不利偏差提供合理的準備金。

所考慮的假設包括風險期間預計的死亡人數和歲數、退保率、貼現率、續保費用和通貨膨脹。

(i) 死亡率

使用具有緩衝的謹慎死亡率表和行業死亡率表。將它們定期與集團的內部死亡率經驗進行比較，以確保其適當性。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(a) Actuarial assumptions on future policyholders' benefits, VOBA and DAC (Continued)

(i) Mortality (Continued)

Basically, the Group's valuation of non-annually renewable premium traditional products is based on the following mortality tables (except for some minor blocks of policies):

- 70%/75% of Hong Kong Assured Lives Mortality Table 1993 with old age adjustment;
- A1967-70 Assured Lives Mortality Table (Ultimate).

Both of the above tables are subject to a four year age setback adjustment for females.

(ii) Morbidity

Morbidity is based on the reinsurer's risk premiums which are relevant to its market experience. It is compared with the Group's internal morbidity experience on a regular basis to ensure its appropriateness.

(iii) Withdrawal

Withdrawal rates are determined with reference to pricing assumptions and actual experience.

4 重要會計判斷及估計不確定因素之重要來源(續)

(a) 對未來保單持有人給付、收購業務價值及遞延保單獲得成本的精算假設(續)

(i) 死亡率(續)

基本上，本集團按以下死亡率表對非年度續保的傳統產品進行估值(除了部分不大重要的保單部分)：

- 70%/75%的1993年香港保險業死亡率表，並就老齡作出調整；
- A1967-70保險業死亡率表(終稿)。

上述列表均就女性往後作出四年的歲數調整。

(ii) 發病率

發病率是以再保險公司的風險溢價為基礎，並與市場經驗相關。它定期與本集團對發病率的內部經驗進行比較，以確保其適當。

(iii) 提取

提取率參考定價假設和實際經驗確定。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(a) Actuarial assumptions on future policyholders' benefits, VOBA and DAC (Continued)

(iv) Discount rates

Discount rates are determined from a prudent assessment of the yields on existing financial assets and the yields obtained on sums to be invested in the future.

The Group's valuation of non-annually renewable premium traditional products is based on the discount rate of 1.5% to 5%.

(v) Renewal expenses and inflation

The level of renewal expenses is based on pricing assumptions. It is compared with the Group's internal expense study result on a regular basis to ensure its appropriateness.

The inflation rate assumption is 2%. It is compared with the Hong Kong Consumer Price Indices on a regular basis to ensure its appropriateness.

4 重要會計判斷及估計不確定因素之重要來源(續)

(a) 對未來保單持有人給付、收購業務價值及遞延保單獲得成本的精算假設(續)

(iv) 貼現率

貼現率是根據對現有金融資產收益率的審慎評估，以及未來投資金額的收益率確定。

本集團對非年度續保的傳統產品是以1.5%至5%的貼現率進行估值。

(v) 續保費用和通貨膨脹

續保費用的水準是以定價假設為基礎。它定期與本集團的內部費用研究結果進行比較，以確保其適用。

通脹率假設為2%。它會定期與香港消費物價指數作比較，以確保其適當。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(a) Actuarial assumptions on future policyholders' benefits, VOBA and DAC (Continued)

(vi) Change in assumptions and sensitivity to changes in variables

Sensitivity tests are conducted using varying mortality, morbidity and discount rate assumptions to measure the impact of deviations from anticipated experience.

The Group performs this sensitivity analysis for non-annually renewable premium traditional products to estimate the sensitivity of reserve to a particular movement in an assumption with all other assumptions remaining unchanged. Since the changes in the assumptions of withdrawal, renewal expenses and inflation only have minimal impact on the future policyholders' benefits, they are not considered in this sensitivity analysis. The following table demonstrates the resulting impacts:

Variables		Change in variables	2020 Change in profit after tax and equity 二零二零年稅後溢利和股權變化 HK\$'000 千港元	2019 Change in profit after tax and equity 二零一九年稅後溢利和股權變化 HK\$'000 千港元
變量		變量的變化		
Discount rate	貼現率	+1%	655,561	562,691
		-1%	(762,739)	(654,223)
Mortality/morbidity	死亡率/發病率	+10%	(81,606)	(74,952)
		-10%	84,127	77,086

Universal life, variable universal life, deferred annuities and annually renewable premium traditional products whose future policyholders' benefits are independent of mortality, morbidity, discount rates, withdrawal, renewal expenses and inflation are excluded from this analysis.

此分析不包括萬用壽險、可變萬用壽險、遞延年金和每年續保的傳統產品，而其未來保單持有人的給付與死亡率、發病率、貼現率、退保、續保費用和通脹無關。

4 重要會計判斷及估計不確定因素之重要來源(續)

(a) 對未來保單持有人給付、收購業務價值及遞延保單獲得成本的精算假設(續)

(vi) 假設變化和可變因素變化的敏感度

使用不同的死亡率、發病率和貼現率假設進行敏感性測試，以計量偏離預期經驗的影響。

本集團對非年度續保的傳統產品進行此敏感性分析，以假設所有其他假設保持不變下，估計儲備對特定變動的敏感度。由於退保、續保費用和通脹假設的變動僅對未來保單持有人的利益造成輕微影響，因此在這種敏感性分析中不予考慮。下表顯示了由此產生的影響：

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(a) Actuarial assumptions on future policyholders' benefits, VOBA and DAC (Continued)

(vi) Change in assumptions and sensitivity to changes in variables (Continued)

The fair values of investments are sensitive to interest rate changes. As the Group's main products are universal life products, interest rates may have an impact on the products' guaranteed minimum payouts and on interest credited to account holders. As interest rates decrease, investment spreads may contract as interest rates approach minimum guarantees, potentially resulting in an increased liability of the Group. As long as the total interest credited is higher than the guaranteed minimum amount, the Group has discretion on the crediting rate. The Group's exposure to interest rate risk associated with these types of products is therefore minimal. The Group may be exposed to interest rate risks in connection with traditional insurance products, which is considered inconsequential in view of the Group's product portfolio. As such, no sensitivity analysis for the underlying interest rate risk is performed.

(vii) Amortisation of VOBA and DAC

The Group selects appropriate methodology and assumptions for the amortisation of VOBA and DAC in accordance with the Group's significant accounting policies. The assumptions used in the estimation of the future gross premiums and profit are aligned to those assumptions used for the future policyholders benefit in majority of instances.

4 重要會計判斷及估計不確定因素之重要來源(續)

(a) 對未來保單持有人給付、收購業務價值及遞延保單獲得成本的精算假設(續)

(vi) 假設變化和可變因素變化的敏感度(續)

投資的公允價值會受利率變化的影響。由於本集團的主要產品是萬用壽險產品，利率可能會影響產品的保證最低支出和貸記給賬戶持有人的利息。隨著利率下降，投資差價可能會隨著利率接近最低保證而收窄，從而可能導致本集團的負債增加。只要貸記的總利息高於保證的最低金額，本集團可酌情決定貸記利率。因此，本集團與這些類型產品相關的利率風險很小。本集團可能面臨與傳統保險產品相關的利率風險，鑒於本集團的產品組合，這被視為無關緊要。因此，不會對基本利率風險進行敏感度分析。

(vii) 收購業務價值及遞延保單獲得成本的攤銷

本集團根據本集團的重要會計政策選擇適當的方法和假設來攤銷收購業務價值和遞延保單獲得成本。在大多數情況下，用於估計未來毛保費和利潤的假設與用於未來保單持有人利益的那些假設一致。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Determination of consolidation scope and business combination

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

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

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

Note 21 provides detail information about the acquisition of subsidiaries, note 22 provides detail information about key assumptions used in the goodwill impairment assessment.

4 重要會計判斷及估計不確定因素之重要來源(續)

(b) 合併範圍和企業合併的確定

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

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

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

附註21提供有關收購子公司的詳細信息，附註22提供有關商譽減值評估中使用的主要假設的詳細信息。

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(c) Classification and fair value of derivative and financial instruments

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

The Group selects appropriate valuation techniques for financial instruments which are classified as level 2 and 3 investments in accordance with the Group’s significant accounting policies. Note 5 provides detailed information about the key assumptions used in the determination of the fair value of material financial instruments.

(d) Expected credit loss estimation

The Group selects appropriate methodology and assumptions in accordance with the Group’s significant accounting policies. Note 2 provides detailed information about the key assumptions used in the determination of the expected credit loss of financial instruments classified under amortised cost and for debt instruments carried at FVOCI.

4 重要會計判斷及估計不確定因素之重要來源(續)

(c) 衍生工具及金融工具之分類及公允價值

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

本集團對根據本集團的主要會計政策劃歸為第二層級及第三層級投資的金融工具選用適當的估值技術。附註5載有釐定重大金融工具公允價值之主要假設之詳細資料。

(d) 估計預期信用損失

本集團對根據本集團的主要會計政策選用適當的方法和假設。附註2載有確定劃歸為以攤銷成本計量及以公允價值計量且其變動計入其他全面收益的債務金融工具的預期信用損失時所用的主要假設之詳細資料。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT

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

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

(i) Insurance risks

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

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

5 保險和金融風險管理

(a) 風險管理目標及降低保險和金融風險的政策

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

(i) 保險風險

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

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

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(i) Insurance risks (Continued)

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

Concentration of insurance risks

The table below illustrates the concentration of risks based on seven bands of contracts grouped by benefits assured for each life assured.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(i) 保險風險(續)

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

保險風險的集中度

下表說明了基於七個合同範圍的風險集中度，而這些合同按照每個受保人的保障分組。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(i) Insurance risks (Continued)

Concentration of insurance risks (Continued)

HK\$'000	千港元	Sum insured before reinsurance 再保險前的投保額		Sum insured after reinsurance 再保險後的投保額	
		HK\$'000 千港元	%	HK\$'000 千港元	%
2020	二零二零年				
0-500	0-500	26,728,165	14	36,164,952	43
501-750	501-750	20,097,085	11	28,239,835	34
751-1,000	751-1,000	26,385,052	14	19,121,205	23
1,001-1,500	1,001-1,500	30,709,608	16	30,826	0
1,501-2,000	1,501-2,000	21,817,767	12	77,928	0
2,001-2,500	2,001-2,500	12,552,838	7	4,669	0
>2,500	>2,500	49,340,411	26	7,723	0
Total	總計	187,630,926	100	83,647,138	100

HK\$'000	千港元	Sum insured before reinsurance 再保險前的投保額		Sum insured after reinsurance 再保險後的投保額	
		HK\$'000 千港元	%	HK\$'000 千港元	%
2019	二零一九年				
0-500	0-500	26,704,703	15	36,090,151	44
501-750	501-750	20,258,023	11	28,353,735	35
751-1,000	751-1,000	25,976,464	15	16,869,339	21
1,001-1,500	1,001-1,500	30,353,799	17	—	—
1,501-2,000	1,501-2,000	20,128,668	11	—	—
2,001-2,500	2,001-2,500	11,556,369	6	—	—
>2,500	>2,500	43,967,215	25	—	—
Total	總計	178,945,241	100	81,313,225	100

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(i) 保險風險(續)

保險風險的集中度(續)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks

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

(1) Credit risk

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

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險

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

(1) 信用風險

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

- 應收債務證券發行人的金額；
- 銀行餘額；
- 應收保費及再保險賬款；
- 商業抵押及住宅按揭貸款；
- 其他無抵押應收款項；以及
- 衍生金融工具。

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(1) Credit risk (Continued)

At 31 December 2020, 0.01% (2019: 0.11%) of the Group's debt securities represented investments in asset-backed and mortgage-backed securities in the United States of America and PRC which are exposed to sub-prime credit risks. The Group does not originate any residential mortgages but invests in residential mortgage loan pools which may contain mortgages of subprime credit quality. Residential mortgage loan pools are pools of homogeneous residential mortgage loans substantially backed by Federal Housing Administration and Veterans Administration guarantees. As of 31 December 2020, the Group had no direct subprime exposure through the origination of residential mortgage loans or purchases of unsecuritised mortgage whole-loan pools. The Group has implemented a stringent review process for determining the fair value of securities containing these risk characteristics. At 31 December 2020, 91.8% (2019: 93%) of the debt securities have Standard and Poor's ratings of BBB- or above or equivalent ratings from other reputable rating agencies. At 31 December 2020, 82.2% (2019: 96.3%) of the mortgage loan have internal rating equivalent to Standard and Poor's ratings of BBB or above or equivalent ratings from other reputable rating agencies. For the year ended 31 December 2020, impairment losses were recognised in the consolidated income statement. Further details of the impairment losses are set out in note 7(a).

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(1) 信用風險(續)

於二零二零年十二月三十一日，本集團0.01%的債務證券(二零一九年：0.11%)指於美國和中國的資產支持證券和抵押證券的投資，這些證券須承受次級信用風險。本集團並未發起任何住宅抵押貸款，而是投資於可能包含次貸信用質量抵押的住宅抵押貸款池。住宅抵押貸款池是由聯邦住宅管理局和退伍軍人管理局擔保的同質住宅抵押貸款池。截至二零二零年十二月三十一日，公司未因發起住宅抵押貸款或購買未證券化抵押貸款全額貸款池而承受直接次貸風險。本集團已執行嚴格的審核流程，以厘定包含該等風險特徵的證券公允價值。於二零二零年十二月三十一日，91.8% (二零一九年：93%)的債務證券的標準普爾評級為BBB-或以上或其他信譽良好的評級機構的同等評級。於二零二零年十二月三十一日，82.2% (二零一九年：96.3%)的抵押貸款的內部評級與標準普爾評級為BBB或以上或其他信譽良好的評級機構的同等評級相等。截至二零二零年十二月三十一日止年度，減值虧損於綜合收益表確認。減值虧損的進一步詳情載於附註7(a)。

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(1) Credit risk (Continued)

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

With respect to the recoveries due from reinsurers, the Group is exposed to the credit risk that the amounts due under a reinsurance contract may not be paid. For the management of the underlying risks, please refer to note 5(a)(i).

In respect of loans to policyholders, direct premium receivables and other loans to agents and staff, management monitors the repayment status on an ongoing basis. Other unsecured receivables mainly comprise accrued interest income on debt securities, where the credit risks are limited by the diversification of its investment portfolio as mentioned above.

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

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from insurance and reinsurance receivables, other account receivables and other receivables are set out in notes 27, 28 and 29.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(1) 信用風險(續)

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

就應收再保險公司的款項而言，本集團須承受信用風險，即可能無法收回再保險合同項下的應付金額。有關潛在風險的管理，請參閱附註5(a)(i)。

就向保單持有人提供的貸款、直接應收保費及向代理及員工提供的其他貸款，管理層持續監控還款狀態。其他無抵押應收款項主要包括債務證券的應計利息收入，其中信用風險受上文所述投資組合多元化的限制。

最高信用風險承擔指扣除任何減值準備後的財務狀況表內各項金融資產的賬面價值。

有關本集團承受因應收保費及再保險賬款、其他應收賬款及其他應收款所產生的信用風險的進一步定量披露內容載列於附註27、28和29。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(2) Liquidity risk

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

(i) Financial liabilities

The following tables show the remaining contractual maturities at the end of the reporting period of non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date can be required to pay:

	2020 二零二零年				2019 二零一九年			
	Carrying amount	undiscounted cash flows	Within 1 year or on demand	More than 1 year	Carrying amount	undiscounted cash flows	Within 1 year or on demand	More than 1 year
	賬面值	訂約未折現現金流量總額	1年內或按求償還	1年以上	賬面值	訂約未折現現金流量總額	1年內或按求償還	1年以上
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Reinsurance premium payables	321,989	321,989	321,989	–	529,562	529,562	529,562	–
Other accounts payables	869,533	869,533	869,533	–	578,545	578,545	578,545	–
Other payables and accrued expense	2,520,712	2,520,712	2,520,712	–	2,436,967	2,436,967	2,436,967	–
Financial liabilities at fair value through profit or loss	618,561	618,561	–	618,561	630,569	630,569	–	630,569
Lease liabilities	286,412	298,509	140,000	158,509	326,584	341,026	135,248	205,778
Bank borrowings	1,553,503	1,560,938	1,560,938	–	1,498,758	1,596,769	82,413	1,514,356
Shareholder's loan	1,641,077	1,892,162	83,695	1,808,467	1,561,444	1,641,077	1,641,077	–
	7,811,787	8,082,404	5,496,867	2,585,537	7,562,429	7,754,515	5,403,812	2,350,703

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(2) 流動資金風險

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

(i) 金融負債

下表載列了本集團非衍生金融負債於報告期末之餘下合同到期期限，乃按合同未貼現現金流量及本集團可能須支付之最早日期計算得出：

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(2) Liquidity risk (Continued)

(ii) Liabilities under insurance and investment contracts

The following table presents the estimated timing of payments for the amounts recognised in the statement of financial position arising from liabilities under insurance and investment contracts. These contracts typically include policyholder surrender or transfer options at a value equal to, or below, the carrying value of those liabilities.

		2020 二零二零年			2019 二零一九年		
		Total	1 year or less	More than 1 year	Total	1 year or less	More than 1 year
		總計	1年或更短	1年以上	總計	1年或更短	1年以上
		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
Insurance contract provisions	保險合同準備金	54,487,776	3,198,767	51,289,009	46,455,874	3,319,010	43,136,864
Investment contract liabilities	投資合同負債	4,492,855	229,851	4,263,004	4,364,600	213,450	4,151,150
Outstanding claims	未決賠款	184,160	184,160	–	161,913	161,913	–
		59,164,791	3,612,778	55,552,013	50,982,387	3,694,373	47,288,014

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(2) 流動資金風險(續)

(ii) 保險及投資合同項下負債

下表載列了保險和投資合同項下負債產生的於財務狀況表中所確認金額的估計付款時間。這些合同通常包括保單持有人退保金或以等於或低於該等負債賬面值的價值轉讓期權。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(3) Interest rate risk

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

(i) Interest rate profile

The following table details interest-bearing financial assets and financial liabilities at the end of the reporting period.

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets	金融資產		
Statutory deposits	法定存款	5,721	3,243
Debt securities and mortgage loans	債務證券及抵押貸款	51,073,548	44,004,452
Loans to agents and staff	向代理及員工作出的貸款	19,723	32,379
Cash and cash equivalents and deposits with banks maturing more than three months	現金及現金等值項目以及逾三個月後到期的銀行存款	4,293,467	2,555,168
Financial liabilities	金融負債		
Bank borrowings	銀行貸款	1,553,503	1,498,758
Shareholder's loan	股東貸款	1,641,077	1,561,444

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(3) 利率風險

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

(i) 利率風險概況

下表詳述本集團計息金融資產和金融負債於報告期末的利率。

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(3) Interest rate risk (Continued)

(ii) Sensitivity analysis

While it is more difficult to measure the interest sensitivity of the insurance and investment contract liabilities than that of the related assets, to the extent that the Group can measure such sensitivities the Group believes that interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products.

Financial assets and liabilities

At 31 December 2020, it is estimated that a general increase/decrease of one percentage point in interest rates would increase/decrease the Group's profit after tax by approximately HK\$6,991,000 and HK\$17,149,000 respectively (2019: increase/decrease by HK\$14,746,000) and decrease/increase the equity by approximately HK\$1,657,528,000 (2019: HK\$1,397,427,000) respectively so far as the effect on interest-bearing financial assets is concerned.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(3) 利率風險(續)

(ii) 敏感度分析

儘管計量保險及投資合同負債的利率敏感度比相關資產更難，但在本集團能夠計量此敏感度的情況下，本集團認為利率變動將產生能大幅抵銷相關產品負債價值變動的資產價值變化。

金融資產與負債

於二零二零年十二月三十一日，估計當利率普遍上升／下降一個基點，就帶息金融資產受到的影響而言，本集團稅後溢利將分別因此增加約6,991,000港元／減少17,149,000港元(二零一九年：增加／減少約14,746,000港元)，股權將因此減少／增加約1,657,528,000港元(二零一九年：1,397,427,000港元)。

上述敏感度分析乃基於利率變動已於報告期末發生之假設確定。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(4) Currency risk

The Group's currency exchange risk is mainly related to certain policies that are not written in the United States dollars. However, most of the policies are denominated in the United States dollars. As the Group's investments are primarily made in the United States dollars, coupled with the fact that the Hong Kong dollars are pegged to the United States dollars, management does not believe that the currency risk is material. For investments made in non-United States dollars, the Group mitigates currency risk through the use of cross-currency swaps and forward contracts. Cross-currency swaps are used to minimize currency risk for certain non-United States dollar assets and liabilities through a pre-specified exchange of interest and principal. Forward contracts are used to hedge movements in exchange rates. As such, no sensitivity analysis is prepared for currency risk.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(4) 貨幣風險

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(4) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the exposure at the end of the reporting period to currency risk arising from financial assets or financial liabilities which are presented in Hong Kong dollars.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(4) 貨幣風險(續)

(i) 貨幣風險敞口

下表詳列本集團於報告期末對以港元計值之金融資產或負債所產生貨幣風險之承擔。

		2020 二零二零年									
		United States Dollars 美元 HK\$'000 千港元	Canadian Dollars 加元 HK\$'000 千港元	Macau Patacas 澳門幣 HK\$'000 千港元	British Pounds 英鎊 HK\$'000 千港元	Australian Dollars 澳元 HK\$'000 千港元	Euros 歐元 HK\$'000 千港元	Chinese Renminbi 人民幣 HK\$'000 千港元	Japanese Yen 日元 HK\$'000 千港元	Thailand Baht 泰銖 HK\$'000 千港元	Singapore Dollars 新加坡元 HK\$'000 千港元
Financial assets 金融資產											
Investments	投資	51,461,235	-	-	-	-	-	-	-	-	-
Insurance and reinsurance receivables	應收保費及再保險賬款	73,258	-	151	-	-	-	-	-	-	-
Other account receivables	其他應收賬款	43,087	-	-	-	76	6,873	-	-	-	2
Other receivables	其他應收款項	583,097	-	-	407	54	290	4,351	-	-	-
Cash and cash equivalents and deposits with banks maturing more than three months and segregated accounts	現金及現金等值項目以及逾三個月後到期的銀行存款和獨立賬戶	1,389,162	14	97,806	511	3,852	8,581	26,665	329	1	41
Derivative financial instruments	衍生金融工具	99,028	-	-	-	-	-	-	-	-	-
		53,648,867	14	97,957	918	3,982	8,871	37,889	329	1	43
Financial liabilities 金融負債											
Reinsurance premium payables	應付再保險保費	119,760	-	202,229	-	-	-	-	-	-	-
Derivative financial instruments	衍生金融工具	151,788	-	-	-	-	-	-	-	-	-
Other accounts payables	其他應付賬款	260,032	14	-	66	21	12,967	50	-	-	28
Other payables	其他應付款項	700,416	-	10,006	-	-	9,140	-	-	-	-
Investment contract liabilities	投資合同負債	2,036,409	-	77,765	-	-	-	-	-	-	-
Outstanding claims	未決賠款	77,243	-	5,447	-	-	-	-	-	-	-
Lease liabilities	租賃負債	-	-	50,850	-	-	10,174	-	-	-	-
		3,345,648	14	346,297	66	21	32,281	50	-	-	28
Notional amount of currency-related derivative contracts	貨幣相關衍生合同的名義金額	(23,032,985)	-	-	-	-	(38,375)	-	-	-	-

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(4) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(4) 貨幣風險(續)

(i) 貨幣風險敞口(續)

		2019 二零一九年									
		United States Dollars 美元 HK\$'000 千港元	Canadian Dollars 加元 HK\$'000 千港元	Macau Patacas 澳門幣 HK\$'000 千港元	British Pounds 英鎊 HK\$'000 千港元	Australian Dollars 澳元 HK\$'000 千港元	Euros 歐元 HK\$'000 千港元	Chinese Renminbi 人民幣 HK\$'000 千港元	Japanese Yen 日元 HK\$'000 千港元	Thailand Baht 泰銖 HK\$'000 千港元	Singapore Dollars 新加坡元 HK\$'000 千港元
Financial assets 金融資產											
Investments	投資	44,004,452	-	-	-	-	-	-	-	-	-
Insurance and reinsurance receivables	應收保費及再保險賬款	432,676	-	141	-	-	-	-	-	-	-
Other account receivables	其他應收賬款	56,984	-	-	-	47	-	572	-	-	2
Other receivables	其他應收款項	446,556	-	-	171	122	272	7,217	13	-	6
Cash and cash equivalents and deposits with banks maturing more than three months and segregated accounts	現金及現金等值項目以及逾三個月後到期的銀行存款和獨立賬戶	1,100,766	14	35,558	1,007	3,599	4,467	19,163	879	23	26
Derivative financial instruments	衍生金融工具	-	-	-	-	-	-	-	-	-	-
		46,041,434	14	35,699	1,178	3,768	4,739	26,952	892	23	34
Financial liabilities 金融負債											
Reinsurance premium payables	應付再保險保費	408,636	-	-	-	-	-	-	-	-	-
Derivative financial instruments	衍生金融工具	20,366	-	-	-	-	-	-	-	-	-
Other accounts payables	其他應付賬款	222,682	14	-	64	20	-	5,315	-	-	23
Other payables	其他應付款項	1,913,599	-	-	-	-	-	10,198	-	-	35
Investment contract liabilities	投資合同負債	2,015,623	-	74,259	-	-	-	-	-	-	-
Outstanding claims	未決賠款	58,886	-	831	-	-	-	-	-	-	-
Lease liabilities	租賃負債	-	-	37,188	-	-	-	13,431	-	-	-
		4,639,792	14	112,278	64	20	-	28,944	-	-	58
Notional amount of currency-related derivative contracts	貨幣相關衍生合同的名義金額	(19,714,613)	-	-	-	-	(21,586)	-	-	-	-

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(5) Equity price risk

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

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

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

At 31 December 2020, the unit trusts backing non-linked insurance contracts were classified as fair value through profit or loss under overlay approach at their fair value of HK\$871,782,000 (2019: HK\$1,078,639,000).

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險

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

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

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

於二零二零年十二月三十一日，單位信託支持非連結式保險合同按其公允價值871,782,000港元(二零一九年：1,078,639,000港元)被劃歸為按覆蓋法以公允價值計量且其變動計入損益。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(5) Equity price risk (Continued)

At 31 December 2020, it is estimated that an increase/decrease of 10% (2019: 10%) in the market value of Group's unit trusts backing non-linked insurance contracts, with all other variable held constant, would have increased/decreased the Group's total equity by HK\$87,178,000 (2019: HK\$107,864,000).

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

(6) Fair value measurement

(1) Financial assets and liabilities measured at fair value

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:

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(5) 股價風險(續)

於二零二零年十二月三十一日，估計本集團單位信託支持型非連結式保險合同的市值增加／減少10% (二零一九年：10%)，所有其他變數保持不變，將增加／減少本集團的股權總額87,178,000港元(二零一九年：107,864,000港元)。

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

(6) 公允價值計量

(1) 按公允價值計量的金融資產及負債

公允價值層級

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Fair value hierarchy (Continued)

- Level 1 Fair value valuations: measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 Fair value valuations: 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
- Level 3 Fair value valuations: measured using significant unobservable inputs

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

- 第一層 公允價值僅級估 值： 使用第一層級輸入數據(即於計量日期之相同資產或負債在活躍市場之未經調整報價)計算
- 第二層 使用第二層級輸入值(即未達第一層級的可觀察輸入值)，並捨棄重大不可觀察輸入值來計量公允價值。不可觀察輸入值是指欠缺市場數據的輸入值
- 第三層 公允價值使用重大不可觀察之輸入數據計算

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Fair value hierarchy (Continued)

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

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

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Fair value hierarchy (Continued)

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Fair value hierarchy (Continued)

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Fair value hierarchy (Continued)

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

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

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Fair value hierarchy (Continued)

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

	Fair value measurements as at 31 December 2020 categorised into 於二零二零年十二月三十一日 的公允價值計量分類			Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日 的公允價值計量分類		
	Level 1 第1層級 HK\$'000 千港元	Level 2 第2層級 HK\$'000 千港元	Level 3 第3層級 HK\$'000 千港元	Level 1 第1層級 HK\$'000 千港元	Level 2 第2層級 HK\$'000 千港元	Level 3 第3層級 HK\$'000 千港元
Recurring fair value measurement Assets/(liabilities)	按經常基準所計量的公允價值 資產/(負債)					
Financial assets at fair value through profit or loss:	以公允價值計量且其變動計入損益 的金融資產					
– Private credit and other trust product type funds	–	–	635,657	–	–	680,555
– Credit linked obligation note	–	–	–	–	–	26,813
– Listed equity	287,363	–	–	–	–	–
– Unlisted equity	–	23,758	–	–	–	–
– Leveraged and structured note investment	–	2,527,431	13,078	–	2,531,873	12,559
– Unit trust	584,733	7,915,620	287,048	598,394	7,462,946	167,950
– Interest in a joint venture	–	–	107,240	–	–	100,273
– Insurance contract related partnership investment	–	–	1,814,439	–	–	1,569,168
– Mutual fund	–	269	–	160,936	272	–
Financial asset at fair value through other comprehensive income	以公允價值計量且其變動計入其他 全面收益的金融資產					
– Debt securities	391,458	15,704,855	4,512,536	–	11,590,267	4,450,348
– Perpetual capital measured at fair value	–	78,029	–	–	77,297	–
Financial liabilities designated at fair value through profit or loss	指定以公允價值計量且其變動計入 損益的金融負債					
– Preference share liability	–	–	(387,655)	–	–	(389,570)
– Third-party interests in consolidated funds	–	–	(230,906)	–	–	(240,999)
– Investment contract liabilities	–	(4,492,855)	–	–	(4,364,600)	–

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Fair value hierarchy (Continued)

There were no transfers between Level 1 and Level 2 except for HK\$1,504,000 amount of FVOCI debt instrument transferred from level 1 to level 3 (2019: HK\$12,796,000 of FVOCI debt instrument transferred from Level 3 to level 2). 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.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

除了為數1,504,000港元的以公允價值計量且其變動計入其他全面收益的債務工具從第一層級轉至第三層級(二零一九年: 12,796,000港元的以公允價值計量且其變動計入其他全面收益的債務工具從第三層級轉至第二層級), 第一層級與第二層級之間並無轉移。本集團的政策是在公允價值層級之間出現轉移的報告期末確認有關變動。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

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

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Debt securities

U.S. Treasury securities and obligations of U.S. government corporations and agencies — These securities are principally valued using the market approach. Level 2 valuations are based primarily on quoted prices in markets that are not active, or using matrix pricing or other similar techniques using standard market observable inputs such as the benchmark U.S. Treasury yield curve, the spreads versus the U.S. Treasury curve for the identical security and comparable securities that are actively traded.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

債務證券

美國政府公司和機構的美國國債及債務 — 此等證券主要用市場法估值。第二層級估值主要以非活躍市場報價為基礎，或使用矩陣定價或其他使用標準市場可觀察參數的相似方法，例如美國國債收益率基準曲線、相同債券和活躍交易的類似債券的美國國債債券曲線利差。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Debt securities (Continued)

Debt securities issued by foreign governments and state and local government securities — These securities are principally valued using the market approach. Level 2 valuations are based primarily on matrix pricing or other similar techniques using standard market observable inputs including benchmark U.S. Treasury or other yields, issuer ratings, broker-dealer quotes, issuer spreads and reported trades of similar securities, including those within the same sub-sector or with a similar maturity or credit rating. Valuations based primarily on matrix pricing, discounted cash flow models or other valuation techniques that utilize significant inputs that are unobservable or cannot be derived principally from, or corroborated by, observable market data or from inputs including quoted prices for identical or similar securities that are less liquid and based on lower levels of trading activity than securities classified in Level 2 are classified as Level 3.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

債務證券(續)

外國政府發行的債券及州和當地政府證券 — 此等證券主要用市場法估值。第二層級估值主要以矩陣定價或其他使用標準市場科觀察參數的相似方法為基礎，包括基準美國債券或其他收益、發行人評級、經紀商報價、發行人利差及相似債券的上報交易，包括在同一分部門或有相近到期日或信用評級的證券。估值主要以矩陣定價、折現現金流量模型或其他使用重大參數估值方法為基礎，該重大參數不可觀察，或不得主要由可觀察市場資料派生或證實，或來自包括流動性較低的證券報價和按照比第二層級證券水準較低的交易活動，劃分為第三層級。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Debt securities (Continued)

Assets-backed securities (“ABS”) and mortgage-backed securities (“MBS”) – These securities are principally valued using the market approach or the income approach. Level 2 valuations are based primarily on broker quotes, matrix pricing, discounted cash flow methodologies or other similar techniques using standard market inputs including spreads for similar, actively traded securities, spreads versus benchmark yields, expected prepayment speeds and volumes, current and forecasted loss severity, issuer credit ratings, weighted average coupon, weighted average maturity, average delinquency rates, geographic region, debt-service coverage ratios and issuance-specific information including, but not limited to: collateral type, payment terms of the underlying assets, payment priority within the tranche, security structure, deal performance and loan vintage. If the matrix pricing, discounted cash flow models or other valuation techniques utilise significant inputs that are unobservable or cannot be derived principally from, or corroborated by, observable market data, the fair value measurement is classified as Level 3.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

債務證券(續)

資產抵押證券和按揭抵押證券 – 此等證券主要以市場法或收益法估值。第二層級估值主要以經紀商報價、矩陣定價、折現現金流模型或其他使用標準市場參數的相似方法為基礎，標準市場參數與包括相近利差、活躍交易證券、基準收益利差、預期預付款速度及金額、當期及預期損失嚴重程度、發行人信用評級、加權平均票據、加權平均到期日、平均拖欠率、地域、償債能力比率的利差，且具體資訊發佈包括但不限於：抵押品類型、相關資產付款條件、付款內優先支付、證券組成、交易業績以及貸款逾期率。如矩陣定價、折現現金流模型或其他使用重大參數的估值方法，而該重大參數不可觀察或不得主要由可觀察市場資料派生或證實，其公允價值計量劃分為第三層級。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Debt securities (Continued)

Corporate securities — These securities are principally valued using the market or the income approaches. Level 2 valuations are based primarily on quoted prices in markets that are not active, broker quotes or using matrix pricing or other similar techniques that use standard market observable inputs such as benchmark yields, spreads versus benchmark yields, new issuances, issuer rating, duration, and trades of identical or comparable securities. Privately placed securities are valued using discounted cash flow models using standard market observable inputs, and inputs derived from, or corroborated by, market observable data including market yield curve, duration, call provisions, observable prices and spreads for similar publicly traded or privately traded issues that incorporate the credit quality and industry sector of the issuer. This level also includes securities priced by independent pricing services that use observable inputs. Valuations based on matrix pricing or other similar techniques that utilise significant unobservable inputs or inputs that cannot be derived principally from, or corroborated by, observable market data, including adjustments for illiquidity, delta spread adjustments or spreads to reflect industry trends or specific credit-related issues are classified as Level 3. In addition, inputs including quoted prices for identical or similar securities that are less liquid and based on lower levels of trading activity than securities classified in Level 2 are classified as Level 3.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

債務證券(續)

公司證券 — 此等證券主要以其市場或第二級估值。要非活躍市場報價、經紀商報價或矩陣定價或其他標準市場可觀察參數的相似方法，如基準收益、基準收益利差、新增發行、發行人評級、時長、和相同或相似證券交易。私人配售證券估值使用標準市場折現可觀察參數的、由市場可觀察資料，包括市場收益曲線、持續時間、贖回條款、可觀察價格和似下交易結合或私人信託的發行人參數。此使用獨立定價的證券。他使矩陣定價或可觀察重大或不得主要可觀察市場資料，包括不流通調整、爾塔套利調整、或反映具體與信貨相關的或事宜派生或證實的相似方法估價，此定為第三層級。此外，包含流動性或較低的相同或相似券報價參數及按照比2級證券水準較低的交易活動，劃分為第三層級。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Unit trusts and equity securities

These securities are principally valued using the market approach. Level 2 valuations for equity securities are based on quoted market prices adjusted for certain factors, such as foreign market differential. If quoted market prices are not available, values provided by other third-party organisations are used. If values from other third parties are unavailable, certain equity securities, including privately held securities classified within equity securities, are valued using the market and the income approaches. Valuations are based primarily on matrix pricing, discounted cash flow methodologies or other similar techniques using inputs such as comparable credit rating and issuance structure. Certain of these securities are valued based on inputs including quoted prices for identical or similar securities, discounted cash flow, solvency margin ratio analysis and portfolio yields. These valuations are based on lower levels of trading activity than securities classified in Level 2 and are classified as Level 3.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

單位信託和股權證券

這些證券主要使用市場方法估值。權益證券的第二層級估值是根據某些因素調整的市場報價，例如國外市場差異。如果沒有報價市場價格，則使用其他第三方組織提供的價值。如果其他第三方的價值不可用，則某些股本證券(包括歸類於股本證券的私人證券)將使用市場法及收益法估值。估值主要基於矩陣定價、折現現金流模型或其他類似技術，並使用可比信用評級和發行結構等輸入值。其中某些證券的估值基於輸入值進行估值，包括相同或類似證券的報價、折現現金流模型、償付能力充足率分析和投資組合收益率。這些估值基於較低水準的交易活動而非分類為第二層級的證券，並歸類為第三層級。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments

These financial instruments are primarily valued using the market approach. The estimated fair value of derivatives is based primarily upon quotations obtained from counterparties and independent sources, such as quoted market values received from brokers. These quotations are compared to internally derived prices and a price challenge is lodged with the counterparties and an independent source when a significant difference cannot be explained by appropriate adjustments to the internal model.

When quoted market values are not reliable or available, the value is based upon an internal valuation process using market observable inputs that other market participants would use.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具

這些金融工具主要使用市場方法估值。衍生工具的估計公允價值主要基於從交易對手和獨立來源獲得的報價，例如從經紀商處收到的報價市場價值。這些報價與內部衍生價格進行比較，並且當通過對內部模型進行適當調整無法解釋重大差異時，對交易對手和獨立來源提出價格上的質疑。

當報價市場價值不可靠或不可用時，相關價值以使用其他市場參與者將使用的市場可觀察輸入值的內部估值流程為基礎。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

Significant inputs to the valuation of derivative financial instruments include Overnight Indexed Swap and London InterBank Offered Rate basis curves, interest rate volatility, swap yield curve, currency spot rates, cross currency basis curves and dividend yield curves. Due to the observability of the significant inputs to these fair value measurements, they are classified as Level 2.

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

衍生金融工具估值的重要輸入值包括隔夜指數掉期和倫敦銀行同業拆息的基準曲線、利率波動率、掉期收益率曲線、貨幣即期匯率、交叉貨幣基準曲線和股息收益率曲線。由於這些公允價值計量的重要輸入值的可觀察性，它們被歸類為第二層級。

使用不同的假設或估值方法可能對估計的公允價值金額產生重大影響。對於所呈現的期間，本集團的估值技術並無重大變化。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

Information about Level 3 fair value measurements

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

第三層級公允價值計量的信息

		Valuation techniques	Significant unobservable inputs	Range Min	Max	Weighted average
		估值技術	重大不可觀察	範圍 最小值	最大值	加權平均數
Financial assets:	金融資產：					
Financial asset at fair value through profit or loss under overlay adjustment:	覆蓋調整下以公允價值計量且其變動計入損益的金融資產：					
– Partnership investment	– 合夥投資	Net asset value	Net asset value	NA	NA	NA
		資產淨值	資產淨值	不適用	不適用	不適用
Financial asset at fair value through other comprehensive income:	以公允價值計量且其變動計入其他全面收益的金融資產：					
– Corporate securities	– 公司債券	Matrix pricing and DCF	Credit spread	75BPS (2019: 66BPS)	1,593BPS (2019: 1,150BPS)	175BPS (2019: 146BPS)
		矩陣定價以及折現現金流量	信用利差	75個基點 (2019: 66個基點)	1,593個基點 (2019: 1,150個基點)	175個基點 (2019: 146個基點)

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

Information about Level 3 fair value measurements (Continued)

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

Partnership interest – the fair value estimation is based on the net asset value attributable to the Group determined by the respective fund managers. If such net asset value attributable to the Group is not yet readily available, adjustments to the fair value of the funds are made based on the latest net asset value with adjustments based on subsequent contribution made and distribution received by the Group. As at 31 December 2020, it is estimated that with all other variables held constant, a decrease/increase in net asset value by 10% would have increased/decreased the Group's other comprehensive income by HK\$181,444,000 (2019: HK\$156,917,000) under overlay adjustment.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

第三層級公允價值計量的信息(續)

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

合夥基金權益 – 公允價值估計乃基於相應基金經理確定的本集團應佔資產淨值。倘本集團應佔的資產淨值尚未可供使用，本集團根據最新資產淨值並根據其後作出對基金的出資及基金作出分派對基金的公允價值作出適當調整。截至二零二零年十二月三十一日，倘所有其他可變因素保持不變，估計資產淨值減少／增加10%，基於覆蓋調整下，本集團的其他全面收益將增加／減少181,444,000港元(二零一九年：156,917,000港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

Information about Level 3 fair value measurements (Continued)

Corporate securities — Internally-priced corporate securities classified in Level 3 include certain below investment grade watch list and distressed fixed maturity securities. For securities where discounted cash flows are used, the primary unobservable input is the internally-developed discount rate. Significant increases in the discount rate would result in a significantly lower fair value, with the opposite being true for decreases in the discount rate. In certain cases, the Group uses an estimated liquidation value of the borrower or underlying assets. The Group also applies market comparables, such as earnings before interest, taxes, depreciation and amortisation (EBITDA) multiples for certain securities. In isolation, an increase in the value of these inputs would result in an increase in fair value, with the opposite being true for decreases in the value of these inputs. As at 31 December 2020, it is estimated that with all other variables held constant, a decrease/increase in credit spread by 100 BPS would have increased/decreased the Group's other comprehensive income by HK\$279,202,000 (2019: HK\$106,738,000).

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

第三層級公允價值計量的信息(續)

企業證券 — 分類為第三層級的內部定價公司證券包括某些低於投資級別的監管名單和不良固定到期證券。對於使用折現現金流模型的證券，主要的不可觀察輸入是指內部開發的貼現率。貼現率的顯著增加將導致公允價值顯著降低，反之亦然。在某些情況下，本集團使用借款人或相關資產的估計清算價值。本集團還應用市場可比物件，例如某些證券的未計利息、稅項、折舊和攤銷前利潤(EBITDA)倍數。單獨計算，這些輸入值增加將導致公允價值增加，反之亦然。於二零二零年十二月三十一日，假設所有其他變數維持不變，估計信用利差減少/增加100個基點，本集團的其他全面收益應會因此增加/減少279,202,000港元(二零一九年：106,738,000港元)。

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

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

Information about Level 2 investment

Perpetual capital — the fair value is based on brokers quote. As at 31 December 2020, it is estimated that with all other variables held constant, a decrease/increase in quoted price by 5% would have increased/decreased the Group's other comprehensive income and equity after tax by HK\$3,257,000 (2019: HK\$3,227,000).

Unlisted equity securities — the fair value is based on recent transaction price, As at 31 December 2020, it is estimated that with all other variables held constant, a decrease/increase in recent transaction price by 5% would have increased/decreased the Group's profit and equity after tax by HK\$1,188,000 (2019: HK\$Nil).

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

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

第二層級投資的信息

永續資本 — 公允價值基於經紀商報價。截至二零二零年十二月三十一日，假設所有其他變數維持不變，估計報價減少/增加5%，本集團的其他全面收益和稅後股權應會因此增加/減少3,257,000港元(二零一九年：3,227,000港元)。

非上市權益證券 — 公允價值基於近期交易價格。截至二零二零年十二月三十一日，假設所有其他變數維持不變，估計近期交易價格減少/增加5%，本集團的溢利和稅後股權應會因此增加/減少1,188,000港元(二零一九年：零港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

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

Information about level 3 investment

Unlisted fair value through profit or loss investment 非上市以公允價值計量且其變動計入損益之投資

Trust products
信託產品

Private credit funds and interest in a joint venture
私人信用基金及於合營企業的權益

Preference share liability

優先股負債

Third-party interests in consolidated funds
於合併基金的第三方權益

Valuation technique

估值技術

Recent transaction price
最新交易價格

Net asset value

資產淨值

Discounted cashflow

貼現現金流量

Net asset value

資產淨值

Significant unobservable inputs

重大不可觀察輸入值

Recent transaction price
最新交易價格

Net asset value

資產淨值

Expected distribution from underlying fund investment per annum and net asset value of underlying fund investment
每年相關基金投資以及相關基金投資資產淨值的預期分派

Net asset value

資產淨值

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

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

第三層級投資的信息

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

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

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

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

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

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Derivative financial instruments (Continued)

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

Credit link obligation note investment – the fair value based on valuation model and price quote provided by the arranger of the note with ongoing monitoring of our investment committee and risk management team in conjunction with additional information compiled by portfolio manager including performance and covenant compliance information as provided by the independent trustee.

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

衍生金融工具(續)

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

關於信用續結式票據投資 – 在我們的投資委員會和風險管理團隊持續監督下，本集團連同由投資組合管理人編制的額外資料，包括由第三方受託人提供的表現及契約合規資料，根據承銷商提供的估值模型和報價確定了公允價值。

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

Change in the relevant equity price risk variable:	相關股價風險變數變動：	2020 二零二零年		2019 二零一九年	
		%	Effect on profit after tax and retained profit 對稅後溢利和保留溢利的影響 HK\$'000 千港元	%	Effect on profit after tax and retained profit 對稅後溢利和保留溢利的影響 HK\$'000 千港元
Trust type fund products	信託類型基金產品				
Increase	增加	5	12	5	1,153
Decrease	減少	(5)	(12)	(5)	(1,153)
Joint controlled entity	共同控制實體				
Increase	增加	10	10,724	10	10,027
Decrease	減少	(10)	(10,724)	(10)	(10,027)
Private credit funds	私人信用基金				
Increase	增加	10	63,542	10	64,980
Decrease	減少	(10)	(63,542)	(10)	(64,980)
Preference share liability	優先股負債				
Increase	增加	10	—	10	—
Decrease	減少	(10)	—	(10)	—
Third party interest in consolidated fund	於合併基金的第三方權益				
Increase	增加	10	(21,801)	10	(22,916)
Decrease	減少	(10)	21,801	(10)	22,916

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

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

Financial assets at fair value through profit or loss

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	807,641	721,200
Capital injection/purchase	注資/購買	191,028	216,166
Settlement on disposal and redemption of products	處置及贖回產品之結算	(82,043)	(133,161)
Realised (loss) gain on disposal	已變現的處置(虧損)收益	(16,257)	4,636
Exchange alignment	外幣報表折算差額	(7,377)	(3,300)
Fair value change of investment	投資的公允價值變動	(150,095)	2,100
At 31 December	於十二月三十一日	742,897	807,641

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

(1) 按公允價值計量的金融資產及負債(續)

年內第三層級公允價值計量的餘額變動如下：

以公允價值計量且其變動計入損益的金融資產

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

以公允價值計量且其變動計入其他全面收益的金融資產(債務證券)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	4,450,348	3,626,407
Purchase and issuances	採購和發行	144,152	723,279
Settlements	結算	(64,704)	(216,353)
Net realised gain (loss) to profit or loss	計入損益的已變現淨收益(虧損)	(84,961)	1,264
Net unrealised gain to other comprehensive income	計入其他全面收益的未變現淨收益	67,701	315,751
At 31 December	於十二月三十一日	4,512,536	4,450,348

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

以公允價值計量且其變動計入損益的基於覆蓋調整的金融資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	1,749,677	1,403,208
Cost of investment purchased	購入的投資成本	392,838	497,361
Distribution received	收到的分配	(242,085)	(257,702)
Earnings reinvested	重新投資的收益	137,267	124,165
Disposal	處置	(4,528)	(3,803)
Net realised gain to profit or loss	計入損益的變現淨收益	216	440
Net unrealised gain (loss) to other comprehensive income	計入其他全面收益的未變現淨收益(虧損)	79,675	(1,196)
Transfer into level 3	轉入第三層級	1,504	—
Transfer out of level 3	轉出第三層級	—	(12,796)
At 31 December	於十二月三十一日	2,114,564	1,749,677

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

Financial liabilities at fair value through profit or loss

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (1) 按公允價值計量的金融資產及負債(續)

以公允價值計量且其變動計入損益的金融負債

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	630,569	503,130
Share issued/contribution received	股票發行/收到出資	37,658	131,727
Distribution to third party investor	分配至第三方投資人	(5,508)	(25,899)
Exchange alignment	外幣報表折算差額	(799)	—
Fair value change	公允價值計變動	(43,359)	21,611
At 31 December	於十二月三十一日	618,561	630,569

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

The carrying amounts of financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2019 and 2020 except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (2) 非按公允價值列賬的金融資產及負債的公允價值

本集團按成本或攤銷成本入賬的金融工具的賬面價，與其於二零一九年和二零二零年十二月三十一日的公允價值分別不大，但當中不包括以下金融工具，其賬面價、公允價值及公允價值層級披露如下：

		Fair value measurements as at 31 December 2020 categorised into				
		2020		於二零二零年十二月三十一日的公允價值計量分類		
		二零二零年				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公允價值	第1層級	第2層級	第3層級
		數額	數額	數額	數額	數額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Debt securities	債務證券	21,503,917	30,223,711	—	23,012,254	7,211,457
Loans and receivables	貸款及應收款	6,420,273	6,858,859	—	—	6,858,859

		Fair value measurements as at 31 December 2019 categorised into				
		2019		於二零一九年十二月三十一日的公允價值計量分類		
		二零一九年				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公允價值	第1層級	第2層級	第3層級
		數額	數額	數額	數額	數額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Debt securities	債務證券	18,511,569	20,811,021	—	18,037,374	2,773,647
Loans and receivables	貸款及應收款	6,881,023	7,240,918	—	—	7,240,918

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(6) Fair value measurement (Continued)

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

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

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(6) 公允價值計量(續)

- (2) 非按公允價值列賬的金融資產及負債的公允價值(續)

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

- (7) Financial assets and liabilities subject to offsetting, enforceable master netting arrangements

The following summarises gross and net information of derivative assets and liabilities, along with collateral received and posted in connection with a master netting agreement:

		2020 二零二零年					
		Gross amounts	Net	Due and	Collateral	Net	
		Gross	offset	amount	accrued	posted	amount
		總額	已抵銷	淨額	到期及	已呈報	淨額
		HK\$'000	HK\$'000	HK\$'000	應計金額	抵押品	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Other accounts receivable	其他應收賬款	38,576	(27,903)	10,673	—	—	10,673
Other accounts payable	其他應付賬款	246,794	(27,903)	218,891	—	—	218,891
Derivative assets	衍生資產	110,001	(10,973)	99,028	3,946	(99,528)	3,446
Derivative liabilities	衍生負債	63,232	(10,973)	52,259	(83)	(99,528)	(47,352)

		2019 二零一九年					
		Gross amounts	Net	Due and	Collateral	Net	
		Gross	offset	amount	accrued	posted	Amount
		總額	已抵銷	淨額	到期及	已呈報	淨額
		HK\$'000	HK\$'000	HK\$'000	應計金額	抵押品	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Other accounts receivable	其他應收賬款	41,161	(29,775)	11,386	—	—	11,386
Other accounts payable	其他應付賬款	145,494	(29,775)	115,719	—	—	115,719
Derivative assets	衍生資產	29,421	(16,815)	12,606	171	(12,324)	453
Derivative liabilities	衍生負債	24,857	(16,815)	8,042	(311)	(13,338)	(5,607)

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

- (7) 須進行抵銷的金融資產和負債、可強制執行的主淨額結算協議

下表概括了衍生資產和負債的總額和淨額資料，以及與主淨額結算協議相關的已收和已呈報抵押品：

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(7) Financial assets and liabilities subject to offsetting, enforceable master netting arrangements (Continued)

The Group's principal derivative market risk exposures are interest rate risk, which includes the impact of inflation, and credit risk. Interest rate risk pertains to the change in fair value of the derivative instruments as market interest rates move. The Group is exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. In order to minimize credit risk the group and its derivative counterparties generally enter into master agreements that require collateral to be posted in the amount owed under each transaction, subject to minimum transfer amounts. These same master agreements allow for contracts in a positive position, in which the group is due amounts, to be offset by contracts in a negative position. This right of offset combined with collateral obtained from counterparties, reduces the Group's exposure. The Group regularly monitors counterparty credit ratings and exposures, derivatives positions and valuations, and the value of collateral posted to ensure counterparties are credit-worthy and the concentration of exposure is minimized. The Group monitors this exposure as part of its management of the Group's overall credit exposures.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(7) 須進行抵銷的金融資產和負債、可強制執行的主淨額結算協議(續)

本集團的主要衍生工具市場風險額度是利率風險，包括通脹和信貸風險的影響。利率風險與市場利率變動時衍生工具的公允價值變動有關。如果衍生金融工具的交易對手不履約，本集團將面臨與信貸相關的損失。為了儘量降低信用風險，本集團及其衍生品交易對手一般會簽訂主協定，要求抵押品以每筆交易所欠的金額過賬，但須受最低轉移金額所限。這些相同的主協議允許處於正數狀況的合同(其中本集團涉及到期金額)被負數狀況合同抵消。這種抵消權與從交易對手獲得的抵押品相結合，減少了本集團的風險額度。本集團定期監控交易對手的信用評級和風險額度、衍生品頭寸和估值，以及貼現的抵押品價值，以確保交易對手具有信譽，並將風險集中度降至最低。本集團監控此風險，作為其管理本集團整體信貸風險的一部分。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(7) Financial assets and liabilities subject to offsetting, enforceable master netting arrangements (Continued)

If amounts are due from the counterparty, they are reported as an asset. If amounts are due to the counterparty, they are reported as a liability. Negative values in the carrying value of a particular derivative category can result from the counterparty's right to offset carrying value positions in other derivative categories.

The uncertainties about the amount and timing of claims payment are typically resolved within one year.

The tables below reconcile the "net amounts of financial assets and financial liabilities presented in the consolidated statement of financial position", as set out above, to the other accounts receivable and other accounts payable together with derivative financial instruments classified under other payables presented in the consolidated statement of financial position.

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(7) 須進行抵銷的金融資產和負債、可強制執行的主淨額結算協議(續)

如果相關金額應收取自交易對手，則將其報告為資產。如果相關金額應付予交易對手，則將其報告為負債。特定衍生工具類別的賬面價值的負值可能來自交易對手抵銷其他衍生工具類別的賬面價值頭寸的權利。

賠款金額和時間的不確定性通常於一年內得到解決。

下表為上文所載「於綜合財務狀況表中呈列之金融資產及金融負債淨額」與於綜合財務狀況表中呈列之其他應收賬款及其他應付賬款以及劃歸為其他應付款項下的衍生金融工具之對賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

5 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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

(ii) Financial risks (Continued)

(7) Financial assets and liabilities subject to offsetting, enforceable master netting arrangements (Continued)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net amount of financial assets after offsetting as stated above	誠如上文所列於抵銷後之金融資產淨額	10,673	11,386
Financial assets not in scope of offsetting disclosure	並非於抵銷披露範圍內之金融資產	148,205	113,060
		158,878	124,446
Net amount of financial liabilities after offsetting as stated above	誠如上文所列於抵銷後之金融負債淨額	218,891	115,719
Financial liabilities not in scope of offsetting disclosure	並非於抵銷披露範圍內之金融負債	650,642	462,826
		869,533	578,545

5 保險和金融風險管理(續)

(a) 風險管理目標及降低保險和金融風險的政策(續)

(ii) 金融風險(續)

(7) 須進行抵銷的金融資產和負債、可強制執行的主淨額結算協議(續)

6 PREMIUMS AND FEE INCOME

Premiums and fee income represents gross premium income and fee income received in respect of life and annuity, linked long term, retirement scheme management categories I and III of long term business.

6 保費及費用收入

保費及費用收入指就人壽和年金、相連長期、長期業務之退休計劃管理第1類和第3類收到的保費及費用收入總額。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Premium and fee income from insurance contracts	保險合同的保費及費用收入	7,674,237	5,961,032
Fee income from investment contracts	投資合同的費用收入	49,204	55,043
		7,723,441	6,016,075

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

7A NET INVESTMENT INCOME

7A 投資收入淨額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest income from unlisted debt securities and mortgage loans	未上市債務證券及抵押貸款之利息收入	2,008,279	1,810,687
Bank and other interest income	銀行及其他利息收入	19,455	39,224
Net realised gain on disposal of securities designated at fair value through profit or loss	出售指定以公允價值計量且其變動計入損益的證券之已變現收益淨額	502,870	217,373
Net unrealised gain on financial asset and financial liabilities designated at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產及金融負債之未變現收益淨額	716,328	936,699
Net realised gain on fair value through other comprehensive income debt securities	以公允價值計量且其變動計入其他全面收益的債務證券之已變現收益淨額	98,620	19,798
Net realised gain/(loss) on debt securities measured at amortised cost	以攤銷成本計量之債務證券之已變現收益/(虧損)淨額	8,067	(220)
Impairment (loss)/reversal of assets measured at amortised cost	以攤銷成本計量之資產的減值(虧損)/轉回	(72,148)	8,349
Impairment loss of fair value through other comprehensive income debt securities	以公允價值計量且其變動計入其他全面收益的債務證券之減值虧損	(65,844)	(26,999)
Impairment loss on investment in an associate	聯營公司投資之減值虧損	—	(35,000)
Dividend and distribution income	股息和分配收入	235,760	255,480
Net derivative gain/(loss)	衍生工具收益/(虧損)淨額	131,726	(21,092)
Other investment loss	其他投資虧損	(10,891)	(7,666)
Net unrealised gain of fair value through profit or loss financial assets under overlay adjustment	覆蓋調整下以公允價值計量且其變動計入損益的金融資產之未變現收益淨額	119,419	93,666
		3,691,641	3,290,299

Total interest income from financial assets at fair value through other comprehensive income amounted to HK\$740,776,000 (2019: HK\$720,989,000) and from amortised cost financial assets amounted to HK\$1,281,069,000 (2019: HK\$1,119,879,000) for the year ended 31 December 2020.

截至二零二零年十二月三十一日止年度，以公允價值計量且其變動計入其他全面收益的金融資產的利息收入總額為740,776,000港元(二零一九年：720,989,000港元)，攤銷成本金融資產的利息收入為1,281,069,000港元(二零一九年：1,119,879,000港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

7B OTHER INCOME

7B 其他收入

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trustee fee income	託管費收入	28,452	26,334
Income from modified coinsurance	修改後的共同保險的保費收入	2,560,558	1,530,040
Other income	其他收入	108,468	67,659
		2,697,478	1,624,033

8 NET POLICYHOLDERS BENEFIT

8 淨保戶給付

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net claims, policy benefits and surrenders (note a)	賠款淨額、保單給付和退保金(附註a)	416,275	482,165
Interest credited to policyholders' deposits (note b)	保單持有人的存款應計利息(附註b)	2,784,500	2,690,237
Dividends to policyholders (note c)	保單持有人股息(附註c)	72,062	24,150
		3,272,837	3,196,552

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

8 NET POLICYHOLDERS BENEFIT (Continued)

Notes:

(a) Claims, policy benefits and surrenders

		2020 二零二零年			
		Life and annuity and linked long term 人壽、年金以及連結式長期險 HK\$'000 千港元	Retirement scheme management category I 退休計劃管理第1類 HK\$'000 千港元	Retirement scheme management category III 退休計劃管理第3類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Gross benefits incurred:	已產生收益總額：				
– Benefits payable	– 應付給付	679,592	1,273	27,829	708,694
– Change in outstanding claims	– 未決賠款之變化	20,139	–	2,108	22,247
		699,731	1,273	29,937	730,941
Amount recoverable from reinsurers:	應收再保險公司金額：				
– Benefits recoverable	– 可收回收益	(307,523)	–	(50)	(307,573)
– Change in outstanding claims	– 未決賠款之變化	(4,105)	–	(2,988)	(7,093)
		(311,628)	–	(3,038)	(314,666)
Net amount	淨額	388,103	1,273	26,899	416,275

		2019 二零一九年			
		Life and annuity and linked long term 人壽、年金以及連結式長期險 HK\$'000 千港元	Retirement scheme management category I 退休計劃管理第1類 HK\$'000 千港元	Retirement scheme management category III 退休計劃管理第3類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Gross benefits incurred:	已產生收益總額：				
– Benefits payable	– 應付給付	648,469	1,244	40,479	690,192
– Change in outstanding claims	– 未決賠款之變化	38,672	–	(582)	38,090
		687,141	1,244	39,897	728,282
Amount recoverable from reinsurers:	應收再保險公司金額：				
– Benefits recoverable	– 可收回收益	(227,618)	–	(1,352)	(228,970)
– Change in outstanding claims	– 未決賠款之變化	(18,499)	–	1,352	(17,147)
		(246,117)	–	–	(246,117)
Net amount	淨額	441,024	1,244	39,897	482,165

Benefits payable comprise claims, policy benefits and surrenders.

應付給付包括賠款、保單給付和退保金。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

8 NET POLICYHOLDERS BENEFIT (Continued)

Notes: (Continued)

(b) Interest credited to policyholders' deposits

		2020 二零二零年			
		Life and annuity and linked long term 人壽、年金以及 連結式長期險 HK\$'000 千港元	Retirement scheme management category I 退休計劃管理 第1類 HK\$'000 千港元	Retirement scheme management category III 退休計劃管理 第3類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Insurance contracts	保險合同	2,545,301	21,961	—	2,567,262
Investment contracts	投資合同	217,238	—	—	217,238
		2,762,539	21,961	—	2,784,500

		2019 二零一九年			
		Life and annuity and linked long term 人壽、年金以及 連結式長期險 HK\$'000 千港元	Retirement scheme management category I 退休計劃管理 第1類 HK\$'000 千港元	Retirement scheme management category III 退休計劃管理 第3類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Insurance contracts	保險合同	2,463,853	14,730	—	2,478,583
Investment contracts	投資合同	211,654	—	—	211,654
		2,675,507	14,730	—	2,690,237

8 淨保戶給付(續)

附註：(續)

(b) 記入保單持有人存款的利息

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

8 NET POLICYHOLDERS BENEFIT

(Continued)

Notes: (Continued)

(c) Dividends to policyholders

		2020 二零二零年			
	Life and annuity and linked long term	Retirement scheme management category I	Retirement scheme management category III	Total	
	人壽、年金以及連結式長期險	退休計劃管理第1類	退休計劃管理第3類	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Insurance contracts	保險合同	72,062	—	—	72,062

		2019 二零一九年			
	Life and annuity and linked long term	Retirement scheme management category I	Retirement scheme management category III	Total	
	人壽、年金以及連結式長期險	退休計劃管理第1類	退休計劃管理第3類	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Insurance contracts	保險合同	24,150	—	—	24,150

8 淨保戶給付(續)

附註：(續)

(c) 向保單持有人提供的股息

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

9 COMMISSION AND RELATED EXPENSES

9 佣金和相關費用

		2020 二零二零年			
		Life and annuity and linked long term 人壽、年金以及連結式長期險 HK\$'000 千港元	Retirement scheme management category I 退休計劃管理第1類 HK\$'000 千港元	Retirement scheme management category III 退休計劃管理第3類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Insurance contracts	保險合同	1,325,693	184	7,859	1,333,736
Investment contracts	投資合同	16,115	—	—	16,115
		1,341,808	184	7,859	1,349,851

		2019 二零一九年			
		Life and annuity and linked long term 人壽、年金以及連結式長期險 HK\$'000 千港元	Retirement scheme management category I 退休計劃管理第1類 HK\$'000 千港元	Retirement scheme management category III 退休計劃管理第3類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Insurance contracts	保險合同	1,174,328	260	8,707	1,183,295
Investment contracts	投資合同	16,652	—	—	16,652
		1,190,980	260	8,707	1,199,947

10 CHANGE IN FUTURE POLICYHOLDER BENEFITS

10 未來保單持有人給付變動

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Increase in future policyholders' benefits — insurance contracts (note 31)	未來保單持有人給付增加 — 保險合同(附註31)	4,718,917	3,066,008
Increase in future policyholders' benefits — investment contracts (note 32)	未來保單持有人給付增加 — 投資合同(附註32)	8,172	10,710
		4,727,089	3,076,718

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

11 PROFIT BEFORE TAXATION

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(a) Staff costs	員工成本		
Equity-settled share-based payment expenses (reversal) (note 43)	以權益結算並以股份(轉回)支付之開支(附註43)	(12,019)	(6,541)
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	442,266	417,925
Retention package	留任獎勵	4,266	34,937
Social welfare	社會福利		
Staff (note a)	員工(附註a)	29,130	30,784
Agents	代理	21,453	25,583
		485,096	502,688

Note a: The Group operates the Mandatory Provident Fund Scheme (the "MPF scheme") for all qualified employees in Hong Kong under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2019: HK\$30,000). Contributions to the plan vest immediately. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

The domestic employees of the Group in the PRC participate in state-managed social welfare plans, including social pension insurance, unemployment insurance, health care insurance, housing funds and other social welfare plan operated by the relevant municipal and provincial governments. According to the relevant regulations, the premiums and welfare benefit contributions borne by the Group are calculated and paid to the relevant labour and social welfare authorities on a regular basis. The social pension insurance and unemployment insurance are defined contribution plans. The contributions to the defined contribution plans are expensed as incurred.

During the year, wealth management products and securities brokerage transaction fees approximately amounted to HK\$66,000 (2019: HK\$495,000) were waived as part of staff benefit scheme.

11 除稅前溢利

除稅前溢利已扣除 / (計入) :

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(a) Staff costs	員工成本		
Equity-settled share-based payment expenses (reversal) (note 43)	以權益結算並以股份(轉回)支付之開支(附註43)	(12,019)	(6,541)
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	442,266	417,925
Retention package	留任獎勵	4,266	34,937
Social welfare	社會福利		
Staff (note a)	員工(附註a)	29,130	30,784
Agents	代理	21,453	25,583
		485,096	502,688

附註a: 本集團按香港強制性公積金計劃條例為在香港僱傭條例管轄範圍內受僱及提供強制性公積金計劃(「強積金計劃」)。強積金計劃是一個界定供款退休計劃,由獨立的受託人管理。根據強積金計劃,僱主和僱員均須按照僱員相關入息的5%向計劃作出供款;但每月的相關入息上限為30,000港元(二零一九年:30,000港元)。向計劃作出的供款即時歸屬。計劃資產與本集團資產分開處理,由受託人管理的基金持有。

本集團亦為於中國境內的僱員參加由國家管理的社會福利計劃,包括由相關的市級和省級政府負責管理的養老金保險、失業保險、醫療保險、住房公積金及其他社會福利供款。根據相關規例,本集團承擔的保費及福利供款定期計算並支付予相關的勞動及社會福利部門。養老金保險及失業保險為設定供款計劃。對設定供款計劃的繳款在發生時計入費用。

本年度年內,理財產品及證券經紀交易費約為66,000港元(二零一九年:495,000港元),作為員工福利計劃的一部分予以免除。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

11 PROFIT BEFORE TAXATION (Continued)

11 除稅前溢利(續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(b)	Other operating items		
	其他經營項目		
	Auditors' remuneration	10,579	10,562
	核數師酬金		
	Legal and professional costs	24,246	27,763
	法律及專業顧問費用		
	Operating lease payments – property rentals	4,385	6,704
	經營租賃款項 – 物業租金		
	Depreciation and amortisation	157,922	139,516
	折舊及攤銷		
	Information, data and communication expenses	28,746	26,698
	資訊、數據及通訊開支		
	Net exchange (loss)/gain	(16,152)	28,483
	外匯收益(虧損)淨額		
	Disposal loss for – fixed assets	64	154
	處置虧損 – 固定資產		
	Entertainment and travelling	2,755	7,647
	招待及差旅		
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(c)	Finance costs		
	融資成本		
	Bank loan interest	57,548	66,016
	銀行貸款利息		
	Interest on lease liabilities	9,543	10,384
	租賃負債利息		
	Preference share liability	23,267	23,082
	優先股負債		
	Other interest expense	260	1,388
	其他融資成本		
	Shareholder's loan interest	79,767	2,618
	股東貸款利息		
		170,385	103,488

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

12 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

12 綜合收益表之所得稅

(a) 綜合收益表之稅收變動代表：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current tax	本期稅項		
Hong Kong	香港		
Provision for the year	本年度準備	49,963	48,626
Over-provision in respect of prior years	以往年度準備過剩	(40)	(40)
Overseas	海外		
Provision for the year	本年度準備	967	1,562
Under-provision in respect of prior years	以往年度準備不足	100	168
Macau	澳門		
Provision for the year	本年度準備	—	—
Over-provision in respect of prior years	以往年度準備過剩	—	—
		50,990	50,316
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異的產生和轉回	(47,167)	(51,015)
		3,823	(699)

The provision for Hong Kong Profits Tax for 2020 is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

於二零二零年的香港利得稅撥備按年內估計應評稅溢利的16.5% (二零一九年：16.5%) 計算，惟本集團的一間附屬公司符合兩級制利得稅的條件除外。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

12 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

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

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2019. The provision for Hong Kong Profits Tax for 2020 is taken into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2019-20 subject to a maximum reduction of HK\$20,000 for each business (2019: a maximum reduction of HK\$20,000 was granted for the year of assessment 2018-19 and was taken into account in calculating the provision for 2019).

The provision for Macau Complementary Tax is calculated at tax rate of 12.0% (2019: 12.0%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

12 綜合收益表之所得稅(續)

(a) 綜合收益表之稅收變動代表：(續)

就該附屬公司而言，首200萬港元的應課稅溢利按8.25%徵稅，餘下應課稅溢利則按16.5%徵稅。該附屬公司的香港利得稅撥備按二零一九年的相同基準計算。二零二零年度的香港利得稅準備是計及香港特區政府減免二零一九至二零二零年課稅年度75%的應納稅項。每項業務最多減免20,000港元(二零一九年：二零一八至二零一九年課稅年度最多減免20,000港元，計算二零一九年撥備時已計及)。

澳門附加稅撥備乃按年內估計應課稅溢利之稅率12.0%(二零一九年：12.0%)計算。海外附屬公司的稅項以相關國家適用的現行稅率計算。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

12 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

12 綜合收益表之所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項支出和會計溢利按適用稅率計算的對賬：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before taxation	稅前溢利	952,810	614,051
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	按照在相關國家獲得溢利的適用稅率計算稅前溢利的名義稅項	204,353	105,496
Tax effect of surplus transferred from Hong Kong long term individual life business	轉自香港長期個人壽險業務的盈餘的稅務影響	(273,523)	(188,694)
Notional tax on net premiums written in respect of Hong Kong long term individual life business	就香港長期個人壽險業務核保的保費淨額的名義稅項	47,956	47,263
Tax effect of non-taxable income	毋須繳稅收入之稅務影響	(29,560)	(4,157)
Tax adjustment in respect of prior years	以往年度稅項調整	60	128
Tax effect of non-deductible expenses	不可扣稅支出之稅務影響	28,505	25,955
Tax effect of unused tax losses previously not recognised	未使用而且先前未確認的可抵扣虧損的稅項影響	(1,801)	(441)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	74,730	61,500
Tax effect of reversal of taxable temporary difference	應納稅暫時性差異轉回的稅務影響	(47,167)	(51,155)
Others	其他	270	3,406
Tax expenses/(credit)	稅項支出/(抵免)	3,823	(699)

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

13 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and part 2 of the Company (Disclosure of Information about Benefits of Directors) Regulations are as follows:

13 董事酬金

根據新香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事酬金如下：

		2020 二零二零年						
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonus	Contributions to Mandatory Provident Fund	Share-based payments	Resignation payment	Total
		薪金、津貼及實物利益	薪金、津貼及實物利益	酌情花紅	強制性公積金供款	以股份為基礎之付款	離職付款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Chairman	主席							
Yu Feng	虞鋒	-	-	-	-	-	-	-
Executive directors	執行董事							
Zhang Ke (note iii)	張可(附註iii)	-	2,161	-	5	2,166	-	2,166
Hai Olivia Ou (note iv)	海歐(附註iv)	-	-	-	-	-	-	-
Huang Xin	黃鑫	-	-	-	-	-	-	-
Li Ting (note v)	李婷(附註v)	-	1,274	-	5	1,279	5,000	6,279
Non-executive directors	非執行董事							
Hai Olivia Ou (note iv)	海歐(附註iv)	-	-	-	-	-	-	-
Adnan Omar Ahmed	Adnan Omar Ahmed	-	-	-	-	-	-	-
Michael James O'Connor (note vi)	Michael James O'Connor(附註vi)	-	-	-	-	-	-	-
Gareth Ross (note vii)	Gareth Ross(附註vii)	-	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事							
Chu Chung Yue, Howard	朱宗宇	360	18	-	-	378	-	378
Qi Daqing	齊大慶	492	12	-	-	504	-	504
Xiao Feng	肖風	240	12	-	-	252	-	252
Total	總額	1,092	3,477	-	10	4,579	5,000	9,579

Notes:

- The discretionary bonus amount represents bonus accrued and approved for the year 2020.
- It represents the estimated value of share award granted to the individuals under the Company's share award scheme. The value of these share awards are measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(v).
- Appointed as an executive director, vice chairman and chief executive officer effective on 8 October 2020.
- Re-designated as an executive director and appointed as interim chief executive officer effective on 23 February 2020 and ceased to be the interim chief executive officer effective on 8 October 2020.

附註：

- 酌情花紅金額代表於二零二零年度累計及核准之累計花紅。
- 指根據本公司股份獎勵計劃授予個人的股份獎勵的估計價值。該等股份獎勵計劃的價值根據集團會計政策附註2(v)所載基於股份的付款交易政策進行計量。
- 於二零二零年十月八日獲委任執行董事、副董事長兼行政總裁職務。
- 於二零二零年二月二十三日調任執行董事並委任為臨時行政總裁，並自二零二零年十月八日起不再擔任臨時行政總裁職務。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

13 DIRECTORS' EMOLUMENTS (Continued)

Notes: (Continued)

- v Resigned as executive director and chief executive officer effective on 23 February 2020.
- vi Appointed as independent non-executive director on 27 March 2020.
- vii Resigned as independent non-executive director on 27 March 2020.

13 董事酬金(續)

附註：(續)

- v 於二零二零年二月二十三日離任執行董事兼行政總裁。
- vi 於二零二零年三月二十七日獲委任獨立非執行董事職務。
- vii 於二零二零年三月二十七日離任獨立非執行董事職務。

		2019 二零一九年						
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonus (note i)	Contributions to Mandatory Provident Fund	Share-based payments (note ii)	Resignation payment	Total
		董事袍金	薪金、津貼及實物利益	酌情花紅 (附註i)	強制性公積金供款	以股份為基礎之付款 (附註ii)	離職付款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Chairman	主席							
Yu Feng	虞鋒	-	-	-	-	-	-	-
Executive directors	執行董事							
Huang Xin	黃鑫	-	-	-	-	-	-	-
Li Ting	李婷	-	7,644	-	18	7,662	-	7,662
Non-executive directors	非執行董事							
Hai Olivia Ou	海歐	-	-	-	-	-	-	-
Adnan Omar Ahmed	Adnan Omar Ahmed	-	-	-	-	-	-	-
Gareth Ross	Gareth Ross	-	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事							
Chu Chung Yue, Howard	朱宗宇	360	18	-	-	378	-	378
Lin Lijun	林利軍	58	3	-	-	61	-	61
Qi Daqing	齊大慶	492	12	-	-	504	-	504
Xiao Feng	肖風	183	9	-	-	192	-	192
Total	總額	1,093	7,686	-	18	8,797	-	8,797

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.

上述執行董事酬金主要為與本公司及本集團事務管理有關的服務。

The non-executive directors and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

上述非執行董事及獨立非執行董事酬金主要為與本公司董事服務有關。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

14 INDIVIDUAL WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none (2019: none) is a director whose emoluments is disclosed in note 13. The aggregate of the emoluments in respect of the five (2019: five) individuals are as follows:

14 最高薪人士

在五位酬金最高的人士中，沒有一位為董事(二零一九年：無)，有關的酬金詳情載於附註13。五位(二零一九年：五位)人士的酬金總額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	34,263	38,055
Discretionary bonus	酌情花紅	9,860	23,350
Equity-settled share-based payment expenses (note 1)	以權益結算的以股份為基礎的開支(附註1)	—	—
Contributions to Mandatory Provident Fund and retirement scheme contribution	強制性公積金供款和退休計劃供款	2,313	2,256
		46,436	63,661

Note 1: These represent the estimated value of share award granted to the individuals under the Company's share award scheme. The value of these share awards are measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(v) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

附註1: 這些數字是指根據本公司的股份獎勵計劃授予某些個人的股份獎勵估計價值。這些股份獎勵的價值是根據附註2(v)所列有關以股份為基礎的交易的集團會計政策計量，而根據該政策，還包括轉回歸屬前放棄權益工具的授予而在以往年度的應計款項調整。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

14 INDIVIDUAL WITH HIGHEST EMOLUMENTS (Continued)

The emoluments of the five (2019: five) individuals with the highest emoluments are within the following bands:

14 最高薪人士(續)

五名最高薪人士(二零一九年：五名)之酬金處於以下範圍：

		Number of individuals 僱員人數	
		2020 二零二零年	2019 二零一九年
HK\$7,000,001 to HK\$7,500,000	7,000,001 港元至 7,500,000 港元	1	—
HK\$7,500,001 to HK\$8,000,000	7,500,001 港元至 8,000,000 港元	1	—
HK\$8,000,001 to HK\$8,500,000	8,000,001 港元至 8,500,000 港元	—	—
HK\$9,000,001 to HK\$9,500,000	9,000,001 港元至 9,500,000 港元	1	1
HK\$9,500,001 to HK\$10,000,000	9,500,001 港元至 10,000,000 港元	—	1
HK\$10,000,001 to HK\$10,500,000	10,000,001 港元至 10,500,000 港元	1	—
HK\$11,500,001 to HK\$12,000,000	11,500,001 港元至 12,000,000 港元	1	1
HK\$13,000,001 to HK\$13,500,000	13,000,001 港元至 13,500,000 港元	—	1
HK\$19,500,001 to HK\$20,000,000	19,500,001 港元至 20,000,000 港元	—	1

15 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 December 2020 of HK\$618,315,000 (2019: HK\$255,619,000), and the weighted average number of shares in issue during the year ended 31 December 2020 of 3,319,175,720 (2019: 3,207,904,727).

Weighted average number of ordinary shares

15 每股盈利

(a) 每股基本盈利

每股基本盈利乃按截至二零二零年十二月三十一日止年度之本公司權益股東應佔溢利 618,315,000 港元 (二零一九年：255,619,000 港元) 及截至二零二零年十二月三十一日止年度內已發行股份之加權平均數 3,319,175,720 股 (二零一九年：3,207,904,727 股) 計算。

普通股之加權平均數

		2020 二零二零年	2019 二零一九年
Issued ordinary shares at 1 January	於一月一日的已發行普通股	3,223,326,394	3,223,326,394
Effect of issue of subscription shares (note 42(e))	發行認購股份之影響 (附註 42(e))	111,270,993	—
Effect of shares held by share award scheme	根據就股份獎勵計劃所持有股 份之影響	(15,421,667)	(15,421,667)
Weighted average number of ordinary shares at 31 December	於十二月三十一日已發行股份 之加權平均數	3,319,175,720	3,207,904,727

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

15 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 December 2020 of HK\$618,315,000 (2019: HK\$255,619,000), and the weighted average number of shares during the year ended 31 December 2020 of 3,319,175,720 (2019: 3,207,904,727).

Weighted average number of ordinary shares (diluted)

		2020 二零二零年	2019 二零一九年
Weighted average number of ordinary shares at 31 December	於十二月三十一日的普通股加權平均數	3,319,175,720	3,207,904,727
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日的普通股加權平均數(攤薄)	3,319,175,720	3,207,904,727

15 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃按截至二零二零年十二月三十一日止年度之本公司權益股東應佔溢利618,315,000港元(二零一九年: 255,619,000港元)及截至二零二零年十二月三十一日止年度內已發行股份之加權平均數3,319,175,720股(二零一九年: 3,207,904,727股)計算。

普通股之加權平均數(攤薄)

16 SEGMENT REPORTING

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

After the completion of the YF Life acquisition, the Group is largely dominated by the insurance business. As a result, management decided to streamline and regroup the operating segments. Insurance business is considered as an operating segment and other operating segments that existed prior to the acquisition are consolidated as financial services and corporate to reflect the long term business development focus.

16 分部報告

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

收購萬通保險後，本集團的主導業務是保險。因此，管理層決定簡化和重組經營分部。保險業務被視為經營分部，其他於收購之前存在的經營分部合併為其他金融服務和公司服務，以完成反應長期業務發展目標。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

16 SEGMENT REPORTING (Continued)

Consequently, the Group currently has two operating segments:

- (i) Insurance business — engage in the writing of long term assurance business
- (ii) Other financial services and corporate includes
 - a) Securities brokerage — engages in securities brokerage and provision of custodian and other services;
 - b) Wealth and asset management — provision of fund and asset management services as well as financing and investing solution for corporate clients;
 - c) Consultancy and advisory services — provision of corporate advisory, placing and underwriting advisory services to corporate clients;
 - d) Principal investment — utilise capital 1) to provide funding on developing financial products and the funds managed by wealth management team 2) to improve returns on the Group's capital and cash flow management based on treasury management model that may involve (but shall not be limited to) holding fixed income instruments, high grade equity instruments and other financial investments;
 - e) Financial technology activities — includes administrative expenses, research and development costs, staff costs and data and technology related expenses related to the Group's financial technology activities to support other financial services function; and
 - f) Corporate service includes central administrative and financing functions to support other operating segments.

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

16 分部報告(續)

所以，本集團現有兩個經營分部：

- (i) 保險業務 — 承保長期保險業務
- (ii) 其他金融和公司服務包括：
 - a) 證券經紀 — 從事證券經紀業務，及提供託管服務和其他服務；
 - b) 財富管理 — 提供資金和資產管理服務，以及為企業客戶制定融資和投資解決方案；
 - c) 顧問及諮詢服務 — 為企業客戶提供企業諮詢，配售和承銷服務；
 - d) 主要投資 — 利用資本 1) 就開發金融產品以及理財管理團隊管理的基金提供融資 2) 基於可能涉及(但不限於)持有固定收益工具、高級別股權工具和其他金融投資的資金管理模式，提高集團資本和現金流量管理的回報；
 - e) 金融科技活動 — 包括與本集團支持其他金融服務功能的金融科技活動相關的行政開支、研發成本、員工成本及數據和技術相關開支；及
 - f) 公司服務包括支持其他經營分部的中心行政和融資職能。

可報告分部之會計政策與本集團於最近年度財務報表所依循者相同。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

16 SEGMENT REPORTING (Continued)

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

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

16 分部報告(續)

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

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

16 SEGMENT REPORTING (Continued)

(a) Segment revenue and results

For the year ended 31 December 2020

		Insurance business 保險業務 HK\$'000 千港元	Other financial services and corporate 其他金融和 公司服務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Premiums and fee income	保費及費用收入	7,723,441	-	7,723,441
Premiums ceded to reinsurer	分出保費	(2,934,969)	-	(2,934,969)
Net premium and fee income	保費及費用收入淨額	4,788,472	-	4,788,472
Change in unearned revenue liability	未到期收入責任變動	(525,825)	-	(525,825)
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務收入	-	33,944	33,944
Subscription, management and rebate fee income	認購、管理費及回退費收入	-	5,432	5,432
Consultancy and advisory income	顧問及諮詢收入	-	-	-
Inter-segment income	分部間收入	1,635	7,360	8,995
Reportable segment revenue	可報告分部收入	4,264,282	46,736	4,311,018
Allocated net investment income, other operating income and gains	已分配投資收入淨額、其他經營收入及收益	6,195,267	171,734	6,367,001
Share of result of associates	聯營公司業績份額	-	303	303
Allocated operating costs	已分配經營成本	(9,353,961)	(188,409)	(9,542,370)
Allocated finance cost	已分配融資成本	(7,794)	(30,488)	(38,282)
Reportable segment profit/(loss)	可報告分部利潤/(虧損)	1,097,794	(124)	1,097,670
Elimination of inter-segment (loss)/profit	可報告分部(虧損)/利潤對銷			(1,200)
Reportable segment profit derived from Group's external customers	本集團來自外部人士之可報告分部溢利			1,096,470
Unallocated legal and professional fees, finance cost and other operating expenses	未分配法律及專業開支、融資成本及其他營業開支			(143,660)
Taxation	稅項			(3,823)
Profit for the year	本年度溢利			948,987
Depreciation and amortisation of fixed and other intangible asset for the year	本年度固定資產和其他無形資產的折舊和攤銷	(135,076)	(25,772)	(160,848)
Bank interest income	銀行利息收入	11,694	7,497	19,191
Reportable segment assets (including investment in associates and those identified intangible asset at acquisition of YF Life, cash and cash equivalent and fixed bank deposits with original maturity over 3 months)	可報告分部資產(包括於聯營公司的投資以及收購萬通保險後可識別的無形資產、現金及現金等值項目和原定期限多於三個月的銀行定期存款)	81,442,764	4,365,942	85,808,706
Additions to non-current segment assets during the year other than associates	年內非流動分部資產的增置(非聯營公司)	257,028	3,890	260,918
Cash and cash equivalent and fixed bank deposits with original maturity over 3 months	現金及現金等值項目和原定期限多於三個月的銀行定期存款	1,880,711	2,412,756	4,293,467
Investment in associates	於聯營公司的投資	-	30,074	30,074
Reportable segment liabilities	可報告分部負債	(63,449,832)	(4,820,726)	(68,270,558)

16 分部報告(續)

(a) 分部收入及業績

截至二零二零年十二月三十一日止年度

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

16 SEGMENT REPORTING (Continued)

16 分部報告(續)

(a) Segment revenue and results (Continued)

(a) 分部收入及業績(續)

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Insurance business 保險業務 HK\$'000 千港元	Other financial services and corporate 其他金融和 公司服務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Premiums and fee income	保費及費用收入	6,016,075	—	6,016,075
Premiums ceded to reinsurer	分出保費	(1,948,003)	—	(1,948,003)
Net premium and fee income	保費及費用收入淨額	4,068,072	—	4,068,072
Change in unearned revenue liability	未到期收入責任變動	(715,649)	—	(715,649)
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務收入	—	18,566	18,566
Subscription, management and rebate fee income	認購、管理費及回退費收入	—	8,850	8,850
Consultancy and advisory income	顧問及諮詢收入	—	1,060	1,060
Inter-segment income	分部間收入	1,741	12,936	14,677
Reportable segment revenue	可報告分部收入	3,354,164	41,412	3,395,576
Allocated net investment income, other operating income and gains	已分配投資收入淨額、其他經營收入及收益	4,843,432	55,438	4,898,870
Share of result of associates	聯營公司業績份額	—	(1,080)	(1,080)
Allocated operating costs	已分配經營成本	(7,294,518)	(227,845)	(7,522,363)
Allocated finance cost	已分配融資成本	(7,820)	(27,028)	(34,848)
Reportable segment profit/(loss)	可報告分部利潤/(虧損)	895,258	(159,103)	736,155
Elimination of inter-segment (loss)/profit	可報告分部(虧損)/利潤對銷	—	—	(7,000)
Reportable segment profit derived from Group's external customers	本集團來自外部人士之可報告分部溢利	—	—	729,155
Unallocated legal and professional fees, finance cost and other operating expenses	未分配法律及專業開支、融資成本及其他營業開支	—	—	(115,104)
Taxation	稅項	—	—	699
Profit for the year	本年度溢利	—	—	614,750
Depreciation and amortisation of fixed and other intangible asset for the year	本年度固定資產和其他無形資產的折舊和攤銷	(108,191)	(31,880)	(140,071)
Bank interest income	銀行利息收入	25,032	13,372	38,404
Reportable segment assets (including investment in associates and those identified intangible asset at acquisition of YF Life, cash and cash equivalent and fixed bank deposits with original maturity over 3 months)	可報告分部資產(包括於聯營公司的投資以及收購萬通保險後可識別的無形資產、現金及現金等值項目和原定期限多於三個月的銀行定期存款)	71,464,563	2,100,893	73,565,456
Additions to non-current segment assets during the year other than associates	年內非流動分部資產的增置(非聯營公司)	117,366	4,954	122,320
Cash and cash equivalent and fixed bank deposits with original maturity over 3 months	現金及現金等值項目和原定期限多於三個月的銀行定期存款	2,253,331	301,837	2,555,168
Investment in associates	於聯營公司的投資	—	27,860	27,860
Reportable segment liabilities	可報告分部負債	(55,422,342)	(4,446,476)	(59,868,818)

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

16 SEGMENT REPORTING (Continued)

16 分部報告(續)

(b) Reconciliation of segment assets and liabilities

(b) 分部資產及負債的對賬

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Assets	資產		
Reportable segment assets	可報告分部資產	85,808,706	73,565,456
Elimination of inter-segment asset transfer	抵銷分部間資產轉移	(11,500)	(14,500)
Elimination of inter-segment receivables	抵銷跨業務應收款	(70,363)	(49,118)
		85,726,843	73,501,838
Goodwill	商譽	1,825,562	1,825,562
Deferred tax assets	遞延稅項資產	150	44
Consolidated total assets	合併資產總值	87,552,555	75,327,444

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Liabilities	負債		
Reportable segment liabilities	可報告分部負債	68,270,558	59,868,818
Elimination of inter-segment payables	抵銷跨業務應付款	(73,663)	(56,618)
		68,196,895	59,812,200
Tax payable	應付稅項	13,893	52,086
Consolidated total liabilities	合併負債總額	68,210,788	59,864,286

(c) Geographical segment information

(c) 地區分部資料

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

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

(d) Information about major customers

(d) 有關主要客戶之資料

No customer account for more than 10% of the total revenue of the Group for the year ended 31 December 2020.

概無客戶佔本集團截至二零二零年十二月三十一日止年度之收益總額10%以上。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

17 OTHER COMPREHENSIVE INCOME

17 其他全面收益

Reclassification adjustments relating to components of other comprehensive income

其他全面收益各組成部分的相關重新分類調整

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Note 附註		
Debt securities classified as fair value through other comprehensive income:	以公允價值計量且其變動計入其他全面收益的債務證券：		
Changes in fair value recognised during the year	年內確認的公允價值變動	1,194,458	1,090,061
Reclassification adjustments for amounts transferred to profit or loss:	轉入損益的數額進行重新分類調整：		
Net gains on disposal	出售收益淨額	(98,620)	(20,161)
Impairment losses	減值虧損	65,884	73,205
Others	其他	4,400	727
Net movement in the fair value reserve during the year recognised in other comprehensive income	年內在其他全面收益中確認的公允價值儲備變動淨額	1,166,122	1,143,832

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Note 附註		
Financial asset at fair value through profit or loss under overlay approach:	按覆蓋法以公允價值計量且其變動計入損益的金融資產：		
Changes in fair value recognised during the year	年內確認的公允價值變動	(32,967)	57,085
Reclassification adjustments for amounts transferred to profit or loss:	轉入損益的數額進行重新分類調整：		
Net (gains)/losses on disposal	出售(收益)/虧損淨額	—	—
Net movement in the fair value reserve during the year recognised in other comprehensive income	年內在其他全面收益中確認的公允價值儲備變動淨額	(32,967)	57,085

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

17 OTHER COMPREHENSIVE INCOME

(Continued)

Reclassification adjustments relating to components of other comprehensive income
(Continued)

17 其他全面收益(續)

其他全面收益各組成部分的相關重新分類調整(續)

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity and other fund investment classified as fair value through profit or loss under overlay approach:	按覆蓋法劃歸為以公允價值計量且其變動計入損益的股權及其他基金投資：		
Changes in fair value recognised during the year	年內確認的公允價值變動	152,386	36,581
Reclassification adjustments for amounts transferred to profit or loss:	轉入損益的數額進行重新分類調整：		
Net losses/(gains) on disposal	出售虧損/(收益)淨額	—	—
Deferred taxation	遞延稅項	—	—
Net movement in the fair value reserve during the year recognised in other comprehensive income	年內在其他全面收益中確認的公允價值儲備變動淨額	152,386	36,581
Net movement in the fair value reserve during the year under overlay approach recognised in other comprehensive income	按覆蓋法年內在其他全面收益中確認的公允價值儲備變動淨額	119,419	93,666

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

18 PROPERTY AND EQUIPMENT

18 物業及設備

		Properties leased for own use 自用的租賃物業 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Office equipment and furniture 辦公設備及傢俬 HK\$'000 千港元	Computers equipment 電腦設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 31 December 2018	於二零一八年十二月三十一日	–	25,963	10,234	134,367	726	171,290
Adoption of HKFRS 16 (Note)	採用《香港財務報告準則》第16號 (附註)	294,317	–	2,223	–	–	296,540
At 1 January 2019	於二零一九年一月一日	294,317	25,963	12,457	134,367	726	467,830
Additions	增置	88,648	16,330	19,879	70,878	–	195,735
Write off and disposal	核銷和處置	–	(4,818)	(1,090)	(189)	–	(6,097)
Exchange alignment	外幣報表折算差額	–	(119)	(52)	(49)	–	(220)
At 31 December 2019	於二零一九年十二月三十一日	382,965	37,356	31,194	205,007	726	657,248
At 1 January 2020	於二零二零年一月一日	382,965	37,356	31,194	205,007	726	657,248
Additions	增置	99,324	25,243	7,218	129,088	–	260,873
Write off and disposal	核銷和處置	(33,284)	(7,129)	(1,592)	(11,969)	(726)	(54,700)
Exchange alignment	外幣報表折算差額	–	460	200	180	–	840
At 31 December 2020	於二零二零年十二月三十一日	449,005	55,930	37,020	322,306	–	864,261
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2019	於二零一九年一月一日	–	13,840	6,035	16,743	726	37,344
Charge for the year	本年度支出	106,886	7,351	4,591	11,861	–	130,689
Write off and disposal	核銷和處置	–	(4,818)	(959)	(166)	–	(5,943)
Exchange alignment	外幣報表折算差額	–	(91)	(28)	(51)	–	(170)
At 31 December 2019	於二零一九年十二月三十一日	106,886	16,282	9,639	28,387	726	161,920
At 1 January 2020	於二零二零年一月一日	106,886	16,282	9,639	28,387	726	161,920
Charge for the year	本年度支出	121,436	10,698	6,169	13,081	–	151,384
Write off and disposal	核銷和處置	(28,940)	(7,102)	(1,355)	(11,956)	(726)	(50,079)
Exchange alignment	外幣報表折算差額	–	282	147	156	–	585
At 31 December 2020	於二零二零年十二月三十一日	199,382	20,160	14,600	29,668	–	263,810
Net carrying amount	賬面淨值						
At 31 December 2020	於二零二零年十二月三十一日	249,623	35,770	22,420	292,638	–	600,451
At 31 December 2019	於二零一九年十二月三十一日	276,079	21,074	21,555	176,620	–	495,328

Note: The Group has initially applied HKFRS 16 and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously as operating leases under HKAS17.

附註：本集團已初始應用《香港財務報告準則》第16號，並調整了二零一九年一月一日的期初餘額，以確認與此前根據《香港會計準則》第17號劃分為經營租賃的租賃相關的使用權資產。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

18 PROPERTY AND EQUIPMENT (Continued)

Right of use asset

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		31 Dec 2020 二零二零年 十二月 三十一日 HK\$'000 千港元	31 Dec 2019 二零一九年 十二月 三十一日 HK\$'000 千港元
Ownership interests in leasehold land and building held for own use with remaining lease term of:	以下剩餘租賃期限的自用租賃土地和建築物的所有權權益：		
— Less than 10 years	— 十年以內	249,623	276,079
Office furniture and equipment carried at depreciated cost	按已折舊成本列賬的辦公室傢私及設備	13,439	17,179
Computers equipment carried at depreciated cost	按已折舊成本列賬的電腦設備	3,119	5,321
		266,181	298,579

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation charge of right-of-use assets by class of underlying asset	按標的資產類別的使用權資產的折舊費用		
Properties leased for own use	自用的租賃物業	121,436	106,886
Office furniture and equipment	辦公室傢私及設備	4,231	2,802
Computers equipment	電腦設備	2,202	2,044
		127,869	111,732

18 物業及設備(續)

使用權資產

使用權資產按標的資產的類別的賬面淨值分析如下：

計入損益的租賃相關費用項目分析如下：

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

18 PROPERTY AND EQUIPMENT (Continued)

Right of use asset (Continued)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債的利息	9,543	10,384
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019	短期租賃及其他剩餘租賃期於二零一九年十二月三十一日或之前結束的租賃相關的費用	—	4,779
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	低價值資產租賃(短期低價值資產租賃除外)相關的費用	—	431

During the year, additions to right-of-use assets were HK\$99,800,000 (2019: HK\$113,007,000). This amount is primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities as of 31 December 2020 are set out in notes 30 and 39, respectively.

As of 31 December 2020, there are no leases subject to variable lease payment arrangement.

本年度，使用權資產增加了99,800,000港元(二零一九年：113,007,000港元)。此持作自用金額主要與新租賃協議下資本化的應付租賃付款額有關。

有關於二零二零年十二月三十一日租賃現金流出總額和租賃負債到期日分析的詳情，分別載於附註30和39。

截至二零二零年十二月三十一日，本集團沒有遵循可變租賃付款額安排的租賃。

19 STATUTORY DEPOSITS

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Statutory deposits	法定存款	5,721	3,243

The Group has deposited in the name of the Director of Accounting Services with a bank a sum of HK\$1,551,000 (2019: HK\$1,540,000) pursuant to section 77(2)(e) of the Hong Kong Trustee Ordinance and also with the exchanges and clearing house.

All of the statutory deposits are expected to be recovered after more than one year.

本集團已根據香港《受託人條例》第77(2)(e)條以庫務署署長名義向銀行和交易所以及清算所存入一筆金額為1,551,000港元(二零一九年：1,540,000港元)的款項。

所有上述法定存款預期於一年後收回。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

20 INVESTMENT IN ASSOCIATES

Aggregate information of associates that are not individually material

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Aggregate carrying amount of individually immaterial associate in the consolidated financial statements	於綜合財務報表中個別而言並不重大的聯營公司賬面總值	30,074	9,308
Aggregate amounts of the Group's share of those associates'	本集團應佔該等聯營公司總額		
Profit from continue operation	持續經營溢利	303	142
Other comprehensive income	其他全面收益	1,912	(167)
Total comprehensive income	全面收益總額	2,214	(25)

An associate with carrying amount of approximately HK\$19 million that was considered a material associate in 2019 is considered not material in 2020.

個別而言並不重大的聯營公司的整體資料。

一家曾於二零一九年被視為重大聯營公司的聯營公司(賬面值約為1,900萬港元)於二零二零年被認為屬不重大的聯營公司。

21 INTERESTS IN SUBSIDIARIES

(a) Details of the subsidiaries principally affected the results and assets of the Group

The following list contains the details of the Company's subsidiaries as at which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

21 於附屬公司之權益

(a) 主要影響本集團業績及資產之附屬公司詳情

下表只載列對本集團的業績、資產或負債有重大影響的附屬公司詳情。除另有註明者外，所持有的股份均為普通股。

Name of company 公司名稱	Place of incorporation and business 註冊成立和經營地點	Particular of issued shares/registered and fully paid-up capital (note 1) 已發行股份/註冊及繳足股本(附註1)	Proportion of ownership interest 所有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團的實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Yunfeng Asset Management Limited 雲鋒資產管理有限公司	Hong Kong 香港	7,910,000 shares 7,910,000 股股份	100%	—	100%	Provision of assets management services 提供資產管理服務
Yunfeng Securities Limited 雲鋒證券有限公司	Hong Kong 香港	133,000,000 shares 133,000,000 股股份	100%	—	100%	Securities broking 證券經紀

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

21 INTERESTS IN SUBSIDIARIES (Continued)

21 於附屬公司之權益(續)

(a) Details of the subsidiaries principally affected the results and assets of the Group (Continued)

(a) 主要影響本集團業績及資產之附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and business 註冊成立和經營地點	Particular of issued shares/registered and fully paid-up capital (note 1) 已發行股份/註冊及繳足股本(附註1)	Proportion of ownership interest 所有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團的實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Yunfeng Financial Markets Limited 雲鋒金融市場有限公司	Hong Kong 香港	125,000,000 shares 125,000,000 股股份	100%	100%	—	Securities broking, securities placing and underwriting, and provision of consultancy and advisory services 證券經紀、證券配售及包銷、顧問及諮詢服務
Youyu Insurance Consultancy Limited 有魚保險顧問有限公司	Hong Kong 香港	100 shares 100 股股份	100%	—	100%	Insurance agency and consultancy service 保險代理及諮詢服務
Youyu eKeeper Services Company Limited 有魚持股服務有限公司	Hong Kong 香港	1 share 1 股股份	100%	—	100%	Provision of employee stock ownership plan administration 提供員工持股計劃管理
Youyu Smart Technologies Limited 有魚智能科技有限公司	Hong Kong 香港	7,500,000 shares 7,500,000 股股份	100%	—	100%	Provision of financial technology services 提供金融技術服務
Yunfeng Financial International Holdings Limited 雲鋒金融國際控股有限公司	Hong Kong 香港	1 share 1 股股份	100%	100%	—	Investment holding 投資控股
Yuvan Limited 優萬有限公司	Hong Kong 香港	1 share 1 股股份	100%	—	100%	Investment holding 投資控股
Youyu Global Limited 有魚環球有限公司	Hong Kong 香港	1 share 1 股股份	100%	100%	—	Provision of administrative services 提供行政服務
YF Life Insurance International Limited 萬通保險國際有限公司	Hong Kong 香港	3,716,000,000 shares 3,716,000,000 股股份	69.8%	—	69.8%	Long term assurance business 承保長期保險業務
Protective Capital (International) Limited 環球智略投資有限公司	Hong Kong 香港	78,610,000 shares 78,610,000 股股份	69.8%	—	69.8%	Provision of general services 提供綜合服務
YF Life Services Limited	Hong Kong 香港	2 shares 2 股股份	69.8%	—	69.8%	Provision of general services 提供綜合服務
YF Life Guardian Limited	Hong Kong 香港	2 shares 2 股股份	69.8%	—	69.8%	Provision of general services 提供綜合服務
YF Life Trustees Limited 萬通信託有限公司	Hong Kong 香港	73,000,000 shares 73,000,000 股股份	69.8%	—	69.8%	Provision of trustee services 提供信託服務

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

21 INTERESTS IN SUBSIDIARIES (Continued)

(a) Details of the subsidiaries principally affected the results and assets of the Group (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立和經營地點	Particular of issued shares/registered and fully paid-up capital (note 1) 已發行股份/註冊及繳足股本(附註1)	Proportion of ownership interest 所有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團的實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
YF Life Insurance Consultants Limited 萬通保險顧問有限公司	Hong Kong 香港	50,000 shares 50,000 股股份	69.8%	—	69.8%	Provision of agency services to non-life insurers 向非壽險核保人提供代理服務
YF Life Investors Limited 萬通財富管理有限公司	Hong Kong 香港	5,000,000 shares 5,000,000 股股份	69.8%	—	69.8%	Provision of general services 提供綜合服務
Beijing Yunfeng Universal Investment Consultancy Limited (note 2) 北京雲鋒環球投資諮詢有限公司(附註2)	PRC 中國	Registered capital RMB70,000,000 Paid-up capital RMB48,022,624 註冊資本人民幣70,000,000元 實繳資本：人民幣48,022,624元	100%	—	100%	Provision of advisory service, marketing and promoting products and public relations services 提供諮詢服務、營銷和推廣產品及公共關係服務
Beijing Youyu Technologies Limited (note 3) 北京有魚科技有限公司(附註3)	PRC 中國	Registered capital RMB4,000,000 Paid-up capital RMB1,600,000 註冊資本：人民幣4,000,000元 實繳資本：人民幣1,600,000元	100%	—	100%	Provision of internet and multimedia systems and application development 互聯網和多媒體系統和應用程序開發
Shenzhen Youyu Smart Technologies Limited (note 3) 深圳市有魚智能科技有限公司(附註3)	PRC 中國	Registered capital RMB100,000,000 Paid-up capital RMB8,010,000 註冊資本：人民幣100,000,000元 實繳資本：人民幣8,010,000元	100%	—	100%	Technological development of computer software and hardware, technical consulting, technology services, database and computer network services 電腦軟件及硬件之技術開發、技術諮詢、技術服務、數據庫及電腦網路服務
Majik Cayman GP 1 Limited 開曼群島	Caymans Island 開曼群島	1 share of US\$1 each 1股每股面值1美元之股份	100%	—	100%	Fund management 基金管理
Majik Cayman GP 2 Limited 開曼群島	Caymans Island 開曼群島	1 share of US\$1 each 1股每股面值1美元之股份	100%	—	100%	Fund management 基金管理

21 於附屬公司之權益(續)

(a) 主要影響本集團業績及資產之附屬公司詳情(續)

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

21 INTERESTS IN SUBSIDIARIES (Continued)

21 於附屬公司之權益(續)

(a) Details of the subsidiaries principally affected the results and assets of the Group (Continued)

(a) 主要影響本集團業績及資產之附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and business 註冊成立和經營地點	Particular of issued shares/registered and fully paid-up capital (note 1) 已發行股份/註冊及繳足股本(附註1)	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Group's effective interest 本集團的實際權益	Held by the Company 由本公司持有	
Majik Cayman SPV 3 Limited	Caymans Island 開曼群島	Authorised capital US\$50,000 divided into 2,500,000 preferred shares and 2,500,000 ordinary shares. Each share is at US\$0.01 par value each. 152,903 common shares and 500,000 preferred shares issued 授權資本50,000美元，分為2,500,000優先股和2,500,000普通股。每股面值均為0.01美元面值。已發行152,903股普通股和500,000股優先股	100%	—	100% common share 投資控股普通股
Majik Access USD Fund 1 L.P.	Caymans Island 開曼群島	US\$114.2 million 1.142 億美元	65.7%	—	65.7% Investment 投資
Note 1:	The class of shares held is ordinary shares unless otherwise stated.			附註1:	除另有說明外，所持股份之類別為普通股。
Note 2:	The company is registered as a wholly foreign-owned enterprise under the laws of the PRC.			附註2:	該公司是根據中國法律註冊的外商獨資企業。
Note 3:	The company is registered as a limited company under the laws of the PRC.			附註3:	該公司根據中國法律註冊為有限公司。
Note 4:	For the fund partnership entities, the balance represents capital commitment being made by limited partners to the partnership.			附註4:	對於基金合夥企業，餘額代表有限合夥人對合夥企業的資本承諾。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

21 INTERESTS IN SUBSIDIARIES (Continued)

(b) Information about material non-controlling interest

The following table lists out the information relating to YF Life, the only subsidiary with material non-controlling interest (“NCI”) as at 31 December 2020. The summarized financial information presented below represents the amounts including intangible assets identified on acquisition date before any inter-company elimination.

21 於附屬公司之權益(續)

(b) 有關於重大非控股權益之資料

下表載列與萬通保險有關的資料。於二零二零年十二月三十一日，該公司是本集團唯一擁有重大非控股權益的附屬公司。下表呈列的財務資料概要為集團內公司間互相抵銷前的數額(包括於收購日確定的無形資產)。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NCI percentage	非控股權益的百分比	30.2%	30.2%
Total assets	資產總額	81,442,764	71,464,563
Total liabilities	負債總額	(63,462,915)	(55,473,888)
Total net assets	資產淨值總額	17,979,849	15,990,675
Net assets attributable to NCI	非控股權益應佔資產淨值	5,429,915	4,829,184
Goodwill attributable to NCI	非控股權益應佔商譽	531,276	531,276
Carrying amount of NCI	非控股權益之賬面值	5,961,191	5,360,460
Net earned premium and fee income	滿期保費及費用收入淨額	4,264,282	3,354,164
Profit for the year	本年度溢利	1,094,939	897,827
Total comprehensive income	全面收益總額	1,989,174	1,644,261
Profit allocated to NCI	分配至非控股權益之溢利	330,672	359,131
Dividend paid to NCI	支付予非控股權益之股息	—	—
Cash flows from operating activities	經營活動產生的現金流量	2,641,621	2,062,354
Cash flows from investing activities	投資活動產生的現金流量	(5,513,177)	(8,454,453)
Cash flows from financing activities	融資活動產生的現金流量	2,644,761	3,923,824

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

22 GOODWILL AND OTHER INTANGIBLE ASSETS

22 商譽及其他無形資產

(a) Goodwill

(a) 商譽

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost	成本		
At 1 January	於一月一日	1,829,046	1,829,046
Additions	增置	—	—
Written off	核銷	—	—
At 31 December	於十二月三十一日	1,829,046	1,829,046
Accumulated impairment loss	累計減值虧損		
At 1 January	於一月一日	3,484	3,484
Charge for the year	本年度支出	—	—
Written off	核銷	—	—
At 31 December	於十二月三十一日	3,484	3,484
Carrying amount	賬面值		
At 31 December	於十二月三十一日	1,825,562	1,825,562

The recoverable amount of the cash generating units containing goodwill or intangible assets arose from the acquisition of YF Life. was determined based on the value-in-use calculation. This calculation uses cash flow projection which represents what management believes is the best estimate of what the cash generating units are able to achieve in their business life. The Directors determined the cash flow projection based on past performance and its expectation for market development. The Directors believed any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount. Management of the Group determines that there are no impairments of its cash generating units containing goodwill and intangible assets.

In respect of insurance business, the recoverable amount was determined based on YF Life appraisal value, which consists of the adjusted net worth plus the present value of inforce business and the new business value after cost of capital.

因收購萬通保險而產生的商譽商譽或無形資產的現金產生單位可收回金額乃根據根據價值計算厘定。該計算方法使用現金流量預測，此預測表明管理層認為現金產生單位在其商業活動中能夠實現的最佳估計。董事會根據過往表現及其對市場發展的預期厘定現金流量預測。董事會認為，該等假設的任何合理可能變動均不會導致賬面總面值超過可收回總額。本集團管理層確定其包含商譽或無形資產的現金產生單位並未發生減值。

就保險業務而言，可收回金額乃根據萬通保險評估價值厘定，其中包括經調整淨值加上有效業務現值及扣除資本成本後的新業務價值。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

22 GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

(a) Goodwill (Continued)

Impairment test for goodwill

Goodwill arises primarily in respect of the Group's insurance business. Goodwill is tested for impairment by comparing the carrying amount of the cash-generating unit, including goodwill, to the recoverable amount of that cash-generating unit. If the recoverable amount of the unit exceeds the carrying amount of the unit, the goodwill allocated to that unit shall be regarded as not impaired. The recoverable amount is the value in use of the cash-generating unit unless otherwise stated.

The value in use is determined by calculating as an actuarially determined appraisal value, based on embedded value of the business and the present value of expected future new business of the cash-generating unit. The present value of expected future new business, covering a ten year period (in line with industry practice), is based on financial budgets approved by management. The financial budgets reflect management's best estimate of future profit based on historical experience and best estimate operating assumptions such as premium and expenses.

The key assumptions used in the embedded value calculations include risk discount rate, investment returns, mortality, morbidity, persistency, expenses and inflation. In the majority of instances these assumptions are aligned to those assumptions detailed in Section "Embedded Value". The present value of expected future new business is calculated based on a combination of indicators which include, among others, taking into account recent production mix, business strategy, market trends and risk associated with the future new business projections. The risk discount rates that is used in the embedded value of the business and the present value of expected future new business is 8.75% (2019: 9%).

22 商譽及其他無形資產(續)

(a) 商譽(續)

商譽減值測試

商譽主要來自本集團的保險業務。通過將現金產生單位的賬面價值(包括商譽)與該現金產生單位的可收回金額進行比較，對商譽進行減值測試。如果該單位的可收回金額超過該單位的賬面價值，則分配給該單位的商譽應視為未減值。除另有說明外，可收回金額為現金產生單元的使用價值。

使用價值是根據業務的內含價值和現金產生單元的預期未來新業務的現值，通過計算為精算確定的評估價值而確定的。新業務的現值是基於管理層批准的財務預算，涵蓋十年期限(符合行業慣例)的預期未來。財務預算反映了管理層根據歷史經驗和對經營溢價和費用等假設的最佳估計，對未來利潤的最佳估計。

內含價值計算中使用的主要假設包括風險折現率、投資回報、死亡率、發病率、持續性、費用和通貨膨脹。在大多數情況下，這些假設與「內含價值」部分中詳述的那些假設一致。預期未來新業務的現值是根據一系列指標計算得出的，這些指標包括(其中包括)最近的生產組合、業務戰略、市場趨勢以及與未來新業務預測相關的風險。該業務的內含價值和預期未來新業務的現值所使用的風險折現率為8.75%(二零一九年：9%)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

22 GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

22 商譽及其他無形資產(續)

(b) Other intangible assets

(b) 其他無形資產

		Trade name 商標 HK\$'000 千港元 (restated) (重述)	Trading rights 交易權 HK\$'000 千港元	Club membership 俱樂部會員 HK\$'000 千港元	Computer software 電腦軟件 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At cost	按成本					
At 1 January 2019	於二零一九年一月一日	78,910	6,550	2,930	42,311	130,701
Additions	增置	—	—	—	233	233
Written off and reclassified	核銷及重分類	—	(2,550)	—	—	(2,550)
Exchange alignment	外幣報表折算差額	—	—	—	(14)	(14)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	78,910	4,000	2,930	42,530	128,370
Additions	增置	—	—	—	45	45
Written off	核銷	—	—	—	(31,291)	(31,291)
Exchange alignment	外幣報表折算差額	—	—	—	49	49
At 31 December 2020	於二零二零年十二月三十一日	78,910	4,000	2,930	11,333	97,173
Accumulated amortisation and impairment:	累計攤銷和減值：					
At 1 January 2019	於二零一九年一月一日	—	6,000	—	18,247	24,247
Charge for the year	本年度支出	—	—	—	8,827	8,827
Written off	核銷	—	(2,500)	—	—	(2,500)
Exchange alignment	外幣報表折算差額	—	—	—	(2)	(2)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	—	3,500	—	27,072	30,572
Charge for the year	本年度支出	—	—	—	6,538	6,538
Written off	核銷	—	—	—	(23,468)	(23,468)
Exchange alignment	外幣報表折算差額	—	—	—	14	14
At 31 December 2020	於二零二零年十二月三十一日	—	3,500	—	10,156	13,656
Carrying amount	賬面值					
At 31 December 2020	於二零二零年十二月三十一日	78,910	500	2,930	1,177	83,517
At 31 December 2019	於二零一九年十二月三十一日	78,910	500	2,930	15,458	97,798

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

22 GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

(b) Other intangible assets (Continued)

As at 31 December 2020, the Group had two (2019: two) trading rights in The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and one (2019: one) trading right in the Hong Kong Futures Exchange Limited (the “Futures Exchange”), of which one trading rights in the Stock Exchange and one trading right in the Futures Exchange were fully amortised as at 31 December 2010. The Group has one (2019: one) club membership with indefinite useful life similar to the trading rights.

Trade name acquired in the acquisition of YF Life, which is subject to annual impairment test. The relief-from-royalty approach is adopted to determine the fair value of trade name. At the end of each reporting period, the management of the Group reassessed the assumptions of this approach. As at 31 December 2020, the valuation of the Chinese trade name is determined based on the relevant value of new business estimated by YF Life. The trade name is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trade name will not be amortised until its useful life is determined to be finite.

22 商譽及其他無形資產(續)

(b) 其他無形資產(續)

截至二零二零年十二月三十一日，本集團持有2個香港聯合交易所(聯交所)之交易權(二零一九年：2個)及1個香港期貨交易所有限公司(期交所)之交易權(二零一九年：1個)，其中聯交所的1個交易權及期交所的1個交易權已二零二零年十二月三十一日完全攤銷。本集團持有1個俱樂部會員資格(二零一九年：1個)，其使用期限與交易權利類似。

收購萬通保險時獲取的商標，須經年度減值測試。採用權利金節省專法確定商標的公允價值。於各報告期末，本集團管理層重新評估該方法的假設。於二零二零年十二月三十一日，中國商標的估值乃根據萬通保險估計的相關新業務價值厘定。本集團管理層認為該商標具有無限使用年限，因為預期其將無限期地為現金流入淨額作出貢獻。商標在其使用壽命確定為有限之前不會攤銷。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

23 VALUE OF BUSINESS ACQUIRED

23 收購業務價值

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	10,057,446	11,075,662
Amortisation for the year	本年度攤銷	(324,472)	(135,208)
		9,732,974	10,940,454
Effect of shadow accounting allocated to fair value reserve	影子會計分配至公允價值儲備的影響	(720,403)	(883,008)
At 31 December	於十二月三十一日	9,012,571	10,057,446

24 DEFERRED ACQUISITION COSTS

24 遞延保單獲得成本

		2020 二零二零年			2019 二零一九年		
		Insurance contracts 保險合同 HK\$'000 千港元	Investment contracts 投資合同 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Insurance contracts 保險合同 HK\$'000 千港元	Investment contracts 投資合同 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January	於一月一日	1,111,489	17,491	1,128,980	224,457	6,002	230,459
Amount deferred	遞延金額	1,534,394	26,131	1,560,525	1,307,194	28,797	1,335,991
Amortisation for the year	本年度攤銷	(493,345)	983	(492,362)	(287,772)	494	(287,278)
		1,041,049	27,114	1,068,163	1,019,422	29,291	1,048,713
Effect of shadow accounting allocated to fair value reserve	影子會計分配至公允價值儲備的影響	(235,396)	(30,550)	(265,946)	(132,390)	(17,802)	(150,192)
At 31 December	於十二月三十一日	1,917,142	14,055	1,931,197	1,111,489	17,491	1,128,980

The amount of deferred acquisition costs expected to be recognised as expense after more than one year is HK\$1,459,912,000 (2019: HK\$827,819,000).

遞延保單獲得成本之金額預計於一年後確認為費用1,459,912,000港元(二零一九年：827,819,000港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS

25 投資

		At fair value through other comprehensive income 以公允價值計量 且其變動計入 其他全面收益 HK\$'000 千港元	At fair value through profit or loss 以公允價值計量 且其變動計入 損益 HK\$'000 千港元	Amortised cost 攤銷成本 HK\$'000 千港元	Total 總額 HK\$'000 千港元
2020	二零二零年				
Debt securities:	債務證券：				
– Unlisted	– 非上市	20,608,849	2,540,509	21,503,917	44,653,275
Mortgage loans	抵押貸款	–	–	6,420,273	6,420,273
		20,608,849	2,540,509	27,924,190	51,073,548
Equity securities:	權益證券：				
– Listed	– 上市	–	287,363	–	287,363
– Unlisted (note (g))	– 非上市(附註(g))	78,029	23,758	–	101,787
		78,029	311,121	–	389,150
Fund Investment and others:	基金和其他投資：				
– Unlisted (note (a))	– 非上市(附註(a))	–	2,557,605	–	2,557,605
Unit trusts:	單位信託				
– Unlisted	– 非上市	–	8,787,401	–	8,787,401
Total	總額	20,686,878	14,196,636	27,924,190	62,807,704
Market value of listed securities	上市證券的市場值	–	287,363	–	287,363

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

25 投資(續)

		At fair value through other comprehensive income 以公允價值計量 且其變動計入 其他全面收益 HK\$'000 千港元	At fair value through profit or loss 以公允價值計量且 其變動計入 損益 HK\$'000 千港元	Amortised cost 攤銷成本 HK\$'000 千港元	Total 總額 HK\$'000 千港元
2019	二零一九年				
Debt securities:	債務證券：				
– Unlisted	– 非上市	16,040,615	2,571,245	18,511,569	37,123,429
Mortgage loans	抵押貸款	–	–	6,881,023	6,881,023
		16,040,615	2,571,245	25,392,592	44,004,452
Equity securities:	權益證券：				
– Unlisted (note (g))	– 非上市(附註(g))	77,297	–	–	77,297
Fund Investment and others:	基金和其他投資：				
– Unlisted (note (a))	– 非上市(附註(a))	–	2,511,204	–	2,511,204
Unit trusts:	單位信託				
– Unlisted	– 非上市	–	8,229,290	–	8,229,290
Total	總額	16,117,912	13,311,739	25,392,592	54,822,243
Market value of listed securities	上市證券的市場值	–	–	–	–

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

Notes:

- (a) In 2018, the Group has entered a strategic fund management agreement with another well-established financial institution. By sharing the operating and financing decision making power through the agreement, the Group is no longer considered to be the principal of Majik Access USD Fund 2 LP. As a result, the Group elects to measure its 34.04% investment holding in Majik Access USD Fund 2 LP held through a venture capital organisation, an indirect wholly owned subsidiary, at fair value through profit or loss as management measures the performance of this jointly controlled entity on a fair value basis and exempted from applying the equity method. The valuation process and fair value information for the joint venture measured at fair value through profit or loss set out in note 5. During the year, the Group has made an injection of approximately HK\$18,693,000 to the joint venture. As of 31 December 2020, the carrying value of the jointly controlled entity amounted to approximately HK\$107,000,000 (2019: HK\$100,000,000).
- (b) Investments of HK\$7,542,647,000 (2019: HK\$5,609,487,000) have been pledged in favour of Autoridade Monetaria de Macau to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.
- (c) The portion of the investments that is expected to be recoverable within one year is HK\$11,517,210,000 (2019: HK\$8,030,003,000) and the portion that is expected to be recoverable after more than one year is HK\$51,290,494,000 (2019: HK\$46,792,240,000).

25 投資(續)

附註：

- (a) 於二零一八年，本集團與另一家成熟的金融機構簽署了戰略基金管理協議。通過協議分享經營和財務決策權，本集團認為不再是有魚錦鯉美元基金2號的主事人。因此，本集團選擇以公允價值計量且其變動計入損益的方法計量通過風險資本組織(間接全資附屬公司)持有於有魚錦鯉美元基金2號的34.04%投資，因為管理層以公允價值基準計量該共同控制實體的業績，其被視為免除採用權益法。合營企業的估值流程及公允價值資料以公允價值計量且其變動計入損益，並於附註5所載。於年內，本集團已向合營企業注資約18,693,000港元。截至二零二零年十二月三十一日，共同控制實體的賬面值約為107,000,000港元(二零一九年：100,000,000港元)。
- (b) 為數7,542,647,000港元(二零一九年：5,609,487,000港元)的投資已抵押於澳門金融管理局，以保證按照《澳門保險條例》作出技術準備金。
- (c) 預計一年內可收回的投資部分為11,517,210,000港元(二零一九年：8,030,003,000港元)，預計一年後可收回的部分為51,290,494,000港元(二零一九年：46,792,240,000港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

Notes: (Continued)

- (d) The following table set out the credit quality analysis of financial assets measured at FVOCI (recycling) and at amortised cost. Unless specifically indicated, the amounts in the table represent gross carrying amounts. For explanations of the terms '12-month ECL', 'lifetime ECL' and 'credit-impaired', see note 2(t).

		2020 二零二零年						2019 二零一九年									
		Investment grade 投資級別			Non-investment grade 非投資級別					Investment grade 投資級別			Non-investment grade 非投資級別				
		Lifetime ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total			Lifetime ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total		
		12-month ECL	not credit-impaired	credit-impaired	12-month ECL	not credit-impaired	credit-impaired			12-month ECL	not credit-impaired	credit-impaired	12-month ECL	not credit-impaired	credit-impaired		
		整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失			整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失	整個存續期預期信用損失		
		未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值			未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值	未來12個月未發生信用減值		
		預期信用損失	信用減值	信用減值	預期信用損失	信用減值	信用減值	總額			預期信用損失	信用減值	信用減值	預期信用損失	信用減值	信用減值	總額
HK\$'000	千港元																
Financial assets at amortised cost	以攤銷成本計量的金融資產																
Unlisted debt securities	非上市債務證券	21,316,317	-	-	103,645	124,211	28,447	21,572,620	18,205,123	-	-	255,666	55,094	5,987	18,521,870		
Mortgage loan	抵押貸款	5,285,860	-	-	1,015,728	103,329	31,301	6,436,218	6,721,762	-	-	161,460	-	-	6,883,222		
Gross carrying amount	賬面總值	26,602,177	-	-	1,119,373	227,540	59,748	28,008,838	24,926,885	-	-	417,126	55,094	5,987	25,405,092		
Less: Loss allowance	減：損失準備	(35,901)	-	-	(1,562)	(10,937)	(36,228)	(84,648)	(7,385)	-	-	(1,308)	(2,697)	(1,110)	(12,500)		
Amortised cost	攤銷成本	26,566,276	-	-	1,117,791	216,603	23,520	27,924,190	24,919,500	-	-	415,818	52,397	4,877	25,392,592		
Financial assets at FVOCI (recycling)	以公允價值計量且其變動計入其他全面收益(可轉回)的金融資產																
Financial assets at FVOCI (recycling)	以公允價值計量且其變動計入其他全面收益(可轉回)的金融資產																
Unlisted debt securities gross carrying amount	非上市債務證券賬面總值	13,639,898	-	-	2,606,625	208,559	62,087	16,517,169	11,808,079	-	-	4,053,320	165,540	40,068	16,067,007		
Less: Loss allowance	減：損失準備	(31,169)	-	-	(17,077)	(19,919)	(37,571)	(105,736)	(3,736)	-	-	(3,677)	(21,569)	(10,910)	(39,892)		
Amortised cost	攤銷成本	13,608,729	-	-	2,589,548	188,640	24,516	16,411,433	11,804,343	-	-	4,049,643	143,971	29,158	16,027,115		
Carrying amount - fair value	賬面值-公允價值	17,518,955	-	-	2,814,967	230,026	44,901	20,608,849	11,797,533	-	-	4,039,827	164,743	38,512	16,040,615		

25 投資(續)

附註：(續)

- (d) 下表載列了以公允價值計量且其變動計入其他全面收益(可轉回)及以攤銷成本計量的金融資產的信貨質量分析。除特別說明外，否則表中所示金額為賬面總值。對於術語「未來12個月預期信用損失」、「整個存續期預期信用損失」和「已發生信用減值」的解釋參見附註2(t)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

Notes: (Continued)

(d) (Continued)

25 投資(續)

附註：(續)

(d) (續)

		12-month ECL 未來12個月 預期信用損失 HK\$'000 千港元	Lifetime ECL not credit – impairment 整個存續期 預期信用損失— 未發生信用減值 HK\$'000 千港元	Lifetime ECL credit – impaired 整個存續期 預期信用損失— 已發生信用減值 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Debt Securities at amortised cost:	以攤銷成本計量的債務證券：				
Balance as at 1 Jan 2019	於二零一九年一月一日的結餘	17,556	2,179	—	19,735
Net (decrease)/increase in loss allowance recognised in current year, net of those derecognised upon settlement	當年確認的損失準備金淨額(減少)/增加額，扣除結算時終止確認的損失額	(11,063)	518	1,110	(9,435)
Balance as at 31 Dec 2019	於二零一九年十二月三十一日的結餘	6,493	2,697	1,110	10,300
Net (decrease)/increase in loss allowance recognised in current year, net of those derecognised upon settlement	當年確認的損失準備金淨額(減少)/增加額，扣除結算時終止確認的損失額	23,957	7,433	27,012	58,402
Balance as at 31 Dec 2020	於二零二零年十二月三十一日的結餘	30,450	10,130	28,122	68,702
Mortgage loan at amortised cost:	以攤銷成本計量的抵押貸款：				
Balance as at 1 Jan 2019	於二零一九年一月一日的結餘	1,114	—	—	1,114
Net increase in loss allowance recognised in current year, net of those derecognised upon settlement	當年確認的損失準備金增加淨額，扣除結算時終止確認的損失額	1,086	—	—	1,086
Balance as at 31 Dec 2019	於二零一九年十二月三十一日的結餘	2,200	—	—	2,200
Net increase in loss allowance recognised in current year, net of those derecognised upon settlement	當年確認的損失準備金增加淨額，扣除結算時終止確認的損失額	4,833	807	8,106	13,746
Balance as at 31 Dec 2020	於二零二零年十二月三十一日的結餘	7,033	807	8,106	15,946
Debt Securities at fair value through other comprehensive income	以公允價值計量且其變動計入其他全面收益的債務證券：				
Balance as at 1 Jan 2019	於二零一九年一月一日的結餘	10,053	2,840	—	12,893
Net (decrease)/increase in loss allowance recognised in current year, net of those derecognised upon settlement	當年確認的損失準備金淨額(減少)/增加額，扣除結算時終止確認的損失額	(2,640)	18,729	10,910	26,999
Balance as at 31 Dec 2019	於二零一九年十二月三十一日的結餘	7,413	21,569	10,910	39,892
Net (decrease)/increase in loss allowance recognised in current year, net of those derecognised upon settlement	當年確認的損失準備金淨額(減少)/增加額，扣除結算時終止確認的損失額	40,833	(1,650)	26,661	65,844
Balance as at 31 Dec 2020	於二零二零年十二月三十一日的結餘	48,246	19,919	37,571	105,736

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

Notes: (Continued)

- (e) The maturity profile of the Group's debt securities and loans and receivables is as follows:

25 投資(續)

附註：(續)

- (e) 本集團的債務證券及貸款及應收款的到期情況如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Fixed maturities due in	固定到期期限		
– 1 year or less	– 1年或更短	2,556,450	328,884
– 1 to 5 years	– 1至5年	8,100,668	4,207,276
– 5 to 10 years	– 5至10年	11,017,351	11,157,433
– More than 10 years	– 10年以上	22,978,806	21,429,836
		44,653,275	37,123,429
Mortgage loans due in	抵押貸款到期期限		
– 1 year	– 1年	172,844	243,807
– 2 years	– 2年	195,744	308,762
– 3 years	– 3年	778,944	202,481
– 4 years	– 4年	362,620	800,110
– 5 years	– 5年	724,418	364,593
– More than 5 years	– 5年以上	4,185,703	4,961,270
		6,420,273	6,881,023

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

Notes: (Continued)

(f) Interests in collective investment schemes

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

Owing to the passive nature of these investments, the maximum exposure to loss from these interests is limited to the associated equity price risk (see note 5) and the capital commitments. The maximum exposure to loss, which represents the maximum loss that the Group could be required to report as a result of its involvement with these collective investment schemes regardless of the probability of the loss being incurred, is equivalent to the carrying amount of these investments (see note 5).

- (ii) In addition, the Group's subsidiary, YF Life Trustees Limited is the sponsor of Mass Mandatory Provident Fund scheme ('MPF scheme') as specified in the respective trust deeds. Management fee and trustee fee income that the Group recognised in profit or loss in return for the administration services provided to MPF Scheme that the Group sponsored amounted to HK\$28,452,000 (2019: HK\$26,334,000) for the year.

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

25 投資(續)

附註：(續)

(f) 於集合投資計劃的權益

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

由於該等投資的被動性，這些利益的最大損失風險敞口僅限於相關的股權價格風險(參閱附註5)和資本承諾。最大損失風險是指本集團因參與這些集合投資計劃而須呈報的最大損失，不論所產生損失的可能性大小，該損失相當於這些投資的賬面值(參閱附註5)。

- (ii) 此外，本集團的附屬公司 — 萬通信託有限公司為相應信託契約所指明的大眾強制性公積金計劃(「強積金計劃」)的發起人。本集團在損益中確認的管理費及受託人費用，作為年內向本集團發起的強積金計劃提供行政服務的回報為28,452,000港元(二零一九年：26,334,000港元)。

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

Notes: (Continued)

- (g) The unlisted equity security under FVOCI (non-recycling) is perpetual capital issued by China CITIC Bank International Limited registered in Hong Kong and engaged in banking business. The Group designated its investment in the perpetual capital at FVOCI (non-recycling), as the investment is held for strategic purposes. Dividend of HK\$3,294,000 was received on this investment during the year (2019: HK\$3,334,000).
- (h) At year end, the carrying amounts of the Group's financial assets being accounted for under the overlay approach are shown as below.

25 投資(續)

附註：(續)

- (g) 以公允價值計量且其變動計入其他全面收益(不可轉回)的非上市股本證券是在香港註冊並從事銀行業務的中信銀行國際有限公司永續資本。本集團將其對永續資本的投資指定為以公允價值計量且其變動計入其他全面收益(不可轉回)，因為該投資是出於戰略目的持有的。年內，此項投資已收取股息3,294,000港元(二零一九年：3,334,000港元)。
- (h) 於年底，根據覆蓋調整法計算的本集團金融資產的賬面金額如下所示。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets measured at FVPL	以公允價值計量且其變動計入當 期損益的金融資產		
Unlisted equity/partnership fund investment	非上市權益／合夥基金投資	1,814,439	1,569,168
Unlisted unit trust investment	非上市單位信託	871,781	1,078,639
Unlisted debt securities	非上市債務證券	2,547,879	2,544,432
Listed securities	上市證券	287,363	—
		5,521,462	5,192,239

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

25 INVESTMENTS (Continued)

Notes: (Continued)

(h) (Continued)

For financial assets at FVPL being accounted under the overlay approach, the amounts charged to the consolidated income statements reported with and without overlay adjustments for the year ended are stated as below:

		31 December 2020 於二零二零年十二月三十一日			
		Under HKFRS 9	Overlay approach adjustments	Under HKFRS 9 (adjusted by overlay approach)	Under HKAS 39
		根據香港財務報告準則第9號 HK\$'000 千港元	覆蓋調整法 HK\$'000 千港元	根據香港財務報告準則第9號 (覆蓋法調整) HK\$'000 千港元	根據香港會計準則第39號 HK\$'000 千港元
Net realised and unrealised gains/(losses) of fair value through profit or loss financial asset under overlay adjustment on:	按覆蓋法以公允價值計量且其變動計入損益的金融資產收益/(損失):				
- Unlisted partnership fund investment	- 非上市合夥基金投資	62,982	(62,982)	-	-
- Unlisted unit trust investment and listed securities	- 非上市單位信託及上市證券	89,404	(89,404)	-	-
- Unlisted debt securities	- 非上市債務證券	(32,967)	32,967	-	-
Total	總額	119,419	(119,419)	-	-

25 投資(續)

附註：(續)

(h) (續)

對於以覆蓋法調整入賬的以公允價值計量且其變動計入當期損益的金融資產，截至和結束年度在有和沒有覆蓋調整的情況下，在合併利潤表中列示的費用如下：

		31 December 2019 於二零一九年十二月三十一日			
		Under HKFRS 9	Overlay approach adjustments	Under HKFRS 9 (adjusted by overlay approach)	Under HKAS 39
		根據香港財務報告準則第9號 HK\$'000 千港元	覆蓋調整法 HK\$'000 千港元	根據香港財務報告準則第9號 (覆蓋法調整) HK\$'000 千港元	根據香港會計準則第39號 HK\$'000 千港元
Net realised and unrealised gains/(losses) of fair value through profit or loss financial asset under overlay adjustment on:	按覆蓋法以公允價值計量且其變動計入損益的金融資產收益/(損失):				
- Unlisted partnership fund investment	- 非上市合夥基金投資	(369)	369	-	-
- Unlisted unit trust investment	- 非上市單位信託	36,950	(36,950)	-	-
- Unlisted debt securities	- 非上市債務證券	57,085	(57,085)	-	-
Total	總額	93,666	(93,666)	-	-

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

26 ADVANCE REINSURANCE PREMIUMS

Analysis of movement in advance reinsurance premiums

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	1,455,458	10,652
Other movements	其他變動	(165,871)	1,444,806
At 31 December	於十二月三十一日	1,289,587	1,455,458

Advance reinsurance premiums are expected to be recovered within one year.

26 預付再保險保費

預付再保險保費變動分析

預付再保險保費預期可於一年內收回。

27 INSURANCE AND REINSURANCE RECEIVABLES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loans to policyholders	向保單持有人作出的貸款	2,795	2,014
Direct premium receivables	應收直接保費	4,581	4,743
Reinsurance receivables	應收再保險賬款	3,748,377	1,572,786
		3,755,753	1,579,543

At 31 December 2020, none of the insurance and reinsurance receivables were past due or impaired (2019: none).

At 31 December 2020, the amount of insurance and reinsurance receivables expected to be settled after more than one year is HK\$3,467,147,000 (2019: HK\$1,231,388,000).

27 應收保費及再保險賬款

於二零二零年十二月三十一日，應收保費及再保險賬款均未逾期或減值(二零一九年：無)。

於二零二零年十二月三十一日，預期於一年後結清的應收保費及再保險賬款的金額為3,467,147,000港元(二零一九年：1,231,388,000港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

28 OTHER ACCOUNTS RECEIVABLE AND ACCRUED INCOME

28 其他應收賬款及應計收入

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other accounts receivable arising from securities brokerage:	證券經紀產生的其他應收賬款：		
— Cash clients	— 現金客戶	71,074	50,200
— Margin clients	— 保證金客戶	10,673	11,386
— Clients for subscription of new shares in IPO	— 上市時認購新股的客戶	10,000	949
— Clearing house, brokers, fund managers and dealers	— 清算所、經紀商、基金管理人和交易商	60,560	52,908
		152,307	115,443
Other accounts receivable arising from consultancy and advisory services	諮詢及顧問服務產生的其他應收賬款	1,134	2,242
Other service fees receivables	其他應收服務費	7,228	9,504
		160,669	127,189
Less: allowance for credit losses	減：信用損失	(1,791)	(2,743)
		158,878	124,446

There is no balance of other accounts receivable from consultancy and advisory services for on-going advisory projects which have not been billed.

源自尚未入賬的持續諮詢項目的諮詢及顧問服務的其他應收賬款餘額為零。

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

其他應收賬款之公允價值與其賬面值相若。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

28 OTHER ACCOUNTS RECEIVABLE AND ACCRUED INCOME (Continued)

28 其他應收賬款及應計收入(續)

(a) Ageing analysis of other accounts receivable

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current	流動	154,912	121,976
Less than 1 month past due	逾期1個月以下	1,711	1,796
1 to 3 months past due	逾期1至3個月	2,033	74
More than 3 months past due	逾期3個月以上	222	600
Amounts past due	逾期金額	3,966	2,470
		158,878	124,446

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

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

(b) Other accounts receivable which are past due but not impaired

Included in the Group's other accounts receivable balance are debtors with an aggregate carrying amount of HK\$3,965,000 (2019: HK\$2,470,000) which are past due at the end of the reporting period for which the Group has not made provision for impairment loss.

(b) 已逾期但未減值之其他應收賬款

本集團之其他應收賬款餘額包括賬面總值為3,965,000港元(二零一九年：2,470,000港元)之其他應收賬款，該等款項於報告期末已逾期，且本集團並無就此作出減值虧損撥備。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

28 OTHER ACCOUNTS RECEIVABLE AND ACCRUED INCOME (Continued)

(b) Other accounts receivable which are past due but not impaired (Continued)

As of 31 December 2020 and 2019, no amount due from cash clients which are past due but not impaired represented client trades which are unsettled beyond the settlement date.

No other accounts receivable from corporate clients (2019: Nil) and amount of HK\$3,965,000 of other fee receivable (2019: HK\$2,470,000) which are past due but not impaired represent other accounts receivable arising from provision of corporate finance, consultancy and advisory services and other financial services which have not yet been settled and aged by their invoice date. No impairment loss was provided for these balances as these clients are trade counterparties with sound credit rating and/or reputation.

(c) Impairment of other accounts receivable

The Group has a policy for allowance for credit losses which is based on the evaluation of collectability, ageing analysis of accounts and management's judgement including the creditworthiness, collaterals and the past collection history of each client.

28 其他應收賬款及應計收入(續)

(b) 已逾期但未減值之其他應收賬款(續)

截至二零二零年十二月三十一日及二零一九年十二月三十一日，沒有來自現金客戶之已逾期但未減值應收賬款，來自現金客戶之已逾期但未減值應收賬款指於結算日期後仍未清償之客戶賬款。

沒有來自企業客戶之其他應收賬款(二零一九年：零港元)，為數3,965,000港元的已逾期但未減值其他應收費用(二零一九年：2,470,000港元)指提供企業融資、顧問、諮詢服務及其他金融服務產生之其他應收賬款，其於發票日期起計仍未清償及已到期。由於該等客戶為信貸評級及／或聲譽良好之交易對手，故並無就該等餘額作出減值虧損撥備。

(c) 其他應收賬款之減值

本集團設有信用損失撥備之政策，有關政策以可收回性評估、賬項之賬齡分析及管理層對各客戶之信譽、抵押品及過往收款記錄之判斷為基礎。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

28 OTHER ACCOUNTS RECEIVABLE AND ACCRUED INCOME (Continued)

(c) Impairment of other accounts receivable (Continued)

The movement of the allowance for life time credit impaired losses during the year is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	2,743	1,507
Provision for impairment loss recognised	已確認減值虧損之撥備	156	1,236
Amount recovered during the year	年內收回金額	(550)	—
Amount written off	已沖銷金額	(558)	—
At 31 December	於十二月三十一日	1,791	2,743

Amount of HK\$658,000 (2019: HK\$502,000) relates to credit impaired other accounts receivable arising from the business of dealing in securities. HK\$1,134,000 (2019: HK\$2,241,000) relates to credit impaired other accounts receivable arising from the business of consultancy and advisory services.

658,000 港元(二零一九年: 502,000 港元)涉及因證券交易業務而產生的信用損失減值其他應收賬款。1,134,000 港元(二零一九年: 2,241,000 港元)與信用損失已減值之諮詢及顧問及諮詢服務產生的其他應收賬款有關。

(d) Balance with related parties

At 31 December 2020, the balance of other service fee receivables includes fund management fee of approximately HK\$2,337,000 (2019: HK\$132,000) due from a joint venture of the Group.

(d) 與關聯人士之結餘

於二零二零年十二月三十一日，其他應收服務費的結餘包括約為 2,337,000 港元(二零一九年: 132,000 港元)的應收本集團一家合營企業的基金管理費。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

29 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

29 其他應收款項、按金及預付款項

		Note	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Utility and rental deposits	水電費及租用按金	(i)	46,549	42,662
Loans to agents and staff	向代理及員工作出的貸款		19,723	32,379
Accrued investment income	應計投資收入		524,004	421,719
Other receivable from non-controlling shareholders of a subsidiary	其他應收一家附屬公司非控股股東的款項		8,504	18,634
Prepayment, other deposits and receivables	預付款項、其他按金及應收款項		265,483	107,744
Derivative financial instruments	衍生金融工具		99,028	12,605
			963,291	635,743
Less: provision for impairment of other receivable	減：其他應收款項減值虧損之撥備	(ii)	(8,652)	(8,232)
			954,639	627,511

Notes:

(i) The amount of utility and rental deposits expected to be recovered after more than one year is HK\$37,575,000 (2019: HK\$35,155,000).

(ii) Impairment of other receivables

Other receivable of HK\$8,652,000 (2019: HK\$8,232,000) is fully impaired as the recoverability of the balance is considered uncertain after credit assessment performed by management.

The movement of the allowance for credit losses during the year is as follows:

附註：

(i) 水電費及租用按金預期將於一年後收回的金額為37,575,000港元(二零一九年：35,155,000港元)。

(ii) 其他應收款的減值

為數8,652,000港元(二零一九年：8,232,000港元)的其他應收款項已全數減值，因為管理層進行信貸評估後認為餘額的可收回性不確定。

年內之信用損失變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	8,232	8,976
Provision of impairment loss recognised	已確認減值虧損之撥備	4,291	—
Amount written off	已沖銷金額	(3,900)	(744)
Exchange impact	匯兌影響	29	—
At 31 December	於十二月三十一日	8,652	8,232

(iii) Except for those mentioned above in (i), all of the other receivables are expected to be recovered within one year.

(iii) 除上文(i)所述者外，所有其他應收款預計將在一年內收回。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

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

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

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank balance – trust and segregated accounts	銀行餘額 – 信託及獨立賬戶			
Deposit with bank	銀行存款		747,995	478,619
Less: impairment allowance	減：減值準備	(iii)	(154)	(154)
		(i)	747,841	478,465
Fixed bank deposits with original maturity over 3 months	原定期限多於三個月的銀行定期存款			
Deposit with bank	銀行存款		236,733	385,417
Less: impairment allowance	減：減值準備	(iii)	—	—
			236,733	385,417
Cash and cash equivalent	現金及現金等值項目			
Deposit with bank	銀行存款	(ii)	150	300
Fixed bank deposits with original maturity less than 3 months	原定期限少於三個月的銀行定期存款		2,522,058	524,567
Cash at bank and in hand	銀行及手頭現金		1,534,640	1,644,998
Less: impairment allowance	減：減值準備	(iii)	(114)	(114)
Cash and cash equivalent in the statement of financial position	綜合財務狀況表所示的現金及現金等值項目		4,056,734	2,169,751

Notes:

- (i) The Group maintains segregated accounts with authorised institutions to hold clients' money arising from its normal course of business of the regulated activities. The cash held on behalf of clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.
- (ii) The Group has made deposit with a bank as security deposit for bank overdraft facilities.

附註：

- (i) 本集團於認可機構開立獨立賬戶，以持有其正常受規管活動業務過程中產生之客戶款項。代客戶持有之現金受《證券及期貨條例下之證券及期貨(客戶款項)》規則限制及規管。
- (ii) 本集團已就銀行透支額度提供保證金作為銀行存款。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

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

Notes: (Continued)

- (iii) During the period, the movement of 12-month ECL provision is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	268	352
Reversal of impairment loss recognised	已確認減值撥備之撥回	—	(84)
Amount written off	已沖銷金額	—	—
At 31 December	於十二月三十一日	268	268

- (iv) The Group has pledged fixed deposits of HK\$309,648,000 (2019: HK\$269,250,000) to banks in favour of the Autoridade Monetaria de Macau to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

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

附註：(續)

- (iii) 期內未來12個月預期信用損失撥備變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	268	352
Reversal of impairment loss recognised	已確認減值撥備之撥回	—	(84)
Amount written off	已沖銷金額	—	—
At 31 December	於十二月三十一日	268	268

- (iv) 本集團已將為數309,648,000港元(二零一九年：269,250,000港元)的固定存款質押於澳門金融管理局，以保證按照《澳門保險條例》作出技術儲備。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

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

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

(a) Reconciliation to liabilities arising from financing activities for disclosure purpose

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 cash flow statement as cash flows from financing activities.

(a) 出於披露目的就融資活動產生的負債進行對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量將在本集團的綜合現金流量表中分類為融資活動現金流量的負債。

		Policyholders' deposit 保單持有人的存款 HK\$'000 千港元	Bank borrowings 銀行借款 HK\$'000 千港元	Preference shares 優先股 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Shareholder's loan 股東貸款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日	38,013,370	1,198,226	315,588	15,254	–	39,542,438
Adoption of HKFRS 16	採用《香港財務報告準則》第16號	–	–	–	308,301	–	308,301
At 1 January 2019	於二零一九年一月一日	38,013,370	1,198,226	315,588	323,555	–	39,850,739
Change from financing cash flow:	融資現金流之變動：						
Proceeds from issue of preference share by a subsidiary	附屬公司發行優先股之所得款項	–	–	76,063	–	–	76,063
Payment made to lease liabilities	支付租賃負債款項	–	–	–	(116,471)	–	(116,471)
Policyholders' account deposits for investment contracts	保單持有人的投資合同之賬戶儲金	4,931,169	–	–	–	–	4,931,169
Policyholders' account withdrawals for investment contracts	保單持有人的投資合同之賬戶提取	(1,729,217)	–	–	–	–	(1,729,217)
Drawdown of bank loans	提取銀行貸款	–	1,406,800	–	–	–	1,406,800
Repayment of a bank loan	償還銀行貸款	–	(1,106,800)	–	–	–	(1,106,800)
Other borrowing cost paid	已付其他借貸成本	–	(65,484)	–	–	–	(65,484)
Total change in financing cash flows	融資活動現金流之變動總額	3,201,952	234,516	76,063	(116,471)	–	3,396,060
Drawdown of shareholder's loan settled directly outside of the Group as disclosed in (note 41)	提取直接在本集團外結算的股東貸款(如附註41所載)	–	–	–	–	1,561,444	1,561,444
Net change in lease obligation	融資租賃的淨變動	–	–	–	113,008	–	113,008
Finance charge and effective interest expenses	融資費用及實際利息支出	–	66,016	–	10,384	2,618	79,018
Fair value change	公允價值變動	–	–	(2,081)	–	–	(2,081)
Interest credited to policyholders' account balances	保單持有人賬戶餘額之應計利息	2,690,237	–	–	–	–	2,690,237
Cost of insurance charges	保險費用成本	(632,696)	–	–	–	–	(632,696)
Administrative fees	行政費用	(1,370,638)	–	–	–	–	(1,370,638)
Other reserve changes	其他儲備變動	(26,885)	–	–	–	–	(26,885)
Transfer to the other payable and accrual	撥入其他應付款項及應計費用	–	–	–	(3,892)	(2,618)	(6,510)
At 31 December 2019	於二零一九年十二月三十一日	41,875,340	1,498,758	389,570	326,584	1,561,444	45,651,696

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

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

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

(a) Reconciliation to liabilities arising from financing activities for disclosure purpose (Continued)

(a) 出於披露目的就融資活動產生的負債進行對賬(續)

		Policyholders' deposit 保單持有人的存款 HK\$'000 千港元	Bank borrowings 銀行借款 HK\$'000 千港元	Preference Shares 優先股 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Shareholder's loan 股東貸款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	41,875,340	1,498,758	389,570	326,584	1,561,444	45,651,696
Change from financing cash flow:	融資現金流之變動：						
Payment made to lease liabilities	支付租賃負債款項	—	—	—	(133,839)	—	(133,839)
Policyholders' account deposits	保單持有人的賬戶儲金	4,741,469	—	—	—	—	4,741,469
Policyholders' account withdrawals	保單持有人的賬戶提取	(1,981,003)	—	—	—	—	(1,981,003)
Drawdown of bank loans	提取銀行貸款	—	843,300	—	—	—	843,300
Repayment of a bank loan	償還銀行貸款	—	(788,233)	—	—	—	(788,233)
Other borrowing cost paid	已付其他借貸成本	—	(57,870)	—	—	—	(57,870)
Total change in financing cash flows	融資活動現金流之變動總額	2,760,466	(2,803)	—	(133,839)	—	2,623,824
Capitalisation of interest of shareholder's loan	股東貸款之利息資本化	—	—	—	—	79,633	79,633
Net change in lease obligation	融資租賃的淨變動	—	—	—	89,857	—	89,857
Finance charge and effective interest expenses	融資費用及實際利息支出	—	57,548	—	9,543	—	67,091
Fair value change	公允價值變動	—	—	(1,915)	—	—	(1,915)
Interest credited to policyholders' account balances	保單持有人賬戶餘額之應計利息	2,784,500	—	—	—	—	2,784,500
Cost of insurance charges	保險費用成本	(647,173)	—	—	—	—	(647,173)
Administrative fees	行政費用	(1,384,904)	—	—	—	—	(1,384,904)
Other reserve changes	其他儲備變動	(10,604)	—	—	—	—	(10,604)
Transfer to the other payable and accrual	撥入其他應付款項及應計費用	—	—	—	(5,733)	—	(5,733)
At 31 December 2020	於二零二零年十二月三十一日	45,377,625	1,553,503	387,655	286,412	1,641,077	49,246,272

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

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

(b) Bank balances – trust and segregated account

The Group maintains segregated accounts with authorised institutions to hold clients' monies arising from its normal course of business of the regulated activities. The Group has classified the "bank balances – trust and segregated accounts" under current assets in the consolidated statement of financial position and recognised the corresponding account payables to respective clients and other institutions on the grounds that it is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance. As at 31 December 2020, client money maintained in segregated accounts amounted to HK\$747,841,000 (2019: HK\$478,465,000).

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

(b) 銀行餘額 – 信託及獨立賬戶

本集團於認可機構開立獨立賬戶，以持有其正常受規管活動業務過程中產生之客戶款項。本集團已將「銀行餘額 – 信託及獨立賬戶」分類為綜合財務狀況表之流動資產項下，並因須就客戶款項之任何損失或不當挪用負責而確認相應之應付予有關各戶及其他機構之賬款。本集團不得使用客戶賬款結算其自身債務。代客戶持有之現金受《證券及期貨條例下之證券及期貨(客戶款項)》規則限制及規管。於二零二零年十二月三十一日，於獨立賬戶持有的客戶現金為747,841,000港元(二零一九年：478,465,000港元)。

31 INSURANCE CONTRACT PROVISIONS

31 保險合同準備金

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Note 附註		
Policyholders' deposits	(i)	40,913,580	37,556,895
Future policyholders' benefits	(ii)	13,358,343	8,639,426
Unearned revenue liability	(iii)	215,853	259,553
		54,487,776	46,455,874

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

31 INSURANCE CONTRACT PROVISIONS

(Continued)

Notes:

(i) Policyholders' deposits

Analysis of movement in policyholders' deposits

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	37,556,895	33,927,093
Premiums received during the year	年內已收保費	4,397,264	4,576,745
Net fees and charges deducted from account balances	賬戶餘額中扣除的手續費和支出淨額	(1,977,403)	(1,943,268)
Interest credited to account balances	賬戶餘額之應計利息	2,567,262	2,478,583
Redemptions due for payment in current year	年內應償付之贖回額	(1,636,251)	(1,465,536)
Others movements	其他變動	5,813	(16,722)
At 31 December	於十二月三十一日	40,913,580	37,556,895

(ii) Future policyholders' benefits

Analysis of movement in future policyholders' benefits

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	8,639,426	5,573,418
Movement during the year	年內變動	4,718,917	3,066,008
At 31 December	於十二月三十一日	13,358,343	8,639,426

31 保險合同準備金 (續)

附註：

(i) 保單持有人的存款

保單持有人的存款變動分析

(ii) 未來保單持有人給付

未來保單持有人給付變動分析

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

31 INSURANCE CONTRACT PROVISIONS

(Continued)

Notes: (Continued)

(iii) Unearned revenue liability

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	259,553	71,704
Amount deferred	遞延金額	780,168	812,177
Amortisation for the year allocated to consolidated income statement	本年度分配至綜合收益表的攤銷額	(296,663)	(146,455)
		483,505	665,722
Effect of shadow accounting allocated to fair value reserve	本年度影子會計分配至公允價值儲備的影響	(527,205)	(477,873)
At 31 December	於十二月三十一日	215,853	259,553

(iv) The amount of insurance contract provisions expected to be settled after more than one year is HK\$51,289,009,000 (2019: HK\$43,136,864,000).

31 保險合同準備金(續)

附註：(續)

(iii) 未到期收入責任

(iv) 保險合同準備金預期在一年後收回的金額為51,289,009,000港元(二零一九年：43,136,864,000港元)。

32 INVESTMENT CONTRACT LIABILITIES

32 投資合同負債

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Policyholders' deposits	保單持有人的存款	(i)	4,464,045	4,318,445
Future policyholders' benefits	未來保單持有人給付	(ii)	64,828	56,656
Unearned revenue liability	未到期收入責任	(iii)	(36,018)	(10,501)
			4,492,855	4,364,600

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

32 INVESTMENT CONTRACT LIABILITIES

(Continued)

Notes:

(i) Policyholders' deposits

Analysis of movement in policyholders' deposits:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	4,318,445	4,086,277
Contributions received during the year	年內已收供款	276,474	294,362
Net fee and charges deducted from account balances	賬戶餘額中扣除的手續費和支出淨額	(49,204)	(55,043)
Interest credited to account balances	賬戶餘額之應計利息	217,238	211,654
Redemptions due for payment in current year	年內應償付之贖回額	(302,584)	(219,232)
Others movements	其他變動	3,676	427
At 31 December	於十二月三十一日	4,464,045	4,318,445

(ii) Future policyholders' benefits

Analysis of movement in future policyholders' benefits:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	56,656	45,946
Movement during the year	年內變動	8,172	10,710
At 31 December	於十二月三十一日	64,828	56,656

32 投資合同負債(續)

附註：

(i) 保單持有人的存款

保單持有人的存款變動分析：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	4,318,445	4,086,277
Contributions received during the year	年內已收供款	276,474	294,362
Net fee and charges deducted from account balances	賬戶餘額中扣除的手續費和支出淨額	(49,204)	(55,043)
Interest credited to account balances	賬戶餘額之應計利息	217,238	211,654
Redemptions due for payment in current year	年內應償付之贖回額	(302,584)	(219,232)
Others movements	其他變動	3,676	427
At 31 December	於十二月三十一日	4,464,045	4,318,445

(ii) 未來保單持有人給付

未來保單持有人給付變動分析：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	56,656	45,946
Movement during the year	年內變動	8,172	10,710
At 31 December	於十二月三十一日	64,828	56,656

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

32 INVESTMENT CONTRACT LIABILITIES

(Continued)

Notes: (Continued)

(iii) Unearned revenue liability

Analysis of movement in unearned revenue liability:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	(10,501)	3,824
Amount deferred	遞延金額	43,244	50,284
Amortisation for the year allocated to consolidated income statement	本年度分配至綜合收益表的攤銷額	(923)	(358)
		42,321	49,926
Effect of shadow accounting allocated to fair value reserve	本年度影子會計分配至公允價值儲備的影響	(67,838)	(64,251)
At 31 December	於十二月三十一日	(36,018)	(10,501)

(iv) The amount of investment contract liabilities expected to be settled after more than one year is HK\$4,263,004,000 (2019: HK\$4,151,150,000).

32 投資合同負債(續)

附註：(續)

(iii) 未到期收入責任

未到期收入責任變動分析

(iv) 投資合同負債預期在一年後收回的金額為4,263,004,000港元(二零一九年：4,151,150,000港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

33 OUTSTANDING CLAIMS

33 未決賠款

		2020 二零二零年			2019 二零一九年		
		Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
		總額	再保險公司 份額	淨額	總額	再保險公司 份額	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
Outstanding claims	未決賠款	150,414	(55,443)	94,971	124,526	(48,349)	76,177
Claims incurred but not reported	已發生但未報告的 賠款	33,746	—	33,746	37,387	—	37,387
		184,160	(55,443)	128,717	161,913	(48,349)	113,564
Amount expected to be settled within one year	預期於一年內結清 的金額	184,160	(55,443)	128,717	161,913	(48,349)	113,564

Analysis of movements in outstanding claims:

未決賠款變動分析：

		2020 二零二零年			2019 二零一九年		
		Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
		總額	再保險公司 份額	淨額	總額	再保險公司 份額	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
Balance at 1 January	於一月一日之餘額	161,913	(48,349)	113,564	123,823	(31,202)	92,621
Current year claims	本年賠款	703,372	(314,666)	388,706	722,878	(246,116)	476,762
Current year claims paid	本年已付賠款	(593,110)	271,388	(321,722)	(626,394)	207,461	(418,933)
Previous year claims paid	往年已付賠款	(84,374)	36,184	(48,190)	(63,797)	21,508	(42,289)
Movement in incurred but not reported reserve	已發生但未報告的 儲備變動	(3,641)	—	(3,641)	5,403	—	5,403
Balance at 31 December	於十二月三十一日 之餘額	184,160	(55,443)	128,717	161,913	(48,349)	113,564

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

34 REINSURANCE PREMIUM PAYABLES

All of the reinsurance premium payables are expected to be settled within one year.

34 應付再保險保費

所有應付再保險保費預期可於一年內結清。

35 OTHER ACCOUNTS PAYABLE

35 其他應付賬款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Accounts payable	應付賬款		
— Cash and margin clients	— 現金和保證金客戶	851,095	554,471
— Clearing house, fund managers, brokers and dealers	— 清算所、基金管理人、經紀及證券商	18,438	24,074
		869,533	578,545

Included in accounts payable are amounts payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of conducting regulated activities, which amount to HK\$744,307,000 (2019: HK\$496,572,000).

應付賬款包括就於進行受規管活動過程中為客戶及其他機構收取及持有之信託及獨立銀行餘額而應付客戶及其他機構之款項744,307,000港元(二零一九年：496,572,000港元)。

All of the accounts payable are aged and due within one month or on demand.

所有應付賬款之賬齡為於一個月內到期或按要求償還。

Balance with related parties

與關聯方的結餘

At 31 December 2020, accounts payable of approximately HK\$15,606,000 (2019: HK\$15,549,000) and HK\$20,734,000 (2019: Nil) are payable to certain key management personnel of the Company and companies controlled by key management personnel of the Company respectively on normal terms of brokerage and wealth management business of the Group.

於二零二零年十二月三十一日，按本集團一般經紀及理財業務的一般條款，應付賬款之15,606,000港元(二零一九年：15,549,000港元)為應付若干本公司主要管理人員之款項及20,734,000港元(二零一九年：無)為應付若干本公司主要管理人員所控制公司之款項。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

36 OTHER PAYABLES AND ACCRUED EXPENSES

36 其他應付款項和應計開支

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Accrued staff costs	應計員工成本	100,464	106,125
Commission payables	應付佣金	255,406	204,791
Derivative financial instruments	衍生金融工具	151,788	20,366
Premium received in advance	提前收取保費	1,621,389	1,583,983
Other payables and accruals	其他應付款項及應計費用	391,665	521,702
		2,520,712	2,436,967

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

所有佣金及其他應付款項及衍生負債款項預期可於一年內結清。

Balance with related parties

與關聯方的結餘

- (1) At 31 December 2020, accounts payable of approximately HK\$22,507,000 (2019: HK\$22,299,000) are payable to MassMutual International LLC ("MMI") who is a substantial shareholder of the Company and its affiliates.
- (2) At 31 December 2020, interest accrual of approximately HK\$2,752,000 (2019: HK\$2,618,000) is due to Key Imagination Limited ("KIL") who is the controlling shareholder of the Company.

- (1) 於二零二零年十二月三十一日，應付賬款之22,507,000港元(二零一九年：22,299,000港元)為應付本公司一個主要股東—MassMutual International LLC (「MMI」)及其聯營公司之款項。
- (2) 於二零二零年十二月三十一日，應付本公司控股股東Key Imagination Limited (「KIL」)的應計利息約為2,752,000港元(二零一九年：2,618,000港元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

37 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

37 財務狀況表所示之所得稅

(a) Tax payable in the statement of financial position represents:

(a) 財務狀況表所示之應付稅項指：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	49,963	48,626
Provisional Profits Tax paid	已付暫繳利得稅	(36,881)	(1,992)
		13,082	46,634
Balance of Profits Tax provision relating to prior years	以往年度利得稅準備結餘	—	4,913
		13,082	51,547
Macau Complementary Tax	澳門補充稅		
Balance of Complementary Tax provision for the year	本年度補充稅準備餘額	—	—
Overseas Tax	海外稅		
Balance of overseas provision for the year	本年度海外準備餘額	811	539
		13,893	52,086
Amount of tax payable expected to be settled within one year	預期於一年內結清的應付稅項	13,893	52,086
Amount of taxation payable expected to be settled after more than one year	預期於一年後結清的應付稅項	—	—

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

37 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (Continued)

37 財務狀況表所示之所得稅(續)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax liabilities/ (assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

(b) 已確認遞延稅項資產和負債：

本年度於綜合財務狀況表確認之遞延稅項負債／(資產)部份及變動如下：

		Fair value Adjustment to assets and liabilities related to acquisition of subsidiaries	Accelerated tax depreciation	Tax losses	Fair value adjustment on investment at fair value through profit and loss	Decelerated tax on expense/ expected credit loss incurred	Net unrealised gain on available for sales financial instruments	Total
		收購附屬公司相關資產與負債的公允價值調整 HK\$'000 千港元	提前稅項折舊 HK\$'000 千港元	稅項虧損 HK\$'000 千港元	以公允價值計量且其變動計入損益的投資的公允價值調整 HK\$'000 千港元	減緩費用／ 預期信用損失 HK\$'000 千港元	可供出售金融資產之未變現收益淨額 HK\$'000 千港元	總額 HK\$'000 千港元
Deferred tax liabilities/ (assets) arising from:	以下各項產生之遞延稅項負債／(資產)：							
At 1 January 2019 (Credited)/charged to profit or loss	於二零一九年一月一日在損益(計入)/列支	1,318,539	—	—	—	(184)	—	1,318,355
		(51,155)	—	—	—	140	—	(51,015)
At 31 December 2019	於二零一九年十二月三十一日	1,267,384	—	—	—	(44)	—	1,267,340
At 1 January 2020 (Credited)/charged to profit or loss	於二零二零年一月一日在損益(計入)/列支	1,267,384	—	—	—	(44)	—	1,267,340
Exchange impact	匯兌影響	(47,067)	(100)	—	—	—	—	(47,167)
		—	(6)	—	—	—	—	(6)
At 31 December 2020	於二零二零年十二月三十一日	1,220,317	(106)	—	—	(44)	—	1,220,167

At 31 December 2020, no deferred tax asset has been recognised in respect of the tax losses of HK\$2,132 million (2019: HK\$1,736 million) to the extent that it is not probable that future taxable profit against which the losses can be utilised will be available subject to the approval of respective tax authorities in the relevant tax jurisdiction. The tax losses amounting to HK\$1,332 million (2019: HK\$1,282 million) do not expire under current tax legislation.

於二零二零年十二月三十一日，並無就稅項虧損21.32億港元(二零一九年：17.36億港元)確認遞延稅項資產，由於相關稅務司法權區及實體不大可能有未來應課稅溢利(須經各稅務機關批准)可利用該虧損抵銷。稅項虧損13.32億港元(二零一九年：12.82億港元)根據現行稅務法例不會屆滿。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

38 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

38 以公允價值計量且其變動計入損益的金融負債

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Designated at fair value through profit or loss	指定以公允價值計量且其變動計入損益		
Preference share liability (note 1)	優先股負債(附註1)	387,655	389,570
Third-party interests in consolidated funds (note 2)	納入合併範圍的基金的 第三方權益(附註2)	230,906	240,999
		618,561	630,569

Note:

- (1) By 31 December 2020, total number of 500,000 preference shares was issued under the agreement for a total proceed of US\$50,000,000. The subsidiary is obliged to redeem all issued preference shares in 5 years starting from the initial issuance date of the preference shares. At liquidation, after all creditors' claim is satisfied, the asset of the subsidiary should be first distributed to preference shareholders by redeeming all issued shares together with any unpaid preferred share dividends. The preference shares are due for settlement after more than a year from 31 December 2020.
- (2) The third party interests in consolidated fund consist of third-party unit holders' interest in the consolidated fund which is reflected as a liability as the fund is to be dissolved and return all capital to investor in seventh anniversary of the respective final closing date of the respective funds. The end of term of the consolidated fund is more than a year from 31 December 2020.

附註：

- (1) 於二零二零年十二月三十一日，根據協議發行的優先股總數為500,000股，總計50,000,000美元。附屬公司有義務在優先股初始發行日起5年內贖回所有已發行優先股。清算時，在所有債權人的賠款要求實現後，附屬公司的資產應首先通過贖回所有已發行股份以及任何未支付的優先股股息分配至優先股股東。自二零二零年十二月三十一日起超過一年後，優先股應結清。
- (2) 合併基金的第三方權益包括第三方單位持有人於合併基金的權益，由於該基金將被解散，因此列示為負債；並在相應基金最終結算日的第七周年將所有資本返還給投資者。合併基金的期限終止為自二零二零年十二月三十一日起一年以上。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

39 LEASE LIABILITIES

The Group had obligations under contractual maturities of the lease liabilities as follows:

		31 December 2020 於二零二零年十二月三十一日		31 December 2019 於二零一九年十二月三十一日	
		Present value of the minimum lease payment 最低租賃付款之現值 HK\$'000 千港元	Total minimum lease payment 最低租賃付款之總額 HK\$'000 千港元	Present value of the minimum lease payment 最低租賃付款之現值 HK\$'000 千港元	Total minimum lease payment 最低租賃付款之總額 HK\$'000 千港元
Within one year	1年內	133,607	140,000	128,147	135,248
After one but within 2 years	1年後但2年內	88,574	91,779	114,146	118,879
After 2 years but within 5 years	2年後但5年內	61,901	64,388	81,970	84,554
Over 5 years	超過5年	2,330	2,342	2,321	2,345
		286,412	298,509	326,584	341,026
Less: finance cost	減：融資成本		(12,097)		(14,442)
Present value lease liabilities	租賃負債現值		286,412		326,584

39 租賃負債

本集團的應償還租賃負債的合同到期日款項如下：

40 BANK BORROWINGS

The bank loan was unsecured and repayable as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within one year	1年內	1,553,503	—
After 1 year but within 2 years	1年後但2年內	—	1,498,758

40 銀行借款

銀行借款為無擔保貸款，償還詳情如下：

The Group's banking facilities are subject to the compliance of covenants including certain financial ratios and negative pledge against certain arrangement and transactions, as are commonly found in lending arrangements with financial institutions. If the Group breached any of the covenants and negative pledge against certain arrangement and transactions, the outstanding bank loan would become immediate due and payable. The Group regularly monitors its compliance with these covenants. As at 31 December 2020, the Group is in compliance with the covenants. Further details of the Group's management of liquidity risk are set out in note 5.

正如與金融機構訂立的常見借貸安排一樣，本集團銀行備用信貸均受制於契諾合規，包括財務比率以及就某些安排和交易作出的限制抵押。如果本集團違反任何契諾以及就某些安排和交易作出的限制抵押，未償銀行貸款將立即到期並應償還。本集團會定期監察契諾的遵守情況。於二零二零年十二月三十一日，本集團與契諾規定合規。有關本集團流動資金風險管理工作的詳情，載列於附註5。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

41 SHAREHOLDER'S LOAN

During the year, the term of the loan is extended for 3 years and the amount of loan interest accrual of HK\$79,633,000 is capitalised as part of the loan principal on loan extension date. It becomes due after 2 year but within 5 years from the reporting date. The interest rate is determined based on arm's length terms. The Group has an unconditional extension right to extend the due date for another year at the interest rate to be reset based on prevailing market condition at the time of exercising the right.

41 股東貸款

於本年度，貸款期限延長了三年，為數79,633,000港元的應計貸款利息已於貸款延期當天資本化為貸款本金的一部分。該貸款自報告日起兩年後但五年內到期。貸款利率是基於公平交易條款確定的。而本集團擁有無條件將貸款到期日再延遲一年的權利，延期後的貸款利率根據本集團行權時的普遍市場條件重新協定。

42 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity from page 142 to 143. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

42 資本和儲備

(a) 權益部份之變動

本集團綜合權益的每個組成部分的期初與期末結餘的對賬，載列於第142至143頁綜合權益變動表。下表載列本公司個別權益組成部分在年初與年終的變動詳情：

		本公司					
		Share capital	Capital Reserve	Shares held by share award scheme	Share-based payment reserve	Accumulated losses	Total
		股本	資本儲備	股份獎勵計劃持有股份	以股份為基礎的支付儲備	累計虧損	總額
		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 1 January 2019	於二零一九年一月一日	9,828,591	64,000	(83,230)	28,033	(1,022,993)	8,814,401
Equity settled share-based transactions	以權益結算的以股份為基礎的交易	-	-	-	(6,541)	-	(6,541)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(245,684)	(245,684)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	9,828,591	64,000	(83,230)	21,492	(1,268,677)	8,562,176
Issue of subscription shares	發行認購股份	2,043,589	-	-	-	-	2,043,589
Equity settled share-based transactions	以權益結算的以股份為基礎的交易	-	-	-	(12,019)	-	(12,019)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(409,130)	(409,130)
At 31 December 2020	於二零二零年十二月三十一日	11,872,180	64,000	(83,230)	9,473	(1,677,807)	10,184,616

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

42 CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Share held by share award scheme and share-based payment reserve

The Company's shares held by Youyu Share Award Scheme Nominee Limited, TMF Trust (HK) Limited and Bank of Communications Trustee Limited for the share award schemes are presented as a deduction in equity as shares held for share award scheme.

Share-based payment reserve represents the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments.

(ii) Asset revaluation reserve

The asset revaluation reserve arose on the revaluation of the trading rights in the exchanges in Hong Kong in prior years. The carrying value of the trading rights have been fully amortised in previous years. The remaining revaluation reserve will be realised when the Group disposes of the trading rights.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(y).

42 資本和儲備(續)

(b) 儲備之性質及用途

(i) 就股份獎勵計劃持有之股份及以股份為基礎之付款儲備

由有魚股份獎勵計劃代理人有限公司、達盟信託服務(香港)有限公司及交通銀行信託有限公司持有之本公司股份作為一個扣減項目在股本權益中呈報，列作就股份獎勵計劃而持有之股份。

以股份為基礎之付款儲備乃指向本公司僱員授出而尚未行使之購股權於授出日期之公允價值，其已根據以股份為基礎之付款而採納之會計政策確認。

(ii) 資產重估儲備

資產重估儲備於重估過往年度於香港之交易所之交易權時產生。交易權之賬面值已於過往年度悉數攤銷。餘下重估儲備將於本集團出售交易權時變現。

(iii) 匯兌儲備

匯兌儲備包括所有換算外國業務財務報表產生之匯兌差額。該儲備根據附註2(y)所載之會計政策予以處理。

42 CAPITAL AND RESERVES (Continued)**(b) Nature and purpose of reserves**
(Continued)**(iv) Statutory and capital reserve***Statutory reserve*

Pursuant to the Company Law of the PRC, in accordance with the relevant subsidiary's articles of association, 10% of the net profit of the relevant subsidiary, determined in accordance with the relevant accounting rules and financial regulations applicable to enterprises in the PRC ("PRC GAAP"), is required to be transferred to the statutory reserve until such time when this reserve reaches 50% of the registered capital of the subsidiary incorporated in PRC. The reserve appropriated can be used for expansion of business scale and capitalisation. If the statutory reserve is capitalised into registered capital, the remaining reserve is required to be no less than 25% of the subsidiary's registered capital before capitalisation.

Capital reserve

The capital reserve arose to recognise the difference between the fair value and the issue price of Company's share in relation to the completion of the acquisition of YF Life.

(c) Distributability of reserves

As at 31 December 2020, the Company did not have any reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of the new Hong Kong Companies Ordinance (Cap. 622) (2019: nil).

(d) Dividend

No dividend was paid or proposed for the year ended 31 December 2020 (2019: nil), nor has dividend been proposed since the end of the reporting period.

42 資本和儲備(續)**(b) 儲備之性質及用途(續)****(iv) 法定和資本儲備***法定儲備*

根據《中華人民共和國公司法》，按照相關附屬公司的公司章程，基於適用於中國企業的有關會計規則和財務條例（「中國會計準則」）確定的有關附屬公司淨溢利的10%，須轉入法定儲備，直至該儲備達到於中國註冊成立的附屬公司註冊資本的50%。所撥入的儲備可用於擴大業務規模和資本化。如果法定儲備轉為註冊資本，剩餘儲備在資本化前不少於附屬公司註冊資本的25%。

資本儲備

收購萬通保險後，確認本公司股份的公允價值與發行價格之間的差異而產生資本儲備。

(c) 儲備之可分派性

於二零二零年十二月三十一日，根據新香港《公司條例》(第622章)第6部的條文計算，本公司並無任何可供分派予本公司權益股東之儲備(二零一九年：無)。

(d) 股息

截至二零二零年十二月三十一日止年度，本公司並無派付或擬派股息(二零一九年：無)，而自報告期末起亦無建議派付任何股息。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

42 CAPITAL AND RESERVES (Continued)

(e) Share capital

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

		2020 二零二零年		2019 二零一九年	
		Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Issued and fully paid:	已發行及繳足				
Balance brought forward	承前結存	3,223,326,394	9,829,094	3,223,326,394	9,829,094
Issue of subscription shares	發行認購股份	644,665,279	2,043,589	—	—
Balance carried forward	結轉結存	3,867,991,673	11,872,683	3,223,326,394	9,829,094

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Issue of subscription shares

As disclosed in the announcement of the Company dated 7 September 2020, the Company entered into subscription agreements with 1) Jade Passion in relation to the subscription of 484,665,279 ordinary shares in the share capital of the Company at the subscription price of HK\$3.17 per ordinary share and 2) MMI in relation to the subscription of 160,000,000 ordinary shares in the share capital of the Company at the Subscription Price of HK\$3.17 per ordinary share. At completion of the subscription on 29 October 2020, total of 644,665,279 ordinary shares were issued and total proceed of HK\$2,043,588,934 was received in October 2020.

42 資本和儲備(續)

(e) 股本

本公司普通股之變動載列如下：

普通股股東有權收取不時宣派的股息，並且有權在本公司大會上按照每持有一股可投一票的比例參與投票。所有普通股在分佔本公司剩餘資產方面享有同等權益。

發行認購股份

如於本公司日期為二零二零年九月七日之公告所披露，本公司與1) Jade Passion訂立了認購協議，內容有關按每股3.17港元之認購價認購本公司股本中的484,665,279股普通股，以及2) MMI訂立了認購協議，內容有關按每股3.17港元之認購價認購本公司股本中的160,000,000股普通股。於二零二零年十月二十九日完成認購事項時，共發行644,665,279股普通股，本公司於二零二零年十月收到的所得款項總額為2,043,588,934港元。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

42 CAPITAL AND RESERVES (Continued)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to meet its obligations and continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The capital structure of the Group consists of share capital and reserves as shown in the statement of financial position. In respect of the Group's insurance operations in Hong Kong and Macau, the regulators are interested in ensuring that the subsidiary maintains an appropriate solvency position to meet its liabilities arising from claims maturities and surrenders from its life insurance contracts. Pursuant to the Hong Kong Insurance Ordinance and the Macau Insurance Ordinance, YF Life is required to meet the requirements on solvency margin. If YF Life fails to comply with the requirements, the regulators may require YF Life to submit a plan for the restoration of a sound financial position or a short term financial scheme as appropriate, to the satisfaction of the regulators. YF Life complied with the solvency margin requirements for the year ended 31 December 2020.

42 資本和儲備(續)

(f) 資本管理

本集團管理資本的主要目的是保障本集團可持續經營，從而藉着訂定與風險水平相稱的產品和服務價格並以合理成本獲得融資的方式，繼續為股東提供回報。

本集團的資本架構包括財務狀況表所示的股本及儲備。就本集團於香港及澳門的保險業務而言，監管機構欲確保該附屬公司維持適當的償付能力，以履行其人壽保險合同的賠款滿期及退保金所產生的負債。根據《香港保險條例》和《澳門保險條例》，萬通保險必須符合償付準備金的規定。如果萬通保險未能遵守規定，監管機構可要求萬通保險提交恢復健全財務狀況計劃或相關短期財務計劃，直至監管機構滿意為止。截至二零二零年十二月三十一日止年度，萬通保險已遵守償付準備金的規定。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

42 CAPITAL AND RESERVES (Continued)

(f) Capital management (Continued)

On the other hand, certain subsidiaries of the Group, Yunfeng Financial Markets Limited (“YFFM”), Yunfeng Securities Limited (“YFSL”) and Yunfeng Asset Management Limited (“YFAM”), is subject to externally imposed capital requirements. YFFM, YFSL and YFAM are regulated by the Securities and Futures Commission (the “SFC”) and are required to comply with certain minimum capital requirements according to the Securities and Futures Ordinance. The management monitors YFFM, YFSL and YFAM’s liquid capital daily to ensure they meet the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules (“FRR”) adopted by the SFC. Under the FRR, YFAM, YFFM and YFSL must maintain its liquid capital in excess of HK\$3 million or 5% of their total adjusted liabilities whichever is higher. The required information was filed with SFC on a monthly or half yearly basis. YFFM, YFSL and YFAM were in compliance with the capital requirements imposed by FRR during the current and prior year.

43 EMPLOYEE SHARE-BASED ARRANGEMENTS

(i) Share award scheme

On 17 October 2014, the board of directors approved the adoption of the share award scheme (the “2014 Share Award Scheme”). The purpose of the 2014 Share Award Scheme is to (i) encourage or facilitate the holding of shares by the selected participants; (ii) encourage and retain such individuals to work with the Company and the Group and (iii) provide additional incentive for them to achieve performance goals, and the share award scheme took effect on 30 October 2014. The awarded shares are awarded by issuing new ordinary shares. Before vesting, the awarded shares are held in a trust set up by the scheme. During the year, there is neither new issue nor outstanding share award under the 2014 Share Award Scheme.

42 資本和儲備(續)

(f) 資本管理(續)

另一方面，本公司若干附屬公司—雲鋒金融市場有限公司(「雲鋒金融市場」)、雲鋒證券有限公司(「雲鋒證券」)及雲鋒資產管理有限公司(「雲鋒資產」)須遵守外界制定之資本規定。雲鋒金融市場、雲鋒證券及雲鋒資產受證券及期貨事務監察委員會(「證監會」)所規管，並須根據證券及期貨條例遵守若干最低資本規定。管理層根據證監會採納之證券及期貨(財政資源)規則(「財政資源規則」)每日監察雲鋒金融市場、雲鋒證券及雲鋒資產之流動資金以確保其符合最低流動資金需求。根據財政資源規則，雲鋒資產、雲鋒金融市場及雲鋒證券市場須維持3,000,000港元或佔其經調整負債總額5%(以較高者為準)以上之流動資金。所需資料乃每月提交或每半年予證監會備案。雲鋒金融市場、雲鋒證券及雲鋒資產於本年度及上年度遵守財政資源規則所制定之資本規定。

43 僱員股份安排

(i) 股份獎勵計劃

於二零一四年十月十七日，董事會批准採納股份獎勵計劃(「2014股份獎勵計劃」)。股份獎勵計劃旨在(i)鼓勵或促進獲選參與者持有本公司股份；(ii)鼓勵及挽留有關個人於本集團工作；及(iii)向彼等提供額外獎勵，激勵其達成表現目標，股份獎勵計劃已於二零一四年十月三十日生效。獎勵股份乃透過發行新普通股授出。於歸屬前，該等獎勵股份由該計劃設立之受託人持有。年內未發行新股份，亦不存在2014股份獎勵計劃下的未行使股份獎勵。

43 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

(i) Share award scheme (Continued)

With similar purpose of 2014 Share Award Scheme, on 12 December 2016, the board of directors approved the adoption of 2016 Share Award Scheme (the “2016 Share Award Scheme”) and the Company issue of 23,990,000 new ordinary shares of the Company to TMF Trust (HK) Limited to be granted to the Group A Participant (Group A Grantees) as disclosed in the announcement of the Company dated 24 January 2017. The share was issued at value of HK\$5.4 per share.

During the year, the Group did not repurchase any Company ordinary share through Bank of Communications for the Group B Participant (Group B Grantees).

The fair value of 2016 Share Award Scheme at the date of the grant are charged to staff costs and related expenses over the projected vesting period being the period for which the services from the employees are rendered with a corresponding credit to employee share-based payment reserve.

Upon vesting and transfer to the awardees, the related cost of the shares are credited to share held for share award scheme, and the related fair value of the shares are debited to share-based payment reserve.

43 僱員股份安排(續)

(i) 股份獎勵計劃(續)

與2014年股份獎勵計劃目的相似，於二零一六年十二月十二日，董事會批准通過2016年度股份獎勵計劃(「2016股份獎勵計劃」)，及誠如日期為二零一七年一月二十四日的公告所披露，本公司向達盟信託服務(香港)有限公司發行23,990,000股新普通股，以授予A組參與者(A組承授人)。新普通股以每股5.4港幣發行。

本集團於年內未通過交通銀行回購本公司普通股股份以授予B組參與者(B組承授人)。

2016股份獎勵計劃獎勵股份於授出日期之公允價值在預計歸屬期(即有關僱員提供服務之期間)內攤作員工成本及相關開支，並相應記入以股份為基礎之僱員付款儲備。

於歸屬及轉讓予獲授人後，該等股份之有關成本記入就股份獎勵計劃所持之股份，而該等股份之有關公允價值則自以股份為基礎之付款儲備扣除。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

43 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

43 僱員股份安排(續)

(ii) Details of the 2016 Share Award Scheme (to Group A Grantee)

(ii) 授予A組承授人2016年股份獎勵計劃詳情

Date of approval by board	Date of award	Awarded sum	Number of shares issued	Number of awarded shares awarded	Average fair value per share	Vesting period
董事會批准日期	授予日期	授予金額 HK\$'000 千港元	所發行股份 數目	已授予股份 獎勵數目	每股加權 公允價值 HK\$ 港元	歸屬期間
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2017 二零一七年一月二十四日至 二零一七年五月四日
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2018 二零一七年一月二十四日至 二零一八年五月四日
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2019 二零一七年一月二十四日至 二零一九年五月四日
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2020 二零一七年一月二十四日至 二零二零年五月四日
25 April 2018 二零一八年四月二十五日	25 April 2018 二零一八年四月二十五日	3,242	—	712,500	4.55	25 April 2018 – 4 May 2018 二零一八年四月二十五日至 二零一八年五月四日
25 April 2018 二零一八年四月二十五日	25 April 2018 二零一八年四月二十五日	3,242	—	712,500	4.55	25 April 2018 – 4 May 2019 二零一八年四月二十五日至 二零一九年五月四日
25 April 2018 二零一八年四月二十五日	25 April 2018 二零一八年四月二十五日	3,242	—	712,500	4.55	25 April 2018 – 4 May 2020 二零一八年四月二十五日至 二零二零年五月四日
25 April 2018 二零一八年四月二十五日	25 April 2018 二零一八年四月二十五日	3,242	—	712,500	4.55	25 April 2018 – 4 May 2021 二零一八年四月二十五日至 二零二一年五月四日

Details of the 2016 Share Award Scheme (to Group B Grantee)

授予B組承授人2016年股份獎勵計劃詳情

Date of approval by board	Date of award	Awarded sum	Number of shares repurchased	Number of awarded shares awarded	Average fair value per share	Vesting period
董事會批准日期	授予日期	授予金額 HK\$'000 千港元	回購股份 數目	已授予股份獎 勵數目	每股加權 公允價值 HK\$ 港元	歸屬期間
26 January 2018 二零一八年一月二十六日	26 January 2018 二零一八年一月二十六日	5,786	950,000	950,000	6.09	26 January 2018 – 2 February 2018 二零一八年一月二十六日至 二零一八年二月二日
21 May 2018 二零一八年五月二十一日	21 May 2018 二零一八年五月二十一日	94,298	19,050,000	19,050,000	4.95	21 May 2018 – 28 May 2018 二零一八年五月二十一日至 二零一八年五月二十八日

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

43 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

43 僱員股份安排(續)

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

(iii) 相關A組承受人已歸屬、取消及修改服務條件之2016股份獎勵計劃詳情

Grant date on 24 January 2017

授予日：二零一七年一月二十四日

Vesting date	歸屬日期	Number of awarded shares awarded 已授予股份獎勵數目	Number of awarded shares vested 已歸屬授予股份數目	Number of awarded shares cancelled and forfeited 已撤銷及放棄授予股份數目	Number of awarded share remains outstanding 尚未行使已授予股份數目
		A	B	C	F=A-B-C
As of 31 December 2018	截至二零一八年十二月三十一日	20,190,000	7,882,500	5,962,500	6,345,000
Movement for the year 2019	二零一九年年度變動				
4 May 2017	二零一七年五月四日	—	—	—	—
4 May 2018	二零一八年五月四日	—	—	—	—
4 May 2019	二零一九年五月四日	—	—	1,662,500	—
4 May 2020	二零二零年五月四日	—	—	1,637,500	—
As of 31 December 2019	截至二零一九年十二月三十一日				
4 May 2017	二零一七年五月四日	5,047,500	4,510,000	537,500	—
4 May 2018	二零一八年五月四日	5,047,500	3,372,500	1,675,000	—
4 May 2019	二零一九年五月四日	5,047,500	—	3,537,500	1,510,000
4 May 2020	二零二零年五月四日	5,047,500	—	3,512,500	1,535,000
Total	總額	20,190,000	7,882,500	9,262,500	3,045,000
Movement for the year 2020	本年度變動				
4 May 2017	二零一七年五月四日	—	—	—	—
4 May 2018	二零一八年五月四日	—	—	—	—
4 May 2019	二零一九年五月四日	—	—	1,262,500	—
4 May 2020	二零二零年五月四日	—	—	1,287,500	—
As of 31 December 2020	截至二零二零年十二月三十一日				
4 May 2017	二零一七年五月四日	5,047,500	4,510,000	537,500	—
4 May 2018	二零一八年五月四日	5,047,500	3,372,500	1,675,000	—
4 May 2019	二零一九年五月四日	5,047,500	—	4,800,000	247,500
4 May 2020	二零二零年五月四日	5,047,500	—	4,800,000	247,500
Total	總額	20,190,000	7,882,500	11,812,500	495,000

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

43 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

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

The awarded share remains outstanding due to service condition modification.

Grant date on 25 April 2018

43 僱員股份安排(續)

(iii) 相關A組承受人已歸屬、取消及修改服務條件之2016股份獎勵計劃詳情(續)

由於服務條件變化，已授予股份尚未行使。

授予日：二零一八年四月二十五日

Vesting date	歸屬日期	Number of awarded shares awarded 已授予股份獎勵數目	Number of awarded shares vested 已歸屬授予股份數目	Number of awarded shares cancelled and forfeited 已撤銷及放棄授予股份數目	Number of awarded share remains outstanding 尚未行使已授予股份數目
		A	B	C	F=A-B-C
As of 31 December 2018	截至二零一八年十二月三十一日	2,850,000	712,500	37,500	2,100,000
Movement for the year 2019	二零一九年年度變動				
4 May 2018	二零一八年五月四日	—	—	—	
4 May 2019	二零一九年五月四日	—	—	—	
4 May 2020	二零二零年五月四日	—	—	—	
4 May 2021	二零二一年五月四日	—	—	—	
As of 31 December 2019	截至二零一九年十二月三十一日				
4 May 2018	二零一八年五月四日	712,500	712,500	—	—
4 May 2019	二零一九年五月四日	712,500	—	12,500	700,000
4 May 2020	二零二零年五月四日	712,500	—	12,500	700,000
4 May 2021	二零二一年五月四日	712,500	—	12,500	700,000
Total	總額	2,850,000	712,500	37,500	2,100,000
Movement for the year 2020	本年度變動				
4 May 2018	二零一八年五月四日	—	—	—	
4 May 2019	二零一九年五月四日	—	—	187,500	
4 May 2020	二零二零年五月四日	—	—	187,500	
4 May 2021	二零二一年五月四日	—	—	187,500	
As of 31 December 2020	截至二零二零年十二月三十一日				
4 May 2018	二零一八年五月四日	712,500	712,500	—	—
4 May 2019	二零一九年五月四日	712,500	—	200,000	512,500
4 May 2020	二零二零年五月四日	712,500	—	200,000	512,500
4 May 2021	二零二一年五月四日	712,500	—	200,000	512,500
Total	總額	2,850,000	712,500	600,000	1,537,500

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

43 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

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

Vesting date	歸屬日期	Number of awarded shares 已授予股份獎勵數目	Number of awarded shares vested 已歸屬授予股份數目	Number of awarded shares cancelled 已撤銷授予股份數目	Number of awarded shares forfeited 已放棄授予股份數目	Number of awarded share remains outstanding 尚未行使已授予股份數目
		A	B	C	D	F=A-B-C-D
2 Feb 2018	二零一八年二月二日	950,000	950,000	—	—	—
28 May 2018	二零一八年五月二十八日	19,050,000	19,050,000	—	—	—
As of 31 December 2018	截至二零一八年十二月三十一日	20,000,000	20,000,000	—	—	—

There is no movement for 2016 Share Award Scheme to Group B Grantee for the year.

(iv) 相關B組承受人已歸屬、取消及修改服務條件之2016股份獎勵計劃詳情

本年度，授予B組承受人的2016年股份獎勵計劃未出現變動。

44 INTERESTS IN STRUCTURED ENTITIES

Interest in consolidated structure entities

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

As at 31 December 2020, the net assets of consolidated limited partnership fund entities as detailed in note 22 amounted to HK\$673 million (2019: HK\$706 million) with net carrying interest held by the Group being HK\$442 million (2019: HK\$464 million).

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

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

44 結構化實體的權益

合併結構化實體權益

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

於二零二零年十二月三十一日，綜合有限合夥基金實體(詳見附註22)淨資產為6.73億港元(二零一九年：7.06億港元)，本集團持有淨資產為4.42億港元(二零一九年：4.64億港元)。

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

於年末，本集團重新評估對結構化實體的控制，並決定本集團是否仍為主事人。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

44 INTERESTS IN STRUCTURED ENTITIES

(Continued)

Interest in unconsolidated structure entities

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

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

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

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

44 結構化實體的權益(續)

未合併結構化實體權益

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

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

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

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

45 COMMITMENTS

(a) Capital commitments

As at 31 December 2020, the Group has a total of HK\$66.2 million (2019: HK\$30.7 million) capital commitment contracted but not provided for.

(b) Investment commitments

- (i) In the normal course of business, the Group enters into commitments to purchase certain investments and capital contribution commitments to third party managed fund investment. The Group has investment commitments contracted for amounted to HK\$947,663,000 (2019: HK\$1,575,509,000).
- (ii) As at 31 December 2020, the Group has capital commitment to a joint venture for an amount of US\$20 million with US\$13.93 million has been contributed.
- (iii) As disclosed in the announcement of the Company dated 4 February 2016, YFFM (formerly known as Reorient Financial Markets Limited), a wholly owned subsidiary of the Company, entered into a joint venture agreement with Giant Investment Co., Ltd., and Jiangsu YuWell Technology Development Co., Ltd. ("Jiangsu Limited") on that day. As disclosed in the circular of the Company dated 29 April 2016, the joint venture agreement was superseded and replaced by the amended and restated joint venture agreement entered among YFFM, Hangzhou Dr. Herbs Electronics Commerce Company Limited and Jiangsu Limited on 13 April 2016. Upon establishment of the joint venture company after obtaining all necessary approval as defined and disclosed in the circular, YFFM is committed to contribute RMB1,290,000,000 of the registered capital of the joint venture company.

45 承擔

(a) 資本承擔

截至二零二零年十二月三十一日，本集團合計承擔6,620萬港元(二零一九年：3,070萬港元)的已簽約但未備撥之資本承擔。

(b) 投資承擔

- (i) 在正常業務過程中，本集團作出購買若干投資的承諾，以及向第三方管理基金投資作出投資承諾。本集團已訂約的合同投資承諾為947,663,000港元(二零一九年：1,575,509,000港元)。
- (ii) 於二零二零年十二月三十一日，本集團已向一家合營企業作出資本承擔額2,000萬美元，已供款1,393萬美元。
- (iii) 誠如二零一六年二月四日刊發之本公司公告所披露，於當日，本公司的全資附屬公司雲鋒金融市場有限公司(「雲鋒金融市場」)(前稱瑞東金融市場有限公司)，與巨人投資有限公司及江蘇魚躍科技發展有限公司(「江蘇公司」)簽立有關成立合營企業的發起人協議。誠如二零一六年四月二十九日本公司通函所披露，於二零一六年四月十三日，雲鋒金融市場與杭州禾博士電子商務有限公司(「禾博士」)和江蘇公司簽立有關成立合營企業的經修訂及重列發起人協議取替及取代有關成立合營企業的發起人協議。誠如通函所定義及披露，雲鋒金融市場在合營企業取得所有必須的批准後為合營企業註冊資本承擔的出資金額為人民幣1,290,000,000元。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

46 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

The remuneration for key management personnel of the Group is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	10,499	37,718
Post employment benefits	離職後福利	5,318	796
Equity compensation benefits	權益計酬福利	—	5,368
		15,817	43,882

Total remuneration is included in “staff costs” in note 11(a) to the financial statements.

During the year, no (2019: HK\$356,000) transaction and management fee related to key management personnel’s securities brokerage and wealth management transaction is waived by the Group.

46 重大關聯人士交易

(a) 與主要管理人員的交易

本集團之主要管理人員酬金如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Short term employee benefits	10,499	37,718
Post employment benefits	5,318	796
Equity compensation benefits	—	5,368
	15,817	43,882

酬金總額計入財務報表附註11(a)「員工成本」。

本年度內，本集團沒有豁免與主要管理人員證券經紀及財富管理交易有關的(二零一九年：356,000港元)交易及管理費用。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

46 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

46 重大關聯人士交易(續)

(b) Transactions with other related parties

(b) 與其他關聯方的交易

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Brokerage fee income (note (i))	經紀費收入(附註(i))	1,180	35
Interest expense (note (ii))	利息支出(附註(ii))	—	247
Investment management fee paid (note (iii))	已付投資管理費(附註(iii))	84,292	71,553
Transitional services fee paid (note (iv))	已付過渡服務費(附註(iv))	16,203	12,041
Policies endorsement fee paid (note (v))	已付保單批單費(附註(v))	5,170	5,285
Management fee and advisory fee income from a joint venture and comanager of the joint venture	合營企業及該合營企業聯席經理的管理費及顧問費收入	2,094	2,951
Premiums and fee income (note (vi))	保費及費用收入(附註(vi))	—	1,343

Note:

附註：

(i) During the year ended 31 December 2020, the Group provided brokerage services to (i) companies where the Company's chairman, Mr. Yu Feng ("Mr. Yu") is a director and substantial shareholder and Mr. Huang Xin ("Mr. Huang"), the executive director, is a director (ii) key management of the Company.

During the year ended 31 December 2019, the Group provided brokerage services to (i) a company where the Company's chairman, Mr. Yu Feng ("Mr. Yu") is a director and substantial shareholder and Mr. Huang Xin ("Mr. Huang"), the executive director, is a director (ii) key management of the Company.

(ii) During the year, the Group incurred interest expense for cash custodian transactions with key management personnel.

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

(i) 於二零二零年十二月三十一日止年度，本集團向(i)數間公司(本公司主席虞鋒先生(「虞先生」)為董事及主要股東，黃鑫(「黃先生」)為執行董事)及(ii)本公司的關鍵管理人員提供經紀服務。

於二零一九年十二月三十一日止年度，本集團向(i)一間公司(本公司主席虞鋒先生(「虞先生」)為董事及主要股東，黃鑫(「黃先生」)為執行董事)及(ii)本公司的關鍵管理人員提供經紀服務。

(ii) 於年內，本集團向重要管理人員進行現金託管交易時產生利息支出。

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

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

46 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with other related parties (Continued)

Note: (Continued)

- (iv) The fee is paid to a substantial shareholder, who appointed a director to the board of the Company, for certain treasury and financial reporting services relating to investment or portfolio management and other information technology related services to YF Life.
- (v) The fee is paid to an affiliate of a substantial shareholder, who appointed a director to the board of the Company, for the provision of claims payment endorsement to the life insurance outstanding policies of YF Life until such policies mature.
- (vi) During the year, the Group has not received premium and fee income from a company where the Company's chairman, Mr. Yu is a director and shareholder.
- (vii) As of 31 December 2020, no investment commitment (2019: US\$1 million) is made by key management personnel to the funds managed or jointly managed by the Group.

46 重大關聯人士交易(續)

(b) 與其他關聯方的交易(續)

附註：(續)

- (iv) 就萬通保險有關的投資或投資組合管理及其他資訊技術相關服務的某些資金和財務報告服務，向一名主要股東(委任為本公司董事會董事)支付該筆費用。
- (v) 為萬通保險的人壽保險未付保單提供賠款支付批單，直至該等保單逾期，向一名主要股東(委任為本公司董事會董事)的一家聯營公司支付該筆費用。
- (vi) 於年內，本集團沒有保費及費用收入來自一間公司(本公司主席虞先生為該公司之董事及股東)。
- (vii) 於二零二零年十二月三十一日，主要管理人員均未對本集團管理或共同管理的基金作出任何投資承諾(二零一九年：100萬美元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

47 COMPANY-LEVEL STATEMENT OF
FINANCIAL POSITION AT 31 DECEMBER
202047 於二零二零年十二月三十一日公司
層面之財務狀況報表

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Assets	資產			
Interests in subsidiaries	於附屬公司之權益		11,729,265	10,050,744
Other receivable and prepayment	其他應收款項及預付款項		8,504	18,995
Cash and cash equivalents	現金及現金等值項目		640	90
Total assets	資產總額		11,738,409	10,069,829
Liabilities	負債			
Accrued expenses and other payables	應計費用及其他應付款項		290	8,895
Bank borrowings	銀行借款	40	1,553,503	1,498,758
Total liabilities	負債總額		1,553,793	1,507,653
NET ASSETS	資產淨值		10,184,616	8,562,176
EQUITY	權益			
Share capital	股本	42(a)	11,872,180	9,828,591
Reserves	儲備	42(a)	(1,687,564)	(1,266,415)
TOTAL EQUITY	權益總額		10,184,616	8,562,176

Approved and authorised for issue by the Board on 26 March 2021 and are signed on its behalf by:

於二零二一年三月二十六日獲董事會批准及授權刊發並由下列代表簽署：

Zhang Ke

張可

Executive Director, Vice Chairman and
Chief Executive Officer
執行董事、副董事長及行政總裁

Huang Xin

黃鑫

Executive Director
執行董事

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

48 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2020, the directors consider the immediate parent and ultimate holding company of the Company to be Yunfeng Financial Holdings Limited which is incorporated in the Cayman Islands and beneficially owned as to 29.85% and 70.15% by Mr. Ma Yun and Mr. Yu Feng, respectively. Yunfeng Financial Holdings Limited does not produce financial statements available for public use.

49 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2020

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 have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

48 直接和最終控權方

董事認為本公司於二零二零年十二月三十一日之直接母公司及最終控股公司為雲鋒金融控股有限公司，該公司於開曼群島註冊成立，並由馬雲先生及虞鋒先生實際擁有29.85%及70.15%股權。雲鋒金融控股有限公司並無編製財務報表以供公眾人士使用。

49 已頒佈但尚未在截至二零二零年十二月三十一日止年度生效的修訂、新標準和詮釋所產生的可能影響

截至本財務報表刊發日，香港會計師公會頒佈了多項修訂及新訂的《香港財務報告準則第17號》「保險合同」，該等修訂及新準則尚未應用於本財務報表。這些準則變化包括下列可能與本集團有關的項目。

**Effective for
accounting periods
beginning on or after
在以下日期或之後
開始的會計期間生效**

Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i> 《香港財務報告準則》第3號修訂「對概念框架之引述」	1 January 2022 二零二二年一月一日
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i> 《香港會計準則》第16號修訂「物業、廠房和設備：達到預定用途前所獲收入」	1 January 2022 二零二二年一月一日
Amendments to HKAS 37, <i>Onerous Contracts – Cost of Fulfilling a Contract</i> 《香港會計準則》第37號修訂「虧損性合約 – 履行合約之成本」	1 January 2022 二零二二年一月一日
Annual Improvements to HKFRSs 2018-2020 Cycle 《香港財務報告準則》的年度改進(2018至2020年度周期)	1 January 2022 二零二二年一月一日
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-current</i> 《香港會計準則》第1號修訂「流動與非流動負債的劃分」	1 January 2023 二零二三年一月一日
HKFRS 17, <i>Insurance Contracts</i> 《香港財務報告準則第17號》「保險合同」	1 January 2023 二零二三年一月一日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正在評估這些準則變化對初始採用期間的影響。截至目前為止，本集團相信採納這些修訂不大可能會對本集團的綜合財務報表產生重大影響。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

50 RECONCILIATION BETWEEN HKFRSS AND US GAAP

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

50 《香港財務報告準則》與美國公認會計準則的對賬

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

		As at 31 December 2020 於二零二零年十二月三十一日			
		HKFRSS adjustments 《香港財務報告準則》調整		Amounts under US GAAP	
Consolidated statement of financial position	綜合財務狀況表	Insurance- related balances reclassification ^[1] 保險相關餘額 重新分類 ^[1]	Other difference in accounting ^[2] 其他會計 差異 ^[2]	Difference in Impairment basis ^[3] 減值基準 差異 ^[3]	美國公認會計 準則下的金額 HK\$'000 千港元
Assets	資產				
Property and equipment	物業及設備		5,854		606,305
Statutory deposits	法定存款				5,721
Deferred tax assets	遞延稅項資產			78	228
Investments in an associate	於聯營公司的投資				30,074
Goodwill and Intangible assets	商譽及無形資產				1,909,079
Deferred acquisition costs and value of business acquired	遞延保單獲得成本及收購業務的 價值	447,616			11,391,384
Investments	投資		(32,972)	48,841	62,823,573
Advance reinsurance premiums	預付再保險保費				1,289,587
Reinsurers' share of outstanding claims	未決賠款之再保險公司份額				55,443
Insurance and reinsurance receivables	應收保費及再保險賬款	(63,119)			3,692,634
Other account receivable and accrued income	其他應收賬款及應計收入				158,878
Other receivables, deposit and prepayment	其他應收款項、按金及預付款項	(2,793)		22	951,868
Bank balance – Trust and segregated accounts	銀行餘額 – 信託及獨立賬戶			155	747,996
Fixed bank deposits with original maturity over 3 months	原定期限多於三個月的銀行定期 存款				236,733
Cash and cash equivalents	現金及現金等值項目			115	4,056,849
Total assets	資產總額				87,956,352
Liabilities	負債				
Insurance contract provisions	保險合同準備金	4,503,078			58,990,854
Investment contract liabilities	投資合同負債	(4,492,855)			—
Outstanding claims	未決賠款				184,160
Reinsurance premium payables	應付再保險保費				321,989
Financial liability at fair value through profit or loss, other account payable and lease liabilities	以公允價值計量且其變動計入損 益的金融負債、其他應付賬款 及租賃負債				1,774,506
Other payables	其他應付款項	311,184			2,831,896
Tax payable	應付稅項				13,893
Deferred tax liabilities	遞延稅項負債				1,220,317
Bank borrowings	銀行借款				1,553,503
Shareholder's loan	股東貸款				1,641,077
Total liabilities	負債總額				68,532,195
Total net assets	淨資產總額				19,424,157
Capital and reserves	資本和儲備				
Share capital	股本				11,872,683
Reserves	儲備	38,016	(13,334)	33,235	1,565,811
Non-controlling interest	非控股權益	22,281	(13,784)	15,975	5,985,663
Total equity	權益總額				19,424,157

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

50 RECONCILIATION BETWEEN HKFRSS AND US GAAP (Continued)

50 《香港財務報告準則》與美國公認會計準則的對賬(續)

		As at 31 December 2019 於二零一九年十二月三十一日			
		HKFRSS adjustments (香港財務報告準則)調整		Difference in Impairment basis ⁽³⁾ 減值基準 差異 ⁽³⁾	Amounts under US GAAP 美國公認會計 準則下的金額 HK\$'000 千港元
Consolidated statement of financial position	綜合財務狀況表	Insurance- related balances reclassification ⁽¹⁾ 保險相關餘額 重新分類 ⁽¹⁾	Other difference in accounting ⁽²⁾ 其他會計 差異 ⁽²⁾		
Assets	資產				
Property and equipment	物業及設備		8,657		503,985
Statutory deposits	法定存款				3,243
Deferred tax assets	遞延稅項資產			78	122
Investments in an associate	於聯營公司的投資				27,860
Goodwill and Intangible assets	商譽及無形資產				1,923,360
Deferred acquisition costs and value of business acquired	遞延保單獲得成本及收購業務的價值				11,644,004
Investments	投資	457,578	(36,596)	12,499	54,798,146
Advance reinsurance premiums	預付再保險保費				1,455,458
Reinsurers' share of outstanding claims	未決賠款之再保險公司份額				48,349
Insurance and reinsurance receivables	應收保費及再保險賬款	(65,997)			1,513,546
Other account receivable and accrued income	其他應收賬款及應計收入				124,446
Other receivables, deposit and prepayment	其他應收款項、按金及預付款項	(2,281)		22	625,252
Bank balance – Trust and segregated accounts	銀行餘額 – 信託及獨立賬戶			155	478,620
Fixed bank deposits with original maturity over 3 months	原定期限多於三個月之銀行定期存款				385,417
Cash and cash equivalents	現金及現金等值項目			115	2,169,866
Total assets	資產總額				75,701,674
Liabilities	負債				
Insurance contract provisions	保險合同準備金	4,381,059			50,836,933
Investment contract liabilities	投資合同負債	(4,364,600)			–
Outstanding claims	未決賠款				161,913
Reinsurance premium payables	應付再保險保費				529,562
Financial liability at fair value through profit or loss, other account payable and lease liabilities	以公允價值計量且其變動計入損益的金融負債、其他應付賬款及租賃負債				1,535,698
Other payables	其他應付款項	331,299			2,768,266
Tax payable	應付稅項				52,086
Deferred tax liabilities	遞延稅項負債				1,267,384
Bank borrowings	銀行借款				1,498,758
Shareholder's loan	股東貸款				1,561,444
Total liabilities	負債總額				60,212,044
Total net assets	淨資產總額				15,489,630
Capital and reserves	資本和儲備				
Share capital	股本				9,829,094
Reserves	儲備	24,925	(13,947)	7,869	292,451
Non-controlling interest	非控股權益	16,617	(13,992)	5,000	5,368,085
Total equity	權益總額				15,489,630

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

50 RECONCILIATION BETWEEN HKFRSS AND US GAAP (Continued)

50 《香港財務報告準則》與美國公認會計準則的對賬(續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

Consolidated income statement	綜合收益表	HKFRSS adjustments (《香港財務報告準則》調整)			Amounts under US GAAP 美國公認會計準則下的金額 HK\$'000 千港元
		Insurance-related balances reclassification ⁽¹⁾ 保險相關餘額重新分類 ⁽¹⁾	Other difference in accounting ⁽²⁾ 其他會計差異 ⁽²⁾	Difference in Impairment basis ⁽³⁾ 減值基準差異 ⁽³⁾	
Income	收入				
Premiums and fee income	保費及費用收入				7,723,441
Premiums ceded to reinsurer	分出保費	320,018			(2,614,951)
Net premium and fee income	保費及費用收入淨額				5,108,490
Change in unearned revenue liability	未到期收入責任變動	64,389			(461,436)
Net earned premium and fee income	滿期保費及費用收入淨額				4,647,054
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務收入				33,944
Subscription, management and rebate fee income	認購、管理費及回退費收入				5,432
Consultancy and advisory fee	顧問及諮詢費				—
Net investment income and other income	投資收入和其他收入淨額	(107,776)	(140,893)	70,897	6,211,347
Overlay adjustment	覆蓋調整		119,419		—
Reinsurance commission and profit	再保險佣金和溢利	(10,591)			86,710
Total income	收益總額				10,984,487
Benefits, losses and expenses	給付、虧損和費用				
Net policyholders benefit	淨保戶給付	(15,984)			(3,288,821)
Commission and related expenses	佣金和相關費用				(1,349,851)
Management and other expenses	管理及其他開支	(13,369)	(2,803)		(956,218)
Change in future policyholder benefits and deferral and amortisation of deferred acquisition costs and value of business acquired	未來保單持有人給付、遞延保單獲得成本的遞延和攤銷及收購業務的價值變化	(118,247)			(4,101,645)
Total benefits, losses and expenses	給付、虧損和費用總額				(9,696,535)
Finance cost	融資成本				(170,385)
Share of result of in associates	聯營公司業績份額				303
Profit before taxation	除稅前溢利				1,117,870
Tax credit	稅項抵免				(3,823)
Profit after taxation	除稅後溢利				1,114,047
Profit attributable to:	下列各方應佔溢利：				
Equity shareholders of the Company	本公司權益股東	82,672	(16,685)	49,486	733,788
Non-controlling interests	非控股權益	35,768	(7,592)	21,411	380,259
					1,114,047

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

50 RECONCILIATION BETWEEN HKFRSS AND US GAAP (Continued)

50 《香港財務報告準則》與美國公認會計準則的對賬(續)

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

Consolidated income statement	綜合收益表	HKFRSS adjustments (《香港財務報告準則》調整)			Amounts under US GAAP 美國公認會計準則下的金額 HK\$'000 千港元
		Insurance-related balances reclassification ⁽¹⁾ 保險相關餘額重新分類 ⁽¹⁾	Other difference in accounting ⁽²⁾ 其他會計差異 ⁽²⁾	Difference in Impairment basis ⁽³⁾ 減值基準差異 ⁽³⁾	
Income	收入				
Premiums and fee income	保費及費用收入				6,016,075
Premiums ceded to reinsurer	分出保費	331,972			(1,616,031)
Net premium and fee income	保費及費用收入淨額				4,400,044
Change in unearned revenue liability	未到期收入責任變動	11,411			(704,238)
Net earned premium and fee income	滿期保費及費用收入淨額				3,695,806
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務收入				18,566
Subscription, management and rebate fee income	認購、管理費及回退費收入				8,850
Consultancy and advisory fee	顧問及諮詢費				1,060
Net investment income and other income	投資收入和其他收入淨額	(228,671)	(89,582)	18,566	4,614,645
Overlay adjustment	覆蓋調整		93,666		—
Reinsurance commission and profit	再保險佣金和溢利	(10,945)			67,259
Total income	收益總額				8,406,186
Benefits, losses and expenses	給付、虧損和費用				
Net policyholders benefit	淨保戶給付	(17,370)			(3,213,922)
Commission and related expenses	佣金和相關費用				(1,199,847)
Management and other expenses	管理及其他開支	(17,022)	(2,310)		(1,020,770)
Change in future policyholder benefits and deferral and amortisation of deferred acquisition costs and value of business acquired	未來保單持有人給付、遞延保單獲得成本的遞延和攤銷及收購業務的價值變化	(27,706)			(2,190,919)
Total benefits, losses and expenses	給付、虧損和費用總額				(7,625,558)
Finance cost	融資成本				(103,488)
Share of result of in associates	聯營公司業績份額				(1,080)
Profit before taxation	除稅前溢利				676,060
Tax credit	稅項抵免			140	839
Profit after taxation	除稅後溢利				676,899
Profit attributable to:	下列各方應佔溢利:				
Equity shareholders of the Company	本公司權益股東	25,002	3,040	11,246	294,907
Non-controlling interests	非控股權益	16,667	(1,266)	7,460	381,992
					676,899

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港幣列示)

50 RECONCILIATION BETWEEN HKFRS AND US GAAP (Continued)

Notes:

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

51 COMPARATIVE FIGURES

Certain comparative disclosure notes have been adjusted to conform with current year presentation.

52 CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2020 and 31 December 2019.

53 NON – ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The bank borrowings of the Group amounted to HK\$1,553,503,000 as of 31 December 2020 was fully repaid in March 2021, with the funding partially from the drawdown of a new bank borrowing facility through refinancing, which is unsecured and due 3 years after the facility agreement date.

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

50 《香港財務報告準則》與美國公認會計準則的對賬(續)

附註：

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

51 比較數字

若干比較數字已作出調整，以符合本年度的列報方式。

52 或然負債

本集團於二零二零年及二零一九年十二月三十一日並無任何重大或然負債。

53 報告期後的非調整事件

本集團已於二零二一年三月全額償還於二零二零年十二月三十一日金額為1,553,503,000港元的銀行貸款，部分償還金額是通過提取新的無抵押銀行借款進行再融資，該筆新的無抵押銀行貸款於貸款協議日後3年到期。

在報告期後，並無其他重大非調整事項。

Five Year Financial Summary

五年財務概要

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RESULTS	業績					
Premiums and fee income	保費及費用收入	7,723,441	6,016,075	761,673	—	—
Brokerage commission, interest and other service income	經紀佣金、利息收入和其他服務收入	33,944	18,566	7,118	6,163	3,846
Subscription, management and rebate fee income	認購、管理費及回退費收入	5,432	8,850	9,978	3,791	—
Consultancy and advisory income	顧問及諮詢收入	—	1,060	13,092	11,110	42,274
Profit/(loss) before taxation	除稅前溢利/(虧損)	952,810	614,051	(181,296)	(378,168)	(324,869)
Taxation	稅項	(3,823)	699	41,791	(1,138)	8,327
Profit/(loss) for the year	本年度溢利/(虧損)	948,987	614,750	(139,505)	(379,306)	(316,542)
Attributable to:	以下各方應佔：					
Equity shareholder of the company	本公司權益股東	618,315	255,619	(195,612)	(379,054)	(316,688)
Non-controlling interest	非控股權益	330,672	359,131	56,107	(252)	146
Profit/(loss) for the year	本年度溢利/(虧損)	948,987	614,750	(139,505)	(379,306)	(316,542)
Basic (loss)/earnings per share (HK\$)	每股基本(虧損)/盈利(港元)	0.19	0.08	(0.08)	(0.16)	(0.13)
ASSETS AND LIABILITIES	資產和負債					
Property and equipment	物業及設備	600,451	495,328	133,946	17,035	21,418
Goodwill and intangible assets	商譽及無形資產	1,909,079	1,923,360	1,932,016	36,110	21,512
Value of business acquired	收購業務的價值	9,012,571	10,057,446	11,075,662	—	—
Interest in associates	聯營公司權益	30,074	27,860	64,846	—	—
Investments	投資	62,807,704	54,822,243	43,632,718	898,134	310,123
Other assets	其他資產	13,192,676	8,001,207	7,048,729	4,251,766	4,572,544
Total liabilities	負債總額	(68,210,788)	(59,864,286)	(48,533,891)	(1,063,713)	(481,474)
		19,341,767	15,463,158	15,354,026	4,139,332	4,444,123
Share capital	股本	11,872,683	9,829,094	9,829,094	4,629,094	4,499,548
Reserves	儲備	1,507,893	273,604	(593,702)	(489,762)	(56,532)
Non-controlling interests	非控股權益	13,380,576	10,102,698	9,235,392	4,139,332	4,443,016
		5,961,191	5,360,460	6,118,634	—	1,107
Total equity	權益總額	19,341,767	15,463,158	15,354,026	4,139,332	4,444,123

In the annual report, the following expressions shall have the following meanings unless the context required otherwise:

於本年報內，除文義另有所指外，下列詞彙具有以下涵義：

“Audit Committee”	the audit committee of the Company	「審核委員會」	本公司之審核委員會
“Barings Investment Advisory Agreement”	the Fourth Amended and Restated Investment Advisory Agreement dated 15 December 2017 and entered into by and between Barings LLC and YF Life	「霸菱投資諮詢協議」	由Barings LLC及萬通保險於二零一七年十二月十五日訂立之第四份經修訂及重述之投資諮詢協議
“Board”	the board of Directors	「董事會」	本公司之董事會
“CEO”	the chief executive officer of the Company	「行政總裁」	本公司之行政總裁
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules	「企管守則」	上市規則附十四所載之相關企業管治守則
“Chairman”	the chairman of the Board	「董事長」	董事會之董事長
“Company”	Yunfeng Financial Group Limited	「本公司」	雲鋒金融集團有限公司
“Companies Ordinance”	the Companies Ordinance (“Chapter 622 of the Laws of Hong Kong, as it may be amended from time to time)	「公司條例」	《公司條例》(香港法例第622章)(經不時修訂)
“Director(s)”	the director(s) of the Company	「董事」	本公司董事
“Extension to the Transitional Services Agreement”	the extension to the transitional services agreement dated 15 November 2019 and entered into by and between YF Life and MMI	「過渡服務協議之延期協議」	由萬通保險及MMI於二零一九年十一月十五日訂立之過渡服務協議之延期協議
“Group”	the Company and its subsidiaries	「本集團」	本公司及其附屬公司
“HKIA”	the Hong Kong Insurance Authority, whether the individual appointed under the IO or body corporate established under the IO	「保監局」	香港保險業監管局，不論為根據保險條例獲委任的個人或根據保險條例成立的法人團體
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	中華人民共和國香港特別行政區
“IO”	the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong), as the case may be, as it may be amended from time to time	「保險條例」	《保險公司條例》(香港法例第41章)或《保險業條例》(香港法例第41章)(視情況而定)，經不時修訂
“Jade Passion”	Jade Passion Limited	「Jade Passion」	Jade Passion Limited
“Key Imagination”	Key Imagination Limited	「Key Imagination」	Key Imagination Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange	「上市規則」	香港聯合交易所有限公司證券上市規則

Definitions

釋義

“MMI”	MassMutual International LLC	「MMI」	Mass Mutual International LLC
“MMLIC”	Massachusetts Mutual Life Insurance Company	「MMLIC」	Massachusetts Mutual Life Insurance Company
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules	「標準守則」	上市規則附十所載之上市公司董事進行證券交易的標準守則
“Nomination Committee”	the nomination committee of the Company	「提名委員會」	本公司提名委員會
“Policies Endorsement Fee Agreement”	the policies endorsement fee agreement dated 15 December 2017 and entered into by and between MMLIC and YF Life	「保單附加擔保費用協議」	由MMLIC及萬通保險於二零一七年十二月十五日訂立之保單附加擔保費用協議
“PRC”	the People’s Republic of China	「中國」	中華人民共和國
“Remuneration Committee”	the remuneration committee of the Company	「薪酬委員會」	本公司薪酬委員會
“SFC”	the Securities and Futures Commission of Hong Kong	「證監會」	香港證券及期貨事務監察委員會
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as it may be amended from time to time	「證券及期貨條例」	《證券及期貨條例》(香港法例第571章)(經不時修訂)
“Share(s)”	ordinary share(s) of the Company	「股份」	本公司普通股股份
“Shareholder(s)”	holder(s) of the Shares	「股東」	股份持有人
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	香港聯合交易所有限公司
“Transitional Services Agreement”	the transitional services agreement dated 15 December 2017 and entered into by and between YF Life and MMI	「過渡服務協議」	由萬通保險和MMI於二零一七年十二月十五日訂立之過渡服務協議
“Year”	the year ended 31 December 2020	「本年度」	截至二零二零年十二月三十一日之年度
“YF Life”	YF Life Insurance International Limited, formerly known as MassMutual Asia Limited, a non-wholly owned subsidiary of the Company	「萬通保險」	萬通保險國際有限公司，前稱萬通保險亞洲有限公司，本公司之非全資擁有附屬公司
“YF Life Group”	YF Life and its subsidiaries	「萬通保險集團」	萬通保險及其附屬公司
“YFHL”	Yunfeng Financial Holdings Limited	「雲鋒金融控股」	雲鋒金融控股有限公司

