



First Credit Finance Group Limited

第一信用金融集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(於開曼群島註冊成立並於百慕達存續之有限公司) Stock Code 股份代號 : 8215

Annual Report 年報 **2016**



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香港聯合交易所有限公司創業板的特色

創業板(「創業板」)的定位乃為相比其他在香港聯合交易所有限公司(「聯交所」)上市的公司帶有較高投資風險的公司提供一個上市的市場。潛在投資者應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富的投資者。

由於創業板上市的公司屬新興性質，在創業板買賣的證券可能會較在聯交所主板買賣的證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告的資料乃遵照聯交所創業板證券上市規則(「創業板上市規則」)而刊載，旨在提供有關第一信用金融集團有限公司(「本公司」)的資料；本公司的董事(「董事」)願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完整，沒有誤導或欺騙成分，且並無遺漏任何其他事項，足以令致本報告或其所載任何陳述產生誤導。

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Corporate Information 公司資料

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Sin Kwok Lam (*Chairman*)
Mr. Tsang Yan Kwong (*Chief Executive Officer*)
Mr. Leung Wai Hung
Ms. Ho Siu Man

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Kam Man
Mr. Wang Zhiwei
Mr. Yu Wan Hei

AUTHORISED REPRESENTATIVES

Mr. Tsang Yan Kwong
Mr. Leung Wai Hung

AUDIT COMMITTEE MEMBERS

Mr. Yu Wan Hei (*Chairman*)
Mr. Fung Kam Man
Mr. Wang Zhiwei

NOMINATION COMMITTEE MEMBERS

Mr. Sin Kwok Lam (*Chairman*)
Mr. Fung Kam Man
Mr. Yu Wan Hei
Mr. Wang Zhiwei

REMUNERATION COMMITTEE MEMBERS

Mr. Fung Kam Man (*Chairman*)
Mr. Sin Kwok Lam
Mr. Yu Wan Hei
Mr. Wang Zhiwei

COMPLIANCE OFFICER

Ms. Ho Siu Man

COMPANY SECRETARY

Mr. Leung Wai Hung

AUDITORS

RSM Hong Kong
Certified Public Accountants

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

董事

執行董事

冼國林先生(*主席*)
曾仁光先生(*行政總裁*)
梁偉雄先生
何筱敏女士

獨立非執行董事

馮錦文先生
王志維先生
余運喜先生

授權代表

曾仁光先生
梁偉雄先生

審核委員會成員

余運喜先生(*主席*)
馮錦文先生
王志維先生

提名委員會成員

冼國林先生(*主席*)
馮錦文先生
余運喜先生
王志維先生

薪酬委員會成員

馮錦文先生(*主席*)
冼國林先生
余運喜先生
王志維先生

合規主任

何筱敏女士

公司秘書

梁偉雄先生

核數師

中瑞岳華(香港)會計師事務所
執業會計師

註冊辦事處

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HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

STOCK CODE

8215

WEBSITE OF THE COMPANY

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Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

股份代號

8215

本公司網站

www.firstcredit.com.hk

Chairman's Statement 主席報告

Dear Shareholders,

On behalf of the board of Directors (“**Board**”) of the Company, I am pleased to present to you the 2016 annual report of the Company and its subsidiaries (collectively the “**Group**”).

During the year under review, the Group continued with its efforts in developing the money lending business despite keen market competition in Hong Kong. Fund raising through a rights issue and placing of notes in 2016 enabled the Group to further expand its loan portfolio to satisfy the growing market needs. The Group's average loan balance increased significantly from approximately HK\$402.14 million as at 31 December 2015 to approximately HK\$661.33 million as at 31 December 2016. The Group's revenue increased to approximately HK\$81.60 million as compared to approximately HK\$63.26 million in previous year. The Group recorded profit for the year of about HK\$33.65 million, representing an increase of around 35.27% when compared to the previous year.

Considering the potential development of the securities related business and taking into account the interest of the Group and its shareholders as a whole, at the fourth quarter of 2016, the Company invested in a company engaging in securities-related business by entering into two share subscription agreements one of which completed on 5 October 2016 and the other expected to be completed in early April 2017 as relevant conditions precedent have been fulfilled in March 2017. Upon completion of the second share subscription, the target company will become a subsidiary of the Company.

The external operating environment had been challenging with net interest margin still under downward pressure. In order to maintain sustainable growth of its loan business, the Group will continue to seek for loan portfolio expansion opportunities within a balanced risk and return framework, taking into consideration of its liquidity position from time to time.

The Group has put emphasis on its rising corporate social responsibility. While it is committed to economic development, environmental preservation and social involvement, it utilizes its influence among different stakeholders to encourage involvements in various social aspects. The ultimate aim is to achieve long term sustainable development for both the Group and the community.

各位股東：

本人謹代表本公司董事會(「**董事會**」)欣然呈報本公司及其附屬公司(統稱為「**本集團**」)的二零一六年年報。

回顧本年度，儘管香港市場競爭劇烈，本集團仍致力發展其放債業務。於二零一六年透過供股及配售票據集資令本集團進一步擴展貸款組合，以滿足日益增長的市場需求。本集團的平均貸款結餘由二零一五年十二月三十一日約402,140,000港元大幅增加至二零一六年十二月三十一日約661,330,000港元。本集團的收益由去年約63,260,000港元增加至約81,600,000港元。本集團錄得年內溢利約為33,650,000港元，與去年相比增加約35.27%。

考慮到證券相關業務的發展潛能及本集團及其股東之整體利益，於二零一六年第四季度，本公司藉訂立兩份股份認購協議投資於一間從事證券相關業務的公司。該兩份協議其中一份已於二零一六年十月五日完成，另一份協議的相關先決條件已於二零一七年三月達成，並預料將於二零一七年四月初完成。第二次股份認購完成後，目標公司將成為本公司之附屬公司。

外部經營環境充滿挑戰，淨息差仍面臨下行壓力。為維持其貸款業務可持續增長，本集團將在平衡的風險及回報框架下，不時考慮到其負債狀況，繼續擴大貸款組合。

本集團已將重點放在其日益重要的企業社會責任。在致力於經濟發展、環境保護及社會參與的同時，利用於不同業務相關人士之間的影響，鼓勵大家參與多方面的社會事務。最終目的旨在達致本集團及社區的長期可持續發展。

Chairman's Statement 主席報告 (continued 續)

In view of the uncertain global economic outlook, the Group will actively pursue opportunities and growth in a cautious manner with a high standard of risk management which ensures that risks are assessed and controlled in accordance with the Group's stringent policies.

On behalf of the Board, I would like to express my gratitude to the shareholders of the Company and customers for their continuing loyalty and support. Relying on the diligence and dedication of its employees, the Group will maintain its unwavering focus on the sustainability of its objectives while ensuring the long-term success of the Group.

Sin Kwok Lam

Chairman and Executive Director

Hong Kong, 27 March 2017

鑒於全球經濟前景不明朗，本集團將以審慎的態度及高標準的風險管理水平，積極抓緊機遇發展，並確保已根據本集團嚴格的政策，評估及監控當中風險。

本人謹代表董事會感謝本公司股東及客戶長久以來的忠實支持。有賴盡忠職守的員工，本集團將持續堅定專注於其目標的可持續性，同時保證本集團的長遠成就。

主席兼執行董事

冼國林

香港，二零一七年三月二十七日

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in money lending business which provides customers with a wide range of loan products and services to meet their financial needs. During the year ended 31 December 2016, the Group continued to focus on conducting money lending business by providing both secured and unsecured loans to customers, including individuals, corporations and foreign domestic workers. As at 31 December 2016, the Group maintained a network of three branches in Hong Kong.

During the year, in order to enhance its competitiveness and to maintain its market position within the ever changing industry and economy, the Group continued to develop its loan portfolio by diversifying its customer base, in particular individual and corporate customers from different market segments. For the year under review, the Group's average loan balance increased from approximately HK\$402.14 million as at 31 December 2015 to approximately HK\$661.33 million as at 31 December 2016. Meanwhile, to ensure the credit quality of loan portfolio from time to time and after the change of loan portfolio composition, the Group put considerable effort in strengthening the credit risk control by reviewing and modifying its current credit assessments and control measures.

To capture business opportunities, the Board was of the view that the Group should strive to expand its loan portfolio. To ensure that the Group had sufficient funds to support its business development and loan portfolio expansion, the Company has conducted several fund raising activities during the year under review, details of which are set out in the paragraphs headed "Fund Raising Activities" from page 15 to page 17 of this annual report.

The Group has been aware of increasing public concerns of charging exorbitant fee by a number of illegal referral agents in the money lending industry, which brings harmful impact on its public reputation. In compliance with the additional licensing conditions on money lenders licence which took effect from 1 December 2016, the Group set up procedures in relation to handling third parties business referrals with care and caution. The Group strives to provide reliable loan products to its customers and will cooperate with relevant regulatory bodies to fight against such illegal money lending activities.

業務回顧及展望

本集團主要從事放債業務，藉此提供各類貸款產品及服務，以滿足客戶的財務需求。截至二零一六年十二月三十一日止年度，本集團繼續專注於經營放債業務，向客戶（包括個人、公司及外籍家庭傭工）提供有抵押及無抵押貸款。於二零一六年十二月三十一日，本集團在香港維持三間分行的網絡。

年內，本集團為求在瞬息萬變的行業增強競爭力及維持市場地位，繼續透過擴大客戶基礎（尤其是來自不同市場的個人及企業客戶），發展其貸款組合。於回顧年度內，本集團的平均貸款結餘由二零一五年十二月三十一日約402,140,000港元上升至二零一六年十二月三十一日約661,330,000港元。同時，為不時確保貸款組合的信貸品質，於改變貸款組合構成後，本集團著力檢討及修改現有信貸評估及監控措施，以加強信貸風險監控。

董事會認為本集團應致力擴大其貸款組合以捕捉商機。為確保本集團有足夠的資金支持其業務發展及貸款組合擴充，本公司已於回顧年內進行多次集資活動。詳情載於本年報第15頁至第17頁「集資活動」一段。

本集團意識到，公眾日益關注放債業內多個非法轉介代理收取高昂費用，有損放債業界的公眾聲譽。為符合自二零一六年十二月一日起生效的放債人牌照額外發牌條件，本集團已建立有關審慎處理第三方業務轉介的程序。本集團致力向客戶提供可靠的貸款產品，並將與相關監管機構合作，打擊非法放債活動。

In view of the uncertain economic outlook and the competitive money lending market in Hong Kong, the Group actively pursued other opportunities in other industries in order to broaden the source of revenue and diversify business risk with the aim to enhance its shareholder value. At the fourth quarter of 2016, the Group initiated to invest in securities related business through subscribing new shares of a securities company in view of the potential of development of this business field. Subsequent to the subscription of shares made in early October 2016, the Group agreed to further subscribe for additional shares in the securities company which is expected to be completed in early April 2017. Details of the subscription of shares in the securities company are set out in the sub-paragraphs headed “Subscription of Shares — Asia Wealth Financial Holdings Limited” from page 17 to page 18 of this annual report.

In the future, while maintaining consistent availability of liquidity for money lending business, the Group will closely monitor its cash position to explore if there are any potential investment proposals or opportunities, including but not limited to investments in bonds, debt instruments, listed equity securities or project-based investments, subject to the prevailing market condition and the position of the Group. While pursuing the investment opportunities, the Group will take into account of the potential returns and seek to balance the possible market risks and liquidity risks exposures.

Looking forward, the Group intends to strengthen its operational efficiency and performance. Taking advantage of flexibility in the Group’s services and products and by closely monitoring the capital and funding base, the Group will commit to balancing the business growth objectives and risk tolerance.

鑑於經濟前景不明朗，香港放債市場競爭激烈，本集團積極尋求其他行業的不同機遇，以擴大收入來源及分散業務風險，旨在提升其股東價值。於二零一六年第四季度，本集團以認購一間證券公司新股份的方式首次投資證券相關業務，乃考慮到此業務領域具有發展潛力。繼二零一六年十月初的認購股份交易後，本集團同意進一步認購該證券公司的額外股份，預料該認購將於二零一七年四月初完成。有關認購證券公司股份之詳情載於本年報第17頁至第18頁「認購股份 — Asia Wealth Financial Holdings Limited」分段。

本集團未來將維持放債業務貫徹足夠流動資金，同時緊密監察其現金狀況，視乎現行市況及本集團狀況，探索任何潛在投資方案或商機，包括但不限於投資債券、債務工具、上市股本證券或以項目為基礎的投資。尋求投資商機的同時，本集團將考慮潛在回報，亦會平衡面臨的潛在市場危機及現金流量風險。

展望未來，本集團擬提高其經營效率及表現。透過充分利用本集團服務及產品之靈活性及緊密監察資本及資金基礎，本集團將致力平衡業務發展目標及風險承受能力。

FINANCIAL REVIEW

REVENUE

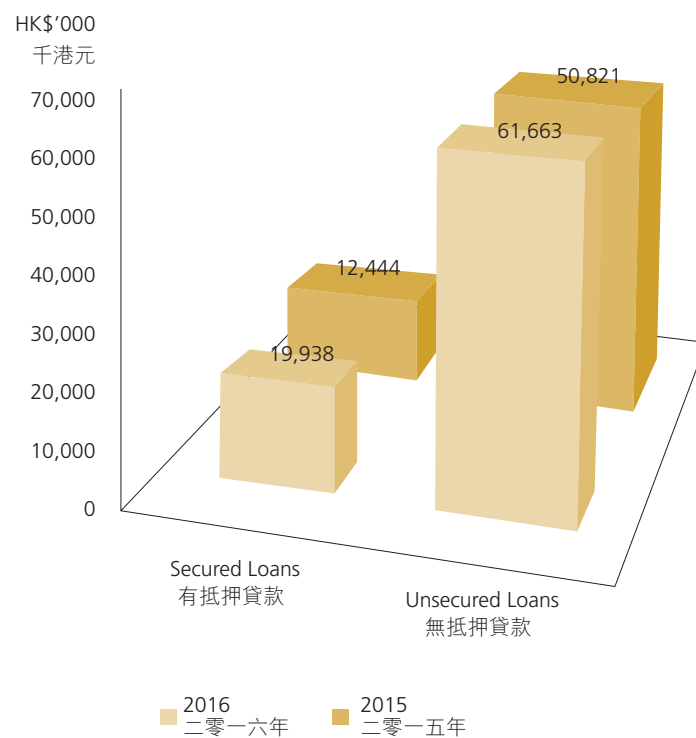
The Group's revenue is derived from interest received from the provision of various types of loan products to its customers. Revenue for the year ended 31 December 2016 was about HK\$81.60 million, representing an increase of approximately 28.98% as compared with that for the same period last year which was about HK\$63.26 million. Such growth was primarily attributable to the growth in average loan balance as a result of the Group's effort in expanding loan portfolio since April 2016, following the completion of a rights issue in late March 2016. In this respect, the Group's average loan balance increased by approximately 64.45% to approximately HK\$661.33 million for the year ended 31 December 2016 as compared to approximately HK\$402.14 million for the corresponding period in 2015.

財務回顧

收益

本集團的收益來自向其客戶提供各類貸款產品而收取的利息。截至二零一六年十二月三十一日止年度的收益約為81,600,000港元，較去年同期約63,260,000港元增加約28.98%。收益增加乃主要由於本集團於二零一六年三月底完成供股後自二零一六年四月起努力拓展貸款組合，從而使平均貸款餘額增加。有鑑於此，本集團的平均貸款餘額於截至二零一六年十二月三十一日止年度約661,330,000港元，與二零一五年同期約402,140,000港元相比增加約64.45%。

Comparison of Revenues from Secured and Unsecured Loans in 2015 and 2016
二零一五年及二零一六年有抵押貸款及無抵押貸款產生的收益對比



Revenue breakdown

收益分類

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unsecured loans	無抵押貸款		
Personal loans	個人貸款	38,945	38,860
Corporate loans	企業貸款	17,204	4,395
Foreign domestic workers loans	外籍家庭傭工貸款	5,514	7,566
Sub-total	小計	61,663	50,821
Secured loans	有抵押貸款		
First property mortgage loans	第一物業按揭貸款	10,135	4,132
Subordinated property mortgage loans	非第一物業按揭貸款	6,134	8,213
Other secured loans	其他有抵押貸款	3,669	99
Sub-total	小計	19,938	12,444
Total	總計	81,601	63,265

NET INTEREST MARGIN

The Group recorded a net interest margin of approximately 12.22% for the year ended 31 December 2016, representing a drop compared to that of approximately 15.04% for the corresponding period in 2015. In respect of unsecured loans, the net interest margin decreased from approximately 15.66% for the year ended 31 December 2015 to approximately 12.36% for the year ended 31 December 2016. Meanwhile, net interest margin in respect of secured loans decreased slightly from approximately 12.96% for the year ended 31 December 2015 to approximately 11.83% for the year ended 31 December 2016.

The decrease in overall net interest margin was primarily due to the Group's pricing strategy under the low interest rate environment of the competitive money lending industry.

淨息差

截至二零一六年十二月三十一日止年度，本集團錄得淨息差約12.22%，相較二零一五年同期約15.04%有所下降。無抵押貸款的淨息差由截至二零一五年十二月三十一日止年度約15.66%減少至截至二零一六年十二月三十一日止年度約12.36%。同時，有抵押貸款的淨息差亦由截至二零一五年十二月三十一日止年度約12.96%略微減少至截至二零一六年十二月三十一日止年度約11.83%。

整體淨息差減少主要由於本集團在競爭激烈的放債行業的低利率環境下作出的定價策略所致。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

Net interest margin
淨息差

		2016 二零一六年	2015 二零一五年
Unsecured loans	無抵押貸款		
Individuals	個人	13.00%	14.88%
Corporations	企業	9.16%	9.22%
Foreign domestic workers	外籍家庭傭工	47.15%	47.87%
Secured loans	有抵押貸款		
Individuals	個人	11.71%	12.24%
Corporations	企業	12.15%	17.53%
All loans	所有貸款	12.22%	15.04%
Unsecured loans	無抵押貸款	12.36%	15.66%
Secured loans	有抵押貸款	11.83%	12.96%

OTHER INCOME AND OTHER GAINS AND LOSSES

The Group's other income mainly comprises income from fees received in relation to its money lending business, bank interest income derived from bank deposit, rental income and management fee income. In relation to rental income, although the amount was relatively low as compared to the Group's interest income derived from loans, rental income has provided the Group with a steady source of income and has always formed part of the Group's activities. Other income recorded a decrease of approximately 21.24% from approximately HK\$1.89 million for the year ended 31 December 2015 to approximately HK\$1.49 million for the year ended 31 December 2016.

Meanwhile, the Group recorded other losses of approximately HK\$1.90 million for the year ended 31 December 2016 as compared to a record of other gains of approximately HK\$3.25 million for the year ended 31 December 2015. Such loss was primarily due to the record of fair value loss on investment properties of HK\$1.9 million for the year ended 31 December 2016, as compared to a fair value gain of HK\$3 million for the year ended 31 December 2015. Such decrease in the fair value on investment properties was primarily due to a general downward trend in the price of the private office market resulting from economic slowdown.

Details of other income and other gains and losses are set out in notes 10 and 11 to the consolidated financial statements respectively.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses mainly comprise employment expenses, occupancy costs for its offices and branches and depreciation charges. Employment expenses include directors' emoluments, employees' salaries and bonuses, mandatory and voluntary provident fund contributions, insurance premium for employees, directors and officers, etc. Occupancy costs include rental expenses and management fees, government rent and rates as well as utilities. Administrative expenses also include repair and maintenance and general insurance premiums, etc.

其他收入及其他收益及虧損

本集團的其他收入主要包括就其放債業務收取費用的收入、銀行存款的銀行利息收入、租金收入及管理費用收入。租金收入方面，儘管金額較本集團來自貸款的利息收入相對為低，惟租金收入一直為本集團提供穩定收入來源且一直為本集團業務的一部分。其他收入由截至二零一五年十二月三十一日止年度約1,890,000港元減少約21.24%至截至二零一六年十二月三十一日止年度約1,490,000港元。

同時，本集團於截至二零一六年十二月三十一日止年度錄得其他虧損約1,900,000港元，而於截至二零一五年十二月三十一日止年度錄得其他收益約3,250,000港元。該虧損主要由於截至二零一六年十二月三十一日止年度錄得投資物業公平值虧損1,900,000港元，而截至二零一五年十二月三十一日止年度則有公平值收益3,000,000港元。該投資物業公平值減幅主要由於經濟放緩帶來的私人辦公室市場價格普遍呈下行趨勢變化所導致。

其他收入及其他收益及虧損的詳情分別載於綜合財務報表附註10及11。

行政開支

本集團的行政開支主要包括僱員開支、辦公室及分行租用成本以及折舊費。僱員開支包括董事酬金、僱員薪金及花紅、強制及自願性公積金供款，以及僱員、董事及高級人員的保險費等。租用成本包括租金開支及管理費、地租及差餉以及水電費。行政開支亦包括維修保養費及一般保險費等。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

For the year ended 31 December 2016, the Group's administrative expenses recorded an increase of approximately 3.79% to approximately HK\$19.23 million when compared to approximately HK\$18.53 million for the year ended 31 December 2015 which was mainly due to the increase in depreciation charges arising from the expansion of the head office of the Company and staff costs.

截至二零一六年十二月三十一日止年度，本集團的行政開支較截至二零一五年十二月三十一日止年度約18,530,000港元增加約3.79%至約19,230,000港元，主要由於本公司總辦事處擴充所產生的折舊費及員工開支增加所致。

Administrative expenses
行政開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Employment expenses	僱員開支	15,924	15,565
Occupancy costs	租用成本	1,572	1,770
Depreciation charges	折舊費	1,214	733
Repair and maintenance and others	維修保養及其他開支	379	330
Insurance premium	保險費	143	131
Total	總計	19,232	18,529

OTHER OPERATING EXPENSES

The Group's other operating expenses mainly comprise impairment allowance for loans receivable, advertising and promotion expenses, legal and professional fees and other general expenses.

As compared to approximately HK\$17.13 million for the year ended 31 December 2015, other operating expenses for the year ended 31 December 2016 increased to approximately HK\$20.04 million. The increase was mainly attributable to the increase in impairment allowance for loans receivable on collective assessment for the year ended 31 December 2016 which was mainly due to the growth of loans receivable and the increase in advertising and promotion expenses for the year ended 31 December 2016 as compared to the corresponding period in 2015.

其他經營開支

本集團的其他經營開支主要包括應收貸款減值撥備、廣告及推廣開支、法律及專業費用以及其他一般開支。

其他經營開支由截至二零一五年十二月三十一日止年度約17,130,000港元增加至截至二零一六年十二月三十一日止年度約20,040,000港元。增幅主要是由於截至二零一六年十二月三十一日止年度根據整體評審作出的應收貸款淨減值撥備增加，而該增加主要源於應收貸款增長，且截至二零一六年十二月三十一日止年度的廣告及推廣開支相較二零一五年同期有所增加。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

Other operating expenses

其他經營開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Impairment allowance for loans receivable on individual assessment	個別評估應收貸款減值撥備	6,750	7,632
Impairment allowance for loans receivable on collective assessment	集體評估應收貸款減值撥備	2,964	600
Advertising and promotion expenses	廣告及推廣開支	3,131	1,600
Legal and professional fees	法律及專業費用	2,677	2,303
Other general expenses	其他一般開支	4,522	4,994
Total	總計	20,044	17,129

FINANCE COSTS

The Group's finance costs mainly comprise interest payments for loans from lenders which are third parties independent of the Company and its connected persons ("Independent Third Party(ies)"), loan notes, mortgage loans from banks with collaterals on its buildings and investment properties and bank overdrafts. Finance costs decreased from approximately HK\$3.53 million for the year ended 31 December 2015 to approximately HK\$1.14 million for the year ended 31 December 2016. During the year ended 31 December 2016, the Group conducted various fund raising activities in order to support its business development. As a result, the reliance on financial assistance from banks and Independent Third Party lenders significantly decreased, thereby reducing the finance costs incurred for the year under review.

財務費用

本集團的財務費用主要包括向獨立於本公司及其關連人士之獨立第三方(「獨立第三方」)放債人借入貸款、貸款票據及以其樓宇及投資物業及銀行透支作抵押的銀行按揭貸款的利息支付。財務費用由截至二零一五年十二月三十一日止年度約3,530,000港元減少至截至二零一六年十二月三十一日止年度約1,140,000港元。截至二零一六年十二月三十一日止年度，本集團進行多項集資活動，支援其業務發展。因而大幅減低對銀行及獨立第三方放債人財政支援的依賴，減低回顧年度的財務費用。

Finance costs

財務費用

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on bank loans and overdrafts	銀行貸款及透支利息	378	1,464
Interest on other loans	其他貸款利息	13	2,047
Finance lease charges	融資租賃費用	—	23
Effective interest expense on loan notes	貸款票據的實際利率開支	751	—
Total	總計	1,142	3,534

PROFIT FOR THE YEAR

The profit for the year of the Company increased by approximately 35.27% from approximately HK\$24.87 million for the year ended 31 December 2015 to approximately HK\$33.65 million for the year ended 31 December 2016. The increase was mainly attributable to an increase of approximately HK\$18.34 million in revenue and a decrease of approximately HK\$2.39 million in finance costs despite a record of a fair value loss on investment properties of HK\$1.9 million for the year ended 31 December 2016 as compared to a fair value gain on investment properties of HK\$3 million for the year ended 31 December 2015.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2016, the Group had bank and cash balances of approximately HK\$58.63 million (2015: HK\$28.33 million), loan notes of approximately HK\$32.87 million (2015: Nil) and interest-bearing loans of approximately HK\$58.54 million (2015: HK\$9.55 million), all of which are denominated in Hong Kong dollars.

The loan notes are payable within two years from the relevant date of issue at a rate of 4.5% per annum. The interest-bearing loans of approximately HK\$50.67 million are payable within one year and the remaining amount of approximately HK\$7.87 million are payable in more than one year. The interest-bearing loans comprise (i) a bank loan with an interest rate of 4.25% per annum; and (ii) a credit facility from an Independent Third Party with an interest rate of 5% per annum.

As at 31 December 2016, the net current assets of the Group amounted to approximately HK\$481.51 million (31 December 2015: HK\$171.66 million) and the current ratio, being the ratio of current assets to current liabilities, was approximately 5.91 times (31 December 2015: 14.63 times).

The Group generally finances its operations by (i) cash flow from operating activities; (ii) issuance of equity shares; and (iii) loans and/or credit facilities from Independent Third Parties and banks; and (iv) proceeds from the loan notes issued by the Company during the year under review.

年內溢利

年內溢利由截至二零一五年十二月三十一日止年度約24,870,000港元增加約35.27%至截至二零一六年十二月三十一日止年度約33,650,000港元。增幅主要由於收益增加約18,340,000港元及財務費用減少約2,390,000港元，儘管截至二零一六年十二月三十一日止年度錄得投資物業公平值虧損1,900,000港元，而截至二零一五年十二月三十一日止年度則錄得投資物業公平值收益3,000,000港元。

流動資金、財務資源及資本結構

於二零一六年十二月三十一日，本集團的銀行及現金結餘約58,630,000港元(二零一五年：28,330,000港元)，貸款票據約32,870,000港元(二零一五年：無)及計息貸款約58,540,000港元(二零一五年：9,550,000港元)，全部均以港元計值。

貸款票據須由相關發行日期起計兩年內按年利率4.5%支付。計息貸款約50,670,000港元須於一年內支付，而餘下金額約7,870,000港元則須於一年後支付。計息貸款包括(i)年利率4.25%的銀行貸款；及(ii)來自獨立第三方年利率5%的信貸融資。

於二零一六年十二月三十一日，本集團的流動資產淨值約481,510,000港元(二零一五年十二月三十一日：171,660,000港元)，而流動比率(即流動資產除以流動負債的比率)約5.91倍(二零一五年十二月三十一日：14.63倍)。

本集團的營運資金一般來自(i)經營活動所得現金流量；(ii)發行權益股份；(iii)來自獨立第三方及銀行的貸款及／或信貸融資；及(iv)來自本公司回顧年度內發行的貸款票據的所得款項。

FUND RAISING ACTIVITIES

In late 2015, the Board expected that there would be an increase in housing supply in the next few years which would lead to a substantial increase in demand for private housing secured lending. Throughout the year under review, the Board further noticed an observable demand from the unsecured lending market. In view of the potential business opportunities from both the unsecured and secured lending market, the Board continued to strive to further develop the traditional lending business by expanding its loan portfolio. To ensure that the Group had sufficient funds to satisfy the expanding market and to further develop its business, the Company has conducted the following fund raising activities during the year under review.

PLACING UNDER GENERAL MANDATE

On 17 December 2015, the Company and Jun Yang Securities Company Limited (“**Jun Yang**”) entered into a placing agreement (“**JY Placing Agreement**”) pursuant to which the Company conditionally agreed to place through Jun Yang, on a best endeavour basis, up to 60,480,000 ordinary shares of HK\$0.02 each of the Company (“**Placing Shares**”) to not less than six placees who and whose ultimate beneficial owners are Independent Third Parties at a price of HK\$0.174 per Placing Share (“**December Placing**”). The placing price represented a discount of 13.00% to the closing price of HK\$0.20 per share of the Company as quoted on the Stock Exchange on the date of the JY Placing Agreement. Completion of the December Placing was conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares. The listing approval was granted by the Stock Exchange on 31 December 2015. The completion of the December Placing took place on 8 January 2016 and an aggregate of 60,480,000 Placing Shares were successfully placed. The Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 29 June 2015. The net proceeds after deduction of expenses from the December Placing were approximately HK\$10.12 million which have been fully deployed as intended for the money lending business of the Group, as to approximately 65% for the provision of secured lending and as to approximately 35% for the provision of unsecured lending. The net placing price for the December Placing was approximately HK\$0.167 per Placing Share and the aggregate nominal value of the Placing Shares was HK\$1,209,600.

The Directors were of the view that the December Placing represented good opportunity to broaden the shareholders’ base and the capital base of the Company and was therefore in the interest of the Company and its shareholders as a whole.

Details of the December Placing are disclosed in the announcements of the Company dated 17 December 2015 and 8 January 2016.

集資活動

於二零一五年年末，董事會預計未來數年的房屋供應會告增加，其會令私人住房抵押放貸的需求顯著增長，於回顧年度整年內，董事會再留意到無抵押放貸市場的需求顯注。鑑於無抵押及有抵押放貸市場的潛在商機，董事會繼續積極進一步拓展傳統放貸業務，擴大其貸款組合。為確保本集團有充足資金滿足不斷擴展的市場並進一步發展其業務，本公司於回顧年度內已進行以下集資活動。

一般授權下的配售事項

於二零一五年十二月十七日，本公司與君陽證券有限公司(「君陽」)訂立配售協議(「君陽配售協議」)，據此，本公司已有條件同意透過君陽按盡力基準以每股配售股份0.174港元的價格(該配售價較股份於君陽配售協議日期本公司股份在聯交所所報的收市價每股0.20港元折讓13.00%)配售最多60,480,000股每股0.02港元之本公司普通股(「配售股份」)予不少於六名承配人(「十二月配售事項」)。承配人及彼等的最終實益擁有人須為獨立第三方。十二月配售事項須待聯交所批准配售股份之上市及買賣後方可作實。聯交所於二零一五年十二月三十一日批准上市。十二月配售事項已於二零一六年一月八日完成及合共60,480,000股配售股份成功獲配售。配售股份根據董事於二零一五年六月二十九日舉行的本公司股東週年大會授出的一般授權獲配發及發行。十二月配售事項的所得款項淨額(扣除開支後)約為10,120,000港元，所得款項淨額已按擬定用途悉數用於本集團放債相關業務，約65%用於提供有抵押放債，約35%用於提供無抵押放債。十二月配售事項的淨配售價約為每股配售股份0.167港元，而配售股份總面值則為1,209,600港元。

董事認為，十二月配售事項乃擴展本公司股東基礎及資本基礎之良機，故其符合本公司及其股東之整體利益。

有關十二月配售事項之詳情披露於本公司日期為二零一五年十二月十七日及二零一六年一月八日之公告。

RIGHTS ISSUE

Given that the net proceeds from the December Placing was not sufficient to meet the funding needs of the Group to satisfy the expanding market and to further develop its business, the Board considered it necessary for the Company to conduct further fund raising. A rights issue was considered a better option when comparing to other fund raising activities such as debt financing and open offer as a rights issue offered all shareholders of the Company equal opportunity to subscribe for their pro-rata provisional allotment of the rights shares and participate in the growth opportunity of the Company.

On 31 March 2016, the Company allotted and issued 3,265,920,000 ordinary shares of HK\$0.02 each (“Rights Shares”) by way of rights issue on the basis of nine Rights Shares for every one share of the Company in issue and held on the record date (“2016 Rights Issue”) at a subscription price of HK\$0.127 per Rights Share. The subscription price of HK\$0.127 represented a discount of 36.5% to the closing price of HK\$0.20 per share of the Company as quoted on the Stock Exchange on 17 December 2015, being the date of the announcement of the Company in respect of the 2016 Rights Issue. The net proceeds raised from the 2016 Rights Issue was approximately HK\$405.48 million, which have been fully deployed as intended for the money lending business of the Group, among which approximately 66% was applied towards the provision of unsecured lending and approximately 34% was applied towards the provision of secured lending. The aggregate nominal value of the Rights Shares issued under the 2016 Rights Issue was approximately HK\$65.32 million and the net issue price was approximately HK\$0.124 per Rights Share. Details of the 2016 Rights Issue are disclosed in the announcements of the Company dated 17 December 2015, 19 February 2016, 30 March 2016 and 19 April 2016, the circular of the Company dated 29 January 2016 and the prospectus of the Company dated 3 March 2016.

PLACING OF NOTES — CONVOY ASSET MANAGEMENT LIMITED

On 11 May 2016, in order to maintain sufficient fund for the expansion of the Group’s loan portfolio, the Company and Convoy Asset Management Limited (“Convoy”) entered into a placing agreement pursuant to which Convoy agreed to act as the placing agent of the Company, on a best endeavour basis, to procure placee(s) who and whose respective ultimate beneficial owner(s), if applicable, shall be Independent Third Parties to subscribe for the 4.5% per annum notes (“May 2016 Notes”) to be issued by the Company in an aggregate principal amount of up to HK\$100,000,000 maturing on the day immediately preceding the second anniversary of the date of issue of the May 2016 Notes at the placing price which equals the principal amount of the May 2016 Notes. The funds raised from the placing of the May 2016 Notes was intended to be used for the money lending business of the Group. On 27 June 2016, the May 2016 Notes in an aggregate principal amount of HK\$25,000,000 were issued, raising net proceeds of approximately HK\$24.88 million. On 27 July 2016, the May 2016 Notes in an aggregate principal amount of HK\$8,000,000 were further issued by the Company, raising net proceeds of HK\$7.96 million. All the net proceeds from the issue of the May 2016 Notes have been fully deployed as intended for the money lending business of the Group. Details of the placing of the May 2016 Notes are disclosed in the announcements of the Company dated 11 May 2016 and 27 June 2016.

供股

鑒於十二月配售事項所得款項淨額不足以滿足本集團的資金需求，及考慮到為滿足不斷擴展的市場並進一步發展其業務所需的資金，董事會認為本公司須進行進一步集資。與其他集資活動(如債務融資及公開發售)相比，供股被視為較佳的選擇，因供股可向本公司全體股東提供平等機會以按其比例認購供股股份之暫定配額及參與本公司發展。

於二零一六年三月三十一日，本公司透過於記錄日期每持有本公司一股已發行股份獲配發九股供股股份的基準按每股供股股份0.127港元的認購價進行供股(「二零一六年供股」)，配發及發行3,265,920,000股每股0.02港元之普通股(「供股股份」)。認購價0.127港元較本公司股份於二零一五年十二月十七日(有關二零一六年供股之本公司公告日期)在聯交所報收市價每股0.20港元折讓36.5%。二零一六年供股所得款項淨額約為405,480,000港元，其中約66%應用於提供無抵押放債及約34%應用於提供有抵押放債。二零一六年供股下已發行供股股份的總面值約為65,320,000港元，每股供股股份之淨發行價約為0.124港元。有關二零一六年供股的詳情披露於本公司日期為二零一五年十二月十七日、二零一六年二月十九日、二零一六年三月三十日及二零一六年四月十九日之公告、本公司日期為二零一六年一月二十九日之通函以及本公司日期為二零一六年三月三日之章程。

配售票據 — 康宏資產管理有限公司

於二零一六年五月十一日，為了保持充裕資金供擴大本集團貸款組合之用，本公司與康宏資產管理有限公司(「唐宏」)訂立一項配售協議，據此，康宏同意擔任本公司的配售代理，按竭盡所能基準促使承配人(有關承配人及其各自之最終實益擁有人(如適用)應為獨立第三方)認購本公司將予發行的票據(「二零一六年五月票據」)，年利率為4.5厘及本金總額最高為100,000,000港元，並於緊接二零一六年五月票據發行日期滿兩週年前一日到期，配售價相等於二零一六年五月票據的本金額。配售二零一六年五月票據所籌集的資金擬用於本集團的放債業務。於二零一六年六月二十七日，本金總額為25,000,000港元的二零一六年五月票據獲發行，所得款項淨額約24,880,000港元。於二零一六年七月二十七日，本公司進一步發行本金總額為8,000,000港元的二零一六年五月票據，所得款項淨額約7,960,000港元。發行二零一六年五月票據之所得款項淨額已按擬定用途全部用於本集團的放債業務。有關配售二零一六年五月票據之詳情披露於本公司日期為二零一六年五月十一日及二零一六年六月二十七日之公告。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

PLACING OF NOTES — JUN YANG

In order to secure more funding for the money lending business of the Group, on 27 June 2016, the Company and Jun Yang entered into a placing agreement pursuant to which Jun Yang agreed to act as the placing agent of the Company, on a best endeavour basis, to procure placee(s) who and whose respective ultimate beneficial owner(s), if applicable, shall be Independent Third Parties to subscribe for the 4.5% per annum notes (“**June 2016 Notes**”) to be issued by the Company in an aggregate principal amount of up to HK\$100,000,000 maturing on the day immediately preceding the second anniversary of the date of issue of the June 2016 Notes at the placing price which equals the principal amount of the June 2016 Notes. The funds raised from the placing of the June 2016 Notes was intended to be used for the money lending business of the Group. No June 2016 Notes have been issued as at the date of this annual report. Details of the placing of the June 2016 Notes are disclosed in the announcement of the Company dated 27 June 2016.

As at 31 December 2016, the Group had equity attributable to owners of the Company of approximately HK\$925,411,424 (31 December 2015: HK\$476,165,838).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

SUBSCRIPTION OF SHARES — ASIA WEALTH FINANCIAL HOLDINGS LIMITED

On 5 October 2016, the Company entered into a share subscription agreement with Asia Wealth Financial Holdings Limited (“**Asia Wealth**”) (“**First Share Subscription Agreement**”), pursuant to which the Company agreed to subscribe for and purchase from Asia Wealth, and Asia Wealth agreed to issue to the Company one ordinary share of par value of US\$1.00 in the share capital of Asia Wealth at the price of HK\$900,000 (“**First Share Subscription**”) subject to the terms and conditions of the First Share Subscription Agreement. On 8 November 2016, the Company entered into a second share subscription agreement with Asia Wealth (“**Second Share Subscription Agreement**”), pursuant to which the Company agreed to further subscribe for and purchase from Asia Wealth, and Asia Wealth agreed to issue to the Company 79 ordinary shares of par value of US\$1.00 each in the share capital of Asia Wealth at the price of HK\$79,100,000 (“**Second Share Subscription**”) subject to the terms and conditions of the Second Share Subscription Agreement.

配售票據 — 君陽

為取得充足資金以供發展本集團財務放債業務，於二零一六年六月二十七日，本公司與君陽訂立一項配售協議，據此，君陽同意擔任本公司的配售代理，按竭盡所能基準促使承配人(有關承配人及其各自之最終實益擁有人(如適用)應為獨立第三方)認購本公司將予發行的票據(「**二零一六年六月票據**」)，年利率為4.5厘及本金總額最高為100,000,000港元，並於緊接二零一六年六月票據發行日期滿兩週年前一日到期，配售價相等於二零一六年六月票據的本金額。配售二零一六年六月票據所籌集的資金擬用於本集團的放債業務。概無二零一六年六月票據於本年報日期發行。有關配售二零一六年六月票據之詳情披露於本公司日期為二零一六年六月二十七日之公告。

於二零一六年十二月三十一日，本集團的公司擁有人應佔權益約為925,411,424港元(二零一五年十二月三十一日：476,165,838港元)。

對附屬公司作出重大收購及出售，以及重大投資或資本資產的未來計劃

認購股份 — ASIA WEALTH FINANCIAL HOLDINGS LIMITED

於二零一六年十月五日，本公司與Asia Wealth Financial Holdings Limited(「**Asia Wealth**」)訂立一份股份認購協議(「**首次股份認購協議**」)，據此，本公司同意根據首次股份認購協議之條款及條件向Asia Wealth認購且購買，且Asia Wealth同意向本公司以900,000港元之價格發行一股Asia Wealth股本中每股面值為1.00美元之普通股(「**首次股份認購**」)。於二零一六年十一月八日，本公司與Asia Wealth訂立第二份股份認購協議(「**第二次股份認購協議**」)，據此，本公司同意根據第二次股份認購協議之條款及條件進一步向Asia Wealth認購及購買，而Asia Wealth同意向本公司以79,100,000港元之價格發行79股Asia Wealth股本中每股面值為1.00美元之普通股(「**第二次股份認購**」)。

The Completion of the First Share Subscription took place on 5 October 2016 and upon which the Company became interested in approximately 9.09% of the then enlarged issued share capital of Asia Wealth. It is expected that the completion of the Second Share Subscription will take place in early April 2017 as the relevant conditions precedent have been fulfilled in March 2017. Upon completion of the First Share Subscription and the Second Share Subscription, the Company will hold approximately 88.89% of the total issued share capital of Asia Wealth as enlarged by the allotment and issue of the subscription shares and Asia Wealth will become a non-wholly owned subsidiary of the Company. Asia Wealth Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Asia Wealth, holds the licence to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, (“SFO”)) and is principally engaged in dealing in securities. The Directors considered that the First Share Subscription and the Second Share Subscription would allow the Group to invest in the securities related business and it is beneficial to the Group in view of the potential development of the securities related business. Details of the First Share Subscription and the Second Share Subscription are disclosed in the announcements of the Company dated 5 October 2016 and 8 November 2016 respectively.

DISPOSAL OF SUBSIDIARY — TECHLINK INVESTMENTS LIMITED

On 29 November 2016, First Credit Limited (“FCL”), a wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with, among others, a purchaser which is an Independent Third Party. Pursuant to the provisional sale and purchase agreement, FCL has conditionally agreed to sell, and the purchaser has conditionally agreed to purchase one ordinary share of Techlink Investments Limited (“Techlink”), which represents the entire issued share capital of Techlink, and all the debts owing by Techlink to FCL and its associates (if any) as at completion at an aggregate consideration of HK\$91 million subject to adjustments at completion (“Disposal”). The principal activity of Techlink was investment holding and its principal assets immediately prior to completion of the Disposal was certain office premises (“Property”). In view of the capital gain which is expected to derive from the Disposal, the management of the Company considered that it is in the interest of the Company and its shareholders to dispose of Techlink in order to realise the Group’s investment in the Property and to utilise the proceeds from the Disposal for further development of the Group’s money lending business. Details of the Disposal are set out in the announcements of the Company dated 29 November 2016 and 2 December 2016. The Disposal was completed on 20 February 2017 and Techlink has then ceased to be a subsidiary of the Company. The final consideration is HK\$91 million and the gain on Disposal is approximately HK\$13 million.

Save as disclosed above, the Group had no specific plan for material investments or capital assets as at 31 December 2016.

待首次股份認購於二零一六年十月五日完成後，本公司將持有其時經擴大後的Asia Wealth發行股本總值之約9.09%。由於相關先決條件已於二零一七年三月達成，預期第二次股份認購將於二零一七年四月初進行。首次股份認購及第二次股份認購完成後，本公司將持有Asia Wealth經配發及發行認購股份擴大的已發行股本總值約88.89%，而Asia Wealth將成為本公司之非全資附屬公司。亞洲創富證券有限公司（一間於香港註冊成立之有限公司且為Asia Wealth之附屬公司）持牌可進行香港法例第571章證券及期貨條例（「證券及期貨條例」）下第1類（證券交易）受規管活動及主要從事證券買賣。董事認為首次股份認購及第二次股份認購使本集團能夠投資證券相關業務，且鑑於證券相關業務的發展潛力，其對本集團有利。首次股份認購及第二次股份認購之詳情披露於本公司日期分別為二零一六年十月五日及二零一六年十一月八日之公告。

出售附屬公司 — 迪協投資有限公司

於二零一六年十一月二十九日，First Credit Limited（「FCL」）（本公司之全資附屬公司）與（其中包括）一名買方（為獨立第三方）訂立臨時買賣協議。根據臨時買賣協議，FCL有條件地同意出售，而買方有條件地同意購買一股迪協投資有限公司（「迪協」）普通股，即迪協之全部已發行股本及迪協於交易完成時結欠FCL及其聯繫人（如有）的所有負債，總代價為91,000,000港元（於完成時可予調整）（「出售事項」）。迪協之主要業務為投資控股，緊接出售事項完成前，其主要資產為若干辦公處所（「物業」）。因應出售事項預期所得之資本收益，本公司管理層認為出售迪協以變現本集團於物業之投資及利用出售事項所得款項作本集團放債業務進一步發展之用，符合本公司及其股東整體利益。有關出售事項的詳情載於本公司日期為二零一六年十一月二十九日及二零一六年十二月二日之公告。出售事項於二零一七年二月二十日完成，其後迪協不再為本公司之附屬公司。最終代價為91,000,000港元，而出售事項收益約為13,000,000港元。

除上文披露者外，本集團於二零一六年十二月三十一日並無重大投資或資本資產的具體計劃。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2016, the Group's investment properties included (i) Units 901–902, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong; (ii) Unit 903, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong; and (iii) Units 905–906, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong, all of which were owned by Techlink, a then wholly-owned subsidiary of the Company as at 31 December 2016, and were leased out to Independent Third Party tenants, including Asia Wealth Securities Limited, a wholly-owned subsidiary of Asia Wealth. The above investment properties were classified as assets held for sale as at 31 December 2016 by reason of the signing of the provisional sale and purchase agreement in relation to the disposal of Techlink. The above properties had been disposed of by the Group upon completion of the disposal of Techlink, the details of which are set out under the subparagraph headed "Disposal of Subsidiary — Techlink Investments Limited" on page 18 of this annual report.

The carrying amount of the investment properties is revalued at the end of each reporting period by independent professional qualified valuers. The aggregate carrying amount of the investment properties decreased from HK\$63.90 million as at 31 December 2015 to HK\$47.70 million as at 31 December 2016 due to the change of use of a premise from investment properties to owner-occupied properties as a result of the expansion of the head office of the Company.

INFORMATION ON EMPLOYEES

As at 31 December 2016, the Group employed a total of 41 staff (31 December 2015: 48 staff). Total remuneration of employees for the year ended 31 December 2016 (including directors' emoluments) was approximately HK\$14.79 million (31 December 2015: HK\$15.37 million). The Company's remuneration policies are formulated on the basis of performance, qualifications and experience of individual employee and with reference to the prevailing market conditions. The remuneration packages of the employees of the Group comprise monthly fixed salaries, medical insurance, contributions to statutory mandatory provident fund scheme, share option scheme and directors' bonus shares scheme etc. Discretionary year-end bonus based on individual performance may also be paid to employees as recognition of and reward for their contributions.

所持重大投資

於二零一六年十二月三十一日，本集團的投資物業包括(i)香港德輔道中121號遠東發展大廈9樓901–902室；(ii)香港德輔道中121號遠東發展大廈9樓903室；以及(iii)香港德輔道中121號遠東發展大廈9樓905–906室的物業，該等物業均由本公司當時全資附屬公司迪協擁有，且已出租予獨立第三方租戶，包括Asia Wealth之一間全資附屬公司Asia Wealth Securities Limited。由於就出售迪協訂立了臨時買賣協議，上述投資物業均於二零一六年十二月三十一日被分類為持作出售資產並於迪協出售完成後由本集團出售，詳情列載於本年報第18頁「出售附屬公司 — 迪協投資有限公司」分段。

投資物業賬面值於各報告期末由獨立專業合資格估值師進行重估。投資物業的賬面總值由二零一五年十二月三十一日63,900,000港元增加至減少至二零一六年十二月三十一日47,700,000港元。有關減少乃由於因本公司總辦事處擴展物業用途由投資物業變更為自置物業所致。

僱員資料

於二零一六年十二月三十一日，本集團共有41名員工(二零一五年十二月三十一日：48名員工)。截至二零一六年十二月三十一日止年度的薪酬總額(包括董事酬金)約為14,790,000港元(二零一五年十二月三十一日：15,370,000港元)。本公司的僱員薪酬政策乃根據個別僱員的表現、資格及經驗參考當前市況釐定。本集團的僱員薪酬方案涵蓋固定月薪、醫療保險、法定強制性公積金計劃供款、購股權計劃以及董事紅股計劃等。本集團亦根據個人表現發放酌情年終花紅，作為對彼等貢獻的認可及獎勵。

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2016, the Group had pledged its properties at Units 901–903, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong, which were owned by Techlink, for a 15-year mortgage installment loan of drawdown value of HK\$11.25 million, whereby the outstanding amount of the said mortgage loan was approximately HK\$8.54 million as at 31 December 2016 and approximately HK\$9.17 million as at 31 December 2015. Upon the completion of the disposal of Techlink on 20 February 2017, the said mortgage was released.

GEARING RATIO

The gearing ratio, which is net debt divided by the sum of the adjusted capital and net debt, was 4.09% as at 31 December 2016 (31 December 2015: Not applicable). The increase in the gearing ratio was mainly due to the increase in financial assistance obtained from an Independent Third Party in December 2016, which caused a higher level on borrowings as at 31 December 2016 as compared to 31 December 2015.

FOREIGN EXCHANGE EXPOSURE

The Group is principally engaged in the money lending business in Hong Kong. As the revenue and cost of business are principally denominated in Hong Kong dollars, the exposure to the risk of foreign exchange rate fluctuations for the Group is minimal. Hence, no financial instrument for hedging was employed during the year ended 31 December 2016 (2015: Nil).

CONTINGENT LIABILITIES

Details of the Group's contingent liabilities are set out in note 33 to the consolidated financial statements.

EVENT AFTER THE REPORTING PERIOD

Details of the Group's event after the reporting period are set out in notes 25 and 36 to the consolidated financial statements.

本集團資產的押記

於二零一六年十二月三十一日，本集團抵押其位於香港德輔道中121號遠東發展大廈9樓901–903室的物業，以取得提取值為11,250,000港元、為期15年的分期按揭貸款，上述按揭貸款的未償還金額於二零一六年十二月三十一日約為8,540,000港元，及於二零一五年十二月三十一日約為9,170,000港元。當二零一七年二月二十日完成出售迪協後，上述按揭已被解除。

資產負債比率

於二零一六年十二月三十一日，本集團的資產負債比率(債務淨額除以經調整資本與債務淨額的總和)為4.09%(二零一五年十二月三十一日：不適用)。資產負債比率上升主要由於二零一六年十二月從一名獨立第三方獲取的財務支援增加，導致二零一六年十二月三十一日的借貸水平較二零一五年十二月三十一日為高。

匯兌風險

本集團主要於香港從事放債業務。由於業務收益及成本主要以港元計值，本集團面臨的匯率波動風險微乎其微。因此，本集團於截至二零一六年十二月三十一日止年度並未使用金融工具進行對沖(二零一五年：無)。

或然負債

有關本集團或然負債的詳情載於綜合財務報表附註33。

報告期後事項

有關本集團報告期後事項的詳情載於綜合財務報表附註25及36。

Corporate Governance Report 企業管治報告

Pursuant to Rule 18.44(2) of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 December 2016. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests.

To the best knowledge of the Board, throughout the year ended 31 December 2016, the Company has complied with all code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 15 to the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with all the Directors, each of them confirmed that he/she had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the year ended 31 December 2016. No incident of non-compliance was noted by the Company during the year.

BOARD OF DIRECTORS

RESPONSIBILITIES AND DELEGATION OF THE BOARD

The Board has a balance of skill and experience and a balanced composition of executive and non-executive Directors. It is responsible for formulating the Group's long term strategy, determining and approving the Group's significant transactions and supervising the management to ensure thorough implementation of the Group's policies and effective performance of their duties. The Board is also responsible for collectively approving appointment, removal or re-appointment of Board members and auditors, reviewing the remuneration of the Directors and the adoption of any changes in accounting policies and practice. The Board also communicates with the shareholders of the Company and regulatory bodies and makes recommendation to the shareholders on final dividend and approves the declaration of any interim dividend.

根據創業板上市規則第18.44(2)條，董事會欣然提呈截至二零一六年十二月三十一日止年度的本企業管治報告。本報告概述本公司的主要企業管治常規。

企業管治常規

本公司致力於維持高水平的企業管治。董事深信完善及合理的企業管治常規對於本集團的發展及保障股東權益至關重要。

據董事會所知，截至二零一六年十二月三十一日止年度內，本公司已符合創業板上市規則附錄十五所載的企業管治常規守則（「企業管治守則」）的一切守則條文。

董事的證券交易

本公司已採納董事進行證券交易之操守守則，其條款不遜於創業板上市規則第5.48條至第5.67條所載之交易準則。經向全體董事作出具體查詢後，彼等均確認已於截至二零一六年十二月三十一日止年度一直遵守本公司所採納的有關董事進行證券交易之交易準則規定及操守守則。年內本公司並無發現任何違規事件。

董事會

董事會的職責及授權

董事會擁有全面之專長及經驗，且執行董事及非執行董事之組合亦均衡合理。董事會負責制定本集團的長期策略、釐定及批准本集團的重大交易、監督管理層以確保本集團的政策獲徹底落實以及確保彼等均有效地履行職務。董事會亦負責共同批准董事會成員及核數師的委任、罷免或重選、檢討董事薪酬及採納會計政策及慣例的任何修訂。董事會亦負責與本公司股東及監管機構溝通，以及就派發末期股息向股東作出推薦建議，並批准宣派任何中期股息。

The Board is accountable to the shareholders for the strategic development of the Company with the goal of maximising long-term shareholders' value, while balancing broader stakeholders' interests.

The Company has complied with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules that the Board includes at least three independent non-executive Directors, which represents at least one-third of the Board and at least one of the independent non-executive Directors possesses the appropriate professional qualifications or accounting or related financial management expertise. There is no relationship (financial, business, family or otherwise) between members of the Board. The Company received an annual confirmation from each of the independent non-executive Directors stating his independence pursuant to Rule 5.09 of the GEM Listing Rules and considers them to be independent.

Biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" from pages 35 to 38 of this annual report.

All Directors have access to the advice and services of the company secretary of the Company ("**Company Secretary**"), senior management and the compliance officer who is mainly responsible for ensuring that the Company is in compliance with the GEM Listing Rules and advising the Board on compliance matters. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company.

The Board has delegated the day-to-day management to the executive Directors and senior management of the Company who meet on a regular basis to review the financial results and performance of the Group and make financial and operational decisions for the implementation of strategies and plans approved by the Board.

BOARD AND COMMITTEES' MEETINGS AND ATTENDANCE

Regular Board meeting is scheduled to be held four times a year on a quarterly basis with notice given to the Directors at least 14 days in advance. For other Board meetings involving discussion and resolution of significant issues in relation to the operation of the Company, notice is given in a reasonable time in advance. According to the GEM Listing Rules, any directors who or whose close associates (or associates for connected transactions) have a material interest in the contract or arrangement or any other proposal to be approved at a board meeting shall abstain from voting on the relevant resolutions and not to be counted in the quorum at the meeting.

董事會須就本公司的策略發展向股東負責，以為股東謀取最大長期價值為目標，同時平衡廣泛持份者的利益。

本公司已遵照創業板上市規則第5.05(1)及(2)條以及第5.05A條的規定，董事會包括最少三名獨立非執行董事，最少佔董事會成員的三分之一；及最少一名獨立非執行董事具備合適的專業資格或會計或相關財務管理專業知識。董事會成員之間概無任何關係（不論是財政、業務、家庭或其他方面）。本公司亦已接獲各獨立非執行董事根據創業板上市規則第5.09條發出的年度獨立性確認書，且認為彼等均為獨立人士。

董事的履歷載於本年報第35頁至第38頁的「董事及高級管理層之履歷」一節。

全體董事均有權獲得公司秘書（「**公司秘書**」）、高級管理層及合規主任提供的意見及服務，該等人士負責確保本公司符合創業板上市規則的規定及就合規事宜向董事會提供意見。董事亦有權於履行其作為本公司董事的職責時獲提供獨立專業意見（如有需要），費用由本公司承擔。

董事會已授權本公司執行董事及高級管理層負責日常管理職能，而彼等會定期舉行會議檢討本集團的財務業績及表現，以及就經董事會批准的策略及計劃的實行作出財務及營運決策。

董事會及委員會會議及出席記錄

董事會預定每年按季定期舉行四次董事會會議，並至少提前十四日向董事發出通知。就需討論及議決本公司營運的重大問題而舉行的其他董事會會議，通知將提前於合理時間發出。於即將在董事會會議上審批的合約或安排或任何其他建議中擁有重大利益，該董事須放棄就相關決議案投票，並且不得計入有關會議的法定人數。

Corporate Governance Report 企業管治報告 (continued 續)

Before each Board meeting, a draft agenda is sent out to all Directors at least three days or such other period as agreed in advance in order to allow the Directors to include any other matters in the agenda that are required to be discussed or resolved in the meeting. To enable the Directors to make informed decisions, Board papers together with all appropriate and relevant information in relation to the matters of the meeting are sent to all Directors three days or such other period as agreed before each Board meeting. The Company Secretary is responsible for keeping all minutes of the Board meetings. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is made available to them for their review and signing.

全體董事將於各董事會會議舉行前至少三日或事先協定的其他日期獲發議程草案，以允許董事將任何其他將於會議上討論及議決的事宜納入議程。為使董事作出知情決定，董事會文件連同所有與會議討論事項有關的適當及相關資料將於各董事會會議舉行前三日或協定的其他日期發送予全體董事。公司秘書負責保存所有董事會會議記錄。會議記錄草案一般會於各會議後合理時間內向董事傳閱以供其發表意見，而最終版本則可供董事審閱及簽署。

The attendance record of each Director at the Board meetings, audit committee meetings, nomination committee meetings, remuneration committee meetings, credit committee meetings, compliance committee meetings and general meetings during the year ended 31 December 2016 is set out in the following table:

於截至二零一六年十二月三十一日止年度，各董事出席董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議、信貸委員會會議、合規委員會會議及股東大會的次數表列如下：

Name of Directors 董事姓名	Number of meetings attended/number of meetings held during the tenure of each director for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度內各董事於任期內出席會議次數/舉行會議次數						
	Board meeting 董事會會議	Audit committee meeting 審核委員會會議	Nomination committee meeting 提名委員會會議	Remuneration committee meeting 薪酬委員會會議	Credit committee meeting 信貸委員會會議	Compliance committee meeting 合規委員會會議	General meeting 股東大會
Total number of meetings held during the year ended 31 December 2016 於截至二零一六年十二月三十一日止年度內舉行會議次數	12	5	4	4	12	4	1
Executive Directors 執行董事							
Sin Kwok Lam (Chairman) 冼國林(主席)	12/12	—	4/4	4/4	0/12	—	0/1
Tsang Yan Kwong (Chief Executive Officer) 曾仁光(行政總裁)	12/12	—	—	—	12/12	—	1/1
Leung Wai Hung 梁偉雄	12/12	—	—	—	12/12	—	1/1
Ho Siu Man 何筱敏	12/12	—	—	—	—	4/4	1/1
Non-executive Director 非執行董事							
Chan Lai Yee (resigned on 28 June 2016) 陳麗兒(於二零一六年六月二十八日退任)	8/8	—	—	—	—	2/2	—
Independent Non-executive Directors 獨立非執行董事							
Lee Kin Fai (resigned on 18 July 2016) 李健輝(於二零一六年七月十八日退任)	9/9	3/3	3/3	3/3	—	2/2	1/1
Tai Man Hin Tony (resigned on 24 October 2016) 戴文軒(於二零一六年十月二十四日退任)	11/11	4/4	4/4	4/4	—	3/3	1/1
Fung Kam Man (appointed on 18 July 2016) 馮錦文(於二零一六年七月十八日獲委任)	3/3	2/2	1/1	1/1	—	2/2	—
Wang Zhiwei (appointed on 24 October 2016) 王志維(於二零一六年十月二十四日獲委任)	1/1	1/1	—	—	—	1/1	—
Yu Wan Hei 余運喜	12/12	5/5	4/4	4/4	—	4/4	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer of the Company are held separately by two different individuals to ensure a clear division between their responsibilities and independence. The separation ensures a balance of power and authority so that power is not concentrated in any one individual. The Chairman of the Company is Mr. Sin Kwok Lam, whose responsibility is to manage the Board to ensure its effectiveness in all aspects by providing strategic and business direction. The Chief Executive Officer of the Company is Mr. Tsang Yan Kwong, who is responsible for the Company's day-to-day management and operations. The Chief Executive Officer also focuses on implementing objectives, strategies and policies approved and delegated by the Board.

NON-EXECUTIVE DIRECTORS

Under the Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. As at the date of this report, the Company had three independent non-executive Directors and each of them entered into a letter of appointment with the Company for an initial term of two years.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

Every Director, upon appointment, receives comprehensive, formal and tailored induction on appointment and they are kept up to date on the developments of the statutory and regulatory regime, and the business and market changes to facilitate the discharge of their responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

主席及行政總裁

本公司主席及行政總裁職位乃由兩名不同個別人士分別擔任，以確保彼此之間職責分明及保持獨立。該區分可確保權力及授權分佈平衡，以使權力不會集中於任何個別人士身上。本公司主席為冼國林先生，彼負責管理董事會，向董事會提供策略及業務方向指引，以確保董事會於各方面的有效運作。本公司行政總裁為曾仁光先生，彼負責本公司的日常管理及營運。行政總裁亦關注執行由董事會批准及授權的目標、策略及政策。

非執行董事

根據企業管治守則條文第A.4.1條，非執行董事應以特定任期委任並須重選連任。於本報告日期，本公司有三名獨立非執行董事，彼等各自已與本公司訂立初步為期兩年的委任函件。

董事的持續專業發展課程

各董事於獲委任時均會獲得全面、正式及訂做的就任指引，並持續獲知會有關法定及監管制度的最新發展以及業務及市場變化，以協助其履行其於創業板上市規則及有關法例規定項下的職責及義務。

To ensure that all Directors' contribution to the Board remain informed and relevant, during the year ended 31 December 2016, all Directors, namely Mr. Sin Kwok Lam, Mr. Tsang Yan Kwong, Mr. Leung Wai Hung, Ms. Ho Siu Man, Mr. Fung Kam Man, Mr. Wang Zhiwei and Mr. Yu Wan Hei have participated in continuous professional development by attending training courses organised by professional firms or institutions, reading materials provided by the Company regarding updates on the GEM Listing Rules and relevant regulatory requirements and receiving induction programmes upon his/her appointment. All Directors have confirmed that they had complied with provision A.6.5 of the CG Code during the year under review.

APPOINTMENT, RE-ELECTION AND REMOVAL

Pursuant to the bye-laws of the Company ("Bye-laws"), at each annual general meeting ("AGM") one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

In accordance with the Bye-laws, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders of the Company after their appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

Mr. Sin Kwok Lam, an executive Director and the Chairman of the Company, has entered into a service contract with the Company for a fixed term of six years. Other executive Directors have entered into service contracts with the Company for a term of three years. The Company has also issued a letter of appointment to each of the independent non-executive Directors for a term of two years. All Directors are subject to retirement, re-election and removal in accordance with the Bye-laws.

為確保全體董事在掌握足夠資訊下為董事會作出適切貢獻，於截至二零一六年十二月三十一日止年度，全體董事（即冼國林先生、曾仁光先生、梁偉雄先生、何筱敏女士、馮錦文先生、王志維先生及余運喜先生）已持續參與專業發展，透過出席專業機構或學院組織之培訓課程、閱讀本公司提供之有關創業板上市規則及相關監管規定最新資料之材料及並於其委任後進行入職培訓。全體董事確認，彼等於回顧年內已遵守企業管治守則條文第A.6.5條。

委任、重選及罷免

根據本公司公司細則（「公司細則」），當時三分之一的董事（或若總數並非三之倍數，則為最接近但不少於三分之一之數）須於每屆股東週年大會（「股東週年大會」）上輪值退任，惟每名董事須最少每三年輪值退任一次。有關退任董事均符合資格膺選連任，並在其退任的大會中繼續作為董事。

根據公司細則，董事有權不時及隨時委任任何人士出任董事，以填補董事會的臨時空缺或作為現有董事會的新增成員。任何獲董事會委任以填補臨時空缺的董事，其任期將直至獲委任後的首次本公司股東大會為止，並須於該大會上重選連任，而任何獲董事會委任作為現有董事會新增成員的董事，其任期僅至下屆股東週年大會，屆時將合資格膺選連任。

本公司執行董事兼主席冼國林先生與本公司訂立固定任期為六年的服務合約。其他執行董事與本公司訂立的服務協議均為期三年。本公司亦已向各獨立非執行董事發出委任書，委任期為兩年。全體董事均受公司細則有關退任、重選連任及罷免的條文所限。

BOARD COMMITTEES

AUDIT COMMITTEE

The audit committee was established in 2011 with its written terms of reference in compliance with the CG Code. The committee currently comprises three independent non-executive Directors, being Mr. Yu Wan Hei, who is the chairman of the committee, Mr. Fung Kam Man and Mr. Wang Zhiwei. The Group has complied with Rule 5.28 of the GEM Listing Rules that the committee comprises a minimum of three non-executive Directors, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise, and that the committee is chaired by an independent non-executive Director. The primary duties of the audit committee are to make recommendations to the Board on the appointment, re-appointment and removal of external auditor; review and supervise the financial reporting process and risk management and internal control procedures of the Company.

The audit committee held five meetings during the year ended 31 December 2016 and the attendance record of these meetings is set out in the paragraph headed "Board and Committees' Meetings and Attendance" above from page 22 to page 23 of this annual report.

During the year under review, the audit committee has reviewed the Group's quarterly, interim and annual financial results, the Company's financial reporting system, risk management and internal control systems and the effectiveness of the issuer's internal audit function. It has discussed the risk management and internal control systems with the management to ensure that the management has performed its duty to have effective systems. The committee has also made recommendations to the Board on the re-appointment of the external auditors after reviewing the scope of work offered, taking into account their remuneration and terms of engagement.

NOMINATION COMMITTEE

The nomination committee was established in 2011 with its written terms of reference in compliance with the CG Code. The committee currently comprises one executive Director, being Mr. Sin Kwok Lam and three independent non-executive Directors, being Mr. Fung Kam Man, Mr. Wang Zhiwei and Mr. Yu Wan Hei. The chairman of the committee is Mr. Sin Kwok Lam. The primary function of the nomination committee is to review the structure, size and composition of the Board and make recommendations to the Board on suitable candidates for appointment as Directors, appointment or re-appointment or re-designation of Directors, succession planning for Directors and assessment of the independence of the independent non-executive Directors.

董事委員會

審核委員會

審核委員會於二零一一年成立，其書面職權範圍符合企業管治守則。委員會目前由三名獨立非執行董事組成，即委員會主席余運喜先生、馮錦文先生及王志維先生。本集團一直遵守創業板上市規則第5.28條的規定，委員會最少須由三名非執行董事組成，其中最少一名成員須為具有適當專業資格或具有會計或相關財務管理專長的獨立非執行董事；委員會主席由獨立非執行董事擔任。審核委員會的主要職責為就外聘核數師的委聘、續聘及罷免向董事會提出建議；檢討及監督本公司的財務報告過程以及風險管理及內部監控程序。

截至二零一六年十二月三十一日止年度，審核委員會舉行五次會議，此等會議的出席記錄載於本年報上文第22頁至第23頁「董事會及委員會會議及出席記錄」一段。

於回顧年內，審核委員會已審閱本集團的季度、中期及全年財務業績，檢討本公司財務申報制度、風險管理及內部監控程序，以及發行人內部審核職能之成效。其已經與管理層討論風險管理及內部監控制度以確保管理層履行其職責建立有效的制度。委員會於檢討外聘核數師提供的工作並計及其薪酬及聘任條款後，亦就重新委任外聘核數師向董事會提出建議。

提名委員會

提名委員會於二零一一年成立，其書面職權範圍符合企業管治守則。委員會目前由一名執行董事即冼國林先生，及三名獨立非執行董事即馮錦文先生、王志維先生及余運喜先生組成。委員會主席為冼國林先生。提名委員會的主要職能為檢討董事會的架構、人數及組成以及就董事的委任或重新委任或調任之合適人選、董事繼任計劃，及評核獨立非執行董事的獨立性向董事會提出建議。

Corporate Governance Report 企業管治報告 (continued 續)

The nomination committee held four meetings during the year ended 31 December 2016 and the attendance record of these meetings is set out in the paragraph headed "Board and Committees' Meetings and Attendance" above from page 22 to page 23 of this annual report.

During year under review, the nomination committee has assessed and reviewed the structure, size and composition of the Board, as well as the independence of the independent non-executive Directors. The nomination committee has discussed and reviewed the retirement and re-election of Directors and other relevant issues. During the year under review, the nomination committee discussed and reviewed the personal profile, experience and qualifications of Mr. Fung Kam Man and Mr. Wang Zhiwei and made recommendations to the Board for their appointments.

The Company has adopted a board diversity policy in September 2013 which sets out the approach to diversity on the Board. For implementing diversity on the Board, when selecting candidates for appointment, the nomination committee will take into account a range of measurable objectives, including but not limited to the skills, experiences, background, gender, age and other qualities of the potential candidates. The nomination committee will discuss and agree on the objectives on an annual basis and recommend them to the Board for adoption. All directors appointments will ultimately be based on merit with regard to the benefits of diversity on the Board. The nomination committee reviews the board diversity policy on a regular basis and discuss any revision that may be required, and recommends any proposed changes to the Board for approval. The nomination committee considers that an appropriate balance of diversity of the Board is maintained.

REMUNERATION COMMITTEE

The remuneration committee was established in 2011 with its written terms of reference in compliance with the CG Code. The committee currently comprises one executive Director, being Mr. Sin Kwok Lam, and three independent non-executive Directors, being Mr. Fung Kam Man, Mr. Wang Zhiwei and Mr. Yu Wan Hei. The chairman of the committee is Mr. Fung Kam Man, an independent non-executive Director. The primary duties of the remuneration committee are to make recommendations to the Board on the overall remuneration policy and structure and the remuneration packages of the executive Directors and senior management including benefits in kind, pension rights and compensation payments and ensure none of the Directors or any of their associates will determine his/her own remuneration.

The remuneration committee held four meetings during the year ended 31 December 2016 and the attendance record of these meetings is set out in the paragraph headed "Board and Committees' Meetings and Attendance" above from page 22 to page 23 of this annual report.

截至二零一六年十二月三十一日止年度，提名委員會舉行四次會議，有關會議的出席記錄載於本年報上文第22頁至第23頁「董事會及委員會會議及出席記錄」一段。

於回顧年內，提名委員會已評核及檢討董事會的架構、人數及組成以及獨立非執行董事的獨立性。提名委員會已討論及審閱董事的退任及重選以及其他相關事宜。於回顧年內，提名委員會討論及審閱馮錦文先生及王志維先生之個人資料、經驗及資歷，並向董事會就其委任作出推薦建議。

本公司於二零一三年九月採納一項董事會多元化政策，當中載列達至董事會多元化之途徑。為落實董事會多元化，當挑選委任人選時，提名委員會將考慮多項可量度的目標，包括但不限於潛在人選之技能、經驗、背景、性別、年齡及其他質素。提名委員會將每年就目標展開討論及達致共識，並推薦董事會採納。所有董事任命最終將會建基於董事會多元化得益的理據。提名委員會定期審視董事會多元化政策並討論是否需要作出任何修訂，及把任何建議改動推薦予董事會批准。提名委員會認為目前就董事會多元化能夠達致適當平衡觀點。

薪酬委員會

薪酬委員會於二零一一年成立，其書面職權範圍符合企業管治守則。委員會目前由一名執行董事即冼國林先生及三名獨立非執行董事，即馮錦文先生、王志維先生及余運喜先生組成。委員會主席為獨立非執行董事馮錦文先生。薪酬委員會的主要職責為就整體薪酬政策及架構，以及執行董事和高級管理層的薪酬方案(包括實物福利、退休金權利及賠償金額)，向董事會提出建議；並確保並無本集團董事或其聯繫人釐定其自身之薪酬。

截至二零一六年十二月三十一日止年度，薪酬委員會舉行四次會議，此等會議的出席記錄載於本年報上文第22頁至第23頁「董事會及委員會會議及出席記錄」一段。

During the year under review, the remuneration committee adopted the approach under Code Provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages as well as the relevant terms of the letters of appointment of the Directors and senior management of the Company. In addition, it has met to determine the remuneration policy and structure and to assess the performance of Directors.

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the senior management by band for the year ended 31 December 2016 is set out below:

		Number of Individuals 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	3

於回顧年內，薪酬委員會採納收購守則守則條文第B.1.2(c)(ii)條下之方法以向董事會就薪酬方案以及本公司董事及高級管理層委任函件之相關條款提出建議。此外，其已舉行會議釐定薪酬政策及架構及評估董事之表現。

根據企業管治守則第B.1.5條，高級管理層於截至二零一六年十二月三十一日止年度按組別劃分之年度薪酬列載如下：

CREDIT COMMITTEE

The Company had set up a credit committee in 2007 for the purpose of better management of its credit risk and credit operations. The members of the credit committee are responsible for, among other things, approving and overseeing the Company's credit policy and monitoring the Company's loan portfolio. The credit committee currently comprises four members, namely Mr. Sin Kwok Lam, being the chairman of the committee, Mr. Tsang Yan Kwong, Mr. Leung Wai Hung and Mr. Wong Yu Shun Billy.

COMPLIANCE COMMITTEE

A compliance committee was established in 2010 serving the corporate governance function of the Company, with the aim to ensure the strict compliance of the Group with relevant laws, rules and regulations applicable to the Group, in particular the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), from time to time. Its major duties include to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board, to review and monitor the training and continuous professional development of Directors and senior management, to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors and to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The compliance committee currently comprises four members, namely Mr. Yu Wai Hei, being the chairman of the committee, Ms. Ho Siu Man, Mr. Fung Kam Man and Mr. Wang Zhiwei. It holds meetings on a quarterly basis for reviewing matters regarding the compliance of the Group with the Money Lenders Ordinance and other relevant laws and regulations applicable to the Group. The Company has adopted a compliance policy and manual which governs the Company's compliance matters in relation to the Money Lenders Ordinance, the GEM Listing Rules as well as other relevant regulations.

信貸委員會

本公司已於二零零七年設立信貸委員會，以更好地管理其信貸風險及信貸業務。信貸委員會成員負責(其中包括)批准及監管本公司的信貸政策，以及監督本公司的貸款組合。信貸委員會目前由四名成員組成，即冼國林先生(委員會主席)、曾仁光先生、梁偉雄先生及王宇迅先生。

合規委員會

合規委員會於二零一零年成立，肩負本公司的企業管治職能，旨在確保本集團嚴格遵守不時適用於本集團的相關法例、規則及法規，尤其是放債人條例(香港法例第163章)。合規委員會的主要職責包括發展及審閱本公司有關企業管治方面的政策及常規，向董事會作出推薦意見，並審閱及監察董事及高級管理層的培訓及持續專業化發展，審閱及監察本公司有關遵守法律及監管規定的政策及實務，設立、審閱及監督適用於僱員及董事的行為守則及合規手冊，以及檢討本公司遵守企業管治守則及企業管治報告之披露規定的合規情況。

合規委員會目前由四名成員組成，即余運喜先生(委員會主席)、何筱敏女士、馮錦文先生及王志維先生。合規委員會按季舉行會議，以審閱有關本集團遵守放債人條例及適用於本集團之其他相關法律及法規的事宜。本公司已採納一套合規政策及守則，規管本公司有關放債人條例、創業板上市規則以及其他相關法規的合規事宜。

During the period under review, the compliance committee held four meetings and had no material findings on the compliance issues of the Group. Meanwhile, it has made several suggestions to the Board and the management of the Company particularly concerning the recent amendments to the GEM Listing Rules in relation to risk management and environmental, social and governance and the Company has acted on the recommendations of the compliance committee.

於回顧期間，合規委員會舉行四次會議，並未發現本集團存在重大合規問題。同時，合規委員會已向本公司董事會及管理層作出若干尤其關注近日創業板上市規則有關風險管理及環境、社會及管治之修訂的建議，而本公司已根據合規委員會的建議採取相關措施。

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial year, which should provide a true and fair view of the Company's financial information. In preparing the financial statements, the Directors have consistently selected and applied appropriate accounting policies and standards. The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditors' Report on pages 66 to 71 of this annual report.

董事就財務報表的財務申報責任

董事負責就各財政年度編製財務報表，以真實及公平地反映本公司的財務資料。於編製財務報表時，董事已貫徹選擇及應用適當的會計政策及準則。本公司核數師有關彼等對本公司財務報表的申報責任的聲明載於本年報第66頁至第71頁的獨立核數師報告。

COMPANY SECRETARY

Mr. Leung Wai Hung, the Company Secretary, is an executive Director and a full time employee of the Company. During the year under review, the Company Secretary has taken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

公司秘書

公司秘書梁偉雄先生為一名執行董事，亦為本公司一名全職僱員。於回顧年度內，公司秘書已遵照創業板上市規則第5.15條接受不少於15小時的相關專業培訓。

AUDITORS' REMUNERATION

The fees in relation to the audit for the financial year ended 31 December 2016 provided by RSM Hong Kong, the external auditors of the Company, amounted to approximately HK\$0.72 million. In addition, an approximately HK\$0.58 million was charged for non-audit services consisting mainly of taxation services and interim review.

核數師的薪酬

於截至二零一六年十二月三十一日止財政年度，由本公司外聘核數師中瑞岳華(香港)會計師事務所提供的審計服務的相關費用約為720,000港元。此外，非審計服務(主要包括稅項服務及中期審閱)的相關費用約為580,000港元。

RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control are essential elements of corporate governance. Effective risk management and internal control facilitate the day-to-day operation and business development of the Company while maintaining risk at an optimal level.

風險管理及內部監控

風險管理及內部監控為企業管治之關鍵元素。有效的風險管理及內部監控在維持風險於理想水平的同時，促進本公司之日常營運及業務發展。

SYSTEM FEATURES: RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The risk management and internal control systems of the Company is designed to identify and monitor risks from day-to-day operations and it is embodied by the Board through the audit committee, the management, the branches and departments and the internal audit function.

The Board recognises its responsibilities to evaluate and determine the nature and extent of the risks the Group is willing to take in achieving the strategic objectives of the Group, and ensures that the Company has established and maintained appropriate and effective risk management and internal control systems (“RM & IC Systems”). The Board is also responsible for overseeing the management in the design, implementation and monitoring of the RM & IC Systems on an ongoing basis. In this regards, the Board conducts evaluation on the effectiveness of the RM & IC systems established and maintained by the management of the Company at least annually. The review covers all relevant financial, operational and compliance controls and reports on any failure or deficiency in the RM & IC Systems. 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.

The Board has conducted an annual review on the effectiveness of the RM & IC Systems of the Group for the year ended 31 December 2016 and considered these systems effective and adequate.

The Audit Committee The audit committee is responsible for overseeing the Company’s financial reporting system and the RM & IC Systems. It also develops a regular platform to discuss the RM & IC Systems with the management to ensure that the management has performed its duty to have effective systems. Such discussion includes the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting and financial reporting function. The audit committee considers the major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management’s response to these findings. The audit committee also regularly reviews the findings and opinions of the internal audit function and the management to evaluate the effectiveness of the RM & IC Systems.

系統特徵：風險管理及內部監控體系

本公司之風險管理及內部監控體系旨在識別及監察日常營運的風險且由董事會透過審核委員會、管理層、分行及部門及內部審核人員具體化。

董事會確認其評估及釐定本集團達成其策略目標時所願意接納的風險性質及程度的職責，並確保本公司已設立及維持合適及有效的風險管理及內部監控系統（「**風險管理及內部監控系統**」）。董事會有責任持續監督管理層對風險管理及內部監控系統的設計、實施及監察；就此而言，董事會就本公司管理層建立風險管理及內部監控系統的有效性進行最少每年一次評估。有關檢討涵蓋所有相關財務、經營和合規監控，並匯報風險管理及內部監控系統中的任何缺失或不足。有關系統乃用於管理而非消除不能達致業務目標的風險，並僅可就重大失實陳述或損失作出合理而非絕對的保證。

截至二零一六年十二月三十一日止年度，董事會已就本集團風險管理及內部監控系統的有效性進行年度檢討，並認為該等系統有效及健全。

審核委員會 審核委員會負責監督本公司之財務報告系統以及風險管理及內部監控系統。其亦設立定期平台以與管理層討論風險管理及內部監控系統，確保管理層履行其職責維持有效系統。有關討論包括資源充足性、員工資歷及經營、培訓項目及本公司之會計及財務報告職能預算。審核委員會考慮由董事會委派或其主動進行之風險管理及內部監控事宜之主要調查結果，以及管理層就該等結果的回應。審核委員會亦對該等結果及內部審核人員及管理層的意見進行定期檢討，以評估風險管理及內部監控系統的有效性。

Internal Audit Function The Company has an internal audit function. The internal audit function generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's RM & IC Systems.

The Management, Branches and Departments The management is responsible for designing, implementing and monitoring of the RM & IC Systems. The management implements and takes day-to-day responsibility for the Group's policies and manuals on risk management and internal control. The branches and departments of the Group, as the daily operation units, are responsible for reviewing and reporting potential risks from time to time to the management.

Inside Information Handling and Dissemination The Company has also adopted the Disclosure Policy and Procedures to promote consistent disclosure practices in compliance with the GEM Listing Rules and the SFO. Under the policy, the management shall report to the Board as soon as practicable for any event which may constitute inside information, and the Board shall decide, if required, to make relevant disclosure in a timely manner.

內部審核職能 本公司設有內部審核職能。內部審核職能通常就本公司之風險管理及內部監控系統的準確性及有效性進行分析及獨立評估。

管理層、分行及部門 管理層負責設計、執行及監督風險管理及內部監控系統。管理層執行本集團政策及風險管理及內部監控手冊，並就其履行日常職責。作為日常營運機構的本集團分行及部門，負責不時監督及向管理層匯報潛在風險。

內幕消息處理及發佈 本公司亦已發財披露政策及程序，以推行符合創業板上市規則及證券及期貨條例的一致披露常規。根據政策，管理層須在可行情況下盡快向董事會匯報任何可能構成內幕消息的事項，而董事會須決定是否須及時作出相關披露。

RISK MANAGEMENT PROCESS

風險管理程序



Risk Identification The branches and departments of the Group are required to report on material risks identified in the Branch Risk Management Report which is submitted to the management periodically.

風險識別 本集團之分行及部門須匯報其於分行風險管理所識別的重大風險，其會定期提交予管理層。

Risk Assessment and Measurement The internal processes of risk assessment and measurement involve the participation of management in assessing the risk exposure such as identifying the impact of potential risk. The management reviews and scrutinises the material risks and ensures that appropriate controls and measures are in place or in progress. The management, through consolidating, filtering and prioritising processes, compiles a Company Risk Management Report to the audit committee and the internal audit function. Following review by the audit committee and internal audit function, the Company Risk Management Report would be submitted to the Board.

Risk Control and Mitigation The management considers the risks and material internal control defects identified and recommends appropriate measures to control and mitigate risks as well as resolving material internal control defects. Such measures vary according to the type of risks or defects and resources available.

Risk Monitoring The management, in conjunction with the audit committee, regularly monitors the Company's risk exposure and reviews the effectiveness of the RM & IC systems in terms of risk control and mitigation.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS AND INVESTOR RELATIONS

The Board believes that transparent and timely disclosure of the Group's information will enable shareholders and investors to make the best investment decision and to have better understanding on the Group's business performance and strategies. It is also vital for developing and maintaining continuing investor relations with the Company's potential and existing investors.

The Company maintains a website at "www.firstcredit.com.hk" as a communication platform with its shareholders and investors, where the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access. Shareholders and investors may also write directly to the Company's principal place of business in Hong Kong at Units 907-911, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong or via email to admin@firstcredit.com.hk for any inquiries. Inquiries will be dealt with in an informative and timely manner.

風險評估及計量 風險評估及計量之內部程序涉及管理層參與評估所承擔的風險，如識別潛在風險的影響。管理層檢討及深入檢視重大風險，確保維持及採取適當監控及措施。管理層透過整合、過濾及排次的步驟，編寫公司風險管理報告，供由審核委員會及內部審核人員討論。經審核委員會及內部審核人員檢視後，公司風險管理報告將呈交予董事會。

風險控制和緩釋 管理層已識別風險及重大內部監控不足並建議採取適當措施以控制及緩釋風險以及解決重大內部監控缺陷。有關措施根據風險或缺失的種類及可供取用的資源而有所不同。

風險監測 管理層連同審核委員會定期監督本公司之風險及檢討風險管理及內部監控系統於風險控制及緩解方面的有效性。

與股東及投資者保持溝通及投資者關係

董事會相信，透明且及時地披露本集團資料將有助於股東及投資者作出最佳的投資決策及加強其對本集團業務表現及策略的了解。此外，就與本公司的潛在及現有投資者發展及維持持續投資者關係而言，有關披露亦極為重要。

本公司備有一個網站「www.firstcredit.com.hk」作為與股東及投資者溝通的平台，公眾可透過該網站查閱本集團的業務發展及營運、財務資料、企業管治常規及其他資料。股東及投資者如有任何查詢，亦可直接寄信至本公司於香港的主要營業地點(地址為香港德輔道中121號遠東發展大廈9樓907-911室)或發電郵至「admin@firstcredit.com.hk」。本公司將盡快就有關查詢提供詳盡資料。

The Board considers that general meetings of the Company provide an important channel for the shareholders to exchange views with the Board. All Directors endeavor to be available at the meetings to answer any questions raised by the shareholders.

During the year ended 31 December 2016, there was no significant change in the memorandum of continuance and the Bye-laws of the Company.

SHAREHOLDERS' RIGHTS

It is the Company's responsibility to ensure that its shareholders' interest are well-protected. To do so, the Company maintains on-going dialogue with its shareholders to communicate with them and encourage their participation in AGM and other general meetings. Registered shareholders are notified by post for the convening of general meetings of the Company. Notice of meeting contains agenda, proposed resolutions and a proxy form. All registered shareholders are entitled to attend annual and special general meetings of the Company, provided that their names have been recorded in the register of members of the Company on the relevant record dates of the meetings.

Pursuant to the Bye-laws, the Board may whenever it thinks fit call for special general meeting. Shareholders holding not less than one-tenth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company as of the date of deposit of the requisition, shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If the Board fails to proceed to convene such meeting within 21 days from the date of deposit of the requisition, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

董事會認為，本公司股東大會提供一個重要渠道供股東與董事會交流意見。所有董事將盡力出席大會並回答股東提出的任何問題。

截至二零一六年十二月三十一日止年度，本公司的存續章程大綱及公司細則概無重大變化。

股東權利

本公司有責任確保股東權益獲得充份保障。為達致該目的，本公司持續與股東保持聯繫，並鼓勵彼等出席股東週年大會及其他股東大會參與本公司事務。我們以郵遞方式向登記股東寄發召開本公司股東大會的通告。大會通告包含會議議程、提呈的決議案以及代表委任表格。所有於大會相關記錄日期名列於本公司股東名冊內的登記股東均有權出席本公司股東週年大會及股東特別大會。

根據公司細則，董事會可於其認為適當的任何時候召開股東特別大會。任何於遞交要求日期持有不少於本公司繳足股本(賦有於本公司股東大會上投票的權力)十分之一的股東於任何時候有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項。有關大會應於遞交該要求後兩個月內舉行。倘董事會未能於遞交要求當日起計21日內開展召開該大會的程序，則遞交人士，或代表彼等全體人士總投票權一半以上之任何人士，可自行召開大會，惟任何如此召開的會議不可於前述日期起計滿三個月後舉行。

Pursuant to the Companies Act 1981 of Bermuda, (i) shareholders representing not less than one-twentieth of the total voting rights of all shareholders having a right to vote at the general meeting; or (ii) not less than one hundred shareholders, can submit a written requisition stating the resolution which is intended to be moved at a general meeting, or to submit a statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Shareholders may send their enquiries or requests in respect of their rights as mentioned above to the Company's principal place of business in Hong Kong or via email as set out in the paragraph headed "Communications with Shareholders and Investors and Investor Relations" above.

根據百慕達一九八一年公司法，股東若(i)代表有權於股東大會投票的全體股東總投票權不少於二十分之一；或(ii)人數不少於一百，可寄發請求書，列明擬於股東大會上動議之決議案，或就該次大會上的任何建議決議案或將予處理的事務所提述的事宜，傳閱不超過一千字的聲明。

誠如上文「與股東及投資者保持溝通及投資者關係」一段所載，股東可將其對上述股東權利之查詢或要求郵寄至本公司於香港的主要營業地點，或以電郵方式作出查詢。

Biographical Details of Directors and Senior Management 董事及高級管理層之履歷

EXECUTIVE DIRECTORS

Mr. Sin Kwok Lam, aged 59, is an executive Director and the Chairman of the Board. He joined the Group in December 2006 and was appointed as a Director in March 2009. He is also the founder of the Group, a director of certain subsidiaries of the Company. Further, Mr. Sin is also the chairman and non-executive director of National Arts Entertainment and Culture Group Limited (stock code: 08228), whose shares are listed on GEM. Mr. Sin is responsible for managing the Board to ensure its effectiveness in all aspects by providing strategic and business direction. Mr. Sin spent approximately 33 years and acquired extensive experience in the banking and finance field including internal audit, finance, risk management and business. Mr. Sin obtained a master degree in business administration from the Oklahoma City University, USA, a certified diploma in accounting and finance from the Chartered Association of Certified Accountants, a diploma in law from City University, London, United Kingdom and a bachelor of laws (LL.B) degree from Manchester Metropolitan University. Mr. Sin is an associate of the Institute of Bankers and the Hong Kong Institute of Bankers and a fellow of the Association of Taxation and Management Accountants. Mr. Sin has entered into a director's service contract with the Company on 29 November 2012 for a fixed term of six years. Details of the service contract of Mr. Sin are set out in the Company's circular dated 4 December 2012. As at 31 December 2016, Mr. Sin was a director of Best Year Enterprises Limited ("Best Year"), which had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Please refer to the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" on page 48 of this annual report for further details.

Mr. Tsang Yan Kwong, aged 51, is an executive Director and the Chief Executive Officer of the Company. He joined the Group in August 2007 and was appointed a Director in April 2010. Mr. Tsang is also a director of certain subsidiaries of the Company. Mr. Tsang is responsible for supervising the overall operation and management, formulating market strategies and ensuring the loan quality of the Group. He has extensive experience in the finance field through his working experience in the finance sector for over 26 years specialising in money lending industry. Mr. Tsang obtained a master degree of business from the University of Newcastle, Australia and a diploma in management studies jointly from Lingnan University and The Hong Kong Management Association.

執行董事

冼國林先生，59歲，為執行董事兼董事會主席。彼於二零零六年十二月加入本集團，並於二零零九年三月獲委任為董事。彼亦為本集團創辦人及本公司若干附屬公司的董事。此外，冼先生亦為創業板上市公司國藝娛樂文化集團有限公司(股份代號:08228)的主席兼非執行董事。冼先生負責管理董事會，透過提供策略及業務方向，確保其於各方面的效率。冼先生從事銀行金融行業約33年，在內部審計、財務、風險管理及營商方面經驗豐富。冼先生獲得美國奧克拉荷馬市大學工商管理碩士學位、特許公認會計師公會會計及金融認可文憑、英國倫敦城市大學法律研究文憑及曼徹斯特都會大學法律學士學位。冼先生為英國銀行學會及香港銀行學會會員以及稅務及管理會計師公會資深會員。冼先生於二零一二年十二月十九日與本公司訂立董事服務合約，固定年期為六年。有關冼先生的服務合約的詳情，載於本公司刊發日期為二零一二年十二月四日之通函內。於二零一六年十二月三十一日，冼先生為好年企業有限公司(「好年」)的董事，而好年擁有本公司股份中之權益，其根據證券及期貨條例第XV部第2及第3分部的條款需向本公司披露。進一步詳情請參閱本年報第48頁「董事及最高行政人員於股份、相關股份及債券中的權益及淡倉」一節。

曾仁光先生，51歲，為本公司執行董事兼行政總裁。彼於二零零七年八月加入本集團，並於二零一零年四月獲委任為董事。曾先生亦為本公司若干附屬公司的董事。曾先生負責監督本集團整體營運及管理，制訂市場策略及確保集團的貸款質素。彼於金融領域(專注於放債行業)工作超過26年，在金融領域方面經驗豐富。曾先生獲得澳洲紐卡素大學商業碩士學位及由嶺南大學與香港管理專業協會聯合頒授的管理學文憑。

Mr. Leung Wai Hung, aged 42, is an executive Director and the Company Secretary. He joined the Group in April 2007 and was appointed as a Director in April 2010. He is also a director of all subsidiaries of the Company. Mr. Leung is responsible for the operation of the Group, especially overseeing the loan approval, collection matters and company secretarial matters of the Company. He has over 19 years' extensive experience in banking and finance field. Mr. Leung obtained a bachelor degree of business administration (with honours) from Lingnan University and a master degree of corporate finance and a master degree of corporate governance from The Hong Kong Polytechnic University. Mr. Leung is also an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

Ms. Ho Siu Man, aged 42, is an executive Director and the compliance officer of the Company. She joined the Group in July 2007 and was appointed as a Director in April 2010. She is also a director of all subsidiaries of the Company. Apart from being responsible for supervising the administrative and accounting matters of the Group, Ms. Ho also takes part in managing the Group's operation. Ms. Ho has acquired extensive experience in the finance field through her devotion in the finance sector for over 23 years. Ms. Ho obtained a bachelor degree of financial services (with honours) from Edinburgh Napier University and a master of corporate governance degree from the Open University of Hong Kong. She is also an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Kam Man, aged 53, was appointed as an independent non-executive Director in July 2016. Mr. Fung has obtained a bachelor's degree in business administration from the Chinese University of Hong Kong, a degree of master of science in financial management from the University of London and a degree of doctor of philosophy awarded by the University of Nottingham in October 2016. Mr. Fung has been certified as a Project Management Professional by the Project Management Institute. He is a certified financial planner certified by the Institute of Financial Planners of Hong Kong and a certified financial planner of The Chinese Institute of Certified Financial Planners. Mr. Fung has experience of more than 20 years in the continuing education and vocational training field. Mr. Fung is currently a quality assurance and accreditation consultant of Stage at Bridal Limited. Mr. Fung is also an independent non-executive director of DX.com Holdings Limited (stock code: 08086), the shares of which are listed on the GEM. He acted as the independent non-executive director of Jia Meng Holdings Limited (stock code: 08101), the shares of which are listed on the GEM, from 1 April 2015 to 21 September 2016.

梁偉雄先生，42歲，為本公司執行董事兼公司秘書。彼於二零零七年四月加入本集團，並於二零一零年四月獲委任為董事。彼亦為本公司所有附屬公司的董事。梁先生負責本集團營運，尤其監察本公司的貸款審批、催收事宜以及公司秘書事宜。彼於銀行金融領域累積逾19年豐富經驗。梁先生獲得嶺南大學工商管理(榮譽)學士學位及香港理工大學企業融資碩士學位以及企業管治碩士學位。梁先生亦為英國特許秘書及行政人員公會及香港特許秘書公會的附屬會員。

何筱敏女士，42歲，為本公司執行董事兼合規主任。彼於二零零七年七月加入本集團，並於二零一零年四月獲委任為董事。彼亦為本公司所有附屬公司的董事。何女士除負責監察本集團行政及會計事宜外，彼亦參與管理本集團業務。何女士於金融領域工作超過23年，在金融領域方面經驗豐富。何女士獲得愛丁堡龍比亞大學金融服務(榮譽)學士學位及香港公開大學企業管治碩士學位。彼亦為英國特許秘書及行政人員公會及香港特許秘書公會的附屬會員。

獨立非執行董事

馮錦文先生，53歲，於二零一六年七月獲委任為獨立非執行董事。馮先生於香港中文大學獲取工商管理學士學位，於倫敦大學獲取金融管理理學碩士學位，並於二零一六年十月獲得諾丁漢大學頒授之哲學博士學位。馮先生為獲項目管理專業學會承認的專業項目管理人員。彼亦為香港財務策劃師學會之認可財務策劃師及獲中國註冊理財規劃師協會認證之註冊理財規劃師。馮先生於持續教育及職業培訓範疇擁有逾20年經驗。目前，馮先生為Stage at Bridal Limited的質素保證及評審顧問。馮先生為DX.com控股有限公司(其股份於聯交所創業板「創業板」上市(股份代號：08086))的獨立非執行董事。彼於二零一五年四月一日至二零一六年九月二十一日為家夢控股有限公司(其股份於聯交所創業板「創業板」上市(股份代號：08101))的獨立非執行董事。

Biographical Details of Directors and Senior Management 董事及高級管理層之履歷 (continued 續)

Mr. Wang Zhiwei, aged 49, was appointed as an independent non-executive Director in October 2016. Mr. Wang graduated from Taiyuan Institute of Machinery (currently known as the North University of China) in 1990 with a bachelor degree in mechanical engineering. Mr. Wang has been qualified as a senior engineer in electronic engineering in the People's Republic of China ("PRC") since December 2000. Mr. Wang has over 15 years of experience in holding senior executive positions in various corporations in the PRC with businesses involving e-commerce, software development, coal and energy development and solar power. Mr. Wang is an independent non-executive director of Interactive Entertainment China Cultural Technology Investments Limited (stock code: 08081), the shares of which are listed on GEM. From January 2011 to April 2014, Mr. Wang was the vice president of a subsidiary of Jun Yang Financial Holdings Limited (stock code: 00397), the shares of which are listed on the Main Board of the Stock Exchange. From May 2014 to June 2016, Mr. Wang worked as the deputy general manager of China Demeter Investments Limited (currently known as China Demeter Financial Investments Limited) (stock code: 08120), the shares of which are listed on the GEM, and participated in seeking potential investment opportunities in different projects.

Mr. Yu Wan Hei, aged 42, was appointed as an independent non-executive Director in October 2013. Mr. Yu obtained a bachelor of business administration degree in accounting from The Hong Kong University of Science and Technology and a master of science degree in accountancy from The Hong Kong Polytechnic University. Mr. Yu is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants. Mr. Yu has over 17 years of experience in the accounting and financial management field and previously worked in various listed and unlisted groups. He acted as the company secretary and the financial controller of Oriental City Group Holdings Limited (currently known as China Smartpay Group Holdings Limited) (stock code: 08325) whose shares are listed on the GEM from January 2013 to February 2014. He acted as the financial controller of Jun Yang Financial Holdings Limited (stock code: 00397), the shares of which are listed on the Main Board of the Stock Exchange, from May 2014 to November 2016.

王志維先生，49歲，於二零一六年十月獲委任為獨立非執行董事。王先生於一九九零年畢業於太原機械學院(現稱為中國中北大學)，並獲機械工程學士學位。王先生自二零零零年十二月起於中華人民共和國(「中國」)獲授予電力工程技術高級工程師資格。王先生曾於中華人民共和國多個企業擔任高級行政人員職位，擁有逾十五年相關經驗，其業務涵蓋電子商務、軟件開發、煤炭及能源發展以及太陽能發電。王先生為互娛中國文化科技投資有限公司(其股份於創業板上市(股份代號：08081))的獨立非執行董事。王先生於二零一一年一月至二零一四年四月，擔任君陽金融控股有限公司(股份代號：00397，其股份於聯交所主板上市)之附屬公司之副主席。王先生由二零一四年五月至二零一六年六月擔任中國神農投資有限公司(現稱為國農金融投資有限公司)(股份代號：08120)，其股份於創業板上市之副總經理。彼亦參與發掘各種項目潛在投資機會。

余運喜先生，42歲，於二零一三年十月獲委任為獨立非執行董事。余先生於香港科技大學獲取工商管理學士(會計學)學位，並於香港理工大學獲取會計學理學碩士學位。余先生為特許公認會計師公會資深會員及香港會計師公會執業會計師。余先生擁有逾17年會計及財務管理經驗，之前曾於多間上市及非上市集團工作。彼曾於二零一三年一月至二零一四年二月出任創業板上市公司奧思知集團控股有限公司(現稱為中國支付通集團控股有限公司)(股份代號：08325)的公司秘書及財務總監。彼曾於二零一四年五月至二零一六年十一月出任聯交所主板上市公司君陽金融控股有限公司(股份代號：00397)的財務總監。

SENIOR MANAGEMENT

Mr. Wong Yu Shun Billy, aged 44, is a senior manager of a subsidiary of the Company. Mr. Wong joined the Group in July 2007 and is responsible for the management of the Group's branch offices. Mr. Wong has acquired experience in the finance field for approximately 17 years. Prior to joining the Group, Mr. Wong was a branch manager in Wing Hang Credit Limited from October 1997 to July 2007. Mr. Wong graduated with a bachelor of arts (general) degree from the Laurentian University in Ontario Canada in October 1997.

Mr. Wong Wing Hei Andy, aged 37, is a senior manager of a subsidiary of the Company. Mr. Wong joined the Group in February 2008 and is responsible for the management of the Group's branch offices and overseeing the marketing department. Prior to joining the Group, Mr. Wong was an assistant manager in Wing Hang Credit Limited from September 2001 to August 2007 and an assistant credit approval manager in Dah Sing Bank Limited from August 2007 to February 2008. Mr. Wong graduated with a bachelor of science degree in accounting and finance from the University of London in August 2011. He also obtained a professional diploma in marketing management in the Hong Kong Management Association in August 2002.

Ms. Chan Mang Lee, aged 32, is a manager of a subsidiary of the Company and a company secretarial officer of the Company. Ms. Chan joined the Group in July 2007 and is responsible for assisting in the general operations of the Group and the company secretarial matters of the Company. Prior to joining the Group, Ms. Chan graduated with a bachelor of science (honor) degree in construction economics and management from the Hong Kong Polytechnic University in December 2007. Ms. Chan also obtained a master of corporate governance degree from the Open University of Hong Kong in June 2010. She is also an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

高級管理層

王宇迅先生，44歲，為本公司一間附屬公司的高級經理。王先生於二零零七年七月加入本集團，負責本集團的分行管理。此前，王先生於金融領域工作約17年，得以累積金融業的經驗。加入本集團之前，王先生曾於一九九七年十月起至二零零七年七月擔任永亨信用財務有限公司分行經理。王先生於一九九七年十月獲得加拿大渥太華省勞倫森大學文學士(普通)學位。

黃穎曦先生，37歲，為本公司一間附屬公司的高級經理。黃先生於二零零八年二月加入本集團，負責本集團分行管理及監督市場營銷部。此前，黃先生於二零零一年九月至二零零七年八月擔任永亨信用財務有限公司助理經理，並於二零零七年八月至二零零八年二月擔任大新銀行有限公司助理信貸審批經理。黃先生於二零一一年八月獲得倫敦大學會計及金融理學士學位。彼亦於二零零二年八月取得香港管理專業協會營銷管理專業文憑。

陳盟莉女士，32歲，為本公司一間附屬公司的經理兼本公司公司秘書主任。陳女士於二零零七年七月加入本集團，負責協助本集團一般營運及本公司公司秘書事宜。加入本集團之前，陳女士於二零零七年十二月獲得香港理工大學建築經濟與管理(榮譽)理學士學位。陳女士亦於二零一零年六月獲得香港公開大學企業管治碩士學位。彼亦為英國特許秘書及行政人員公會及香港特許秘書公會的附屬會員。

Directors' Report 董事會報告

The Board is pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2016. All cross-references mentioned in this directors' report forms part of this directors' report.

PRINCIPAL ACTIVITIES

The Group is principally engaged in money lending business solely in Hong Kong through the provision of both secured and unsecured loans to its customers, including individuals, corporations and foreign domestic workers. The Group also derives rental income from time to time as disclosed under the sub-paragraph headed "Other income and other gains and losses" on page 11 of this annual report.

RESULTS

The Group's results for the year ended 31 December 2016 and the state of affairs of the Company and the Group as at that date are set out in the consolidated financial statements from page 72 to page 77 of this annual report.

DIVIDENDS

On 27 March 2017, the Board recommended a final dividend of HK0.2 cents per share for the year ended 31 December 2016 payable on 28 July 2017 to shareholders of the Company whose names appear on the register of members of the Company on 7 July 2017, subject to the approval of the shareholders at the forthcoming AGM. No shareholder has waived or agreed to waive any dividends.

BUSINESS REVIEW

A fair review of the business of the Group during the year ended 31 December 2016, particulars of important events affecting the Group since the end of the financial year, an analysis of the Group's performance using financial key performance indicators, and an indication of likely future developments in the Group's business are provided in the sections headed "Chairman's Statement" from page 5 to page 6 and "Management Discussion and Analysis" from page 7 to page 20 of this annual report. Description of any matter that is material for appreciation of the state of the Group's affairs can be found throughout this annual report.

董事會欣然提呈本集團截至二零一六年十二月三十一日止年度的年報及經審核綜合財務報表。所有於本董事會報告內提及的相互參照內容均構成董事會報告的一部分。

主要業務

本集團主要在香港進行放債業務，向我們的客戶（包括個人、企業及外籍家庭傭工）提供有抵押及無抵押貸款。誠如本年報第11頁「其他收入及其他收益及虧損」分段所披露，本集團亦不時產生租金收入。

業績

本集團截至二零一六年十二月三十一日止年度的業績以及本公司及本集團於該日的財務狀況載於本年報第72頁至第77頁的綜合財務報表。

股息

於二零一七年三月二十七日，董事會建議向於二零一七年七月七日名列本公司股東名冊本公司的股東派付截至二零一六年十二月三十一日止年度之末期股息，每股派0.2港仙，將於二零一七年七月二十八日派付（須待股東於應屆股東週年大會批准後方可作實）。概無股東已放棄或同意放棄收取任何股息。

業務回顧

有關截至二零一六年十二月三十一日止年度本集團業務的中肯審視、在財政年度終結後發生對本公司有影響的重大事件的詳情、運用財務主要表現指標進行的本集團表現分析，及本集團業務未來可能發展方向分別本年報載於第5頁至第6頁「主席報告」各節、第7頁至第20頁管理層討論及分析。對了解本集團事務狀況據關鍵性的事項之描述均列載於本年報。

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business operations and financial conditions may be affected by risks and uncertainties pertaining to the Group's businesses, which mainly include the operational risks, financial risks, market risks and regulatory risks.

Operational risks are those relating to the Group's internal processes, including but not limited to potential misconduct of employees and fraud, which may bring significant adverse impact on the Group's business operations and reputation. Failures of information technology systems will result in interruption of the loan operation of the Group and potential leakage of confidential information. Operational risks may also result from emergencies and unexpected events such as natural hazards.

Financial risks include interest rate risk, credit risk and liquidity risk in the Group's normal course of business. Interest rate risk relates to the fluctuation of interest rates of the interest-bearing lending and borrowing of the Group. Credit risk relates to the ability or willingness of customers to meet their contractual obligations whereas liquidity risk refers to the Group's ability in maintaining sufficient fund to meet the liquidity requirements. The above financial risks may affect the finance costs incurred, revenue generated as well as impairment loss on loans receivables. Further discussion about the financial risks is set out in note 6 to the consolidated financial statements from page 103 to page 110 of this annual report.

Market risks relate to the change in macroeconomic conditions and fluctuation of market variables such as gross domestic product, exchange rates, equity prices and property prices in Hong Kong. These risks may generally affect market demands and the repayment abilities of customers, in particular the customers for personal loans and mortgage loans, which may lead to adverse impact on the Group's revenue.

Regulatory risks may arise from potential default of the Group in compliance with the relevant laws and regulations which have a significant impact on the Group's business and any future changes in the relevant laws and regulations. Non-compliance with the relevant laws and regulations may bring various consequences to the Group, including but not limited to the revocation or suspension of the money lenders licence and/or the imposition of penalties resulting from the offence. The compliance committee of the Company was established with the aim to ensure the strict compliance of the Group with relevant laws, rules and regulations applicable to the Group. The Company has also adopted a compliance policy and manual which governs the Company's compliance matters in relation to the Money Lenders Ordinance, the GEM Listing Rules as well as other relevant regulations. More information about the compliance committee of the Company is set out in the sub-paragraph headed "Compliance Committee" in the section headed "Corporate Governance Report" on page 28 of this annual report.

主要風險及不確定因素

本集團之業務營運及財務狀況可受與本集團業務有關之風險及不確定因素影響，主要包括營運風險、財務風險、市場風險及監管風險。

營運風險指與本集團內部程序有關之風險，包括但不限於潛在僱員行為不當及欺詐，可能對本集團業務營運及聲譽造成嚴重不利影響。資訊科技系統故障可能導致本集團貸款業務中斷及可能洩漏機密資訊。營運風險亦可能因天災等緊急情況及意料之外之事件導致。

財務風險包括本集團正常業務過程中之利率風險、信貸風險及流動性風險。利率風險涉及本集團計息貸款及借款之利率波動。信貸風險涉及客戶履行合約責任之能力或意願，而流動性風險指本集團維持充足資金以滿足流動性要求之能力。上述財務風險可能影響所產生之財務成本、已產生之收入以及應收貸款之減值虧損。關於財務風險之進一步討論載於本年報綜合財務報表第103頁至第110頁。

市場風險涉及宏觀經濟情況及市場可變因素波動，例如香港的本地生產總值、匯率、股本價格及物業價格。該等風險可能全面影響市場需求及客戶的償還能力，尤其是個人貸款及按揭貸款之客戶，可能對本集團之收益導致不利影響。

監管風險可能因本集團對遵守有關法律及法規有潛在違規(對本集團業務有重大影響)及有關法律及法規之任何未來變動而產生。不遵守有關法律及法規可能對本集團導致各種後果，包括但不限於撤銷或暫停放債人牌照及/或因罪行而被施加罰款。本公司已成立合規委員會，旨在確保本集團嚴格遵守對本集團適用之相關法律、規則及法規。本公司亦已採納合規政策及手冊，規管本公司關於《放債人條例》、創業板上市規則及其他有關法規之合規事宜。關於本公司合規委員會之更多資料載於本年報第28頁「企業管治報告」一節「合規委員會」分節。

Further discussion on the risk management and internal control of the Company is set out in the paragraph headed "Risk Management and Internal Control" in the section headed "Corporate Governance Report" from page 29 to page 32 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has been aware of its rising environmental responsibility to the community and is committed to reducing the negative impacts on the environment caused by the operation of its business and enhancing its influence among different stakeholders. It also strives to maintain an environmental-friendly business mechanism across its operation.

The Group encourages treasure and efficient use of natural resources such as electricity, water and papers. Environmental-friendly workplace guidelines are provided to employees to create a green workplace. In light of the paperless culture promoted by the Group, employees are encouraged to use both sides of papers, recycled papers, or choosing "2 pages per sheet" printing setting when printing documents. Also, the Group nurtures recycling habit of employees and over 750 kg of used papers were recycled during the year under review.

Further details of the Group's environmental policies and performance are set out in the paragraph headed "Environment" in the Environmental, Social and Governance Report on page 59 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The operations of the Group is based in Hong Kong and the Group itself is listed on GEM. In light of this, the Group upholds high corporate governance standards and strives to ensure that its business practice complies with all relevant laws and regulations in the jurisdiction. Reviews on regulatory compliance of its business operation are conducted from time to time. During the year under review and up to the date of this annual report, the Group has been in compliance with the relevant laws and regulations that have a significant impact on its money lending business in Hong Kong which mainly include the Money Lenders Ordinance. The Money Lenders Ordinance provides for the control and regulation of money lenders and money-lending transactions, the licensing of persons carrying on business as money lenders, and provides protection and relief against excessive interest rates and extortionate stipulations in respect of loans. In addition, the Group was aware of the additional licensing conditions on the money lenders licence which came into effect on 1 December 2016. Existing loan procedures and related issues were reviewed and amended accordingly. For the year under review and up to the date of this annual report, no material breach or non-compliance with relevant laws and regulations regarding business and operations of the Group was found.

關於本公司風險管理及內部監控之進一步討論載於本年報第29頁至第32頁「企業管治報告」一節「風險管理及內部監控」一段。

環境政策及表現

本集團已意識到日益增多的社會環境責任且致力於減少由其業務營運而產生的對環境的負面影響以及加強於不同持份者間的影響，亦致力於維持覆蓋其營運的環境友好型業務機制。

本集團鼓勵珍惜及有效利用自然資源，如電力、水及紙張。本集團向僱員提供環境友好型的工作場所指引以創造綠色的工作環境。鑒於本集團倡導無紙文化，鼓勵僱員打印文件時使用紙張的雙面、循環用紙或選擇「每張2頁」印刷設置。本集團亦培養僱員循環利用的習慣且審閱年度有逾750千克已使用紙張得以循環利用。

有關本集團環境政策及表現之進一步詳情列載於本年報第59頁之環境、社會及管治報告「環境」一段。

遵守相關法律及法規

本集團於香港營運且本集團於創業板上市。有鑒於此，本集團維持高標準的企業管治及致力於確保業務實踐遵守司法權區所有相關法律及法規，且不時進行有關業務營運符合監管規定的審閱。於回顧年度內及截至本年報日期，本集團一直遵守對於其香港放貸業務有重大影響的相關法律及法規，主要包括放債人條例。放債人條例規定有關放債人及放債交易的監控和規管條文，發出牌照以進行放債人業務，並規定有關保護和資助貸款方面苛徵利息及勒索敲詐條款的條文。此外，本集團亦知悉對放債人牌照加上的額外發牌條件，其已於二零一六年十二月一日生效。集團已經審閱現存貸款流程及相關事宜並作出相應修改。於回顧年度內及直至本年報日期，就本集團業務及營運概無發現重大違反或不遵守相關法律及法規的情況。

KEY RELATIONSHIPS

Employees

The fact that employees are crucial assets of the Group is of no doubt. The Group strives to enhance employees' loyalty and sense of belongings to the Group through various policies and practice. It emphasises the importance of labour diversity and equal opportunities in recruitment process. It also provides staff with a caring, safe and healthy working environment. In order to help cater for the continuous development of the employees, professional trainings and self-development sponsorships are provided. The Group values any feedback from employees and hopes to maintain open communication with the latter, which favours a good and long-lasting relationship.

Further details about the Group's policies and relationship with its employees are set out in the paragraphs headed "Employees" in the Environmental, Social and Governance Report from page 57 to 58 of this annual report.

Customers

Customer-oriented principle is adopted across the business operation of the Group. Product mix (i.e. loan portfolio) and service quality, which are regarded as key to good relationship with customers of the Group, are continuously reviewed with the aim to cater for target customers' fast-changing needs and enhance their satisfactions. The Group also strives to ensure that honest and comprehensive information about its products is provided to customers so that they can make appropriate informed decision. In addition, as numerous personal and confidential information is handled and processed by staff in day-to-day operation, guidelines regarding security of customers' personal privacy and avoidance of information leakage are in place.

During the year under review, the Group maintained good relationship with its major customers, including individuals and corporations. The Group did not rely on any of its major customers as the relevant revenue generated was not significant. During the year under review, the five largest customers of the Group in aggregate accounted for less than 16% of the revenue of the Group.

During the year under review, the credit period of the loans granted to the major customers ranged from 1 year to 3 years, which was negotiated on an arm's length basis with reference to the commercial practice and the Group's credit policy. The top management of the Company will closely monitor the loan portfolio, in particular the loans to major customers, periodically and will continue to adopt risk control and management strategies while broadening the customer base.

As far as the Directors are aware, neither the Directors nor their close associates nor any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in the five largest customers of the Group during the year.

重要關係

僱員

僱員無疑是本集團重要資產。本集團致力於通過多種政策及實踐加強僱員的忠誠度及對本集團的歸屬感，強調勞動力的多樣性及招聘過程的機會平等，亦為員工提供用心、安全及健康的工作環境。為幫助員工持續發展，我們提供專業訓練及贊助自我發展。本集團重視僱員的任何反饋並希望維持與其的有利於良好而持久關係的開放交流。

有關本集團僱員政策及其與僱員關係之更多詳情載於本年報第57頁至第58頁環境、社會及管治報告「僱員」各段。

客戶

本集團於業務營運中採取以客戶為本的宗旨。本集團視產品組合(如貸款組合)及服務質量為維持與客戶維持良好關係的關鍵，並持續審閱產品組合及服務質量以希望達到迎合客戶瞬息萬變的需求及提高彼等的滿意度。本集團亦致力確保於向客戶提供誠信及全面的產品資料，令彼等作出適宜的知情決定。此外，於每日營運中員工經手並處理大量的個人及機密資料，本集團適當作出有關客戶個人隱私安全及避免信息洩露的指引。

於回顧年度，本集團與其主要客戶維持良好關係，包括個人及企業。本集團並無依賴任何主要客戶，因為所產生的相關收益並不重大。於回顧年內，本集團五大客戶合共為本集團收益貢獻不足16%。

於回顧年度，授予主要客戶的貸款信貸期介乎一年至三年，乃參考商業常規及本集團的信貸政策按公平基準磋商。本公司高級管理層將定期密切監察貸款組合，尤其是授予主要客戶的貸款，並將繼續採用風險監控及管理策略，同時擴大客戶基礎。

據董事所知，概無董事或其聯繫人或就董事所知擁有本公司已發行股本5%以上的任何股東於本集團五大客戶中擁有任何權益。

Suppliers

The Group's major suppliers are those who provide services supporting the daily office operation of the Group such as cleaning service companies, office consumables suppliers and so on. Guidelines were established and adopted to outline criteria to be considered when selecting suppliers and vendors. Whether the potential suppliers own shared values with the Group in terms of sustainable development shall be considered. During the year under review and up to the date of this annual report, the Group has worked closely with its suppliers and maintained good relationships with its suppliers.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five years is set out in the section headed "Financial Summary" on page 143 of this annual report. The summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 29 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme adopted by the Company ("**Share Option Scheme**") as disclosed in note 32 to the consolidated financial statements and the JY Placing Agreement as disclosed in the sub-paragraphs headed "Placing under General Mandate" on page 15 of this annual report, no equity-linked agreements were entered into by the Company during the year ended 31 December 2016 or subsisted at the end of the year.

ISSUE OF SHARES AND DEBENTURES

During the year under review, the Company has allotted and issued 60,480,000 Placing Shares under the December Placing and 3,265,920,000 Rights Shares under the 2016 Rights Issue. The Company has also issued the May 2016 Notes in an aggregate principal amount of HK\$33,000,000 during the year under review. Details of the December Placing, the 2016 Rights Issue and the issue of May 2016 Notes are set out in the paragraphs headed "Fund Raising Activities" in the section headed "Management Discussion and Analysis" from page 15 to page 17 of this annual report.

PRE-EMPTIVE RIGHTS

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

供應商

本集團的主要供應商指為本集團日常辦公室營運提供支援服務的供應商，例如清潔服務公司、辦公室消耗品供應商等等。本集團已建立並採納挑選供應商及賣方時供考慮的標準的指引。我們將考慮是否潛在供應商與本集團就持續發展享有共識。於審閱年度期間及直至本年報日期，本集團與供應商合作緊密且維持良好的關係。

財務摘要

有關本集團於過往五年的業績以及資產及負債的摘要載於本年報第143頁「財務摘要」一節。該摘要並不構成經審核綜合財務報表一部分。

股本

本公司股本於本年度的變動詳情載於綜合財務報表附註29。

股權掛鈎協議

除綜合財務報表附註32所披露本公司採納的購股權計劃（「**購股權計劃**」），以及本年報第15頁「一般授權下的配售事項」段落所述的君陽配售協議外，本公司於截至二零一六年十二月三十一日止年度內並無訂立任何股權掛鈎協議，而且於年末時並無任何該類協議存續。

發行股份及債權證

於回顧年內，本公司根據十二月配售事項及二零一六年供股配發及發行60,480,000股配售股份及3,265,920,000股供股股份。本公司亦於回顧年內發行二零一六年五月票據，合共本金額為33,000,000港元。十二月配售事項、二零一六年供股及二零一六年五月票據之詳情載於本年報第15頁至第17頁「管理層討論及分析」一節「集資行動」各段。

優先購買權

公司細則或百慕達法律均無有關促使本公司向現有股東按比例發售新股的優先購買權的規定。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Company's property, plant and equipment during the year are set out in note 19 to the consolidated financial statements.

RESERVE

Details of movements in the reserves of the Group during the year are set out in note 31 to the consolidated financial statements and in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

At 31 December 2016, the Company's reserves available for distribution to equity holders comprising the contributed surplus (net of the proposed final dividend for the year ended 31 December 2016) amounted to approximately HK\$213.46 million.

DONATIONS

During the year under review, the Group made charitable donations and other donations amounting to approximately HK\$120,000 (2015: HK\$100,000).

DIRECTORS AND SENIOR MANAGEMENT

The Directors of the Company during the year were:

EXECUTIVE DIRECTORS

Mr. Sin Kwok Lam (*Chairman*)

Mr. Tsang Yan Kwong (*Chief Executive Officer*)

Mr. Leung Wai Hung

Ms. Ho Siu Man

NON-EXECUTIVE DIRECTOR

Ms. Chan Lai Yee (*retired on 28 June 2016*)

物業、廠房及設備

本公司於本年度的物業、廠房及設備變動詳情載於綜合財務報表附註19。

儲備

本集團於本年度的儲備變動詳情載於綜合財務報表附註31以及綜合權益變動表。

可供分派儲備

於二零一六年十二月三十一日，本公司可供分派予權益持有人的儲備由繳入盈餘(扣除截至二零一六年十二月三十一日止年度的建議末期股息)組成，金額約為213,460,000港元。

捐款

於回顧年內，本集團作出慈善捐款及其他捐款約120,000港元(二零一五年：100,000港元)。

董事及高級管理層

於本年度，本公司董事包括：

執行董事

冼國林先生(*主席*)

曾仁光先生(*行政總裁*)

梁偉雄先生

何筱敏女士

非執行董事

陳麗兒女士(於二零一六年六月二十八日辭任)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Kin Fai (*resigned on 18 July 2016*)
 Mr. Tai Man Hin Tony (*resigned on 24 October 2016*)
 Mr. Fung Kam Man (*appointed on 18 July 2016*)
 Mr. Wang Zhiwei (*appointed on 24 October 2016*)
 Mr. Yu Wan Hei

In accordance with the Bye-laws, any Director appointed by the Board to fill casual vacancy shall hold office until the first general meeting of the Company held after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. By virtue of the above requirement, Mr. Fung Kam Man and Mr. Wang Zhiwei will hold office until the next general meeting of the Company and be subject to re-election at such meeting.

Biographical information of Directors and senior management of the Group are set out from page 35 to page 38 of this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Mr. Sin Kwok Lam, an executive Director and the Chairman of the Company, entered into a service contract with the Company on 29 November 2012 for a fixed term of 6 years with effect from 19 December 2012. Other executive Directors have entered into a service contract with the Company for a term of three years. Each of the independent non-executive Directors is appointed for a term of two years subject to retirement, re-election and removal in accordance with the Bye-laws.

Mr. Sin, being one of the Directors who will retire by rotation and be eligible for re-election at the forthcoming AGM, has an unexpired term of service contract of approximately 21 months as at the date of this annual report.

Save as disclosed above, no Director being proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

獨立非執行董事

李健輝先生(於二零一六年七月十八日辭任)
 戴文軒先生(於二零一六年十月二十四日辭任)
 馮錦文先生(於二零一六年七月十八日獲委任)
 王志維先生(於二零一六年十月二十四日獲委任)
 余運喜先生

根據公司細則，由董事會委任以填補臨時空缺的任何董事的任期直至其獲委任後本公司舉行的首次股東大會為止，並可於該大會上膺選連任；獲董事會委任為額外增加現有董事會成員人數的任何董事的任期僅直至本公司下屆股東週年大會為止，並於大會上符合資格膺選連任。根據上述規定，馮錦文先生及王志維先生之任期將至本公司下屆股東大會並可於該大會上膺選連任。

本集團董事及高級管理層履歷載於本年報第35頁至第38頁。

確認獨立性

本公司已收到各獨立非執行董事根據創業板上市規則第5.09條發出的年度獨立性確認書，並認為所有獨立非執行董事均為獨立人士。

董事的服務合約

本公司執行董事兼主席冼國林先生於二零一二年十一月二十九日與本公司訂立服務合約，固定任期為六年，自二零一二年十二月十九日起生效。其他執行董事已與本公司訂立服務合約，為期三年。各獨立非執行董事的任期為兩年，並須遵照公司細則接受退任、重選及罷免。

冼先生為將於應屆股東週年大會上輪值告退惟符合資格可膺選連任的董事之一，其服務合約有效期於本年報日期尚餘約21個月。

除上文所披露者外，並無擬於應屆股東週年大會上重選之董事擁有本公司在未有作出補償(法定補償除外)下不得於一年內終止的服務合約。

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group. The remuneration package generally includes fees or salary, allowance and benefits and so on, details of which are set out in notes 16 to the consolidated financial statements. Emolument payable to Directors is generally determined based on the Group's operating results, individual performance and comparable market practices.

The Share Option Scheme was also adopted for the purpose of providing incentives and rewards to eligible participants, including the Directors, who contribute to the success of the Group's operations. Further details of the Share Option Scheme are set out in note 32 to the consolidated financial statements.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in notes 16 and 15 to the consolidated financial statements respectively.

COMPETING INTERESTS

During the year under review, none of the business or interest of the Directors or their respective associates competes or may compete with the business of the Group or had any other conflicts of interest with the Group.

During the annual review, the independent non-executive Directors have no material matters to disclose relating to the compliance and enforcement of the non-competition undertaking of Best Year, Enhance Pacific Limited ("Enhance Pacific") and Mr. Sin Kwok Lam under the deed of non-competition.

薪酬政策

本集團已設立薪酬委員會，以審閱本集團的薪酬政策及本集團全體董事及高級管理層的薪酬架構。薪酬方案一般包括袍金或薪金、津貼及福利等，有關詳情載於綜合財務報表附註16。應付董事的薪酬一般是根據本集團營運業績、個人表現及相若市場慣例釐定。

本集團亦採納購股權計劃，以提供激勵及獎賞予對本集團營運成就有貢獻的合資格參與者(包括董事)。有關購股權計劃的其他詳情載於綜合財務報表附註32。

董事及五名最高薪酬人士的酬金

董事及五名最高薪酬人士的酬金詳情分別載於綜合財務報表附註16及15。

競爭權益

於回顧年內，概無董事或彼等各自聯繫人之業務或權益與本集團業務構成或可能構成競爭，或與本集團有任何其他利益衝突。

於年度審閱時，根據不競爭契據，獨立非執行董事並無有關好年、Enhance Pacific Limited (「Enhance Pacific」)及冼國林先生遵守及履行不競爭承諾的重大事宜須予披露。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

On 17 December 2015, an underwriting agreement (“**RI Underwriting Agreement**”) was entered into among the Company as issuer, Best Year, Astrum Capital Management Limited and Jun Yang collectively as underwriters in relation to the 2016 Rights Issue. As a result of the under-subscription of the Rights Shares, an aggregate of 427,296,000 Rights Shares were subscribed by and were allotted and issued to Best Year as an underwriter on 31 March 2016 in accordance with the RI Underwriting Agreement. As Best Year is wholly-owned by Mr. Sin Kwok Lam, an executive Director and the Chairman of the Company, Mr. Sin is considered to have material interests in, and has acquired shares of the Company pursuant to the RI Underwriting Agreement. Please refer to the paragraphs headed “Fund Raising Activities — Rights Issue” on page 16 of this annual report for further details of the 2016 Rights Issue.

Save for the Share Option Scheme and the RI Underwriting Agreement, at no time during the year ended 31 December 2016 was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Save for the RI Underwriting Agreement, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had material interest (whether directly or indirectly), was subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. Such provisions were in force during the year under review and remained in force as of the date of this annual report.

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 subsisted during the year.

董事於交易、安排及合約的權益

於二零一五年十二月十七日，本公司（為發行人）、好年、阿仕特朗資本管理有限公司及君陽（集體作為包銷商）就二零一六年供股訂立一份包銷協議（「**供股包銷協議**」）。由於供股股份認購不足，按照供股包銷協議，好年（為包銷商）已於二零一六年三月三十一日認購並獲發行及配發總數427,296,000股供股股份。由於好年由本公司執行董事兼主席冼國林先生全資擁有，冼先生被視作於二零一六年供股中有重大利益，並已根據供股包銷協議取得本公司的股份。二零一六年供股的進一步詳情請參閱本年報第16頁「集資行動 — 供股」下各段。

除購股權計劃及供股包銷協議外，於截至二零一六年十二月三十一日止年度內的任何時間，本公司或其任何附屬公司從未作為任何容許董事透過收購本公司或任何其他法團的股份或債權證以獲取利益的安排的訂約方。

除供股包銷協議外，於本年度末或本年度期間內任何時間，董事或與董事相關的實體並無存續任何與本公司、或其任何控股公司、附屬公司或旗下附屬公司所訂立或作出的擁有重大權益（不論直接或間接）的交易、安排或重大合約。

獲准許的彌償條文

根據公司細則，董事均可從本公司的資產及溢利獲得彌償保證，彼等就其職務執行其職責時因作出、發生的任何作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害賠償及開支，可就此獲保證免受任何損害。有關條文於回顧年度內生效並且於本年報日期仍然生效。

管理合約

本年度內概無訂立或存在與本公司全部或任何重大部分業務有關的管理及行政合約。

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

As at 31 December 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests in the Company

Long position

Name of Director	Capacity	Number of ordinary shares held	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
董事姓名	身份	所持普通股數目	
Sin Kwok Lam 冼國林	Interest of controlled corporations (Note) 受控制法團權益股股份(附註)	599,056,000	16.51%

Note: Best Year and Enhance Pacific are the registered and beneficial owners of these shares. Best Year, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Sin Kwok Lam, is interested in 559,856,000 shares. By virtue of the provisions of Part XV of the SFO, Mr. Sin Kwok Lam is deemed to be interested in all the shares in which Best Year is interested. Enhance Pacific, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Sin Kwok Lam, is interested in 39,200,000 shares. By virtue of the provisions of Part XV of the SFO, Mr. Sin Kwok Lam is deemed to be interested in all the shares in which Enhance Pacific is interested.

Save as disclosed above, as at 31 December 2016, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

董事及最高行政人員於股份、相關股份及債券中的權益及淡倉

於二零一六年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有記入根據證券及期貨條例第352條規定須予存置的登記冊中的任何權益及淡倉，或根據創業板上市規則第5.46條董事買賣守則所規定以其他方式通知本公司及聯交所的權益及淡倉如下：

於本公司的權益

好倉

Name of Director	Capacity	Number of ordinary shares held	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
董事姓名	身份	所持普通股數目	
Sin Kwok Lam 冼國林	Interest of controlled corporations (Note) 受控制法團權益股股份(附註)	599,056,000	16.51%

附註：好年及Enhance Pacific為該等股份的註冊及實益擁有人。好年乃於英屬處女群島註冊成立的有限公司，由冼國林先生全資擁有，並擁有559,856,000股股份的權益。根據證券及期貨條例第XV部的條文規定，冼國林先生被視為於好年所擁有權益的全部股份中擁有權益。Enhance Pacific乃於英屬處女群島註冊成立的有限公司，由冼國林先生全資擁有，並擁有39,200,000股股份的權益。根據證券及期貨條例第XV部的條文規定，冼國林先生被視為於Enhance Pacific所擁有權益的全部股份中擁有權益。

除上文所披露者外，於二零一六年十二月三十一日，本公司董事或行政總裁概無於本公司或其相聯法團(定義見證券及期貨條例第XV部)股份、相關股份及債權證中擁有記入根據證券及期貨條例第352條規定須予存置的登記冊中的任何權益或淡倉，或根據創業板上市規則第5.46條董事買賣守則所規定以其他方式通知本公司及聯交所的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份中的權益及淡倉

As at 31 December 2016, the interests and short positions of the persons (other than the Directors or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

於二零一六年十二月三十一日，於本公司股份及相關股份中持有權益並記錄於根據證券及期貨條例第336條須予存置的登記冊中的個人(董事或本公司最高行政人員除外)的權益及淡倉如下：

Long position

好倉

Name	Capacity	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
名稱／姓名	身份	所持普通股數目	佔本公司已發行股本概約百分比
Convoy Global Holdings Limited 康宏環球控股有限公司	Interest of controlled corporations (Note 1) 受控制法團權益(附註1)	1,070,400,000	29.50%
Convoy (BVI) Limited Convoy (BVI) Limited	Interest of controlled corporations (Note 1) 受控制法團權益(附註1)	1,070,400,000	29.50%
Convoy Collateral Limited 康宏財務有限公司	Beneficial owner (Note 1) 實益擁有人(附註1)	1,070,400,000	29.50%
GET Holdings Limited 智易控股有限公司	Interest of controlled corporations (Note 2) 受控制法團權益(附註2)	720,000,000	19.84%
Lucky Famous Limited 悅茂有限公司	Interest of controlled corporations (Note 2) 受控制法團權益(附註2)	720,000,000	19.84%
Perfect Growth Limited 肇堅有限公司	Beneficial owner (Note 2) 實益擁有人(附註2)	720,000,000	19.84%
Best Year 好年	Beneficial owner (Note 3) 實益擁有人(附註3)	559,856,000	15.43%
Jun Yang Financial Holdings Limited 君陽金融控股有限公司	Interest of controlled corporations (Note 4) 受控制法團權益(附註4)	350,000,000	9.65%

Note 1: These shares are held by Convoy Collateral Limited, which is a company incorporated in Hong Kong with limited liability. Convoy Collateral Limited is wholly-owned by Convoy (BVI) Limited, which is in turn wholly-owned by Convoy Global Holdings Limited (stock code: 01019), whose shares are listed on the Main Board of the Stock Exchange. By virtue of the SFO, Convoy (BVI) Limited and Convoy Global Holdings Limited are deemed to be interested in all the shares in which Convoy Collateral Limited is interested.

Note 2: These shares are held by Perfect Growth Limited, which is a company incorporated in Hong Kong with limited liability. Perfect Growth Limited is wholly-owned by Lucky Famous Limited, which is in turn wholly-owned by GET Holdings Limited (stock code: 08100), whose shares are listed on GEM. By virtue of the SFO, Lucky Famous Limited and GET Holdings Limited are deemed to be interested in all the shares in which Perfect Growth Limited is interested.

Note 3: Best Year is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Sin Kwok Lam.

Note 4: These shares are held by Classictime Investments Limited, which is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Jun Yang Financial Holdings Limited. Jun Yang Financial Holdings Limited (stock code: 0397) is a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange. By virtue of the SFO, Jun Yang Financial Holdings Limited is deemed to be interested in all the shares in which Classictime Investments Limited is interested.

Save as disclosed above, the Directors are not aware of any other person (other than a Director or the chief executive of the Company) which had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2016, the Company had not entered into any connected transaction which was subject to reporting and annual review requirements under the GEM Listing Rules.

Details of the related party transactions entered into by the Group are set out in note 35 to the consolidated financial statements.

The related party transactions stated in note 35(A) to the consolidated financial statements fall under the definition of "connected transactions" under the GEM Listing Rules. The Company has complied with the relevant disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules for such connected transactions.

附註1：該等股份由康宏財務有限公司持有，該公司乃於香港註冊成立的有限公司。康宏財務有限公司由Convoy(BVI)Limited全資擁有，而Convoy(BVI)Limited則由康宏環球控股有限公司(其股份於聯交所主板上市，股份代號：01019)全資擁有。根據證券及期貨條例，Convoy(BVI)Limited及康宏環球控股有限公司被視為於康宏財務有限公司擁有權益的全部股份中擁有權益。

附註2：該等股份由肇堅有限公司持有，該公司乃於香港註冊成立的有限公司。肇堅有限公司由悅茂有限公司全資擁有，而悅茂有限公司則由智易控股有限公司(其股份於創業板上市，股份代號：08100)全資擁有。根據證券及期貨條例，悅茂有限公司及智易控股有限公司被視為於肇堅有限公司擁有權益的全部股份中擁有權益。

附註3：好年乃於英屬處女群島註冊成立的有限公司，由冼國林先生全資擁有。

附註4：該等股份由Classictime Investments Limited持有，該公司乃於英屬處女群島註冊成立的有限公司，由君陽陽金融控股有限公司全資擁有。君陽陽金融控股有限公司(股份代號：0397)為於百慕達註冊成立的有限公司，其股份於聯交所主板上市。根據證券及期貨條例，君陽陽金融控股有限公司被視為於Classictime Investments Limited擁有權益的全部股份中擁有權益。

除上文披露者外，董事並不知悉任何其他個人(董事或本公司最高行政人員除外)在本公司股份或相關股份中擁有記錄於根據證券及期貨條例第336條規定須予存置的登記冊中的任何權益或淡倉。

關連交易以及持續關連交易

截至二零一六年十二月三十一日止年度內，本公司並無訂立須受創業板上市規則的申報及年度審閱規定規限的關連交易。

本集團訂立的關連方交易的詳情載於綜合財務報表附註35。

綜合財務報表附註35(A)所述的關連方交易與創業板上市規則「關連交易」之定義相符。本公司已根據創業板上市規則第20章就該等關連交易遵守相關披露規定。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met all the code provisions set out in the CG Code contained in Appendix 15 to the GEM Listing Rules during the year. A report on the principal corporate governance practices adopted by the Company is set out from page 21 to page 34 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the latest practicable date prior to the issue of annual report.

AUDITORS

During the year, RSM Hong Kong ("RSM") was appointed as the auditors of the Company by the shareholders at the AGM for the year ended 31 December 2016. RSM will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. A resolution to re-appoint RSM and to authorise the Directors to fix its remuneration will be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

Sin Kwok Lam
Chairman

Hong Kong, 27 March 2017

購買、出售或贖回上市證券

截至二零一六年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

企業管治

董事會認為本公司於本年度已符合創業板上市規則附錄十五所載企業管治守則所載的守則條文。有關本公司所採納的主要企業管治常規的報告載於本年報第21頁至第34頁。

足夠公眾持股量

於刊發本年報前之最後實際可行日期，根據本公司可從公開途徑取得的資料及據董事所知，本公司已發行股本總量中至少25%乃由公眾持有。

核數師

於本年度，中瑞岳華(香港)會計師事務所(「中瑞岳華」)獲股東於截至二零一六年十二月三十一日止年度的股東週年大會上委聘為本公司之核數師。中瑞岳華將退任，惟其符合資格並願意於應屆股東周年大會獲續聘。重新委任中瑞岳華及授權董事決定其酬金的決議案將於應屆股東週年大會上提呈。

代表董事會

主席
冼國林

香港，二零一七年三月二十七日

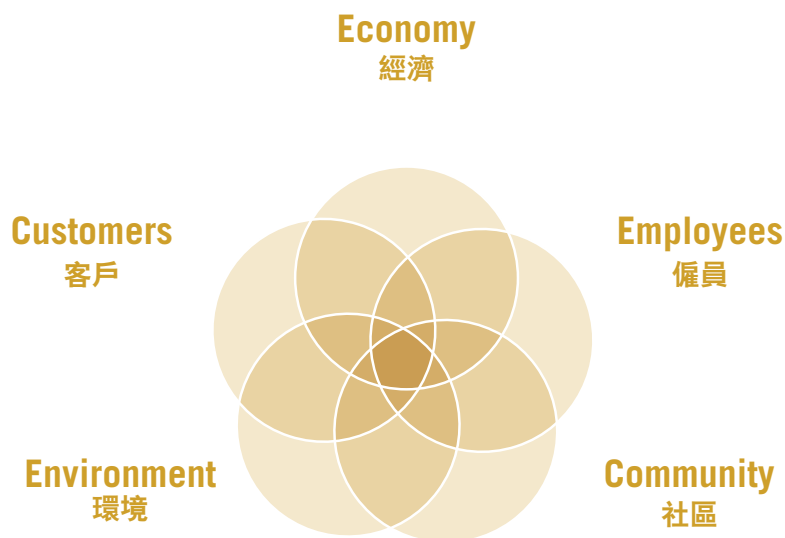
Environmental, Social and Governance Report 環境、社會及管治報告

ABOUT THIS REPORT

Pursuant to the Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in Appendix 20 to the GEM Listing Rules, the Board is pleased to present this environmental social and governance report (“ESG Report”) for the year ended 31 December 2016. This ESG Report highlights the initiatives and efforts of the Company and its key subsidiaries in the commitment to sustainable development and corporate social responsibility. For the sake of materiality principle stated in the ESG Guide, aspects and issues that are not relevant or material to the Group are excluded from this ESG Report. The Group has complied with the “comply or explain” provisions set out in the ESG Guide for the year ended 31 December 2016.

MISSION STATEMENT

Engaging in the finance industry in Hong Kong, The Group has been emphasizing its rising corporate social responsibility (“CSR”) and role in sustainable development of the community. CSR is not empty talk; the Group has put considerable efforts in exploring different possibilities to enhance its positive impacts to the community in economic, environmental, social aspects and so on throughout the past year. The following shows the five major areas of concern that the Group emphasises and strives to improve:



In pursuing various objectives, the Group adopts a balanced approach to consider all the above areas of concern in a case-by-case basis.

關於本報告

根據創業板上市規則附錄二十所載的《環境、社會及管治報告指引》(「環境、社會及管治報告指引」)，董事會欣然呈列截至二零一六年十二月三十一日止年度之環境、社會及管治報告(「環境、社會及管治報告」)。環境、社會及管治報告重點闡述本公司及其主要附屬公司致力為可持續發展及履行企業社會責任所作出的措施及努力。就環境、社會及管治報告指引所述之重要性原則而言，環境、社會及管治報告不包括與本集團無關或非重大方面及事宜。就截至二零一六年十二月三十一日止年度，本集團已依從環境、社會及管治報告指引所載「不遵守就解釋」條文。

使命宣言

本集團在香港從事金融業，並一直強調自身日益加重的企業社會責任(「企業社會責任」)及於社區可持續發展進程中擔任的角色。企業社會責任並非空談，過往一年裡本集團已投入相當大的努力開拓各種可能，以加強自身對社區的經濟、環境及社會等層面上的積極影響。下圖顯示本集團重點關注及致力改善的五大領域：

本集團在致力達成各個目標時，會以平衡的切入觀點，按個別情況考慮以上所有關注範疇。

GUIDING PRINCIPLES

When designing business practice and making business decisions across its operations, the Group takes the following general principles into account:

- Economy: acts as a socially responsible economic contributor in the community; upholds high corporate governance standards and strives to comply with all relevant ordinances and regulations;
- Customers: provides customer-oriented solutions and quality services to customers; respects and protects customers personal data privacy and security;
- Employees: promotes equal opportunities and combats any kind of discrimination; provides a safe and healthy working environment to employees;
- Environment: adopts the Three R's principles (i.e. reduce, reuse and recycle), minimizing its carbon footprint and considering cost-environmental-friendly products and services; and
- Community: encourages social commitment in any practicable ways; enhances the positive impacts of the Group to the community.

The above general principles shall be embedded into the Group's operation as they relate to its different stakeholders as well as different business decisions and practices.

指導原則

構思業務實踐及作出各營運部門的業務決策時，本集團考慮以下一般原則：

- 經濟：作為對社區負責的經濟貢獻者；恪守高度企業管治標準及致力遵守所有相關條例及法規；
- 客戶：為客戶提供以客戶為中心的解決方案及品質服務；遵照及保障客戶的個人資料隱私及安全；
- 僱員：推廣公平機會及遏制任何形式的歧視行為，為僱員提供安全並健康的工作環境；
- 環境：採用三R原則（即減少、重複利用及回收），將二氧化碳排放減至最低，考慮使用環保產品及服務；及
- 社區：鼓勵透過任何可行方式的社會承擔；加強本集團對社區產生的積極影響。

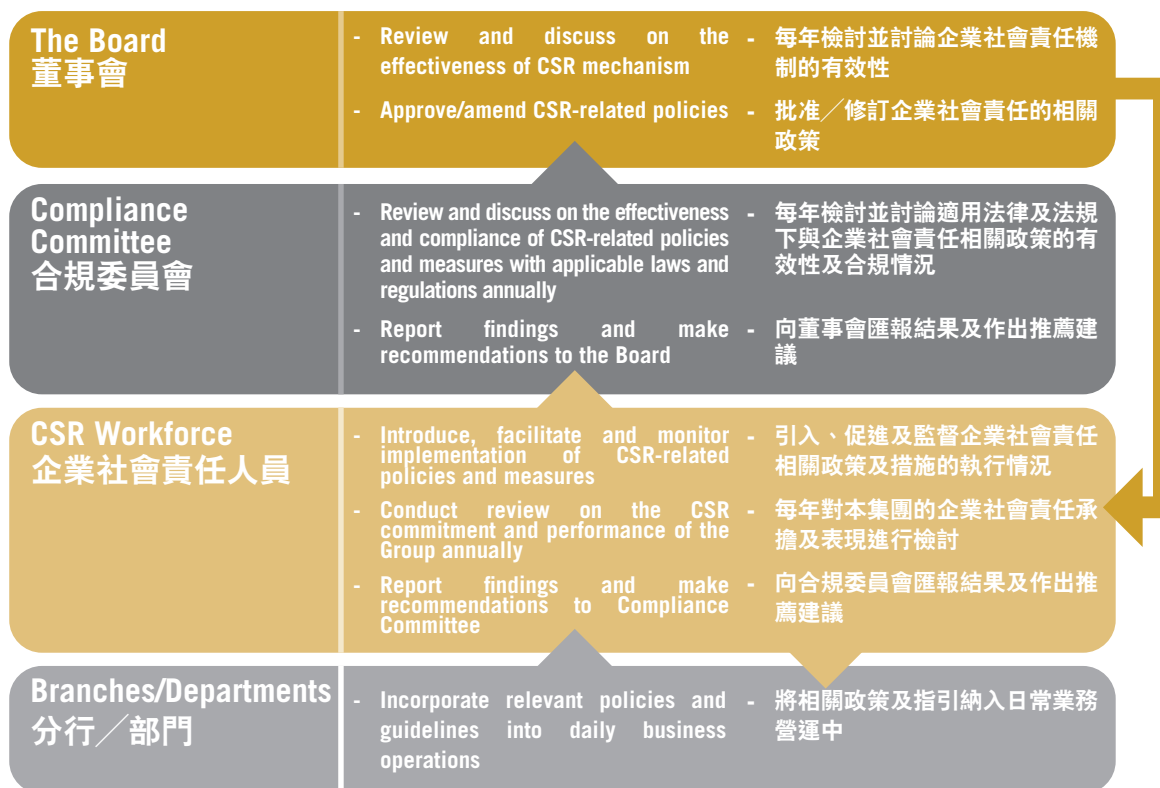
由於上述一般原則與不同的持份者以及不同的業務決策及做法息息相關，故將滲入本集團營運之中。

MANAGEMENT APPROACH

管理方式

CSR STRUCTURE OF THE GROUP

本集團之企業社會責任架構



The CSR commitment of the Group involves participation of every employee from every branch and department. Policies and guidelines covering areas such as business operations manual, compliance, staff working environment and welfare, recruitment and so on are established and incorporated into day to day operations of the Group.

A corporate social responsibility workforce (“**CSR Workforce**”) is established to introduce and facilitate implementation of CSR-related policies and measures. It ensures that employees are well-informed of any introductions of or amendments to the CSR-related policies and measures. It also takes the major role of monitoring and provides assistance to employees where necessary during implementation of the CSR measures.

In addition, the CSR Workforce facilitates an open dialogue with different stakeholders and is responsive to any changes in the regulatory factors and market prevailing situations. Annual review is conducted regarding the CSR commitment and performance of the Group based on all external and internal information gathered.

本集團的企業社會責任承擔離不開各分行及部門每個僱員的參與。政策及指南涵蓋業務營運手冊、合規、員工工作環境及福利、招聘等領域，乃建基於並納入本集團日常營運當中。

企業社會責任工作團隊(「**企業社會責任工作團隊**」)的建立目的在於促進企業社會責任相關政策及措施的執行，確保員工知悉任何有關企業社會責任相關政策及措施的新增或修訂，同時亦擔當重要的監督角色，確保在有需要時於實施企業社會責任措施過程中向僱員提供協助。

此外，企業社會責任工作團隊促進不同持份者的公開對話，並回應任何監管因素及市場狀況變化。基於所有外部及內部所得資料，每年進行關於本集團企業社會責任承擔及表現的年度檢討。

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Based on the findings in its annual review, the CSR Workforce makes recommendations and suggestions to the Compliance Committee of the Group, which conducts review and reports findings and suggestions to the Board correspondingly. The Board then conducts overall review with the aim to enhance CSR mechanism and policies of the Group.

ECONOMY

CORPORATE GOVERNANCE

The Group upholds high corporate governance standards and strives to ensure that its business practice complies with all relevant laws and regulations in the jurisdiction. The Group is responsive to regulatory changes and will evaluate the need to amend its existing policies and practice from time to time. Details of the Group's corporate governance structure and practices are set out in the section headed "Corporate Governance Report" from page 21 to page 34 of this annual report.

ANTI-MONEY LAUNDERING

Engaging in the money lending business, employees have to deal with payments in the Group's day to day operation. Potential risks regarding improper or dishonest handling of money by customers or employees cannot be neglected. Guidelines in relation to anti-corruption, fraud and anti-money laundering etc. are established and stated to all staff. For instance, "know your customer" principle is adopted during the loan application process where employees are required to be sensitive in verifying the identity of customers to ascertain whether they may pose risk of money laundering. Maximum limit is also set for cash repayments and so on. All employees are required to comply strictly with such guidelines. In addition to the setting out of indicators for identifying anti-money laundering risks, reporting and monitoring system was also established.

No significant risks relating to improper or dishonest handling of money were identified during the year under review. The Group did not receive any whistleblowing reports from its employees during the year as well. There were also no confirmed incidents regarding bribery, corruption, fraud or money laundering against the laws of Hong Kong during the year under review.

ENGAGEMENT WITH SUPPLIERS

Suppliers of the Group are mainly service providers who provide services supporting the daily office operation of the Group such as cleaning service companies, office consumable suppliers and so on.

基於年度檢討之結果，企業社會責任工作團隊向本集團合規委員會作出推薦建議及意見，而合規委員會則相應地進行檢討及向董事會匯報結果及建議。董事會其後進行全面檢討以提高本集團之企業社會責任機制及政策。

經濟

企業管治

本集團恪守高度企業管治標準及致力保證其業務常規遵守司法管轄區的所有相關法律及法規。本集團對監管變動反應迅速並將評估是否需要不時修訂現有政策及常規。有關本集團企業管治架構及常規之詳情載於本年報第21頁至第34頁「企業管治報告」一節。

反洗黑錢

本集團從事放債業務，在日常營運中會有很多需要僱員處理款項支付的交易。故不能忽視客戶或僱員處理金錢不當或不實之潛在風險。已確立並向員工述明有關反貪污、欺詐及反洗黑錢等指引。例如，於申請貸款程序中採納「認識你的客戶」原則，員工須保持敏銳，核實客戶的身份，確定彼等是否構成洗黑錢風險。對現金還款等亦設有上限。全體僱員須嚴謹遵守有關指引。除制訂指標以識別反洗錢風險之外，申報及監督系統亦已成立。

於回顧年度，概無識別有關處理金錢不當或不實的重大風險。年內本集團亦無收到來自僱員的任何舉報。於回顧年內並無違反香港法律的有關賄賂、貪污、欺詐或洗黑錢事件。

委聘供應商

本集團供應商主要指為本集團辦公室日常營運提供支援服務的服務供應商，例如清潔服務公司、辦公室消耗品供應商等等。

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In order to build cooperation relationships with different suppliers in a socially responsible manner, guidelines were established and adopted to outline the criteria to be considered when selecting suppliers and vendors. The criteria include application of environmentally-friendly principles, protection of workers' human rights, safety and health by the suppliers and so on. The aim is to work collaboratively with suppliers on sustainability all the time in the sense that workers' lives, their communities and the environment can be improved.

During 2016, the risk of suppliers bringing significant, negative impacts (whether actual or contingent) on the Group's business is negligible and the Group was not aware of any material non-compliance incidents of suppliers on aspects regarding environmental and labour protection.

CUSTOMERS

PRODUCTS AND SERVICES

The product mix of the Group has been expanded throughout the past year, which provided more diversified financial solutions to customers. Honest and comprehensive information about the products are provided to customers with the aim to help them make appropriate informed decisions. In addition, with its customer-oriented principle, the Group puts emphasis on quality services to raise customers' satisfaction. Members of staff are encouraged to give prompt response and provide best assistance to customers.

For the year under review and up to the date of this annual report, no material breach or non-compliance with relevant laws and regulations regarding the business and operations of the Group is found. In particular, the Group adhered to the applicable laws regulating its ordinary business i.e. Money Lenders Ordinance. In light of the additional licensing conditions on money lenders licence in relation to third party involvement, obtaining and use of customers' personal data, advertising practice and so on which came into effect on 1 December 2016, review on existing business practice, loan procedures and related issues were conducted by the Group accordingly.

DATA PRIVACY

The Group values security and protection of customers' privacy and personal data. Information provided by customers is handled with due care and in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and other relevant laws and regulations. Guidelines regarding the handling of confidential information are provided to staff to enhance information security in business operations and across branches.

為了以對社會負責的方式與不同供應商建立合作關係，已建立及採納指引以概述挑選供應商及賣方時應考慮之標準。標準包括供應商應用環保原則、保護員工之人權、安全及健康等。目的在於一直與供應商可持續地合作，使員工之生活、社區及環境得到改善。

於二零一六年，供應商對本集團業務帶來重大負面影響(不論實際或或然)之風險極微，而本集團並不知悉供應商有任何關於環境及勞工保障之嚴重違規事件。

客戶

產品及服務

於去年全年，本集團已藉著增加向客戶提供多樣化財務解決方案拓展產品組合。向客戶提供真誠及全面的產品資料，旨在幫助其在知情情況下作出適當決定。此外，基於我們以客戶為中心的原則，本集團強調品質服務，以提升客戶的滿意度。我們亦鼓勵員工迅速回應客戶需求及提供協助。

於回顧年度及直至本年報日期，並無嚴重違反或不遵守有關本集團業務及經營之相關法律及法規。尤其是，本集團遵守規管其日常業務的適用法例，即放債人條例。由於放債人牌照中有關第三方參與、獲取及使用客戶個人資料、廣告宣傳等規定的額外發牌條件(於二零一六年十二月一日生效)，現有業務常規、貸款程序及相關事宜的檢討亦相應進行。

資料隱私

本集團重視客戶隱私及個人資料之安全及保護。客戶所提供資料須根據個人資料(隱私)條例(香港法例第486章)及其他法律及法規審慎處理。已向員工提供有關處理保密資料之指引，以提高業務營運及各分行的資訊保安。

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No issue regarding material non-compliance with the relevant laws and regulations mentioned above was identified or reported during the year under review. In particular, no incidents regarding infringement of customers' privacy or loss of customer data were found.

於回顧年度，並無識別或申報有關嚴重違反相關法律及法規的事件。尤其是，並無發現有關侵犯客戶隱私或損失客戶資料之事件。

EMPLOYEES

僱員

EMPLOYMENT OPPORTUNITIES

僱傭機會

The Group emphasises the importance of labour diversity and equal opportunities in recruitment and promotion issues. Candidates with different qualifications and experiences are welcome in order to diversify the labour base. The Recruitment Policy of the Group sets out a transparent mechanism and practice for recruitment in compliance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and other relevant laws and regulations in relation to child and forced labour prevention. It also states clearly that in candidates screening process, criteria such as age, gender, marital status, nationality, race and religious belief should not be considered to ensure equal treatment to all applicants. Child and forced labour are strictly prohibited in the Group.

本集團在招聘及晉升事宜上強調勞動力多元化及公平機會的重要。集團歡迎具不同資歷和經驗者應徵工作，使勞工基礎更多元化。本集團之招聘政策載列一項有透明度的招聘機制及常規，其符合香港法例第57章僱傭條例及其他防止童工及強逼勞動的相關法律及法規。其亦清晰說明候選人篩選過程，不得以年齡、性別、婚姻狀況、國籍、種族及宗教信仰等作為標準，以確保各求職者得到公平對待。另外本集團嚴禁任何童工和強逼勞動。

During 2016, no complaints were received from employees or candidates regarding child or forced labour, unfair treatment or discrimination during the recruitment and promotion process.

於二零一六年，概無收到僱員或求職者於人事招聘及擢升過程中遇上任何有關童工及強逼勞工、不公平對待或歧視的投訴。

CARING WORKPLACE

關愛的工作場所

The fact that employees are crucial assets of the Group is of no doubt. A caring workplace helps enhance employees' sense of belongings. Comprehensive guidelines and procedures regarding human resources including but not limited to recruitment, working hours, rest periods as well as compensation are established. Employees who commit misconducts or violate company rules may be dismissed according to the Group's dismissal policy. In addition to paternity leave and condolence leave, birthday leave was introduced to show the Group's emphasis on its relationships with employees. Staff events are held regularly as opportunities for employees' team building, with the aim to unite all employees and create a harmonious working environment.

毋庸置疑，僱員乃本集團至關重要的資產。充滿關愛的工作場所有助增強僱員的歸屬感。我們已建立有關人力資源的全面指引及程序(包括但不限於招聘、工時、休息時間及補償薪酬方面)。若僱員作出失當行為或違反公司規章，按照本集團解僱政策可被革除。除產假及喪假以外，本集團亦引入生日假期以強調其與僱員的關係。我們亦定期舉行員工活動，藉此建立僱員間的團隊精神，以團結全體僱員及創造和諧的工作環境。

During 2016, the Group was not aware of any material non-compliance regarding any relevant provisions under the Employment Ordinance and other related laws and regulations, including but not limited to the provisions governing employees' compensations and dismissal, working hours and rest periods.

於二零一六年，本集團概不知悉有任何嚴重違反僱傭條例及其他有關法例及法規下所有相關條文(包括但不限於管轄僱員補償及解僱、工時及休息時間的條文)的情況。

SAFE AND HEALTHY WORKING ENVIRONMENT

A Business Contingency Plan is in place to protect the Group from possible threats and risks caused by emergent situation or disaster and to define the recovery process developed to restore the critical business functions of the Group. The Group strives to create a safe working environment as recommended by the Occupational Safety and Health Council in Hong Kong. For instance, computer workstations for employees are designed in the way that will help alleviate health problems like upper limb pains and discomfort resulting from inappropriate postures. All employees are involved in creating a working environment that is free of discrimination and harassment, which can reduce employees' work stress. Any discrimination based on any grounds in any circumstances is prohibited. Reporting channel is also provided for staff who feels being treated unfairly. Besides, to promote healthy lifestyle, a free body check-up was arranged for employees in past year. Employees are also encouraged to eat green and healthy and possibilities of introducing related measures are being discussed.

For the year under review, there were no incidents in relation to occupational health and safety found. Given the nature of the Group's money lending business, the Group also considers the risk of employees working under health and safety threats to be insignificant.

PROFESSIONAL DEVELOPMENT

The Group provides continuous professional trainings to employees to ensure they are equipped with updated knowledge and skills to perform their duties, details of which are set out in the Staff Training and Development Policy of the Group. Self-Development Sponsorship Policy is also in place to encourage continuous learning and development of staff by providing financial supports to nurture talents and explore various potentials of staffs.

安全及健康的工作環境

本集團已制定一套業務應變計劃，以保護本集團免受因緊急狀況或災難引致的潛在威脅及風險，及制定恢復程序，以復原本集團的主要業務功能。本集團致力建構符合香港職業安全健康局所建議的安全工作環境。例如，電腦工作桌椅的設計幫助舒緩因姿勢不確引致上肢痛症和不適等健康問題。集團讓所有僱員一同參與創造零歧視及零騷擾的工作環境，有助減輕員工的工作壓力。嚴禁任何情況下基於任何理由的歧視行為。若員工自感受到不公平對待，我們亦有提供申報渠道。此外，為推廣健康生活模式，去年僱員均獲安排進行免費身體檢查。我們亦鼓勵僱員注重飲食健康，亦正討論引入相關措施的可能性。

於回顧年度，概無發現與職業健康及安全相關的任何事件。基於本集團放債業務的性質，本集團亦認為員工工作時面對健康及安全威脅的風險並不重大。

專業發展

本集團為僱員提供持續專業培訓，以確保他們具備最新知識及技能履行職責，有關詳情載列於本集團員工培訓及發展政策。我們亦已制定自我發展資助政策，透過提供財務支援鼓勵員工持續進修及發展，藉此培育人才及發掘員工的多樣潛能。

ENVIRONMENT

TREASURE NATURAL RESOURCES

The Group treasures natural resources as a gift from nature and it encourages efficient use of resources and avoidance of over-consumption. Employees are encouraged to turn off lights of rooms and electronic appliances that are not in use after business hour. Room temperature in office is kept at optimal level and water faucets are turned off when not in use etc. Office consumables such as light bulbs and stationery are replaced or purchased only when necessary to avoid wastage. The Group believes that “many a little makes a mickle” and that all these measures can bring significant impacts to the environment.

PROMOTE PAPERLESS CULTURE

Being a financial institution, most business operations of the Group involve document printing. For instance, documentations of customer information, agreements and so on can result in large consumption in printing papers which will bring significant impact to the environment. In a digitalised community, the Group encourages paperless culture when and where practicable such as to communicate and circulate documents via emails. When printing documents, employees are encouraged to use both sides of papers, recycled papers, or choosing “2 pages per sheet” printing setting.

CULTIVATE RECYCLING HABITS

The Group encourages re-use of office consumables such as printing papers and manila envelopes. It also donates used or obsolete computers and other office equipments to Caritas Computer Workshop for recycling and reuse. Donation of such equipments helps reducing generation of waste. The Group also encourages waste separation and recycling. In 2016, more than 750 kg of used papers are collected for recycling, implying a contribution of over 3,600 kg greenhouse gas reductions.

During 2016, the Group is not aware of any significant non-compliance with relevant laws and regulations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

環境

珍惜天然資源

本集團珍惜天然資源，視之為大自然的禮物，鼓勵資源的有效利用，避免過度消耗。我們鼓勵僱員在營業時間後關閉室內不使用的電燈及電器，辦公地方的室溫保持在最適切水平，關上並非使用中的水龍頭等。僅在有需要的時候才更換或購買如燈泡及文具等辦公室消耗品，以免浪費。本集團深信「積少成多」的道理，所有這些措施均可對我們的環境帶來重大的影響。

推廣無紙文化

本集團為一家金融機構，故大部分業務營運涉及文件打印。例如，客戶信息的文檔、協議等可導致大量的印刷紙張消耗，給環境造成重大影響。處於數碼化的社會，本集團在可行情況下鼓勵無紙化，例如通過收發電郵進行溝通及傳閱文件。當打印文件時，亦鼓勵僱員用雙面列印、循環利用紙張或選擇「每張2頁」打印設置。

培養循環再用習慣

本集團鼓勵辦公室消耗品的再利用，例如打印紙張及馬尼拉紙質信封，亦向明愛電腦工場捐贈使用過的或廢棄的電腦及其他辦公室設備以供循環再用。捐贈該等設備有助於減少產生廢物。本集團亦鼓勵廢物分類及循環再用。於二零一六年，共收集超過750公斤的舊紙作循環再用，意味協助減少逾3,600公斤的溫室氣體。

於二零一六年，本集團並不知悉任何不遵守有關廢氣及溫室氣體排放、向水及土地的排污以及產生有害及無害廢棄品的法律法規的情況。

COMMUNITY

SUPPORT SOCIAL ENTERPRISES

Initiatives and efforts of social enterprises should be recognised and supported. The Group engaged social enterprises for services such as cleaning and pest control services as a direct and practical way to support them. The Group will also explore possibilities to cooperate with different organisations that share same values and principles with it.

EMPLOYEE INVOLVEMENT

The Group strives to raise employees' awareness in terms of social involvement and civic consciousness. Various updates such as e-newsletters from environmental organisations are delivered to employees from time to time. Employees are encouraged to participate in community enhancement events such as volunteer and fundraising activities etc.

AWARDS

During the year ended 31 December 2016, the Group received the following major awards which represent a recognition of the team efforts paid by the Group:

- “Listed Company Award of Excellence 2016” by the PR ASIA Consultants Limited and Hong Kong Economic Journal; and
- “Outstanding Listed Companies Award 2016” by The Hong Kong Institute of Financial Analysis and Professional Commentators Limited.

DIALOGUE AND COMMUNICATION

The Group will continue to maintain opportunities for open dialogue relating to CSR matters with various stakeholders from time to time. The Group values every feedback and recommendations from its stakeholders in order to improve its existing CSR policies and practice. Stakeholders may write directly to the Group's principal place of business in Hong Kong at Units 907-911, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong or via email to “admin@firstcredit.com.hk” for any inquiries, feedback and recommendation regarding CSR-related issues.

社區

支持社企

我們應該肯定並支持社企付出的積極努力。本集團委聘社企提供清潔及蟲害控制等服務，以直接及實際的行動支持社企。本集團亦將挖掘跟與我們秉持同樣價值及原則的不同組織合作的可能性。

僱員參與

本集團致力提高僱員之社會參與意識及公民知覺。我們不時向僱員發放各種相關最新資訊，如環保機構的電子通訊。集團鼓勵僱員參與社區活動，如義工及籌款活動等。

獎項

於截至二零一六年十二月三十一日止年度，本集團獲得以下重要獎項，反映本集團的團隊努力得到大眾認可：

- 獲亞洲公關有限公司及《信報財經新聞》頒發「傑出上市公司2016」；及
- 獲香港股票分析師協會頒發「上市公司年度大獎2016」。

對話與溝通

本集團將就企業社會責任事宜不時與各個持份者保持開放持續的溝通。本集團重視持份者的每一項意見及推薦建議，以提升現有企業社會責任政策及常規。持份者如有任何有關企業社會責任事宜的查詢、意見及推薦建議可直接郵寄至本公司之香港主要營業地點(地址為香港德輔道中121號遠東發展大廈9樓907-911室)或以電郵方式發送至[admin@firstcredit.com.hk]。

REFERENCES TO THE ESG GUIDE

參考香港交易所《環境、社會及管治報告指引》

Aspects/General Disclosures 層面／一般披露	Description 描述	Content in 2016 Annual Report 二零一六年年報的內容
A. Environmental A. 環境		
Aspect A1: Emissions 層面A1：排放物		
General Disclosure 一般披露	<p>Information on: 以下：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste 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</p>	<p>ESG Report: 環境、社會及管治報告：</p> <p>“Environment — Treasure Natural Resources & Cultivate Recycling Habits” (page 59) 「環境 — 珍惜天然資源及培養循環再用習慣」(第59頁)</p>
Aspect A2: Use of Resources 層面A2：資源使用		
General Disclosure 一般披露	<p>Policies on efficient use of resources including energy, water and other raw materials 有效使用資源(包括能源、水及其他原材料)的政策</p>	<p>ESG Report: 環境、社會及管治報告：</p> <p>“Environment — Treasure Natural Resources, Promote Paperless Culture & Cultivate Recycling Habits” (page 59) 「環境 — 珍惜天然資源」、「推廣無紙文化」及「培養循環再用習慣」(第59頁)</p>

Aspects/General Disclosures 層面／一般披露	Description 描述	Content in 2016 Annual Report 二零一六年年報的內容
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources 減低發行人對環境及天然資源造成重大影響的政策	ESG Report: 環境、社會及管治報告： "Environment — Treasure Natural Resources, Promote Paperless Culture & Cultivate Recycling Habits" (page 59) 「環境 — 珍惜天然資源」、「推廣無紙文化」及「培養循環再用習慣」(第59頁)
B. Social B. 社會		
Aspect B1: Employment 層面B1：僱傭		
General Disclosure 一般披露	Information on: 以下： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料 relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利	ESG Report: 環境、社會及管治報告： "Employees — Employment Opportunities & Caring Workplace" (page 57) 「僱員 — 僱傭機會及關愛的工作環境」(第57頁)

Environmental, Social and Governance Report 環境、社會及管治報告 (continued 續)

Aspects/General Disclosures 層面／一般披露	Description 描述	Content in 2016 Annual Report 二零一六年年報的內容
Aspect B2: Health and Safety 層面B2：健康與安全		
<p>General Disclosure 一般披露</p>	<p>Information on: 以下：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards 有關提供安全工作環境及保障僱員避免職業性危害</p>	<p>ESG Report: 環境、社會及管治報告：</p> <p>“Employees — Safe and Healthy Working Environment” (page 58) 「僱員 — 安全及健康的工作環境」 (第58頁)</p>
Aspect B3: Development and Training 層面B3：發展及培訓		
<p>General Disclosure 一般披露</p>	<p>Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities 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>	<p>ESG Report: 環境、社會及管治報告：</p> <p>“Employees — Professional Development” (page 58) 「僱員 — 專業發展」(第58頁)</p>

Aspects/General Disclosures 層面／一般披露	Description 描述	Content in 2016 Annual Report 二零一六年年報的內容
Aspect B4: Labour Standards 層面B4：勞工準則		
General Disclosure 一般披露	Information on: 以下： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料 relating to preventing child and forced labour 有關防止童工或強制勞工	ESG Report: 環境、社會及管治報告： “Employees — Employment Opportunities” (page 57) 「僱員 — 僱傭機會」(第57頁)
Aspect B5: Supply Chain management 層面B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策	ESG Report: 環境、社會及管治報告： “Economy — Engagement with Suppliers” (page 55 to page 56) 「經濟 — 委聘供應商」(第55頁至第56頁)
Aspect B6: Product Responsibility 層面B6：產品責任		
General Disclosure 一般披露	Information on: 以下： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料 relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress 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	ESG Report: 環境、社會及管治報告： “Customers — Products and Services & Data Privacy” (page 56 to page 57) 「客戶 — 產品及服務及資料私隱」(第56頁至第57頁)

Environmental, Social and Governance Report 環境、社會及管治報告 (continued 續)

Aspects/General Disclosures 層面／一般披露	Description 描述	Content in 2016 Annual Report 二零一六年年報的內容
Aspect B7: Anti-corruption 層面B7：反貪污		
<p>General Disclosure 一般披露</p>	<p>Information on: 以下：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料</p> <p>relating to bribery, extortion, fraud and money laundering 有關賄賂、勒索、欺詐及洗黑錢</p>	<p>ESG Report: 環境、社會及管治報告：</p> <p>“Economy — Anti-Money Laundering” (page 55) 「經濟 — 反洗黑錢」(第55頁)</p>
Aspect B8: Community Investment 層面B8：社區投資		
<p>General Disclosure 一般披露</p>	<p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities’ interests 有關以社區參與來了解營運所在社區需要和確保其業務活動有考慮社區利益的政策</p>	<p>ESG Report: 環境、社會及管治報告：</p> <p>“Community” (page 60) 「社區」(第60頁)</p>

Independent Auditors' Report 獨立核數師報告



TO THE SHAREHOLDERS OF FIRST CREDIT FINANCE GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of First Credit Finance Group Limited and its subsidiaries (the “**Group**”) set out on pages 72 to 142, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) 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 (“**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.

致第一信用金融集團有限公司股東

(於開曼群島註冊成立並於百慕達存續之有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第72頁至第142頁第一信用金融集團有限公司及其附屬公司(「**貴集團**」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表以及截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要及其他附註解釋資料。

吾等認為，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見基準

吾等已根據香港會計師公會頒佈之香港審計準則(「**香港審計準則**」)進行審計。吾等根據該等準則的責任於吾等報告中「核數師就審計綜合財務報表的責任」進一步描述。根據香港會計師公會之專業會計師道德守則(「**守則**」)，吾等獨立於 貴集團，且吾等已根據守則履行吾等其他道德責任。吾等相信，吾等獲得之審計證據充分及適當，足以為吾等之意見提供基準。

KEY AUDIT MATTERS

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

關鍵審計事項

關鍵審計事項為吾等的專業判斷中，審計本期綜合財務報表中最重要的事項。吾等於審計整體綜合財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。吾等識別的關鍵審計事項及吾等的審計如何處理關鍵審計事項載列如下。

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 吾等的審計如何處理關鍵審計事項
<p>Impairment of loans receivable from customers 應收客戶貸款減值</p> <p><i>(Refer to notes 6(A) and 24 to the consolidated financial statements)</i> (參閱綜合財務報表附註6(A)及24)</p> <p>The Group had loans receivable from customers amounting to HK\$881,992,605 as at 31 December 2016. 貴集團於二零一六年十二月三十一日之應收客戶貸款達881,992,605港元。</p> <p>As part of the Group's credit policy, management assessed the recoverability of each loan receivable individually and each portfolio of loans receivable with similar credit risk characteristics collectively. 作為 貴集團信貸政策之部分，管理層分別評估具類似信貸風險特徵的每項個別應收貸款及各個應收貸款組合之可收回性。</p> <p>As at 31 December 2016, the impairment allowance made for doubtful loans receivable amounted to HK\$10,492,669. 於二零一六年十二月三十一日，就應收呆賬貸款作出之減值撥備為10,492,669港元。</p>	<p>We understood and tested the key controls over the impairment of loans receivable and focused on: 吾等知悉及檢測應收貸款減值之關鍵控制機制並專注於：</p> <ul style="list-style-type: none"> — The identification of impairment events; 識別減值事件； — The assessment and approval processes for the determination of the extent to which impairment should be made; 釐定應作出減值程度的評估及批核過程； — The governance over the impairment assessments processes, including the continuous re-assessment by management that the impairment policy is still calibrated in a way which is appropriate for the impairment risks in the Group's loan portfolios. 減值評估過程之監管，包括管理層持續就減值政策是否精準且對 貴集團貸款組合之減值風險而言屬適當進行重新評估。

Key Audit Matter**關鍵審計事項**

The identification of doubtful debts in the individual assessments requires significant judgement about whether objective evidence for impairment exists, taking into consideration the current creditworthiness and the past collection history of each debtor. It also requires significant estimates when determining the estimated recoverable amount of the doubtful loans receivable.

獨立評估中之呆賬識別需要在考慮目前之信用度及過往各項應收賬款的收款記錄的前提下就是否存在客觀減值證據作出重大判斷。釐定應收呆賬貸款之估計可收回金額時亦須作出重大估計。

For the collective assessments, management also made assumptions and judgements in respect of the calculation of impairment rates of each portfolio of loans receivable and the impact of external factors such as market interest rates.

就集體評估而言，管理層亦就計算各應收貸款組合之減值率及外部因素(如市場利率)之影響作出假設。

How our audit addressed the Key Audit Matter**吾等的審計如何處理關鍵審計事項**

In addition, we performed the following substantive procedures:

此外，吾等進行以下實質性程序：

*For the individual assessment:**獨立評估：*

For a sample of impaired loans, we performed testing to ascertain whether the loss event had been identified in a timely manner and examined the expected future cash flows and the valuation of collateral held, if any, and compared management's estimate to external evidence where applicable. 吾等對減值貸款的樣本進行測試，以確認虧損事件是否及時被識別及檢測預期未來現金流及所持抵押品(如有)之估值，並比較管理層對外部證據(倘適用)所作出之估計。

For a sample of performing loans (i.e. the loans that are not considered to be doubtful by management), we performed testing to ascertain whether any impairment events had occurred including consideration of forbearance were relevant. We considered the payment performance and financial condition of these customers and other relevant factors.

吾等對良好貸款(即管理層認為並非屬呆賬之貸款)樣本進行測試，以確認是否發生任何減值事件，包括審議延期償付。吾等亦審議該等客戶還款的表現及財務狀況及其他相關因素。

*For the collective assessment**集體評估*

We tested the completeness and accuracy of information and calculations applied in the collective assessment model.

我們測試於集體評估模式所應用資料及計算之完整性及準確性。

We assessed the reasonableness of the assumptions and parameters adopted in the collective assessment model, including the rate of default and adjustment for changes in economic conditions, which are based on both historical data and management's estimation of future market prospects, by comparing to externally available market data and considering the sensitivity of the parameters adopted in the model.

我們評估集體評估模式所採納假設及參數之合理性，包括拖欠還款概率及經濟條件變動調整，其乃基於歷史數據及管理層對未來市場前景之估計，透過與外部可得市場數據進行比較及計及模式所採納參數之敏感度所得。

OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all the information in First Credit Finance Group Limited's 2016 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 identified above 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 the Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

其他資料

董事負責其他資料。其他資料包括第一信用金融集團有限公司二零一六年年報所載資料，但不包括綜合財務報表及相關核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的核證結論。

審核綜合財務報表時，吾等的責任為閱讀上述其他資料，於此過程中，考慮其他資料是否與綜合財務報表或吾等於審計過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。

基於吾等已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。於此方面，吾等沒有任何報告。

董事對綜合財務報表的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製並真實而公平地呈列的綜合財務報表，並為其認為必須為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部監控負責。

編製綜合財務報表時，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。

審核委員會協助董事履行監督貴集團財務報告過程的責任。

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. We report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, 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.

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

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

核數師就審計綜合財務報表的責任

吾等的目標為合理確定整體綜合財務報表是否存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有吾等意見的核數師報告。吾等僅向閣下（作為整體）按照百慕達1981年公司法第90條報告，除此之外本報告別無其他目的。吾等不會就本報告內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，吾等運用專業判斷，於整個審核過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論以載

Independent Auditors' Report 獨立核數師報告 (continued 續)

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Tak Man, Stephen.

至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致 貴集團不再具有持續經營的能力。

- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等與審核委員會就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

吾等從與審核委員會溝通的事項中，決定某些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人為王德文先生。

RSM Hong Kong
Certified Public Accountants
Hong Kong

27 March 2017

中瑞岳華(香港)會計師事務所
執業會計師
香港

二零一七年三月二十七日

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收入表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

			2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
		Note 附註		
Revenue	收益	9	81,601,121	63,264,700
Other income	其他收入	10	1,489,567	1,891,240
Other gains and losses	其他收益及虧損	11	(1,898,911)	3,248,284
			81,191,777	68,404,224
Administrative expenses	行政開支		(19,232,035)	(18,528,906)
Other operating expenses	其他經營開支		(20,043,705)	(17,129,492)
Profit from operations	經營溢利		41,916,037	32,745,826
Finance costs	財務費用	12	(1,141,893)	(3,533,726)
Gain on disposal of a subsidiary	出售一間附屬公司收益		—	286,818
Profit before tax	除稅前溢利	13	40,774,144	29,498,918
Income tax expense	所得稅開支	14	(7,127,652)	(4,626,212)
Profit for the year	年內溢利		33,646,492	24,872,706
Other comprehensive income, net of tax	其他全面收入(扣除稅項)			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目:</i>			
Gain on property revaluation	物業重估收益		—	5,203,775
Total comprehensive income for the year	年內全面收入總額		33,646,492	30,076,481
			HK cents 港仙	HK cents 港仙 (restated) (經重列)
Earnings per share	每股盈利			
Basic	基本	18	1.19	8.23
Diluted	攤薄	18	N/A 不適用	N/A 不適用

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

	Note	2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
	附註		
Non-current assets			
非流動資產			
Property, plant and equipment	19	1,565,195	694,850
Investment properties	20	—	63,900,000
Leasehold land under finance leases	21	1,328,694	15,425,168
Loans receivable	24	439,202,306	224,107,674
Available-for-sale financial assets	22	900,000	—
Deferred tax assets	28	905,748	535,470
Total non-current assets		443,901,943	304,663,162
Current assets			
流動資產			
Loans receivable	24	442,790,299	154,137,080
Prepayments, deposits and other receivables		1,400,174	1,777,971
Bank and cash balances		58,634,302	28,333,804
Assets classified as held for sale	25	502,824,775 76,800,585	184,248,855 —
Total current assets		579,625,360	184,248,855
Current liabilities			
流動負債			
Accruals and other payables		3,569,445	1,887,363
Interest-bearing loans	26	58,537,056	9,553,598
Loan notes	27	32,873,178	—
Current tax payable		2,956,791	1,151,062
Liabilities directly associated with assets classified as held for sale	25	97,936,470 179,289	12,592,023 —
Total current liabilities		98,115,759	12,592,023
Net current assets		481,509,601	171,656,832
Total assets less current liabilities		925,411,544	476,319,994
Non-current liabilities			
非流動負債			
Deferred tax liabilities	28	120	154,156
Total non-current liabilities		120	154,156
NET ASSETS		925,411,424	476,165,838
資產淨值			

Consolidated Statement of Financial Position 綜合財務狀況表 (continued 續)

At 31 December 2016 於二零一六年十二月三十一日

		Note	2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
		附註		
Capital and reserves	資本及儲備			
Share capital	股本	29	72,576,000	6,048,000
Reserves	儲備	31	847,631,649	470,117,838
Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale	有關分類為持作出售資產於其他全面收入及累計權益確認之金額	25	5,203,775	—
TOTAL EQUITY	權益總額		925,411,424	476,165,838

Approved by the Board of Directors on 27 March 2017 and are signed on its behalf by:

於二零一七年三月二十七日經董事會批准，並由下列董事代表簽署：

Tsang Yan Kwong
曾仁光
Director
董事

Ho Siu Man
何筱敏
Director
董事

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Capital reserve	Contributed surplus	Property revaluation reserve	Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale (note 25) 有關分類為持作出售資產於其他全面收入及累計權益確認之金額 (附註25)	Retained profits	Proposed final dividend	Total
		股本 HK\$ 港元	股份溢價 HK\$ 港元	資本儲備 HK\$ 港元	繳入盈餘 HK\$ 港元	物業重估儲備 HK\$ 港元	保留溢利 HK\$ 港元	建議末期股息 HK\$ 港元	總額 HK\$ 港元	
At 1 January 2015	於二零一五年一月一日	14,400,000	112,865,637	141,829,615	—	—	—	69,902,904	—	338,998,156
Total comprehensive income for the year	年內全面收入總額	—	—	—	—	5,203,775	—	24,872,706	—	30,076,481
Issue of shares under rights issue (note 29(a))	根據供股發行股份 (附註29(a))	43,200,000	59,616,000	—	—	—	—	—	—	102,816,000
Share premium reduction	股份溢價減少	—	(168,878,070)	—	168,878,070	—	—	—	—	—
Capital reorganisation (note 29(b))	股本重組(附註29(b))	(51,840,000)	—	—	51,840,000	—	—	—	—	—
Issue of shares on placing (note 29(c))	配售時發行股份 (附註29(c))	288,000	8,006,400	—	—	—	—	—	—	8,294,400
Share issue expenses	股份發行開支	—	(4,019,199)	—	—	—	—	—	—	(4,019,199)
Changes in equity for the year	年內權益變動	(8,352,000)	(105,274,869)	—	220,718,070	5,203,775	—	24,872,706	—	137,167,682
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年一月一日	6,048,000	7,590,768	141,829,615	220,718,070	5,203,775	—	94,775,610	—	476,165,838
Total comprehensive income for the year	年內全面收入總額	—	—	—	—	—	—	33,646,492	—	33,646,492
Issue of shares on placing (note 29(e))	配售時發行股份 (附註29(e))	1,209,600	9,313,920	—	—	—	—	—	—	10,523,520
Issue of shares under rights issue (note 29(f))	根據供股發行股份 (附註29(f))	65,318,400	349,453,440	—	—	—	—	—	—	414,771,840
Share issue expenses	股份發行開支	—	(9,696,266)	—	—	—	—	—	—	(9,696,266)
Reclassification relating to assets classified as held for sale (note 25)	有關分類為持作出售資產 重新分類(附註25)	—	—	—	—	(5,203,775)	5,203,775	—	—	—
2016 proposed final dividend (note 17)	二零一六年擬派末期股息 (附註17)	—	—	—	(7,257,600)	—	—	—	7,257,600	—
Changes in equity for the year	年內股權變動	66,528,000	349,071,094	—	(7,257,600)	(5,203,775)	5,203,775	33,646,492	7,257,600	449,245,586
At 31 December 2016	於二零一六年 十二月三十一日	72,576,000	356,661,862	141,829,615	213,460,470	—	5,203,775	128,422,102	7,257,600	925,411,424

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Note 附註	2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
CASH FLOWS FROM OPERATING ACTIVITIES 經營業務的現金流量			
Profit before tax	除稅前溢利	40,774,144	29,498,918
Adjustments for:	經以下各項調整：		
Depreciation	折舊	1,143,553	667,596
Amortisation of leasehold land under finance leases	融資租約下租賃 土地攤銷	70,876	64,899
Bank interest income	銀行利息收入	(16,314)	(312)
Finance costs	財務費用	1,141,893	3,533,726
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備收益	(1,089)	(248,284)
Gain on disposal of a subsidiary	出售一間附屬公司 收益	—	(286,818)
Fair value losses/(gains) on investment properties	投資物業公平值 虧損/(收益)	1,900,000	(3,000,000)
Net impairment loss on loans receivable	應收貸款減值虧損 淨額	10,390,746	8,599,549
Recoveries of loans receivable impaired or written off	收回已減值或撇銷 的應收貸款	(676,720)	(368,026)
Operating profit before working capital changes	營運資金變動前經營 溢利	54,727,089	38,461,248
Increase in loans receivable	應收貸款增加	(513,461,877)	(49,607,442)
Decrease in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項 減少	364,298	1,887,805
Increase in accruals and other payables	應計費用及其他 應付款項增加	1,610,386	80,717
Cash used in operations	營運所用現金	(456,760,104)	(9,177,672)
Hong Kong profits tax paid	已付香港利得稅	(5,666,949)	(3,027,308)
Net cash used in operating activities	經營業務所用現金淨額	(462,427,053)	(12,204,980)
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動的現金流量			
Bank interest received	已收銀行利息	16,314	312
Purchases of property, plant and equipment	購置物業、廠房及 設備	(2,776,096)	(90,796)
Purchase of available-for-sale financial assets	收購可供出售金融資產	(900,000)	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	1,800	1,851,200
Proceeds from disposal of a subsidiary	出售一間附屬公司所得 款項	—	1,079,266
Net cash (used in)/generated from investing activities	投資活動(所用)/ 產生現金淨額	(3,657,982)	2,839,982

Consolidated Statement of Cash Flows 綜合現金流量表 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Note 附註	2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
CASH FLOWS FROM FINANCING ACTIVITIES	投資活動的現金流量		
Proceeds from placing of new shares	配售新股份所得款項 29(e)	10,523,520	8,294,400
Proceeds from rights issue	供股所得款項 29(f)	414,771,840	102,816,000
Proceeds from issuance of loan notes	發行貸款票據 所得款項	32,835,000	—
Share issue expenses paid	已付股份發行開支	(9,696,266)	(4,019,199)
Interest-bearing loans raised	新借計息貸款	50,000,000	29,495,886
Repayment of interest-bearing loans	償還計息貸款	(1,016,542)	(80,334,183)
Repayment of finance lease payable	償還應付融資 租賃款項	—	(212,500)
Interest paid	已付利息	(1,032,019)	(3,593,753)
Net cash generated from financing activities	融資活動產生現金淨額	496,385,533	52,446,651
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加淨額	30,300,498	43,081,653
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初現金及 現金等價物	28,333,804	(14,747,849)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及 現金等價物	58,634,302	28,333,804
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析		
Bank and cash balances	銀行及現金結餘	58,634,302	28,333,804

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1. GENERAL INFORMATION

First Credit Finance Group Limited (“**Company**”) was incorporated in the Cayman Islands and duly continued in Bermuda as an exempted company with limited liability under the laws of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business was changed from Units 909–911, 9/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong to Units 907–911, 9/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong during the year. The Company’s shares are listed on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 23 to the consolidated financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

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. 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 consolidated financial statements.

1. 一般資料

第一信用金融集團有限公司(「**本公司**」)在開曼群島註冊成立，並根據百慕達法律以獲豁免有限公司形式正式於百慕達存續。其註冊辦事處的地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其主要營業地點地址由香港德輔道中121號遠東發展大廈9樓909–911室更改為香港德輔道中121號遠東發展大廈9樓907–911室。本公司股份於香港聯合交易所有限公司(「**聯交所**」)創業板(「**創業板**」)上市。

本公司為投資控股公司。其附屬公司的主要業務載列於綜合財務報表附註23。

2. 編製基準

此等綜合財務報表已按照香港會計師公會(「**香港會計師公會**」)所頒佈的所有適用香港財務報告準則(「**香港財務報告準則**」)編製。香港財務報告準則包括香港財務報告準則(「**香港財務報告準則**」)、香港會計準則(「**香港會計準則**」)及詮釋。此等綜合財務報表亦符合聯交所創業板證券上市規則的適用披露條文及香港《公司條例》(第622章)的適用披露規定。以下披露本集團採納的重大會計政策。

香港會計師公會已頒布若干於本集團現時會計期間首次生效或允許提前採用的新訂及經修訂香港財務報告準則。附註三提供因首次應用該等變動而引致任何會計政策變動之資訊，以其與本集團現時及過往會計期間綜合財務報表所反映的有關程度為限。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**(A) APPLICATIONS OF NEW AND REVISED HKFRSS**

The HKICPA has issued a number of new and revised HKFRSS that are first effective for annual periods beginning on or after 1 January 2016. Of these, the following new or revised HKFRS is relevant to the Group:

Amendments to HKAS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments to HKAS 1 clarify, rather than significantly change, existing HKAS 1 requirements. The amendments clarify various presentation issues relating to:

- assessment of materiality versus minimum disclosure requirements of a standard;
- disaggregation of specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position. There is also new guidance on the use of subtotals;
- confirmation that the notes do not need to be presented in a particular order; and
- presentation of other comprehensive income items arising from equity-accounted associates and joint ventures.

None of these 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.

3. 採納新訂及經修訂香港財務報告準則**(A) 應用新訂及經修訂香港財務報告準則**

香港會計師公會已頒佈多項自二零一六年一月一日或之後年度首次生效的新訂及經修訂香港財務報告準則，以下為與本集團相關的新訂及經修訂香港財務報告準則：

香港會計準則第1號修訂本財務報表之呈列：披露計劃

香港會計準則第1號修訂本釐清現行香港會計準則第1號的要求，而非對其作出重大變動。該等修訂本釐清之多項呈列事宜涉及：

- 對重要性的評估與某項準則最低限度披露要求的考慮；
- 分拆損益及其他全面收入表及財務狀況表的詳細項目。亦設有使用小計的指引；
- 確認附註毋須按特定順序呈列；及
- 權益入賬的聯營公司及合營企業產生的其他全面收入項目之呈列。

該等改動概無對本集團現時或已經編製或呈列的過往期間之業績及財務狀況造成重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)**(B) NEW AND REVISED HKFRSS IN ISSUE BUT NOT YET EFFECTIVE**

The Group has not early applied new and revised HKFRSS that have been issued but are not yet effective for the financial year beginning 1 January 2016. These new and revised HKFRSS include the following which may be relevant to the Group.

3. 採納新訂及經修訂香港財務報告準則(續)**(B) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則**

本集團並無提早應用已頒佈但尚未於二零一六年一月一日開始的財政年度生效的新訂及經修訂香港財務報告準則。如下所示的新訂及經修訂香港財務報告準則可能與本集團有關。

	Effective for accounting periods beginning on or after the following date or dates
Amendments to HKAS 7 Statement of Cash Flows: Disclosure initiative 香港會計準則第7號現金流量表：主動披露(修訂本)	1 January 2017 二零一七年一月一日
Amendments to HKAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses 香港會計準則第12號所得稅：就未變現虧損確認遞延稅務資產(修訂本)	1 January 2017 二零一七年一月一日
HKFRS 9 Financial Instruments 香港財務報告準則第9號金融工具	1 January 2018 二零一八年一月一日
HKFRS 15 Revenue from Contracts with Customers 香港財務報告準則第15號來自與客戶合約的收入	1 January 2018 二零一八年一月一日
Amendments to HKFRS 4 Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts 香港財務報告準則第4號(修訂本)與香港財務報告準則第4號保險合約一併應用的香港財務報告準則第9號金融工具	1 January 2018 二零一八年一月一日
HKFRS 16 Leases 香港財務報告準則第16號租賃	1 January 2019 二零一九年一月一日
Amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture 香港財務報告準則第10號綜合財務報表及香港會計準則第28號於聯營公司及合營企業之投資(修訂本)：投資者與其聯營公司或合營企業之間的資產出售或注資	To be determined 待定

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course.

本集團現正就有關修訂及新訂準則預期對首次應用期間產生的影響進行評估。目前為止，本集團已識別新訂準則的若干層面可能對綜合財務報表產生重大影響。預期影響的詳情於下文討論。由於本集團尚未完成評估，或會於適當的時候識別進一步影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)**(B) NEW AND REVISED HKFRSS IN ISSUE BUT NOT YET EFFECTIVE (Cont'd)***HKFRS 9 Financial Instruments*

The standard replaces HKAS 39 Financial Instruments: Recognition and Measurement.

The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. A debt instrument that is held within a business model whose objective is to collect the contractual cash flows and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at amortised cost. A debt instrument that is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at fair value through other comprehensive income. All other debt instruments are measured at fair value through profit or loss. Equity instruments are generally measured at fair value through profit or loss. However, an entity may make an irrevocable election on an instrument-by-instrument basis to measure equity instruments that are not held for trading at fair value through other comprehensive income.

The requirements for the classification and measurement of financial liabilities are carried forward largely unchanged from HKAS 39 except that when the fair value option is applied changes in fair value attributable to changes in own credit risk are recognised in other comprehensive income unless this creates an accounting mismatch.

HKFRS 9 introduces a new expected-loss impairment model to replace the incurred-loss impairment model in HKAS 39. It is no longer necessary for a credit event or impairment trigger to have occurred before impairment losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income, an entity will generally recognise 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, an entity will recognise lifetime expected credit losses. The standard includes a simplified approach for loans receivable to always recognise the lifetime expected credit losses.

3. 採納新訂及經修訂香港財務報告準則(續)**(B) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)***香港財務報告準則第9號
金融工具*

該準則取代香港會計準則第39號金融工具：確認及計量。

此準則就金融資產分類引入新方法，基於現金流量特徵及持有資產的業務模式進行。於以收取合約現金流為目的之業務模式中持有之債務工具，及擁有純粹為支付本金及尚未償還本金利息之合約現金流之債務工具，均按攤銷成本計量。於以同時收取合約現金流及出售工具為目的之業務模式中持有之債務工具，以及擁有純粹為支付本金及尚未償還本金利息之合約現金流之債務工具，均以公平值計入其他全面收入計量。所有其他債務工具透過損益按公平值計量。股本工具一般透過損益按公平值計量。然而，實體可按個別工具基準作出不可撤回的選擇，把並非持作買賣之股本工具以公平值計入其他全面收入計量。

有關分類及計量金融負債之要求大致繼承香港會計準則第39號，並無重大變動，惟倘選擇按公平值計量，因自身信貸風險變動所引致之公平值變動乃於其他全面收入中確認，除非此舉會產生會計錯配。

香港財務報告準則第9號引入新預期虧損減值模式，取代香港會計準則第39號之已發生虧損減值模式。確認減值虧損前毋須再事先發生信貸事件或減值原因。就按攤銷成本計量或以公平值計入其他全面收入之金融資產而言，實體一般將確認十二個月期間之預期虧損。倘於初始確認後信貸風險顯著上升，實體將會確認使用年限內之預期信貸虧損。該準則就應收貸款納入一項簡化處理方法，在通常情況下均會確認使用年限內之預期信貸虧損。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(B) NEW AND REVISED HKFRSS IN ISSUE BUT NOT YET EFFECTIVE (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

The de-recognition requirements in HKAS 39 are carried forward largely unchanged.

The Group's financial assets that are currently classified as available-for-sale include the unlisted equity securities. The Group expects to irrevocably designate these equity securities as fair value through other comprehensive income. This will give rise to a change in accounting policy. The unlisted equity securities are currently measured at cost less impairment with any impairment losses recognised in profit or loss. HKFRS 9 requires fair value measurement with fair value changes recognised in other comprehensive income without recycling.

The new expected credit loss impairment model in HKFRS 9 may result in the earlier recognition of impairment losses on the Group's loans receivable and other financial assets. The Group is unable to quantify the impact until a more detailed assessment is completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces all existing revenue standards and interpretations.

The core principle of the standard is that an entity recognises revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services.

3. 採納新訂及經修訂香港財務報告準則(續)

(B) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號 金融工具(續)

香港會計準則第39號內終止確認之規定獲大致繼承，並無重大變動。

本集團現時分類為可供出售之金融資產包括非上市股本證券。本集團預期不可撤回地按公平值經其他全面收入指定有關股本證券，此舉將引致會計政策發生變動。非上市股本證券目前按成本減減值計量，而任何減值虧損於損益確認。香港財務報告準則第9號規定之公平值計量為公平值變動於其他全面收入確認且不可撥回。

香港財務報告準則第9號之新預期信貸虧損減值模式可導致提前確認本集團應收貸款及其他金融資產之減值虧損。本集團於完成更為詳細之評估後方可量化有關影響。

香港財務報告準則第15號來自與客戶合約的收益

香港財務報告準則第15號取代所有現有收益準則及詮釋。

該準則之核心原則為實體確認收益以描述向客戶之轉讓貨物及服務，該金額應為能反映該實體預期就交換該等貨物及服務而有權收取之代價。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)**(B) NEW AND REVISED HKFRSS IN ISSUE BUT NOT YET EFFECTIVE (Cont'd)***HKFRS 15 Revenue from Contracts with Customers (Cont'd)*

An entity recognises revenue in accordance with the core principle by applying a 5-step model:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies a performance obligation

The standard also includes comprehensive disclosure requirements relating to revenue.

The Group is currently assessing the impacts of adopting HKFRS 15 on the consolidated financial statements and is unable to estimate the impact of the new standard on the consolidated financial statements until a more detailed analysis is completed.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

3. 採納新訂及經修訂香港財務報告準則(續)**(B) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)***香港財務報告準則第15號來自與客戶合約的收益(續)*

實體透過應用五步模式遵照核心原則確認收益：

- 第一步： 識別與客戶的合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至各履約責任
- 第五步： 於各履約責任完成時確認收益

該準則亦包含有關收益的全面披露規定。

本集團現正評估於綜合財務報表採納香港財務報告準則第15號的影響，直至完成更為詳盡的分析前，本集團無法估計新訂準則對綜合財務報表產生的影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋。新訂準則引入單一承租人會計處理模式。承租人的經營及融資租賃區別已獲撤除，承租人將就所有租賃確認使用權資產及租賃負債(除短期租賃及低價值資產之租賃可獲選擇性豁免外)。香港財務報告準則第16號轉承自香港會計準則第17號的出租人會計法規定大致不變。因此，出租人將繼續將租賃分類為經營或融資租賃。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(B) NEW AND REVISED HKFRSS IN ISSUE BUT NOT YET EFFECTIVE (Cont'd)

HKFRS 16 Leases (Cont'd)

The Group's office property leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 34, the Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to HK\$1,189,336 as at 31 December 2016. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

3. 採納新訂及經修訂香港財務報告準則(續)

(B) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

本集團的辦公物業租賃現時被分類為經營租賃，及租賃支付(扣除自出租人收取任何獎勵金後)於租賃期間以直線法確認為開支。根據香港財務報告準則第16號，本集團可能需要按未來最低租賃款項的現時價值確認及計量負債，及就該等租賃確認相應的使用權資產。租賃負債的利息開支及使用權資產的減值將於損益中確認。本集團之資產及負債將增加，開支確認時間亦會因此受到影響。

誠如附註34所披露，於二零一六年十二月三十一日，本集團辦公物業之不可撤銷經營租賃項下的未來最低租賃款項達1,189,336港元。本集團將需要進行更為詳盡的評估，以於考慮香港財務報告準則第16號允許的過渡安排及折讓的影響後，釐定該等經營租賃承擔所產生的新資產及負債。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties classified as held for sale that are measured at fair value).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(A) CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

4. 主要會計政策

除於下列會計政策另有說明外(如分類為持作出售的投資物業乃按公平值計量),此等綜合財務報表已按歷史成本法編製。

編製符合香港財務報告準則的財務報表須採用若干主要會計估計,而管理層亦須在應用本集團會計政策過程中行使其判斷。涉及較高判斷或較複雜或對綜合財務報表而言屬重大的假設及估計的範疇於附註5披露。

編製此等綜合財務報表時採用的主要會計政策載於下文。

(A) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團擁有控制權之實體。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。當本集團之現有權利賦予其現有能掌控有關活動(如大幅影響實體回報之活動),本集團對該實體擁有權力。

於評估控制權時,本集團會考慮其潛在投票權以及其他各方持有的潛在投票權。潛在投票權僅於有關持有人擁有實質能力行使該權利時予以考慮。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)**(A) CONSOLIDATION (Cont'd)**

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

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

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(A) 綜合賬目(續)

附屬公司自其控制權轉移予本集團當日起全面綜合入賬，並於控制權終止當日起不再綜合入賬。

出售附屬公司導致失去控制權之收益或虧損指(i)出售代價公平值加保留於該附屬公司之任何投資之公平值與(ii)本公司應佔該附屬公司資產淨值加與該附屬公司有關之任何餘下商譽及任何相關之累計外幣匯兌儲備之間的差額。

集團內公司間交易、結餘及未變現溢利予以對銷。未變現虧損亦予以對銷，除非交易有證據顯示所轉讓資產出現減值。本公司已對附屬公司之會計政策作出必要修訂，以確保符合本集團所採納之政策。

除分類為持作出售的投資(或出售組別內分類為持作出售的投資)外，於附屬公司的投資乃以按成本減減值虧損於本公司財務狀況表內列賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)

(B) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, including buildings and leasehold land (classified as finance leases), held for use in the supply of services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land under finance leases	Over the lease terms
Buildings	10%
Leasehold improvements	50%
Furniture and fixture	50%
Office equipment	50%
Computer	50%
Motor vehicle	25%
Motor yacht	12.5%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(B) 物業、廠房及設備

物業、廠房及設備(包括持作提供服務用途或行政用途之樓宇及租賃土地(分類為融資租約))按成本扣除其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

其後成本乃撥入資產之賬面值或確認為獨立資產(如適用)，惟前提為本集團可能就該項目產生相關之未來經濟利益，而項目成本可以可靠計量。所有其他維修及保養乃於產生期間在損益表列支。

物業、廠房及設備之折舊，按足夠撇銷其成本減剩餘價值之比率，於估計可使用年期內使用直線法計算，主要年率如下：

融資租約下租賃土地	在租賃期內
樓宇	10%
租賃物業裝修	50%
傢俱及固定裝置	50%
辦公室設備	50%
電腦	50%
汽車	25%
遊艇	12.5%

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及作出調整(如適用)。

出售物業、廠房及設備之損益指出售所得款項淨額與有關資產賬面值兩者間之差額，於損益表內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)

(C) INVESTMENT PROPERTIES

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

If an investment property becomes owner-occupied or a property held for sale, it is reclassified as property, plant and equipment or inventories as appropriate, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised as a revaluation of property, plant and equipment.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

(D) LEASES

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases.

Where the Group is the lessee, lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Where the Group is the lessor, rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(C) 投資物業

投資物業指為賺取租金收入及／或作資本增值而持有之土地及／或樓宇。投資物業初步按其成本(包括該物業所有直接成本)計量。

於初步確認後，投資物業乃按其公平值列賬。投資物業公平值變動產生之損益於產生年度在損益內確認。

倘投資物業成為自置或持作出售的物業，其應適當地重新分類為物業、廠房及設備或存貨，而為作會計用途，其公平值將於重新分類當日成為其成本。

倘物業、廠房及設備項目因其用途改變而成為投資物業，則將此項目於轉讓日的賬面值與公平值間任何差額確認為物業、廠房及設備重估。

出售投資物業之損益乃出售所得款項淨額與該物業之賬面值兩者之差額，於損益內確認。

(D) 租約

(i) 經營租約

未將資產擁有權的所有風險及回報絕大部分轉移至本集團的租賃均視為經營租約。

當本集團為承租人時，租賃租金(扣除任何自出租人所收獎勵)於租期內按直線法確認為開支。

當本集團為出租人時，經營租約之租金收入於相關租期內按直線法確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)**(D) LEASES (Cont'd)***(ii) Finance leases*

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

(iii) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lumpsum upfront payments) are allocated between the land and building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

(D) 租約(續)*(ii) 融資租約*

將資產擁有權的所有風險及回報絕大部分轉移至本集團的租賃均視為融資租約。融資租約在開始時按租賃資產之公平值及最低租金現值兩者之較低者(兩者均在租賃開始時釐定)入賬。

出租人之相應債務於財務狀況表中列作應付融資租賃款項。租賃款項按比例分配為財務費用及削減未付債務。財務費用分配至租期各期間，以為債務結餘得出一個貫徹之定期利率。

融資租約項下之資產與自置資產同樣按租期及其估計使用年期中較短者計算折舊。

(iii) 自用租賃土地

當租賃包括土地及樓宇部分，本集團根據對附於各部分所有權的絕大部分風險及回報是否已轉移本集團的評估，分別將各部分的分類評定為融資或經營租賃。除非土地及樓宇部分均明確為經營租賃，於此情況下，整項租賃歸類為經營租賃。具體而言，最低租賃款項(包括任何一筆過預付款項)於租約訂立時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分之間分配。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**(D) LEASES (Cont'd)***(iii) Leasehold land for own use (Cont'd)*

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

(E) RECOGNITION AND DERECOGNITION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

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

4. 主要會計政策(續)**(D) 租約(續)***(iii) 自用租賃土地(續)*

倘能可靠地分配租賃款項，則入賬列為經營租賃的租賃土地權益將於綜合財務狀況表內列作「預付租賃款項」，並於租賃期內以直線法攤銷入賬。倘未能可靠地於土地及樓宇部分之間分配租賃款項，則整項租賃一般會分類為融資租賃，併入賬列作物業、廠房及設備。除非土地及樓宇部分均明確為經營租賃，於此情況下，整份租賃歸類為經營租賃。

(E) 金融工具之確認及終止確認

當本集團成為金融工具合約條文之一方時，金融資產及金融負債於綜合財務狀況表內予以確認。

當自資產收取現金流量之合約權利屆滿時；本集團轉移資產擁有權之絕大部分所有風險及回報時；或本集團並無轉移或保留資產擁有權之絕大部分所有風險及回報，但並無維持控制該資產時，金融資產予以終止確認。於終止確認一項金融資產時，該資產之賬面值與所收取之代價及已於其他全面收入內確認之累計收益或虧損之總和之間之差額乃於損益內予以確認。

當有關合約所訂明之責任獲解除、註銷或屆滿時，金融負債予以終止確認。所終止確認之金融負債之賬面值與已付代價間之差額於損益內予以確認。

當擁有可抵銷已確認金額的法定可執行權，並有意以淨額基準結算或同時變現資產及償還負債的情況下，則金融資產及負債相互抵銷，並於財務狀況表呈報所得淨額。法定可執行權不得取決於未來事項，且在日常業務過程中，以及在公司或對手方違約、無力償債或破產的情況下須強制執行有關權利。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)

(F) FINANCIAL ASSETS

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically loans receivable, prepayments, deposits and other receivables and bank and cash balances are classified in this category.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. They are included in non-current assets unless the Groups intend to dispose of the investment within 12 months from the end of the reporting period.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less impairment losses.

(F) 金融資產

金融資產乃按交易日基準(即購買或出售金融資產的合約條款所規定及經由所屬市場設定的時限交付該項金融資產之日)確認及終止確認，並初始按公平值加上直接應佔交易成本計量。

本集團將其金融資產分類為以下類別：貸款及應收款項及可供出售。分類乃按照購入金融資產時的目的劃分。管理層在初始確認時釐定金融資產類別。

(i) 貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生金融資產。該等資產以實際利率法按攤銷成本(除利息屬微不足道的短期應收款項外)，再減去任何減值或不可回收款項列賬。一般而言，應收貸款、預付款項、按金及其他應收款項以及銀行及現金結餘均分類至此類別。

(ii) 可供出售金融資產

可供出售金融資產為非衍生金融資產，其並非按公平值於損益分類為貸款及應收款項、持有至到期的投資或金融資產。除本集團於報告期末起十二個月內有意出售有關資產外，其將分類為非流動資產。

就沒有在活躍市場上報價且其公平值不能可靠計量之權益工具投資，以及與該無報價權益工具掛鈎及須通過交付該權益工具進行結算之衍生工具而言，該等投資均按成本減減值虧損計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)

(G) LOANS AND OTHER RECEIVABLES

Loans receivable are amounts due from customers for the provision and arrangement of credit facilities to the customers in the ordinary course of business. If collection of loans and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Loans and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(H) CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

(I) NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the asset's or disposal group's previous carrying amount and fair value less costs to sell.

(G) 貸款及其他應收款項

應收貸款為於日常業務過程中向客戶提供及安排信貸融資而應收客戶的款項。倘預期於一年或以內(或如較長時間,則於正常經營週期中)收回貸款及其他應收款項,該等款項將分類為流動資產。否則,該等款項則呈列為非流動資產。

貸款及其他應收款項初步按公平值確認,其後採用實際利率法按攤銷成本減去減值撥備計量。

(H) 現金及現金等價物

就現金流量表而言,現金及現金等價物包括銀行、手頭現金及存放於銀行及其他金融機構之活期存款,以及可隨時轉換為已知金額現金但價值改變風險不大的短期高流動性投資。

(I) 持作出售的非流動資產

倘非流動資產或出售組別的賬面值將主要透過銷售交易而非持續使用收回,則分類為持作出售。這種情形被視為僅當銷售極度可能進行及資產或出售組別可供其當時條件立即銷售才會發生。本集團將承諾銷售,預期應符合資格確認為自分類日期起一年內完成的銷售。

非流動資產或出售組別分類為持作出售者,按資產或出售組別過往賬面值及公平值減銷售成本之較低者計量。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)**(J) FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(K) BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(L) FINANCIAL GUARANTEE CONTRACT LIABILITIES

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligations under the contracts, as determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”; and
- the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis over the terms of the guarantee contracts.

(M) OTHER PAYABLES

Other payables are stated initially at their fair values and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(J) 金融負債及權益工具

金融負債及權益工具乃根據所訂立合約安排之內容與香港財務報告準則對金融負債及權益工具之定義分類。權益工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合約。就特定金融負債及權益工具所採納的會計政策列載如下。

(K) 借貸

借貸初步以公平值(扣除所產生之交易成本)確認,其後採用實際利率法以攤銷成本計量。

除非本集團有權無條件延遲負債償還日期至報告期後最少十二個月,否則借貸將被分類為流動負債。

(L) 財務擔保合約負債

財務擔保合約負債初步按其公平值計量,其後按下列較高者計量:

- 合約項下責任之金額,乃根據香港會計準則第37號「撥備、或然負債及或然資產」釐訂;及
- 初步確認之金額減於損益中按擔保合約期以直線法確認之累計攤銷。

(M) 其他應付賬項

其他應付賬項初步按公平值入賬,其後則以實際利率法按攤銷成本計量,惟倘貼現之影響屬微不足道則例外,於該情況下,則按成本列賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**(N) EQUITY INSTRUMENTS**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(O) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Interest income on loans is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. When a loan has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash receipts for the purpose of measuring the impairment loss.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income is recognised on a straight-line basis over the lease term.

4. 主要會計政策(續)**(N) 權益工具**

本公司發行之權益工具按已收所得款項扣減直接發行成本入賬。

(O) 收益確認

收益乃按已收或應收代價之公平值計量，並於本集團預計可獲得經濟利益並能可靠地計算收益金額時確認入賬。

貸款的利息收入乃按累計基準利用實際利率法，將金融工具預期可使用年期內的估計未來現金收入折現至金融資產賬面淨值計算。倘貸款因減值虧損而撇減，利息收入按為計量減值虧損而用以折現未來現金收入的利率確認。

股息收入，在股東收取相應款項的權利確立時確認。

租金收入，於租賃年期內按直線法確認。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)

(P) EMPLOYEE BENEFITS

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Pension obligations*

The Group operates a defined contribution Mandatory Provident Fund retirement scheme (“MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme.

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees’ basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

(iii) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(P) 僱員福利

(i) *僱員休假權利*

僱員於年假和長期服務休假的權利在僱員應享有時確認。本集團為截至報告期末止僱員已提供服務而產生的年假及長期服務休假的估計負債作出撥備。

僱員的病假及產假於僱員正式休假時予以確認。

(ii) *退休金責任*

本集團已按香港強積金條例，為所有合資格僱員加入既定供款強制性公積金計劃（「強積金計劃」）。

本集團為所有僱員提供定額供款退休計劃。本集團及僱員向計劃作出之供款乃根據僱員基本薪金之百分比計算。計入損益內之退休福利計劃成本指本集團應付予有關基金之供款。

本集團的僱主供款已於向強積金計劃供款時悉數歸屬，惟本集團僱主自願性供款除外，其須根據強積金計劃的規定，於僱員離職時，悉數歸屬前退回予本集團。

(iii) *終止福利*

終止福利於以下較早者發生時確認：當本集團無法再撤回該等福利之要約時及當本集團確認重組成本並涉及支付終止福利時。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)

(Q) SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

(R) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(Q) 以股份為基礎的付款

以股權結算並以股份為基礎的付款乃按股權工具於授出日期的公平值(非市場歸屬條件的影響除外)計量。以股權結算並以股份為基礎的付款於授出日期釐定的公平值根據本集團估計最終歸屬的股份，於歸屬期間以直線法支銷，並就非市場歸屬條件的影響作出調整。

(R) 借貸成本

因收購、建設或生產合資格資產(需於一段長時間方能達致其原定用途或出售者)而直接產生之借貸成本撥充該等資產之部分成本，直至該等資產大致上可準備投入作原定用途或出售時為止。從特定借貸待支付符合規定資產之經費前而作出之短暫投資所賺取之投資收入乃從可撥充資本之借貸成本中扣除。

以一般性借入資金用於獲取一項合資格資產為限，可撥充資本之借貸成本數額乃透過該項資產之支出所採用之資本化率而釐定。資本化率乃適用於本集團借貸(於有關期間內尚未償還)之借貸成本之加權平均數，惟特別為獲取合資格資產而作出之借貸則除外。

所有其他借貸成本乃於其產生之期間於損益內確認。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)**(S) TAXATION**

Income tax represents the sum of the current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(S) 稅項

所得稅開支指即期及遞延稅項之總和。

即期應付稅項按年內應課稅溢利計算。由於有於其他年度應課稅或可扣稅之收入或開支項目及永遠毋須課稅或不可扣稅之項目，故應課稅溢利有別於損益所確認之溢利。本集團有關即期稅項之負債採用於結算日前已頒佈或實際頒佈之稅率計算。

遞延稅項就綜合財務報表所示資產及負債之賬面值與計算應課稅溢利所依據相關稅基間之差額確認入賬。遞延稅項負債一般就所有應課稅暫時差額確認入賬，並於應課稅溢利有可能用作抵銷可扣稅暫時差額、未動用稅項虧損或未動用稅項抵免之情況下，確認遞延稅項資產。倘暫時差額源自商譽或初次確認不會影響應課稅溢利或會計溢利之交易(業務合併除外)資產或負債，則不會確認有關資產及負債。

遞延稅項負債就源自於附屬公司的投資之應課稅暫時差額予以確認，惟本集團能控制暫時差額之撥回時間及暫時差額於可見未來不會撥回之情況除外。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)

(S) TAXATION (Cont'd)

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(S) 稅項(續)

遞延稅項資產之賬面值於各個結算日檢討，並於不再可能有足夠應課稅溢利抵銷全部或部分將予收回資產情況下作出相應扣減。

遞延稅項以預期適用於償還負債或變現資產期間之稅率，按於報告期末已生效或實際生效之稅率計算。遞延稅項於損益內確認，除非其與在其他全面收入確認或直接計入權益之項目相關，於該情況下，遞延稅項亦於其他全面收入或直接於權益確認。

遞延稅項資產及負債的計量反映本集團於報告期末，預期將要收回或償還其資產及負債的賬面值之稅務後果。

就計量使用公平值模式計量之投資物業之遞延稅項而言，有關物業之賬面值乃推斷為透過出售收回(除非此推斷被推翻)。如該投資物業為應折舊資產，且以隨時間(而不是通過出售)實質地消耗該投資物業所包含之全部經濟利益之本集團之商業模式而持有，則該假設可被推翻。倘此推斷被推翻，有關投資物業之遞延稅項則根據投資物業被收回之預期方式計量。

遞延稅項資產及負債於有可合法執行權利將即期稅項資產抵銷即期稅項負債，及與相同稅務機關徵收之所得稅相關，且本集團擬按淨額基準清償其即期稅項資產及負債之情況下予以抵銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)**(T) RELATED PARTIES**

A related party is a person or entity that is related to the Group.

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

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

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

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

(T) 關連人士

關連人士為與本集團相關之人士或實體。

(A) 倘屬以下人士，則該人士或該人士之近親家庭成員與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團之主要管理人員。

(B) 倘符合下列任何條件，即實體與本集團(申報實體)有關連：

- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團成員公司之聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方之合營企業。
- (iv) 一間實體為第三方實體之合營企業，而另一實體為同一第三方實體之聯營公司。
- (v) 實體為本集團或與本集團有關連之實體就僱員利益而設之離職後福利計劃。倘本集團自身屬於有關計劃，則資助之僱員亦與本集團相關連。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**(T) RELATED PARTIES**

- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(U) IMPAIRMENT OF NON-FINANCIAL ASSETS (Cont'd)

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(V) IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, the Group assesses whether its financial assets are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

4. 主要會計政策(續)**(T) 關連人士(續)**

- (vi) 實體受(A)所識別人士控制或受共同控制。
- (vii) 於(A)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理人員。

(U) 非金融資產減值

非金融資產的賬面值於各報告期末檢討有無減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額。可收回金額乃就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合的現金流入，則可收回金額就資產所屬的現金產生單位釐定。可收回金額為個別資產或現金產生單位的使用價值與其公平值減出售成本兩者中之較高者。

使用價值為資產／現金產生單位估計未來現金流量的現值。現值按反映貨幣時間值及資產／現金產生單位(已計量減值)的特有風險的稅前折現率計算。

現金產生單位的減值虧損首先用於抵銷單位商譽，然後於現金產生單位的其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值。

(V) 金融資產減值

於各報告期末，本集團均會根據客觀證據(即(一組)金融資產的估計未來現金流量由於初步確認後發生的一項或多項事件而受到影響)評估其金融資產有否減值。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 4. 主要會計政策(續)**(V) IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)**

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for loans receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for loans receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for loans receivable) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

For available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

(W) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

(V) 金融資產減值(續)

就可供出售的權益工具而言，投資公平值之重大或長期下跌至低於其成本，均被視為減值之客觀證據。

此外，就單獨評估並無減值的應收貸款而言，本集團將根據本集團的過往收款經驗、投資組合內延遲還款的增加、與應收款項違約情況有連帶關係的經濟狀況出現明顯改變等共同評估有否減值。

僅應收貸款的賬面值會使用撥備賬扣減，而其後收回之前已撇銷的數額乃計入撥備賬。撥備賬的賬面值變動於損益中確認。

就所有其他金融資產而言，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量的金融資產而言，倘減值虧損的金額於其後期間減少，而該減少可以客觀地與確認減值後發生的一項事件有關，則先前已確認的減值虧損透過損益撥回(直接或藉著調整應收貸款的撥備賬)。然而，撥回不得導致賬面值高於假使並無確認減值該項金融資產於撥回減值當日的攤銷成本。

就可供出售的權益證券而言，減值虧損後倘公平值增加會於其他全面收入內確認，並累計入重估儲備；減值虧損不會透過損益撥回。

(W) 撥備及或然負債

倘本集團因過往事件而須負上現行法律或推定之責任，且可能須就履行該等責任而導致經濟利益流出，並能夠就此作出可靠估計時，則始為未能確定何時發生或其款額之負債作出撥備。倘數額涉及重大之貨幣之時值，則按預期用以履行責任之開支之現值作出撥備。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**(W) PROVISIONS AND CONTINGENT LIABILITIES (Cont'd)**

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

(X) EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

IMPAIRMENT ALLOWANCE FOR LOANS RECEIVABLE

The Group makes impairment allowance for loans receivable based on assessments of the recoverability of the loans receivable, including the current creditworthiness and the past collection history of each debtor. If there is objective evidence that impairment loss on loans receivable has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The identification of bad and doubtful debts requires significant judgement on whether the objective evidence for impairment exists and assessing the amount of impairment loss requires significant estimates when determining the present value of the expected future cash flows. Where the actual result is different from the original estimate, such difference will impact the carrying value of the loans receivable and doubtful debt expenses in the year in which such estimate has been charged.

As at 31 December 2016, the impairment allowance for loans receivable amounted to HK\$10,492,669 (2015: HK\$6,562,045).

4. 主要會計政策(續)**(W) 撥備及或然負債(續)**

當不大可能有需要付出經濟利益，或其數額未能可靠地估計，除非其付出之可能性極少，則需披露該責任為或然負債。潛在責任，其存在僅能以一個或數個未來事項之發生或不發生來證實，除非其付出之可能性極少，否則亦同時披露為或然負債。

(X) 報告期後事項

提供於報告期末有關本集團狀況之額外資料的報告期後事項為調整事項並在綜合財務報表內有所反映。並非調整事項之報告期後事項將於屬重大時於綜合財務報表之附註內予以披露。

5. 估計不明朗因素的主要來源

很可能導致下個財政年度的資產及負債的賬面值出現大幅調整，且涉及日後的主要假設及於各報告期末估計不明朗因素的其他主要來源概述如下。

應收貸款減值撥備

本集團根據應收貸款的可收回性評估(包括各債務人的目前信譽及過往收款記錄)對應收貸款作出減值撥備。如果有客觀證據表明應收貸款已經出現減值虧損，則虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸損失)以原始實際利率(即初步確認時計算的實際利率)折現的現值之間的差額計量。識別呆壞賬時，需要對是否存在客觀減值證據作出重大判斷，而估算減值虧損金額時，則需在釐定預計未來現金流量的現值時作出重大估計。倘實際結果與原來估計出現差異，則有關差異於本年度計入時將影響應收貸款的賬面值及呆賬開支。

於二零一六年十二月三十一日，應收貸款減值撥備為10,492,669港元(二零一五年：6,562,045港元)。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(A) CREDIT RISK

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligations. The carrying amount of the bank and cash balances, loans and interests receivable, deposits and other receivables, included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to the Group's financial assets, before taking into account of collateral it holds. Exposure to such credit risk arises primarily from its financing activities to customers.

The Group's credit policy specifies the credit approval, review and monitoring processes. All new customers of the Group are subject to account opening procedures which include financial background checks for credit verification purpose. Credit limit applications are guided by a set of credit principles and these applications are subject to regular independent review. The board of directors of the Company are responsible to ensure the credit policies and operation manual are appropriate to the market need and the Group's loans department ensures the credit approval, review and monitoring processes as per stipulated in the manual are properly followed by the operation staff.

The Group also adopts a "two eyes" process requiring credit approval at successively higher levels or committees depending on, among other things, the size and nature of the proposed transactions.

6. 金融風險管理

本集團經營活動面臨各種金融風險，包括信用風險、流動性風險及利率風險。本集團整體的風險管理是關注不可預測的金融市場和尋求降低潛在的負面因素對本集團財務表現所帶來的風險。

(A) 信貸風險

信貸風險是由於對手方無力或拒絕履行合約責任，造成虧損的風險。列入綜合財務狀況表之銀行及現金結餘、應收貸款及利息、按金及其他應收款項的賬面值為本集團就本集團金融資產面臨的最高信貸風險(未考慮其持有的抵押品)。該等信貸風險主要源自向客戶提供的融資服務。

本集團的信貸政策指定有關信貸批核、審閱及監控程序。本集團所有新客戶須進行開戶手續，包括進行財務背景檢閱，以核實信貸的目的。信貸限額申請以一套完整的信貸原則作為指引，而該等申請須經正常獨立審閱。本公司董事會負責確保信貸政策及操作手冊合乎市場需要，而本集團貸款部應確保手冊所訂明的信貸批核、審閱及監控程序已獲操作人員妥當遵行。

本集團同時採用「雙眼」程序，根據(其中包括)擬進行交易的規模及性質，要求由低級至高級或由下級至上級委員會作出信貸批准。

6. FINANCIAL RISK MANAGEMENT (Cont'd)**(A) CREDIT RISK (Cont'd)**

The credit quality classification of gross loans receivable (before impairment allowance) using the Group's credit rating system is set out in the table below:

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Performing	履約	869,519,617	380,766,128
Doubtful	呆賬	21,434,318	180,713
Loss	虧損	1,531,339	3,859,958
		892,485,274	384,806,799

The Group considers all loans receivable (except for loans to foreign domestic workers) as doubtful if the repayment of principal and/or interest has been overdue for more than 3 months and principal, accrued interest and/or future interest may not be fully secured by the fair value of collateral at its prevailing market price. The Group considers the loans receivable as loss if the repayments of principal and/or interest have been overdue for more than 45 days for the loans to foreign domestic workers, or have been overdue for more than 6 months for all other types of loans receivable; and in both cases the collection of principal and/or interest in full is improbable after taking into account the fair values of the collateral at prevailing market prices.

Based on the above individual assessment, the loans department of the Group proposes to the management of the Company the amount of impairment provision to be made at least on a monthly basis. The Group also performs collective assessment of the loans receivable by grouping together all its receivables with similar credit risk characteristics. The impairment provision is made based on the historical impairment rates of receivables with similar credit risk characteristic.

6. 金融風險管理(續)**(A) 信貸風險(續)**

根據本集團的信貸評級系統，應收貸款總額(扣除減值撥備前)的信貸質量級別載列如下：

若本金及／或利息還款逾期超過三個月，而抵押品按現行市價計算的公平值未必足夠全數抵償本金、應計利息及／或未來利息，本集團視所有應收貸款為呆賬(向外籍家庭傭工提供的貸款除外)。若向外籍家庭傭工提供的貸款在本金及／或利息還款逾期超過45日，或若所有其他應收貸款在本金及／或利息還款逾期超過六個月，且在此兩種情況下，經計算抵押品按現行市價計算的公平值後，悉數收回本金及／或利息已不大可能，本集團將視該應收貸款為虧損。

基於上述個別評估，本集團貸款部至少每月向本公司的管理層建議作出減值撥備的金額。本集團亦通過綜合所有信貸風險特徵類似的應收款項，進行應收貸款集體評估。減值撥備乃基於具有類似信貸風險的應收貸款於過往年度的減值利率而作出。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Cont'd)

(A) CREDIT RISK (Cont'd)

Movements in the provision for impairment on loans receivable are as follows:

		Individual 獨立 HK\$ 港元	Collective 集體 HK\$ 港元
At 1 January 2015	於二零一五年一月一日	2,128,950	1,925,063
Charged during the year	年內計提	7,999,549	600,000
Written off during the year	年內撇銷	(5,723,491)	—
Reversed during the year	年內撥回	(368,026)	—
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年一月一日	4,036,982	2,525,063
Charged during the year	年內計提	7,426,425	2,964,321
Written off during the year	年內撇銷	(5,783,402)	—
Reversed during the year	年內撥回	(676,720)	—
At 31 December 2016	於二零一六年 十二月三十一日	5,003,285	5,489,384

As at 31 December 2016, the Group has certain concentrations of credit risk as 6% (2015: 6%) of the Group's loans receivable were due from the Group's largest customer, and 25% (2015: 25%) were due from the five largest customers determined on the same basis.

Collateral is obtained in respect of mortgage loans and secured fixed loans which made up to 28% (2015: 22%) of the total loans receivable as at 31 December 2016. Such collaterals comprise residential and commercial properties pledged against the balances. As at 31 December 2016, the fair value of collaterals for the first mortgage loans which are mainly residential flats based on its prevailing market prices amounted to approximately HK\$201.71 million (2015: HK\$67.83 million). The fair value of properties collateralised for the second mortgage loans before discounting credit protections available to the first mortgagees amounted to approximately HK\$122.58 million (2015: HK\$254.72 million).

6. 金融風險管理(續)

(A) 信貸風險(續)

應收貸款減值撥備變動載列如下：

		Individual 獨立 HK\$ 港元	Collective 集體 HK\$ 港元
At 1 January 2015	於二零一五年一月一日	2,128,950	1,925,063
Charged during the year	年內計提	7,999,549	600,000
Written off during the year	年內撇銷	(5,723,491)	—
Reversed during the year	年內撥回	(368,026)	—
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年一月一日	4,036,982	2,525,063
Charged during the year	年內計提	7,426,425	2,964,321
Written off during the year	年內撇銷	(5,783,402)	—
Reversed during the year	年內撥回	(676,720)	—
At 31 December 2016	於二零一六年 十二月三十一日	5,003,285	5,489,384

於二零一六年十二月三十一日，本集團6%（二零一五年：6%）的應收貸款來自本集團最大客戶，以相同基準釐定，有25%（二零一五年：25%）的應收貸款來自五大客戶，故本集團存有一定程度的信貸集中風險。

於二零一六年十二月三十一日，就按揭貸款及有抵押定期貸款獲得的抵押品佔應收貸款總額最多28%（二零一五年：22%）。該等抵押品包括就貸款結餘抵押的住宅及商用物業。於二零一六年十二月三十一日，首次按揭貸款的抵押品（主要為住宅物業）按現行市價計算的公平值約為201,710,000港元（二零一五年：67,830,000港元）。未折現適用於第一承按人的信用保障前第二次按揭貸款的物業抵押品公平值約為122,580,000港元（二零一五年：254,720,000港元）。

6. FINANCIAL RISK MANAGEMENT (Cont'd)**(A) CREDIT RISK (Cont'd)**

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings.

The Group does not provide any guarantees which would expose the Group to credit risk.

(B) LIQUIDITY RISK

Liquidity risk is the risk that the Group is unable to meet its payment obligations when they are due. The Group manages its liquidity risk by maintaining sufficient cash and the availability of funding from shareholders of the Company and adequate committed lines of funding from financial institutions to meet its liquidity requirements. The board of directors of the Company is responsible to ensure the Group to maintain sufficient capital funding and credit lines to meet liquidity requirements. This is achieved by projecting cash flows on a regular basis. The accounts department of the Group monitors and reports the funding needs to management.

The Group is not exposed to significant liquidity risk since there is no substantial irrevocable commitment associated with financial instruments.

The following table summarises the maturity of the Group's non-derivative financial liabilities as at 31 December 2016 based on contractual undiscounted payments. Except for the interest-bearing loans and the loan notes, the contractual undiscounted payments of all financial liabilities approximate to their carrying amounts as at the end of the reporting period.

6. 金融風險管理(續)**(A) 信貸風險(續)**

銀行及現金結餘之信貸風險有限，因交易對手為高信貸評級之銀行。

本集團並不提供任何會令本集團承擔信貸風險的擔保。

(B) 流動資金風險

流動資金風險是本集團未能履行其到期付款責任的風險。本集團藉維持充足現金，加上可從本公司股東獲得的資金，並保持足夠的金融機構已承諾信貸額度應付流動資金需要，管理流動資金風險。本公司董事會負責確保本集團維持足夠的資本融資及信貸額度以應付流動資金需要。此舉乃藉定期預測現金流量而達致。本集團的會計部監察資金需要以向管理層匯報。

本集團並無與金融工具相關的重大不可撤回承諾，故並不面臨重大流動資金風險。

下表載列於二零一六年十二月三十一日，本集團非衍生金融負債按合約未折現付款呈列的到期情況概要。除計息貸款及貸款票據外，所有金融負債的合約未折現付款約為彼等於報告期末的賬面值。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Cont'd)

6. 金融風險管理(續)

(B) LIQUIDITY RISK (Cont'd)

(B) 流動資金風險(續)

		On demand	Less than 3 months	3 to 12 months	Over 1 year	Total
		按要求償還	少於三個月	三至十二個月	一年以上	總額
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
At 31 December 2016	於二零一六年十二月三十一日					
Accruals and other payables	應計費用及其他應付款項	—	2,498,607	—	60,000	2,558,607
Interest-bearing loans (note (a))	計息貸款(附註(a))	58,537,056	—	—	—	58,537,056
Loan notes (note (b))	貸款票據(附註(b))	32,873,178	—	—	—	32,873,178
		91,410,234	2,498,607	—	60,000	93,968,841
At 31 December 2015	於二零一五年十二月三十一日					
Accruals and other payables	應計費用及其他應付款項	—	1,319,740	—	72,000	1,391,740
Interest-bearing loans (note (a))	計息貸款(附註(a))	9,553,598	—	—	—	9,553,598
		9,553,598	1,319,740	—	72,000	10,945,338

Note:

附註:

- (a) Included in interest-bearing loans are mortgage loan from bank totalling HK\$8,537,056 as at 31 December 2016 (2015: mortgage loan and corporate tax loans from banks totalling HK\$9,553,598). The loan agreements of these loans contain a repayment on demand clause giving the banks the unconditional right to call in the loans at any time. Therefore, for the purpose of the above maturity profile, such amounts are classified as "on demand".

- (a) 計息貸款包括銀行的按揭貸款，於二零一六年十二月三十一日總共為8,537,056港元(二零一五年：銀行的按揭貸款及企業稅務貸款總共9,553,598港元)。該等貸款的貸款協議包含按要求償還的條款，銀行可隨時無條件要求還款。因此，對上述到期組合而言，有關金額均列作「按要求償還」。

Notwithstanding the above clause of the bank loans, the board of directors of the Company is confident that the banks will not demand full repayment of the mortgage loan within 12 months and they consider that the mortgage loan will be repaid in accordance with its respective repayment schedules as set out in the loan agreement. The evaluation was made after considering the financial position of the Group at the end of the reporting period; the values of the collaterals securing the mortgage loan; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the contractual terms, repayments of the mortgage loan are to be made by the Group on an accelerating basis until the contractual maturities in 2027.

儘管銀行貸款附有以上條款，本公司董事會認為銀行十二個月內不會要求悉數償還該按揭貸款，而將根據貸款協議所載其還款時間表還款。該評估乃經參考本集團於報告期末的財務狀況、按揭貸款抵押品的價值、並無拖欠事件，以及本集團以往均依時償還款項後釐定。根據合約條款，本集團須在二零二七年合約到期前提前償還按揭。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Cont'd)**(B) LIQUIDITY RISK (Cont'd)**

Note: (Cont'd)

(a) (Cont'd)

The remaining balance of HK\$50,000,000 that is classified as “on demand” represents the independent third party loan as at 31 December 2016, which are repayable on demand. No such loan facility was utilised by the Group as at 31 December 2015.

The board of directors of the Company has closely monitored the rate of utilisation of these facilities throughout the year and make sure all relevant interests were duly paid.

- (b) The loan notes are classified as “on demand” as the holders of the loan notes has the right to request the Company to redeem all/part of the outstanding principal amount of the loan notes on a day after the third month of the date of issue of the loan notes and before the maturity date.

(C) INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument or the interest income of a portfolio will fluctuate due to changes in market interest rates. The Group's major interest-bearing assets at the end of the reporting period are bank deposits and interest-bearing loans receivable and payable. Interests on bank deposits are principally based on deposits rates offered by banks in Hong Kong. Interest-bearing loans receivable are charged at fixed or floating rates. Interest-bearing loans payable comprise loans from independent lenders which are charged at fixed rates, and loans from a bank which are charged at floating rates.

The Group manages its interest rate exposure by matching the interest rate profile of its assets and liabilities. The board of directors of the Company is responsible for ensuring the policy is appropriate and sufficient to monitor the interest rate exposure of the Group, by regularly monitoring the benchmark interest rates of products offered against prevailing market conditions. Substantially most of the Group's loans receivable carried fixed interest rates. The Group prices these loans receivable strategically to reflect market fluctuations and achieve a reasonable interest rate spread.

6. 金融風險管理(續)**(B) 流動資金風險(續)**

附註：(續)

(a) (續)

餘額50,000,000港元，為「按要
求償還」類別，乃指於二零一六年十二月三十一日的獨立第三方貸款，並須按要
求償還。於二零一五年十二月三十一日，本集團概無動用該貸款融資。

本公司董事會已密切監察此等融資於年內的使用率，確保所有相關利息已獲妥為支付。

- (b) 由於貸款持有人有權要求本公司於發行貸款票據日期後第三個月後直至到期日前贖回全部／部分未償還貸款票據的本金金額，貸款票據分類為「按要
求償還」。

(C) 利率風險

利率風險指金融工具的價值或投資組合的利息收入將隨市場利率變動而波動的風險。於報告期末，本集團主要計息資產為銀行存款、應收及應付計息貸款。銀行存款的利息主要基於香港銀行提供的存款利率。應收計息貸款按固定或浮動利率計息。應付計息貸款包括獨立貸款人固定利率的貸款，以及銀行浮息貸款。

本集團透過將資產與負債的利率特性配對來控制利率風險。本公司董事會負責定期監察當時的市況與產品相應地提供的指標利率，確保政策恰當，足以監控本集團承擔的利率風險。本集團絕大部分的應收貸款按固定利率計息。本集團因時制宜地為該等應收貸款定價，以反映市場的波動，並維持合理的息差。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Cont'd)

(C) INTEREST RATE RISK (Cont'd)

In consideration of historical fluctuation in interest rates in recent years, the Group expects a similar level of change within the next twelve months. The following table demonstrates the sensitivity of a reasonably possible change in interest rates, with all other variables held constant arising from the Group's interest-bearing financial instruments.

The sensitivity analysis below is presented for the Group's bank deposits and loans receivable and payable at floating interest rates.

		Change in basis points 基點變動	Effect on profit after tax 對除稅後溢利的影響 HK\$ 港元	Effect on equity 對權益的影響 HK\$ 港元
31 December 2016	二零一六年 十二月三十一日			
Bank deposits	銀行存款	+/-50	+/-293,172	+/-293,172
Interest-bearing loans receivable	應收計息貸款	+/-50	+/-277,061	+/-277,061
Interest-bearing loans payable	應付計息貸款	+/-50	-/+35,642	-/+35,642
31 December 2015	二零一五年 十二月三十一日			
Bank deposits	銀行存款	+/-50	+/-141,669	+/-141,669
Interest-bearing loans receivable	應收計息貸款	+/-50	+/-183,253	+/-183,253
Interest-bearing loans payable	應付計息貸款	+/-50	-/+38,303	-/+38,303

6. 金融風險管理(續)

(C) 利率風險(續)

考慮到近年的利率波動，本集團預期未來十二個月內的類似變動水平。下表顯示在所有其他變量維持不變的情況下，本集團計息金融工具利率可能合理變動的敏感度。

本集團於浮動利率下的銀行存款以及應收及應付貸款的敏感度分析呈列如下。

(D) CATEGORIES OF FINANCIAL INSTRUMENTS AT 31 DECEMBER 2016

(D) 於二零一六年十二月三十一日之金融工具種類

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Financial assets:	金融資產：		
Available-for-sale financial assets	可供出售金融資產	900,000	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	941,147,067	407,084,571
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計值之金融負債	93,968,843	10,945,338

6. FINANCIAL RISK MANAGEMENT (Cont'd)

(E) FAIR VALUES

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

DISCLOSURE OF LEVEL IN FAIR VALUE HIERARCHY AT 31 DECEMBER 2016 AND 2015

At 31 December 2016, the fair value measurements of the Group's investment properties classified as held for sale are non-recurring and are determined using level 2 inputs.

At 31 December 2015, the fair value measurements of the Group's investment properties are recurring and are determined using level 2 inputs.

6. 金融風險管理(續)

(E) 公平值

本集團計入綜合財務狀況表中的金融資產及金融負債的賬面值與其各自的公平值相若。

7. 公平值計量

公平值為於市場參與者於計量日期進行有序交易出售資產時將收取或轉讓負債時將支付的價格。以下公平值計量披露資料所用的公平值架構按用以計量公平值的估值方法所使用的輸入資料分為三個等級：

等級一的 根據本集團於計量日期可獲
輸入資料： 得的相同資產或負債於活躍市場的報價(未經調整)。

等級二的 除等級一包含的報價外的輸
輸入資料： 入資料，無論是資產或負債直接的或是間接的可觀察輸入資料。

等級三的 資產或負債的非可觀察輸入
輸入資料： 資料。

本集團的政策是於促成轉撥的事件或情況變動發生日期確認三個等級之間的任何轉撥。

於二零一六年及二零一五年十二月三十一日公平值架構等級的披露

於二零一六年十二月三十一日，本集團分類為持作出售的投資物業所計量的公平值乃非經常性，並採用等級二釐定。

於二零一五年十二月三十一日，本集團投資物業所計量的公平值乃經常性，並採用等級二釐定。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Cont'd)**DISCLOSURE OF VALUATION TECHNIQUES AND INPUTS USED IN FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2016 AND 2015**

At 31 December 2016, the valuation technique and key inputs used in the level 2 fair value measurements of the investment properties classified as held for sale are set out in note 25 to the financial statements.

At 31 December 2015, the valuation technique and key inputs used in the level 2 fair value measurements of the investment properties are set out in note 20 to the financial statements.

During the two years, there were no changes in the valuation techniques used.

8. SEGMENT INFORMATION

During the year ended 31 December 2016, all of the Group's revenue has been generated from the provision and arrangement of credit facilities in Hong Kong. Revenue represents interest income earned from loans offered to the Group's customers. Information reported to the Group's chief operating decision maker, for the purposes of resources allocation and assessment of the Group's performance, is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis or information about the Group's products and services is presented.

All of the Group's revenue from external customers and assets was generated from and located in Hong Kong during the years ended 31 December 2016 and 2015.

For the years ended 31 December 2016 and 2015, no revenue from a single external customer amounted to 10% or more of the Group's revenue.

9. REVENUE

The Group's revenue represents interest income charged on credit facilities provided to borrowers.

7. 公平值計量(續)

披露本集團於二零一六年及二零一五年十二月三十一日採用之估值技術及公平值計量所用的輸入資料

於二零一六年十二月三十一日，分類為持作出售的投資物業的等級二公平值計量所用的估值技術及主要輸入資料載列於財務報表附註25。

於二零一五年十二月三十一日，投資物業的等級二公平值計量所用的估值技術及主要輸入資料載列於財務報表附註20。

於該兩年，所採用的估值技術並無變動。

8. 分部資料

於截至二零一六年十二月三十一日止年度，本集團所有收益均來自在香港提供及安排信貸融資。收益指向本集團客戶提供貸款所得的利息收入。因為本集團的資源為已整合及並無分散的財務資料，故為進行資源分配及評估本集團表現向本集團主要營運決策者報告的資料集中於本集團的整體經營業績。因此，並無呈列有關本集團產品及服務的部分分析或資料。

截至二零一六年及二零一五年十二月三十一日止年度，本集團所有來自外界客戶及資產的收益均產生自香港並存置於香港。

截至二零一六年及二零一五年十二月三十一日止年度，並無單一外界客戶的收益佔本集團收益10%或以上。

9. 收益

本集團的收益代表向借款人提供的信貸融資所收取的利息收入。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

10. OTHER INCOME

10. 其他收入

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Other fee income	其他費用收入	518	364,151
Bank interest income	銀行利息收入	16,314	312
Gross rental income	租金收入總額	1,452,735	1,526,777
Management fee income	管理費用收入	20,000	—
		1,489,567	1,891,240

11. OTHER GAINS AND LOSSES

11. 其他收益及虧損

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Fair value (losses)/gains on investment properties	投資物業公平值(虧損)/ 收益	(1,900,000)	3,000,000
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備收益	1,089	248,284
		(1,898,911)	3,248,284

12. FINANCE COSTS

12. 財務費用

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Finance lease charges	融資租賃費用	—	22,985
Interest on bank loans and overdrafts (note)	銀行貸款及透支利息 (附註)	377,516	1,463,830
Interest on other borrowings wholly repayable within five years	須於五年內悉數償付的 其他借貸利息	13,699	2,046,911
Effective interest expense on loan notes wholly repayable within five years	須於五年內悉數償付的 貸款票據的實際利率 開支	750,678	—
		1,141,893	3,533,726

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. FINANCE COSTS (Cont'd)

Note: The Group's loan, which was borrowed from the bank as at 31 December 2016, was classified in the consolidated statement of financial position as current liabilities, as the respective loan agreement contain a clause that gives the lender the unconditional right to call the loan at any time. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturities stated in the loan agreement.

Based on the maturity terms of the loan borrowed from bank as at year end date, the amounts of interest expense on the loan not wholly repayable within five years totaled HK\$376,630 for the year ended 31 December 2016 (2015: HK\$402,132).

12. 財務費用(續)

附註：由於相關貸款協議載有一項條款，賦予貸款人隨時催繳貸款的無條件權利(不論違約事件是否發生，亦不論貸款協議規定的任何其他條款及到期時間)，本集團於二零一六年十二月三十一日從銀行借入的貸款於綜合財務狀況表內列為流動負債。

根據於年結日的銀行貸款的到期條款，該毋須於五年內悉數償付的貸款利息開支於截至二零一六年十二月三十一日止年度合共為376,630港元(二零一五年：402,132港元)。

13. PROFIT BEFORE TAX

The Group's profit before tax is stated after charging/(crediting) the following:

13. 除稅前溢利

本集團除稅前溢利已扣除/(計入)下列各項：

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Auditor's remuneration	核數師酬金	720,000	650,000
Depreciation	折舊	1,143,553	667,596
Amortisation of leasehold land under finance leases	融資租約下租賃土地攤銷	70,876	64,899
Legal and professional fees	法律及專業費用	2,676,730	2,302,922
Gain on disposal of property, plant and equipment	出售物業、廠房及設備 收益	(1,089)	(248,284)
Gain on disposal of a subsidiary	出售一間附屬公司收益	—	(286,818)
Fair value losses/(gains) on investment properties	投資物業公平值虧損/ (收益)	1,900,000	(3,000,000)
Direct operating expenses of investment properties that generate rental income	產生租金收入的投資物業 之直接營運開支	203,348	220,943
Minimum lease rental payments in respect of land and buildings under an operating lease	根據經營租約就土地及 樓宇支付的最低租金	966,025	1,216,075
Net charge for impairment allowance for loans receivable	應收貸款減值撥備淨額	9,714,026	8,231,523

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

14. INCOME TAX EXPENSE

14. 所得稅開支

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Current tax — Hong Kong Profits Tax	即期稅項 — 香港利得稅		
Provision for the year	年內撥備	7,492,677	4,811,689
Over-provision in prior years	過往年度超額撥備	(20,000)	(54,366)
		7,472,677	4,757,323
Deferred tax (note 28)	遞延稅項(附註28)	(345,025)	(131,111)
		7,127,652	4,626,212

Hong Kong Profits Tax has been provided at a rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year ended 31 December 2016.

截至二零一六年十二月三十一日止年度，香港利得稅已根據估計應課稅溢利，按16.5%（二零一五年：16.5%）的稅率作出撥備。

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

所得稅開支與除稅前溢利乘以香港利得稅稅率之積對賬如下：

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Profit before tax	除稅前溢利	40,774,144	29,498,918
Tax at the applicable tax rate of 16.5% (2015: 16.5%)	按適用稅率16.5% (二零一五年：16.5%) 計算的稅項	6,727,734	4,867,321
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(174,590)	(497,284)
Tax effect of expenses that are not deductible	不可扣除開支的稅務影響	631,918	310,193
Tax effect of temporary difference not recognised	未確認暫時差額的 稅務影響	—	348
Tax effect of utilisation of tax losses not previously recognised	尚未確認利用稅項虧損的 稅務影響	(37,410)	—
Over-provision in prior years	過往年度超額撥備	(20,000)	(54,366)
Income tax expense	所得稅開支	7,127,652	4,626,212

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

15. EMPLOYEE BENEFITS EXPENSE

15. 僱員福利開支

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Employee benefits expense (excluding directors' emoluments):	僱員福利開支(不包括董事酬金):		
Salaries, bonuses and allowances	薪金、花紅及津貼	9,643,098	8,859,965
Pension scheme contributions	退休金計劃供款	528,483	539,585
		10,171,581	9,399,550

(A) PENSION SCHEME CONTRIBUTIONS

Forfeited contributions totalling HK\$41,743 (2015: HK\$59,250) were utilised during the year. No balance (2015: Nil) was available at the year-end date to reduce future contributions.

(A) 退休金計劃供款

已沒收供款總額41,743港元(二零一五年: 59,250港元)已於年內動用。於年結日, 概無結餘(二零一五年: 無)可用於抵銷未來供款。

(B) The five highest paid individuals in the Group during the year included four (2015: four) directors whose emoluments are reflected in the analysis presented in note 16(A) to the consolidated financial statements. The emolument of the remaining one (2015: one) individual is set out below:

(B) 年內, 本集團五名最高薪僱員包括四名(二零一五年: 四名)董事, 其酬金於綜合財務報表附註16(A)分析中呈列。餘下一名(二零一五年: 一名)僱員之酬金詳情載列如下:

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,196,107	420,000
Performance related bonus	表現相關花紅	—	61,000
Pension scheme contributions	退休金計劃供款	18,000	42,000
		1,214,107	523,000

The emolument fell within the following band:

酬金介乎下列範圍的人數如下:

		Number of individuals 僱員人數	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	—	1
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至 1,500,000港元	1	—

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

16. BENEFITS AND INTERESTS OF DIRECTORS

16. 董事福利及利益

(A) DIRECTORS' EMOLUMENTS

(A) 董事酬金

The remuneration of every director for the year ended 31 December 2016 is set out below:

各董事截至二零一六年十二月三十一日止年度的酬金載列如下：

		Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就任何人士以董事身份(不論為本公司或其附屬公司)所提供服務已付或應付的酬金						Total
		Fees	Salaries	Allowance and benefits in kind (Note) 津貼及實物福利 (附註)	Performance related bonuses 表現相關花紅	Pension scheme contribution 退休金計劃供款	Share-based payments 以股份為基礎的付款	
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Executive directors:	執行董事：							
Sin Kwok Lam	冼國林	—	1,200,000	—	—	150,000	—	1,350,000
Tsang Yan Kwong	曾仁光	—	1,072,500	31,573	100,100	134,063	—	1,338,236
Leung Wai Hung	梁偉雄	—	643,500	20,468	65,000	64,350	—	793,318
Ho Siu Man	何筱敏	—	572,000	28,258	60,000	57,200	—	717,458
Non-executive director:	非執行董事：							
Chan Lai Yee (note (a))	陳麗兒 (附註(a))	59,333	—	—	—	—	—	59,333
Independent non-executive directors:	獨立非執行董事：							
Yu Wan Hei	余運喜	120,000	—	—	—	—	—	120,000
Fung Kam Man (note (b))	馮錦文 (附註(b))	54,516	—	—	—	—	—	54,516
Wang Zhiwei (note (c))	王志維 (附註(c))	22,581	—	—	—	—	—	22,581
Lee Kin Fai (note (d))	李健輝 (附註(d))	65,806	—	—	—	—	—	65,806
Tai Man Hin, Tony (note (e))	戴文軒 (附註(e))	97,742	—	—	—	—	—	97,742
Total for 2016	二零一六年總額	419,978	3,488,000	80,299	225,100	405,613	—	4,618,990

Note: The allowance and benefits in kind refers to untaken leave provision for director(s).

附註：津貼及實物福利指董事之未放取假期撥備。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

16. BENEFITS AND INTERESTS OF DIRECTORS
(Cont'd)

(A) DIRECTORS' EMOLUMENTS (Cont'd)

The remuneration of every director for the year ended 31 December 2015 is set out below:

		Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就任何人士以董事身份(不論為本公司或其附屬公司)所提供服務已付或應付的酬金						
		Fees	Salaries	Allowance and benefits in kind	Performance related bonuses	Pension scheme contribution	Share-based payments	Total
		袍金	薪金	實物福利	花紅	供款	基礎的付款	總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元
Executive directors:	執行董事:							
Sin Kwok Lam	冼國林	—	2,860,000	—	—	357,500	—	3,217,500
Tsang Yan Kwong	曾仁光	—	975,000	—	37,500	121,875	—	1,134,375
Leung Wai Hung	梁偉雄	—	585,000	—	22,500	58,500	—	666,000
Ho Siu Man	何筱敬	—	520,000	—	20,000	52,000	—	592,000
Non-executive director:	非執行董事:							
Chan Lai Yee (note (a))	陳麗兒 (附註(a))	90,833	—	—	—	—	—	90,833
Independent non-executive directors:	獨立非執行董事:							
Yu Wan Hei	余運喜	90,833	—	—	—	—	—	90,833
Lee Kin Fai (note (d))	李健輝 (附註(d))	90,833	—	—	—	—	—	90,833
Tai Man Hin, Tony (note (e))	戴文軒 (附註(e))	90,833	—	—	—	—	—	90,833
Total for 2015	二零一五年總額	363,332	4,940,000	—	80,000	589,875	—	5,973,207

Note: (a)	Retired on 28 June 2016	附註: (a)	於二零一六年六月二十八日 退任
(b)	Appointed on 18 July 2016	(b)	於二零一六年七月十八日獲 委任
(c)	Appointed on 24 October 2016	(c)	於二零一六年十月二十四日 獲委任
(d)	Resigned on 18 July 2016	(d)	於二零一六年七月十八日辭 任
(e)	Resigned on 24 October 2016	(e)	於二零一六年十月二十四日 辭任

There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2015: Nil).

年內並無董事放棄或同意放棄任何酬金的安排(二零一五年:無)。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

16. BENEFITS AND INTERESTS OF DIRECTORS
(Cont'd)

(B) INFORMATION ABOUT LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOUR OF DIRECTORS, CONTROLLED BODIES CORPORATE AND CONNECTED ENTITIES

The information about loans, quasi-loans and other dealings entered into by the Company or subsidiary undertaking of the Company in favour of a controlled body corporate of Mr. Sin Kwok Lam is as follows:

16. 董事福利及利益(續)

(B) 有關以董事、受控制法人團體及關聯實體為受益人的貸款、準貸款及其他交易的資料

有關本公司或本公司附屬公司以冼國林先生一間受控制法人團體為受益人訂立的貸款、準貸款及其他交易之資料載列如下：

Name of the controlled body corporate	Outstanding amount payable	Outstanding amount at the beginning of the year	Outstanding amount at the end of the year	Maximum outstanding amount during the year	Term	Interest	
						rate	Security
受控制法人團體名稱	應付總額	年初未償還金額	年末未償還金額	年內最高未償還金額	期限	利率	抵押品
	HK\$	HK\$	HK\$	HK\$			
	港元	港元	港元	港元			
As at 31 December 2016							
National Arts Entertainment Limited							
Loan A	—	6,400,000	—	6,400,000	N/a 不適用	N/a 不適用	N/a 不適用
Loan B	—	6,000,000	—	6,000,000	N/a 不適用	N/a 不適用	N/a 不適用
As at 31 December 2015							
National Arts Entertainment Limited							
Loan A	6,400,000	6,400,000	6,400,000	6,400,000	Matured on 8 April 2016 於二零一六年 四月八日 到期	11%	Nil 無
Loan B	6,000,000	6,000,000	6,000,000	6,000,000	Matured on 8 April 2016 於二零一六年 四月八日 到期	11%	Nil 無

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

16. BENEFITS AND INTERESTS OF DIRECTORS
(Cont'd)**(C) DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. 董事福利及利益(續)**(C) 董事於交易、安排或合約的重大利益**

本公司董事及董事的關連方概無於年終或年內任何時間仍然存續以本公司作為訂約方且與本集團業務有關的重大交易、安排及合約中擁有直接或間接的重大利益。

17. DIVIDENDS

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
2016 proposed final dividend of HK0.2 cents (2015: Nil) per ordinary share	二零一六年建議末期股息 每股普通股0.2港仙 (二零一五年：無)	7,257,600	—

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2016 of HK0.2 cents per ordinary share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming general meeting.

於報告期末後，董事已建議就截至二零一六年十二月三十一日止年度每股普通股0.2港仙末期股息，須待股東於即將召開的股東大會上批准後方可作實。

18. EARNINGS PER SHARE**BASIC EARNINGS PER SHARE**

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$33,646,492 (2015: HK\$24,872,706), and the weighted average number of ordinary shares of 2,831,968,021 (2015: 302,374,157 (restated)) in issue during the year.

DILUTED EARNINGS PER SHARE

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 December 2016 and 2015.

18. 每股盈利**每股基本盈利**

每股基本盈利乃基於本公司擁有人應佔年內溢利33,646,492港元(二零一五年：24,872,706港元)及年內已發行普通股加權平均股數2,831,968,021股(二零一五年：302,374,157股(經重列))計算。

每股攤薄盈利

由於本公司於截至二零一六年及二零一五年十二月三十一日止兩個年度並無任何潛在攤薄普通股，故並無呈列每股攤薄盈利。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、廠房及設備

		Buildings	Leasehold improvements	Furniture and fixture	Office equipment	Computer	Motor vehicle	Motor yacht	Total
		樓宇	租賃物業	傢俱及	辦公室設備	電腦	汽車	遊艇	總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元
Cost	成本								
At 1 January 2015	於二零一五年一月一日	2,348,667	2,024,372	636,092	1,037,490	1,026,004	638,000	2,500,000	10,210,625
Additions	添置	—	—	5,830	30,303	54,663	—	—	90,796
Transfer to investment properties	轉撥至投資物業	(716,331)	—	—	—	—	—	—	(716,331)
Disposals	出售	—	(517,930)	(193,258)	(205,371)	(124,314)	(638,000)	(2,500,000)	(4,178,873)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	1,632,336	1,506,442	448,664	862,422	956,353	—	—	5,406,217
Additions	添置	—	1,515,460	331,903	472,259	456,474	—	—	2,776,096
Transfer from investment properties	轉撥至投資物業	655,000	—	—	—	—	—	—	655,000
Disposals	出售	—	(497,892)	(69,953)	(180,179)	(72,239)	—	—	(820,263)
Transfer to assets classified as held for sale (note 25)	轉撥至分類為持作出售資產 (附註25)	(2,099,775)	(540,080)	(77,000)	—	—	—	—	(2,716,855)
At 31 December 2016	於二零一六年十二月三十一日	187,561	1,983,930	633,614	1,154,502	1,340,588	—	—	5,300,195
Accumulated depreciation	累計折舊								
At 1 January 2015	於二零一五年一月一日	1,066,667	2,024,372	624,610	1,005,804	918,139	425,333	781,250	6,846,175
Charge for the year	年內支出	199,051	—	8,230	38,330	93,484	146,209	182,292	667,596
Transfer to investment properties	轉撥至投資物業	(226,447)	—	—	—	—	—	—	(226,447)
Disposals	出售	—	(517,930)	(193,258)	(205,371)	(124,314)	(571,542)	(963,542)	(2,575,957)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	1,039,271	1,506,442	439,582	838,763	887,309	—	—	4,711,367
Charge for the year	年內支出	205,777	482,650	112,795	168,372	173,959	—	—	1,143,553
Disposals	出售	—	(497,892)	(69,953)	(179,468)	(72,239)	—	—	(819,552)
Transfer to assets classified as held for sale (note 25)	轉撥至分類為持作出售資產 (附註25)	(1,120,386)	(157,524)	(22,458)	—	—	—	—	(1,300,368)
At 31 December 2016	於二零一六年十二月三十一日	124,662	1,333,676	459,966	827,667	989,029	—	—	3,735,000
Carrying amount	賬面值								
At 31 December 2016	於二零一六年十二月三十一日	62,899	650,254	173,648	326,835	351,559	—	—	1,565,195
At 31 December 2015	於二零一五年十二月三十一日	593,065	—	9,082	23,659	69,044	—	—	694,850

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

During the year, one of the investment properties became an owner-occupied building because its use had changed. The difference between the fair values and the carrying amount of the building at the date of transfer amounted to HK\$300,000 was recognised as fair value gains on investment properties.

For the year ended 31 December 2015, one of the owner-occupied buildings became an investment property because its use had changed. The difference between the carrying amount and the fair value of the building at the date of transfer amounted to HK\$5,203,775 was recognised as a revaluation of property, plant and equipment.

19. 物業、廠房及設備(續)

年內，其中一幢投資物業因其用途更改而成為自置樓宇。該樓宇於轉讓日期的公平值與賬面值間差額300,000港元已確認為投資物業公平值收益。

截至二零一五年十二月三十一日止年度，其中一幢自置樓宇因其用途更改而成為投資物業。該樓宇於轉讓日期的賬面值與公平值間差額5,203,775港元已確認為物業、廠房及設備重估。

20. INVESTMENT PROPERTIES

20. 投資物業

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
At 1 January	於一月一日	63,900,000	45,400,000
Transfer (to)/from property, plant and equipment and leasehold land under finance leases	轉撥(至)/自物業、廠房及設備及融資租約下租賃土地	(14,300,000)	15,500,000
Fair value (losses)/gains	公平值(虧損)/收益	(1,900,000)	3,000,000
Transfer to assets classified as held for sale (note 25)	轉撥至分類為持作出售資產(附註25)	(47,700,000)	—
At 31 December	於十二月三十一日	—	63,900,000

At 31 December 2015, the Group's investment properties are situated in Hong Kong and are all held under long term leases. The investment properties were revalued on 31 December 2015 by RHL Appraisal Limited, an independent professional qualified valuer, on direct comparison of price of properties of similar size, character and location (level 2 measurement). The key input used in the valuation was the price per square feet. The investment properties were leased to independent third parties under operating leases.

At 31 December 2015, the fair value of investment properties pledged as security for the Group's bank loans amounted to HK\$35,900,000.

於二零一五年十二月三十一日，本集團的投資物業位於香港，均根據長期租約持有。於二零一五年十二月三十一日，該等投資物業獲獨立專業合資格估值師永利行評值顧問有限公司直接比較相近規模、性質及地段物業之價格重新估值(等級二計量)。估值使用之主要輸入數據為每平方呎價格。該等投資物業根據經營租約租賃予獨立第三方。

於二零一五年十二月三十一日，作為本集團銀行貸款抵押的投資物業的公平值為35,900,000港元。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

21. LEASEHOLD LAND UNDER FINANCE LEASES 21. 融資租約下租賃土地

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
At 1 January	於一月一日	15,425,168	25,296,408
Transfer from/(to) investment properties	轉撥自/(至)投資物業	13,645,000	(9,806,341)
Amortisation during the year	年內攤銷	(70,876)	(64,899)
Transfer to assets classified as held for sale (note 25)	轉撥至分類為持作出售資產(附註25)	(27,670,598)	—
At 31 December	於十二月三十一日	1,328,694	15,425,168

The Group's leasehold land is analysed as follows:

本集團的租賃土地分析如下：

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
In Hong Kong	於香港		
Long leases	長期租約	—	14,052,940
Medium-term leases	中期租約	1,328,694	1,372,228
		1,328,694	15,425,168

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS 22. 可供出售金融資產

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Unlisted equity securities, at cost less impairment loss	按成本減減值虧損列賬的非上市股本證券	900,000	—

The unlisted equity investments are carried at cost less impairment loss because the directors are of the opinion that the range of reasonable fair value estimates is so significant that their fair values cannot be measured reliably. Such investments mainly represent investments in the shares of entities principally involved in dealing in securities. The Group does not intend to dispose of the investments classified as non-current assets in the near future.

由於公平值之合理估計範圍甚廣，董事認為非上市權益投資的公平值不能可靠計量，故非上市權益投資乃按成本減減值虧損列賬。有關投資主要代表股份投資於主營證券交易業務實體。本集團無意於不久的將來出售分類為非流動資產的投資。

The available-for-sale financial assets were denominated in Hong Kong dollars.

可供出售之金融資產以港元計值。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

23. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries of the Company as at 31 December 2016 are as follows:

23. 於附屬公司的投資

於二零一六年十二月三十一日，本公司附屬公司的詳情如下：

Name 名稱	Place of incorporation/ registration and operation (Note) 註冊成立／註冊及 經營地點(附註)	Issued/registered share capital 已發行／ 註冊股本	Percentage of ownership attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
First Holdings Consortium Limited	British Virgin Islands	HK\$150,000,000	100	—	Investment holding
First Holdings Consortium Limited	英屬處女群島	150,000,000港元	100	—	投資控股
First Credit (China) Limited	Hong Kong	HK\$1	100	—	Dormant
第一信用財務(中國)有限公司	香港	1港元	100	—	停業
Capital First Holdings Limited	British Virgin Islands	US\$1	100	—	Investment holding
資本第一控股有限公司	英屬處女群島	1美元	100	—	投資控股
Gorgeous Rise Limited	British Virgin Islands	US\$100	100	—	Dormant
Gorgeous Rise Limited	英屬處女群島	100美元	100	—	停業
First Credit Limited	Hong Kong	HK\$153,550,000	—	100	Provision and arrangement of credit facilities
第一信用財務有限公司	香港	153,550,000港元	—	100	提供及安排信貸融資
Honour Event Limited	British Virgin Islands	US\$1	—	100	Dormant
Honour Event Limited	英屬處女群島	1美元	—	100	停業
Techlink Investments Limited ("Techlink")	Hong Kong	HK\$1	—	100	Investment holding
迪協投資有限公司(「迪協」)	香港	1港元	—	100	投資控股
First Credit Holdings Limited	Hong Kong	HK\$1	—	100	Investment holding
第一信用控股有限公司	香港	1港元	—	100	投資控股
First Credit (HK) Limited	Hong Kong	HK\$10,000	—	100	Dormant
第一信用財務(香港)有限公司	香港	10,000港元	—	100	停業

Note: All the above subsidiaries are limited liability companies.

附註：上述所有附屬公司皆為有限責任公司。

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24. LOANS RECEIVABLE

24. 應收貸款

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Loans to customers	客戶貸款	883,564,878	378,923,601
Accrued interest receivables	應收應計利息	8,920,396	5,883,198
		892,485,274	384,806,799
Impairment allowance on individual assessment	獨立評估的減值撥備	(5,003,285)	(4,036,982)
Impairment allowance on collective assessment	集體評估的減值撥備	(5,489,384)	(2,525,063)
		881,992,605	378,244,754
Analysed as:	列為：		
Non-current assets	非流動資產	439,202,306	224,107,674
Current assets	流動資產	442,790,299	154,137,080
		881,992,605	378,244,754

The Group seeks to maintain strict control over its outstanding loans receivable to minimise credit risk. Overdue balances are reviewed regularly by management.

本集團一直嚴格控制未收回的應收貸款，務求將信貸風險減至最低。管理層定期檢查逾期結餘。

The loans receivable above were denominated in Hong Kong dollars.

上述應收貸款以港元計值。

The credit quality analysis of the loans receivable is as follows:

應收貸款的信貸質量分析如下：

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Neither past due nor impaired	未逾期或減值		
— Unsecured	— 無抵押	636,003,288	290,016,752
— Secured	— 有抵押	228,478,133	62,071,009
Less than 1 month past due	逾期不足一個月	3,905,863	8,624,643
1 to 3 months past due	逾期一至三個月	185,396	236,545
Over 3 months past due	逾期超過三個月	946,937	19,817,179
		869,519,617	380,766,128
Impaired (note)	減值(附註)	22,965,657	4,040,671
		892,485,274	384,806,799

Note: Represents the gross amount of individually impaired loans receivable for which impairment loss has been provided partially or in full as at year end date.

附註：指於年結日已就減值虧損作出部分或全數撥備的個別減值應收貸款總額。

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24. LOANS RECEIVABLE (Cont'd)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of individual customers that have a good track record with the Group. Based on past experience, the directors were of the opinion that no provision for impairment on these individual loans was necessary as these loans receivable were substantially/fully settled subsequent to the reporting period or there had not been a significant change in credit quality that these balances were still considered fully recoverable.

Amongst all past due but not impaired loans, the second mortgage loan of HK\$1,262,288 (2015: first mortgage loan of HK\$19,989,530 and second mortgage loan of HK\$300,000) were secured by the collaterals with fair value (based on its prevailing market price) amounted to HK\$12,000,000 (2015: first mortgage loan of HK\$23,750,000 and second mortgage loan of HK\$3,500,000) as at 31 December 2016.

The individually impaired loans receivable relate to clients that were in financial difficulties and only a portion of the receivable was expected to be recovered. As at 31 December 2016, the impaired loan of HK\$17,440,510 (2015: Nil) was secured by collateral with fair value (based on its prevailing market price) amounted to HK\$16,700,000. The Group did not hold any collateral in respect of the remaining individually impaired loans receivable.

24. 應收貸款(續)

並無逾期亦無減值的應收款項與眾多近期並無拖欠記錄的不同類型客戶有關。

已逾期但並無減值的應收款項與多名於本集團有良好往績記錄的個人客戶有關。根據過往經驗，由於該等應收貸款已於報告期後大部分／悉數收回或信貸質量並無重大改變，且該等結餘仍被視為可全數收回，故董事認為毋須就此等個別貸款作出減值撥備。

在所有已逾期但並無減值的貸款中，第二次按揭貸款1,262,288港元(二零一五年：首次按揭貸款19,989,530港元及第二次按揭貸款300,000港元)乃以於二零一六年十二月三十一日公平值(按其當時市價計量)12,000,000港元(二零一五年：首次按揭貸款23,750,000港元及第二次按揭貸款3,500,000港元)的抵押品作為抵押。

個別減值應收貸款與陷入財政困境的客戶有關，預期僅有一部分應收款項可收回。於二零一六年十二月三十一日，減值貸款17,440,510港元(二零一五年：零)乃以公平值(按其當時市價計量)達16,700,000港元的抵押品作為抵押。本集團並無持有任何有關餘下個別減值應收貸款的抵押品。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

25. ASSETS CLASSIFIED AS HELD FOR SALE

On 29 November 2016, the Group entered into a provisional sale and purchase agreement with an independent third party (“Purchaser”), pursuant to which the Group agreed to sell its entire equity interests in Techlink (an indirect wholly-owned subsidiary of the Company as at 31 December 2016) and all the debts owing by Techlink to the Group as at completion to the Purchaser at an aggregate cash consideration of HK\$91,000,000 subject to adjustments at completion. Techlink operates certain investment properties for rental income purpose.

The major classes of assets and liabilities of Techlink at the end of the reporting period are as follows:

25. 分類為持作出售資產

於二零一六年十一月二十九日，本集團與獨立第三方（「買方」）訂立一項臨時買賣協議，據此，本集團同意向買方出售其於迪協（本公司於二零一六年十二月三十一日之間接全資附屬公司）之全部股權及截至完成交易時迪協結欠本集團之所有債務，總現金代價91,000,000港元（可於完成交易時調整）。迪協經營若干投資物業作賺取租金收入。

迪協於報告期末之資產及負債主要類別如下：

		2016 二零一六年 HK\$ 港元
Property, plant and equipment (note 19)	物業、廠房及設備(附註19)	1,416,487
Investment properties (note 20)	投資物業(附註20)	47,700,000
Leasehold land under finance leases (note 21)	融資租約下租賃土地(附註21)	27,670,598
Other receivables	其他應收款項	13,500
Assets classified as held for sale	分類為持作出售資產	76,800,585
Deferred tax liabilities (note 28)	遞延稅項負債(附註28)	179,289
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產直接相關的負債	179,289
Net assets classified as held for sale	分類為持作出售資產淨值	76,621,296
Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale	有關分類為持作出售資產於其他全面收入及累計權益確認之金額	5,203,775

The investment properties classified as held for sale were revalued on 31 December 2016 by RHL Appraisal Limited, an independent professional qualified valuer, on direct comparison of price of properties of similar size, character and location (level 2 measurement). The key input used in the valuation was the price per square feet.

At 31 December 2016, the investment properties classified as held for sale with a fair value of HK\$34,000,000 was pledged as security for the Group's bank loan.

分類為持作出售之投資物業於二零一六年十二月三十一日由獨立專業合資格估值師永利行評值顧問有限公司直接比較相近規模、性質及地段物業之價格重新估值（等級二計量）。估值使用之主要輸入數據為每平方呎價格。

於二零一六年十二月三十一日，（公平值為34,000,000港元）分類為持作出售之投資物業被抵押，作為本集團取得銀行貸款之抵押品。

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26. INTEREST-BEARING LOANS

26. 計息貸款

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Bank loans	銀行貸款	8,537,056	9,553,598
Loan from independent third party	獨立第三方貸款	50,000,000	—
		58,537,056	9,553,598

The borrowings are repayable as follows:

借貸的應償還金額如下：

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
On demand or within one year	按要求或一年內	50,665,908	1,016,542
In the second year	第二年	694,767	665,908
In the third to fifth year	第三年至第五年	2,269,441	2,175,174
After five years	五年後	4,906,940	5,695,974
		58,537,056	9,553,598
Portion of bank loans that are due for repayment after one year but contain a repayment on demand clause (shown under current liabilities)	一年後到期償還但包含 按要求償還條款(列入 流動負債)的銀行貸款 部分	(7,871,148)	(8,537,056)
Amount due for settlement within 12 months (shown under current liabilities)	十二個月內到期之款項 (列入流動負債)	50,665,908	1,016,542

The carrying amounts of the Group's borrowings are denominated in Hong Kong dollars.

本集團借貸的賬面值以港元計值。

At 31 December 2016, the bank loan of HK\$8,537,056 is secured by charge over the Group's investment properties classified as held for sale (note 25).

於二零一六年十二月三十一日，8,537,056 港元的銀行貸款以本集團分類為持作出售的投資物業(附註25)作為抵押。

At 31 December 2015, the bank loan of HK\$9,174,259 is secured by charge over the Group's investment properties (note 20).

於二零一五年十二月三十一日，9,174,259 港元的銀行貸款以本集團投資物業(附註20)作為抵押。

At 31 December 2016, the Group had no available undrawn borrowing facilities (2015: Nil).

於二零一六年十二月三十一日，本集團並無可供動用未提取借貸融資(二零一五年：無)。

26. INTEREST-BEARING LOANS (Cont'd)

The average interest rates at the end of the reporting period were as follows:

		2016 二零一六年	2015 二零一五年
Bank loans	銀行貸款	4.25%	2.75%–4.25%
Loan from independent third party	獨立第三方貸款	5%	N/A 不適用

27. LOAN NOTES

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
On demand	按要求償還	32,873,178	—

Pursuant to the placing agreements (“**Placing Agreements**”) entered into between the Company and two placing agents, namely Convoy Asset Management Limited (“**Convoy**”) and Jun Yang Securities Company Limited (“**Jun Yang**”) (collectively as the “**Placing Agents**”) on 11 May 2016 and 27 June 2016 respectively, each of the Placing Agents agreed to act on behalf of the Company to procure placees, who are independent third parties, to subscribe for the 4.5% per annum (payable quarterly in arrears) loan notes (“**Loan Notes**”) of the Company with principal amount of up to HK\$100,000,000 respectively at the placing price equal to 100% of the principal amount of the Loan Notes. The Loan Notes will be matured on the day immediately preceding the second anniversary of the relevant date of issue. The placing period will last for a period of one year commencing from the day after the respective date of the Placing Agreements. The Company has right to early redeem, and the holders of the Loan Notes have right to request the Company to redeem, all/part of the outstanding principal amount of the Loan Notes on a day after the third month of the date of issue of the Loan Notes and before the maturity date at an amount equal to 100% of the redeemed principal amount.

On 27 June 2016 and 27 July 2016, the Company issued the Loan Notes in the principal amount of HK\$25,000,000 and HK\$8,000,000 respectively to independent third parties procured by Convoy.

The principal amount of Loan Notes in issue, less of transaction costs, is measured at amortised cost using the effective interest rate method after initial recognition. The effective interest rate of the Loan Notes is 4.764%.

26. 計息貸款(續)

於報告期末的平均利率如下：

27. 貸款票據

根據本公司與兩名配售代理(即康宏資產管理有限公司(「康宏」)及君陽證券有限公司(「君陽」), 統稱「配售代理」)分別於二零一六年五月十一日及二零一六年六月二十七日所訂立之配售協議(「配售協議」), 各配售代理同意代表本公司分別促使承配人(獨立第三方)認購本公司年利率為4.5厘(須每季到期後支付)的貸款票據(「貸款票據」), 本金額最高分別為100,000,000港元, 配售價相等於貸款票據本金額的100%。貸款票據將於緊接相關發行日期第二週年前一日到期。配售期將由配售協議各自日期起為期一年。本公司有權提早贖回, 而貸款票據持有人有權要求本公司於貸款票據發行日期後第三個月及到期日前的日子贖回貸款票據之全部/部分本金額, 金額相當於已贖回本金額之100%。

於二零一六年六月二十七日及二零一六年七月二十七日, 本公司向康宏促使的獨立第三方發行本金額分別為25,000,000港元及8,000,000港元之貸款票據。

已發行貸款票據之本金額(扣除交易成本), 於初步確認後使用實際利息方法按攤銷成本計量。貸款票據之實際利率為4.764%。

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28. DEFERRED TAX

28. 遞延稅項

The following are deferred tax liabilities and assets recognised by the Group:

以下為本集團確認之遞延稅項負債及資產：

		Accelerated tax depreciation 加速稅項折舊 HK\$ 港元	Tax losses available to offset against future profits 可抵銷未來溢利之稅項虧損 HK\$ 港元	Depreciation allowance in excess of related depreciation 超過相關折舊的折舊撥備 HK\$ 港元	Provision for impairment on loans and receivables 貸款及應收款項減值撥備 HK\$ 港元	Total 總額 HK\$ 港元
At 1 January 2015	於二零一五年一月一日	127,804	(26,028)	(34,343)	(317,636)	(250,203)
Charged/(credited) to profit or loss for the year (note 14)	於二零一五年一月一日至二零一六年一月一日在損益表中扣除/ (計入)(附註14)	26,352	26,028	(84,492)	(98,999)	(131,111)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	154,156	—	(118,835)	(416,635)	(381,314)
Charged/(credited) to profit or loss for the year (note 14)	於二零一五年十二月三十一日至二零一六年一月一日在損益表中扣除/ (計入)(附註14)	25,253	—	118,835	(489,113)	(345,025)
Transfer to liabilities directly associated with assets classified as held for sale (note 25)	轉撥至與分類為持作出售資產直接相關的負債(附註25)	(179,289)	—	—	—	(179,289)
At 31 December 2016	於二零一六年十二月三十一日	120	—	—	(905,748)	(905,628)

The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

下列為就財務狀況表而言的遞延稅項結餘(抵銷後)的分析：

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Deferred tax liabilities	遞延稅項負債	120	154,156
Deferred tax assets	遞延稅項資產	(905,748)	(535,470)
		(905,628)	(381,314)

At the end of the reporting period, no deferred tax asset has been recognised in respect of the tax losses amounted to HK\$2,100,955 (2015: HK\$2,327,680) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

報告期末，由於不可預計未來溢利來源，概無就稅項虧損2,100,955港元(二零一五年：2,327,680港元)確認遞延稅項資產。稅項虧損可無限期結轉。

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29. SHARE CAPITAL

29. 股本

		Authorised 法定		Issued and fully paid 已發行及全數繳足	
		Number of shares 股份數目	Amount 金額 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$ 港元
Ordinary shares of HK\$0.1 each at 1 January 2015	於二零一五年一月一日 每股面值0.1港元之 普通股	50,000,000,000	5,000,000,000	144,000,000	14,400,000
Issue of shares under rights issue (note (a))	根據供股發行股份 (附註(a))	—	—	432,000,000	43,200,000
Capital reorganisation (note (b))	股本重組(附註(b))	450,000,000,000	—	—	(51,840,000)
Issue of shares on placing (note (c))	配售時發行股份 (附註(c))	—	—	28,800,000	288,000
Share consolidation (note (d))	股份合併(附註(d))	(250,000,000,000)	—	(302,400,000)	—
Ordinary shares of HK\$0.02 each at 31 December 2015 and 1 January 2016	於二零一五年十二月三十 一日及二零一六年 一月一日每股面 值0.02港元之普通股	250,000,000,000	5,000,000,000	302,400,000	6,048,000
Issue of shares on placing (note (e))	配售時發行股份 (附註(e))	—	—	60,480,000	1,209,600
Issue of shares under rights issue (note (f))	根據供股發行股份 (附註(f))	—	—	3,265,920,000	65,318,400
Ordinary shares of HK\$0.02 each at 31 December 2016	於二零一六年十二月 三十一日每股面值 0.02港元之普通股	250,000,000,000	5,000,000,000	3,628,800,000	72,576,000

Notes:

- (a) Pursuant to a resolution passed at the extraordinary general meeting of the Company held on 24 December 2014, the issue by way of rights issue on the basis of three rights shares of HK\$0.1 each for every share in issue and held on the record date ("1st Rights Issue") at the subscription price of HK\$0.238 per rights share was approved.

On 2 February 2015, the 1st Rights Issue was completed and 432,000,000 rights shares of HK\$0.1 each were allotted and issued. On the same day, the premium on the issue of rights shares of HK\$0.1 each amounting to HK\$59,616,000, net of share issue expenses amounting to HK\$3,603,567, was credited to the Company's share premium account.

附註:

- (a) 根據本公司於二零一四年十二月二十四日舉行的股東特別大會上通過的一項決議案，批准透過按於記錄日期每持有一股已發行股份獲配發三股每股面值0.1港元的供股股份的基準，按每股供股股份0.238港元的認購價以供股方式發行股份(「第一次供股」)。

於二零一五年二月二日，第一次供股已完成，而432,000,000股每股面值0.1港元的供股股份已獲配發及發行。同日，每股面值0.1港元的供股股份發行溢價為59,616,000港元，在扣除股份發行開支3,603,567港元後，已計入本公司的股份溢價賬。

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29. SHARE CAPITAL (Cont'd)

Note: (Cont'd)

- (b) Pursuant to a resolution passed at the extraordinary general meeting of the Company held on 24 December 2014, the capital reorganisation (i) to reduce the par value of each issued share of the Company from HK\$0.1 to HK\$0.01 by cancelling the capital paid-up thereon to the extent of HK\$0.09 on each of its issued shares and (ii) to sub-divide the authorised but unissued shares of HK\$0.1 each into ten new shares of HK\$0.01 each (“**Capital Reorganisation**”) was approved.

On 2 March 2015, the Company announced that all conditions precedent of the Capital Reorganisation had been fulfilled and the Capital Reorganisation had become effective on 2 March 2015.

- (c) On 24 April 2015, the Company and Jun Yang entered into a placing agreement in respect of the placing of a maximum of 28,800,000 ordinary shares of HK\$0.01 each to independent investors at a price of HK\$0.288 per share. The placing was completed on 8 May 2015 and an aggregate of 28,800,000 ordinary shares of HK\$0.01 each were allotted and issued. The premium on the placing of shares amounting to HK\$8,006,400, net of share issue expenses amounting to HK\$415,632, was credited to the Company's share premium account.

- (d) Pursuant to a resolution passed at the special general meeting of the Company held on 10 December 2015, every two issued and unissued shares of the Company with par value of HK\$0.01 each were consolidated into one share with par value of HK\$0.02 with effect from 11 December 2015. The consolidated shares rank pari passu in all respects with each other.

- (e) On 17 December 2015, the Company and Jun Yang entered into a placing agreement in respect of the placing of a maximum of 60,480,000 ordinary shares of HK\$0.02 each to independent investors at a price of HK\$0.174 per share. The placing was completed on 8 January 2016 and an aggregate of 60,480,000 ordinary shares of HK\$0.02 each were allotted and issued. The premium on the placing of shares amounting to HK\$9,313,920, net of share issue expenses amounting to HK\$402,518, was credited to the Company's share premium account.

- (f) Pursuant to a resolution passed at the special general meeting of the Company held on 19 February 2016, the issue by way of rights issue on the basis of nine rights shares of HK\$0.02 each for every share in issue and held on the record date (“**2nd Rights Issue**”) at the subscription price of HK\$0.127 per rights share was approved.

On 31 March 2016, the 2nd Rights Issue was completed and 3,265,920,000 rights shares of HK\$0.02 each were allotted and issued. On the same day, the premium on the issue of rights shares of HK\$0.02 each amounting to HK\$349,453,440, net of share issue expenses amounting to HK\$9,293,748, was credited to the Company's share premium account.

29. 股本(續)

附註：(續)

- (b) 根據本公司於二零一四年十二月二十四日舉行的股東特別大會上通過的一項決議案，股本重組獲批准，以將(i)本公司每股已發行股份的面值由0.1港元削減至0.01港元，方法為註銷每股已發行股份的繳足股本0.09港元；及(ii)每股面值0.1港元的法定但未發行股份拆細為十股每股面值0.01港元的新股份(「**股本重組**」)。

於二零一五年三月二日，本公司宣佈，股本重組的所有先決條件均已獲達成，股本重組已於二零一五年三月二日生效。

- (c) 於二零一五年四月二十四日，本公司與君陽訂立一份配售協議，內容有關按每股0.288港元的價格向獨立投資者配售最多28,800,000股每股面值0.01港元的普通股。配售事項於二零一五年五月八日完成，合共28,800,000股每股面值0.01港元之普通股獲配發及發行。配售股份溢價為8,006,400港元，在扣除股份發行開支415,632港元後，已計入本公司的股份溢價賬。

- (d) 根據本公司於二零一五年十二月十日舉行的股東特別大會上通過的一項決議案，每兩股每股面值0.01港元的本公司已發行及未發行股份已合併為一股每股面值0.02港元的股份，自二零一五年十二月十一日起生效。合併股份相互之間在各方面均享有同等地位。

- (e) 於二零一五年十二月十七日，本公司與君陽訂立一份配售協議，內容有關以每股0.174港元的價格配售最多60,480,000股每股面值0.02港元的普通股予獨立投資者。配售事項已於二零一六年一月八日完成，合共60,480,000股每股面值0.02港元之普通股獲配發及發行。配售股份溢價為9,313,920港元，在扣除股份發行開支402,518港元後，已計入本公司的股份溢價賬。

- (f) 根據本公司於二零一六年二月十九日舉行的股東特別大會上通過的一項決議案，批准透過按於記錄日期每持有一股已發行獲配發九股每股面值0.02港元的供股股份的基準，按每股供股股份0.127港元的認購價以供股方式發行股份(「**第二次供股**」)。

於二零一六年三月三十一日，第二次供股已完成，而3,265,920,000股每股面值0.02港元之供股股份已獲配發及發行。同日，每股面值0.02港元之供股股份發行溢價為349,453,440港元，在扣除股份發行開支9,293,748港元後，已計入本公司的股份溢價賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

29. SHARE CAPITAL (Cont'd)

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adopt various means such as payment of dividends, issue new shares, raise new debts or redeem existing debts as may be appropriate in the circumstances.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by adjusted capital plus net debt. Net debt comprises borrowings and obligations under finance lease less bank and cash balance. Adjusted capital comprises all components of equity (i.e. share capital, retained profits and other reserves).

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 2015.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

The Group receives a report from the share registrars on a monthly basis on substantial share interests showing the non-public float and it demonstrates continuing compliance with the minimum 25% public float requirement throughout the year. As at 31 December 2016, 34.15% (2015: 84.73%) of the shares were in public hands.

Any breach of the financial covenants by the Group may result in the banks demanding for repayment of the loan. There had been no breach of the financial covenants in respect of any interest-bearing borrowings of the Group for the years ended 31 December 2016 and 2015.

29. 股本(續)

本集團資本管理的主要目標為保證本集團繼續持續經營的能力及維持良好的資本負債比率，以支持其業務及盡力提升股東價值。

本集團管理資本結構以及根據經濟狀況之轉變及相關資產之風險特性而作出調整。本集團可以通過採納多種方法例如股息派付、發行新股、發行新債務或贖回現有債務(如適用)以保持或調整資本結構。

本集團根據資產負債比率監察資本。此比率乃按債務淨額除以經調整資本與債務淨額的總和計算所得。債務淨額包括借貸及融資租賃責任減銀行及現金結餘。經調整資本包括所有權益部分(即股本、保留溢利及其他儲備)。

截至二零一六年及二零一五年十二月三十一日止年度，本集團管理資本的目標、政策或程序並無變動。

本集團受限於以下外來資本規定：(i)為了維持於聯交所的上市地位，其至少25%的股份須由公眾持有；及(ii)遵循計息借貸附有的財務契諾。

本集團每月接獲股份過戶登記處發出列示非公眾持股量的重大股份權益的報告，該報告顯示本集團於整個年度內一直符合最低25%的公眾持股量要求。於二零一六年十二月三十一日，公眾持股量為股份的34.15%(二零一五年：84.73%)。

本集團一旦違反財務契諾，銀行可能要求償還借貸。截至二零一六年及二零一五年十二月三十一日止年度，本集團概無違反任何計息借貸方面的財務契諾。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

30. 本公司財務狀況及儲備變動表

(A) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(A) 本公司財務狀況表

	Note 附註	2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Non-current asset			
Investments in subsidiaries		150,000,789	150,000,001
Available-for-sale financial assets		900,000	—
Total non-current assets		150,900,789	150,000,001
Current assets			
Prepayments, deposits and other receivables		409,602	403,102
Due from subsidiaries		627,162,880	179,459,261
Bank and cash balances		93,055	37,864
Total current assets		627,665,537	179,900,227
Current liabilities			
Accruals and other payables		528,634	116,532
Due to subsidiaries		20,241	19,453
Loan notes		32,873,178	—
Total current liabilities		33,422,053	135,985
Net current assets		594,243,484	179,764,242
NET ASSETS		745,144,273	329,764,243
Capital and reserves			
Share capital		72,576,000	6,048,000
Reserves	30(B)	672,568,273	323,716,243
TOTAL EQUITY		745,144,273	329,764,243

Approved by the Board of Directors on 27 March 2017 and are signed on its behalf by:

於二零一七年三月二十七日經董事會批准，並由下列董事代表簽署：

Tsang Yan Kwong
曾仁光
Director
董事

Ho Siu Man
何筱敏
Director
董事

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY
(Cont'd)30. 本公司財務狀況及儲備變動表
(續)

(B) RESERVE MOVEMENT OF THE COMPANY

(B) 本公司儲備變動

	Note 附註	Share premium	Capital reserve	Contributed surplus	Accumulated losses	Proposed final dividend	Total
		股份溢價 HK\$ 港元	資本儲備 HK\$ 港元	繳入盈餘 HK\$ 港元	累計虧損 HK\$ 港元	建議末期 股息 HK\$ 港元	總額 HK\$ 港元
At 1 January 2015	於二零一五年一月一日	112,865,637	138,279,615	—	(41,922,581)	—	209,222,671
Loss for the year	年內虧損	—	—	—	(949,629)	—	(949,629)
Issue of shares under rights issue	根據供股發行股份 29(a)	59,616,000	—	—	—	—	59,616,000
Share premium reduction	股份溢價減少 29(b)	(168,878,070)	—	168,878,070	—	—	—
Capital reorganisation	股本重組 29(b)	—	—	51,840,000	—	—	51,840,000
Issue of shares on placing	配售時發行股份 29(c)	8,006,400	—	—	—	—	8,006,400
Share issue expenses	股份發行開支	(4,019,199)	—	—	—	—	(4,019,199)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	7,590,768	138,279,615	220,718,070	(42,872,210)	—	323,716,243
Loss for the year	年內虧損	—	—	—	(219,064)	—	(219,064)
Issue of shares on placing	配售時發行股份 29(e)	9,313,920	—	—	—	—	9,313,920
Issue of shares under rights issue	根據供股發行股份 29(f)	349,453,440	—	—	—	—	349,453,440
Share issue expenses	股份發行開支	(9,696,266)	—	—	—	—	(9,696,266)
2016 proposed final dividend	二零一六年擬派末期股息 17	—	—	(7,257,600)	—	7,257,600	—
At 31 December 2016	於二零一六年十二月三十一日	356,661,862	138,279,615	213,460,470	(43,091,274)	7,257,600	672,568,273

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

31. RESERVES**(A) GROUP**

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity on pages 72 and 75 of this annual report respectively.

(B) NATURE AND PURPOSE OF RESERVES*(i) Share premium*

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

Pursuant to an extraordinary general meeting passed on 24 December 2014, the change of the domicile of the Company from the Cayman Islands to Bermuda was approved by the shareholders. The change of domicile of the Company was completed on 5 February 2015. Under the Companies Act 1981 of Bermuda, the funds in the share premium account of the Company may be distributed in the form of fully paid bonus shares.

(ii) Capital reserve

The capital reserve of the Group arose as a result of the Group's reorganisation implemented in preparation for the listing of the Company's shares in 2009 and represented the difference between the nominal value of the aggregate share capital of the subsidiaries acquired under the reorganisation scheme, over the nominal value of the share capital of the Company issued in exchange therefore.

The capital reserve of the Company arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares in 2009 and represented the excess of the consolidated net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefore.

31. 儲備**(A) 本集團**

本集團儲備金額及其變動分別載列於本年報的第72頁及第75頁的綜合損益及其他全面收入表及綜合權益變動表。

(B) 儲備性質及目的*(i) 股份溢價*

根據開曼群島公司法，本公司股份溢價賬的資金可分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

根據於二零一四年十二月二十四日通過的特別決議案，本公司由開曼群島遷冊至百慕達已獲股東批准。本公司遷冊於二零一五年二月五日完成。根據百慕達一九八一年公司法，本公司股份溢價賬的資金可以繳足紅股方式分派。

(ii) 資本儲備

本集團的資本儲備乃因本集團預備本公司股份於二零零九年上市而進行重組所產生，指根據重組計劃收購的附屬公司的總股本面值與本公司作為交換而發行的股本面值之差額。

本公司的資本儲備乃因本集團預備本公司股份於二零零九年上市而進行重組所產生，指已收購附屬公司當時的綜合資產淨值超出本公司作為交換而發行的股本面值之金額。

31. RESERVES (Cont'd)**(B) NATURE AND PURPOSE OF RESERVES (Cont'd)***(iii) Contributed surplus*

The contributed surplus of the Group and the Company arose as a result of the Group's cancellation of the share premium account of the Company as mentioned in the consolidated statement of changes in equity and the capital reorganisation as mentioned in note 29(b) above.

Under the Companies Act 1981 of Bermuda, contributed surplus account is available for distribution to shareholders. However, the Company cannot declare or pay dividend, or make a distribution out of contributed surplus if:

- the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- the realisable value of the Company's assets would thereby be less than its liabilities.

(iv) Property revaluation reserve

The property revaluation reserve of the Group represents the difference between the carrying amount and the fair value of an owner-occupied property, which became an investment property because its use had changed, at the date of transfer. The revaluation reserve will be transferred directly to retained profits upon subsequent sale or retirement of assets.

31. 儲備(續)**(B) 儲備性質及目的(續)***(iii) 繳入盈餘*

本集團及本公司的繳入盈餘乃因本集團註銷本公司股份溢價賬(如綜合權益變動表所述)及股本重組(如上文附註29(b)所述)所產生。

根據百慕達一九八一年公司法，繳入盈餘賬可供分派予股東。然而，倘發生以下情況，則本公司不得宣派或派付股息，或自繳入盈餘中作出分派：

- 本公司現時或在派付後將無法償還其到期負債；或
- 本公司資產的可變現價值在派付後將會少於其負債。

(iv) 物業重估儲備

本集團物業重估儲備指一幢自置樓宇於轉讓日期的賬面值與公平值間差額，其因用途更改而成為投資物業。資產於其後出售或報廢時，該重估儲備將直接轉撥至保留溢利。

32. SHARE-BASED PAYMENTS

SHARE OPTION SCHEME

The Company operates a share option scheme (“**Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations and providing the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants. Eligible participants include full-time or part-time employees, directors (including executive, non-executive or independent non-executive directors) and any consultants or advisers (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any of its subsidiaries, who, at the sole determination of the board of directors of the Company, have contributed to the Company and/or any of its subsidiaries (“**Eligible Participants**”). The Share Option Scheme was adopted on 24 November 2011 and, unless otherwise terminated by the shareholders or the board of directors of the Company, will remain in force for 10 years from the adoption date.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group must not exceed 30% of the issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group must not, in aggregate, exceed 10% of the issued share capital of the Company as at the listing date of the Company (i.e. 13 December 2011). Such 10% is equivalent to 5,000,000 shares of the Company of par value of HK\$0.02 each which represents approximately 0.14% of the issued share capital of the Company as at the date of this report.

Unless approved by the shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted to each Eligible Participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued share capital of the Company.

32. 以股份為基礎的付款

購股權計劃

本公司實施購股權計劃(「**購股權計劃**」)，旨在為對本集團成功營運作出貢獻的合資格參與者提供獎勵及回報，並為本集團提供更彈性靈活的方式，向合資格參與者提供獎勵、酬勞、補償及／或福利。合資格參與者包括本公司及／或其任何附屬公司的全職或兼職僱員、董事(包括執行、非執行或獨立非執行董事)及任何諮詢人或顧問(無論為專業或其他，並無論以聘請或合約制或義務性質或其他方式，且無論為受薪或無薪)、包銷商、承包商、供應商、服務提供者、代理、客戶及業務夥伴，彼等須由本公司董事會全權釐定為對本公司及／或其任何附屬公司有貢獻(「**合資格參與者**」)。購股權計劃已於二零一一年十一月二十四日獲採納，除非本公司股東或董事會另行終止，購股權計劃將接納日期起十年內仍然有效。

按購股權計劃或本集團任何其他購股權計劃所授出且未獲行使的所有尚未行使購股權獲行使下發行的股份總數不得超過本公司不時已發行股本的30%。按購股權計劃或本集團任何其他購股權計劃所授出所有購股權獲行使下可能發行的股份總數合共不得超過本公司於其上市日期(即二零一一年十二月十三日)已發行股本的10%。有關的10%相當於本公司5,000,000股每股面值0.02港元的股份，即本公司於本報告日期已發行股本約0.14%。

除非獲本公司股東批准，按於十二個月的期間內向各合資格參與者授予的購股權獲行使下發行及將予發行(包括已行使及尚未行使的購股權)的股份總數不得超過本公司已發行股本的1%。

32. SHARE-BASED PAYMENTS (Cont'd)**SHARE OPTION SCHEME (Cont'd)**

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval by all the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the total issued share capital of the Company on the date of offer and having an aggregate value (based on the price of the Company's shares on the date of the grant) in excess of HK\$5 million, in any 12-month period, are subject to shareholders' approval in a general meeting.

The offer of grant of an option shall remain open for acceptance for such period as determined by the board of directors of the Company, which period shall not be more than 14 days from the date of the offer. Upon acceptance of the offer, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

An option may be exercised in whole or in part at any time during a period as may be specified by the board of directors of the Company, the expiry date of such period not to exceed 10 years from the date of grant of the option. Unless otherwise determined by the board of directors of the Company, there is no general requirement on the minimum period for which an option must be held or any performance targets which must be achieved before an option can be exercised.

32. 以股份為基礎的付款(續)**購股權計劃(續)**

向本公司董事、最高行政人員或主要股東或彼等之任何聯繫人授出購股權，須獲全體獨立非執行董事(不包括為購股權承配人之任何獨立非執行董事)事先批准。此外，於任何十二個月期間內，向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出任何超出本公司於要約日期的已發行股本總額0.1%及總值(按本公司股份於授出日期的價格計算)超過5,000,000港元的購股權須獲股東於股東大會上批准。

授出購股權之要約須於本公司董事會決定的有關時期仍可接納，而期間須為要約當日起計不超過14日。於接納要約後，承配人須向本公司支付1.00港元作為授出的代價。

購股權可於本公司董事會可能指定的期間內任何時候悉數或作部分行使，有關期間的屆滿日期不可超過購股權授出當日起計的10年。除非本公司董事會另有其他決定，否則不會對持有購股權的最少期間設下一般規定，或須達成任何表現目標後方可行使購股權。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32. SHARE-BASED PAYMENTS (Cont'd)**SHARE OPTION SCHEME (Cont'd)**

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares on GEM as stated in the Stock Exchange's daily quotation sheet on the date of the offer of the share options; (ii) the average closing price of the Company's shares on GEM as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

No options have been granted under the Share Option Scheme since its inception.

33. CONTINGENT LIABILITIES

At 31 December 2016, the Group had the following significant contingent liabilities:

The Group's external legal counsel advised that the Group's loan agreements which involve charging an interest rate at a rate more than 48%, but less than 60% per annum shall be presumed to be extortionate and such portion of extortionate interest is potentially unenforceable as determined by the court. Subject to the court's consideration of facts relevant to individual borrowers, this presumption may be rebutted if the court, having regard to all circumstances, is satisfied that such rate is not unreasonable or unfair. As at 31 December 2016, the Group's maximum exposure to such legal risk comprised its aggregate loans receivable of approximately HK\$16.36 million (2015: HK\$21.15 million).

32. 以股份為基礎的付款(續)**購股權計劃(續)**

購股權的行使價可經董事釐定，惟不可低於下列中的最高者：(i)本公司股份於提呈購股權日期聯交所日報表所載於在創業板的收市價；(ii)本公司股份緊接提呈日期前五個交易日聯交所日報表所載於在創業板的平均收市價；及(iii)本公司股份於提呈日期的面值。

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

自本公司成立以來，並無根據購股權計劃授出購股權。

33. 或然負債

於二零一六年十二月三十一日，本集團擁有以下重大或然負債：

本集團的外部法律顧問提出，本集團涉及收取超過48%但低於60%的年利率的貸款協議應推定為欺詐性，屬於欺詐性利率的部分可能由法庭認為不可強制執行。然而，倘法庭在考慮與個別借款人相關的事實及所有情況之後信納上述利率並非不合理或不公平，則此推定可予駁回。於二零一六年十二月三十一日，本集團面臨該法律風險的最高金額為其授予借款人的應收貸款總額約16,360,000港元(二零一五年：21,150,000港元)。

34. OPERATING LEASE ARRANGEMENTS**(A) AS LESSOR:**

During the year ended 31 December 2016, one subsidiary of the Company leased out office premises to third parties under operating lease arrangements with negotiable lease terms ranging from one to two years.

At 31 December 2016, the Group had total future minimum lease payments receivable under a non-cancellable operating leases as follows:

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Within one year	一年內	262,500	405,000
In the second to fifth year, inclusive	第二至五年 (包括首尾兩年)	—	202,500
		262,500	607,500

(B) AS LESSEE:

During the year ended 31 December 2016, one subsidiary of the Company leased office premises for the Group under operating lease arrangements with negotiable lease terms ranging from one to two years. The rentals were fixed over the lease terms and did not include contingent rentals.

At 31 December 2016, the Group had total future minimum lease payments payable under a non-cancellable operating leases as follows:

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Within one year	一年內	921,683	434,858
In the second to fifth year, inclusive	第二至五年 (包括首尾兩年)	267,653	—
		1,189,336	434,858

34. 經營租約安排**(A) 作為出租人:**

截至二零一六年十二月三十一日止年度，根據經營租約安排，本公司一間附屬公司將辦公室物業出租予獨立第三方，可協商的租賃期為一至兩年。

於二零一六年十二月三十一日，本集團根據不可撤銷經營租約於未來應收最低租金總額的情況如下：

(B) 作為承租人:

截至二零一六年十二月三十一日止年度，根據經營租約安排，本公司一間附屬公司為本集團出租辦公室，可協商的租賃期為一至兩年。租賃期內之租金固定不變，且不包括或然租金。

於二零一六年十二月三十一日，本集團根據不可撤銷經營租約於未來應付最低租金總額的情況如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. RELATED PARTY TRANSACTIONS

- (A) In addition to those related party transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with its related parties during the year:

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Interest income from a related company (note)	來自一間關連公司利息收入(附註)	371,312	1,364,004
Consideration received for the disposal of a subsidiary to a related company (note)	向一間關連公司出售一間附屬公司的已收代價(附註)	—	1,079,266
Consideration received for the disposal of property, plant and equipment to a related company (note)	向一間關連公司出售物業、廠房及設備的已收代價(附註)	—	100,000
Advertising expenses to a related company (note)	向一間關連公司的廣告開支(附註)	80,000	—

Note: The related company is National Arts Entertainment Limited, which is indirectly wholly-owned by a company of which Mr. Sin Kwok Lam, the chairman and a director of the Company, is a substantial shareholder, chairman and director.

附註：該關連公司為國藝娛樂有限公司，由本公司主席兼董事冼國林先生擔任主要股東、主席及董事的一間公司間接全資擁有。

35. 關連方交易

- (A) 除此等財務報表中其他部分所披露列出的關連方交易及結餘之外，本集團年內與其關連方有以下重大交易：

(B) BALANCES WITH RELATED PARTIES

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Loans to a related company (note)	向一間關連公司貸款(附註)	—	12,400,000

Note: The related company is National Arts Entertainment Limited, which is indirectly wholly-owned by a company of which Mr. Sin Kwok Lam, where the chairman and a director of the Company, is a substantial shareholder, chairman and director. The loans to the related party as at 31 December 2015 bear effective interest rate of 11% per annum and were repaid on 8 April 2016.

附註：該關連公司為國藝娛樂有限公司，由本公司主席兼董事冼國林先生擔任主要股東、主席及董事的一間公司間接全資擁有。於二零一五年十二月三十一日，向關連方貸款乃按實際年利率11%計息，已於二零一六年四月八日償還。

(B) 與關連方的結餘

35. RELATED PARTY TRANSACTIONS (Cont'd)

- (C) The Group had paid compensation to key management personnel during the year as follows:

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Short term employee benefits including salaries, bonuses, paid annual leaves and sick leaves	短期僱員福利 (包括薪金、花紅、有薪年假及病假)	4,213,377	5,383,332
Post-employment benefits	僱員退休福利	405,613	589,875
		4,618,990	5,973,207

36. EVENTS AFTER THE REPORTING PERIOD

- a) The disposal of Techlink was completed on 20 February 2017, details of which are included in note 25 to the consolidated financial statements.
- b) On 5 October 2016, the Group entered into a share subscription agreement with Asia Wealth Financial Holdings Limited (“**Asia Wealth**”), pursuant to which the Group agreed to subscribe for one ordinary share with par value of US\$1.00 in share capital of Asia Wealth at the price of HK\$900,000 (“**First Share Subscription**”). The First Share Subscription was completed during the year and the investment cost of HK\$900,000 is classified as available-for-sale financial assets as at year end date. Details are set out in note 22 to the consolidated financial statements.

On 8 November 2016, the Group entered into the second share subscription agreement (“**Second Share Subscription Agreement**”) with Asia Wealth, pursuant to which the Group agreed to further subscribe for 79 ordinary shares with par value of US\$1.00 each in share capital of Asia Wealth at the price of HK\$79,100,000 (“**Second Share Subscription**”).

The consideration for the Second Share Subscription will be payable by the Group at completion, which is subject to the fulfillment of the conditions under the Second Share Subscription Agreement. Upon the completion of the First Share Subscription and the Second Share Subscription, the Group will in aggregate hold approximately 88.89% of the enlarged share capital of Asia Wealth and become the holding company of Asia Wealth. The Second Share Subscription has not yet been completed at the date of these financial statements.

35. 關連方交易(續)

- (C) 年內本集團向主要管理人員支付的薪酬如下：

36. 報告期後事項

- a) 本公司已於二零一七年二月二十日完成出售迪協，有關詳情載於綜合財務報表附註25。
- b) 於二零一六年十月五日，本集團與 Asia Wealth Financial Holdings Limited (“**Asian Wealth**”) 訂立股份認購協議，據此，本集團已經同意以 900,000 港元，認購 Asia Wealth 股本中一股面值 1.00 美元的普通股 (“**首次股份認購**”)。首次股份認購協議已於年內完成，而投資成本 900,000 港元於年結日歸類為可供出售金融資產。詳情載於綜合財務報表附註 22。

於二零一六年十一月八日，本集團與 Asia Wealth 訂立第二份股份認購協議 (“**第二次股份認購協議**”)，據此，本集團已同意以 79,100,000 港元，進一步認購 Asia Wealth 股本中 79 股每股面值 1.00 美元的普通股 (“**第二次股份認購**”)。

於達成第二次股份認購協議的條件前提下，完成後本集團將會支付第二次股份認購協議的代價。完成首次股份認購及第二次股份認購後，本集團將持有 Asia Wealth 經擴大股本合共約 88.89%，並成為 Asia Wealth 的控股公司。於財務報表日期，第二次股份認購尚未完成。

Financial Summary 財務摘要

A summary of the financial results and the assets, liabilities and equity of the Group for the last five financial years, as extracted from the Group's audited financial statements and restated as appropriate, is set out below. This summary does not form part of the audited financial statements.

摘自本集團已經審核財務報表關於過去五個財政年度本集團的財務業績以及資產、負債及權益並作適當重列的概要如下。本摘要並不構成經審核財務報表的一部分。

FINANCIAL RESULTS

財務業績

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元	2014 二零一四年 HK\$ 港元	2013 二零一三年 HK\$ 港元	2012 二零一二年 HK\$ 港元
Revenue, other income and other gains and losses	收益、其他收入以及其他收益及虧損	81,191,777	68,404,224	59,839,009	60,736,968	60,729,831
Profit/(loss) before income tax	除所得稅前溢利／(虧損)	40,774,144	29,498,918	29,099,577	17,127,669	(29,904,423)
Income tax expense	所得稅開支	(7,127,652)	(4,626,212)	(4,101,899)	(2,126,369)	(88,009)
Profit/(loss) for the year	年內溢利／(虧損)	33,646,492	24,872,706	24,997,678	15,001,300	(29,992,432)
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔溢利／(虧損)	33,646,492	24,872,706	24,997,678	15,001,300	(29,992,432)

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元	2014 二零一四年 HK\$ 港元	2013 二零一三年 HK\$ 港元	2012 二零一二年 HK\$ 港元
Total assets	資產總額	1,023,527,303	488,912,017	423,479,509	367,809,693	316,557,314
Total liabilities	負債總額	(98,115,879)	(12,746,179)	(84,481,353)	(71,765,763)	(49,620,611)
		925,411,424	476,165,838	338,998,156	296,043,930	266,936,703
Equity attributable to owners of the Company	本公司擁有人應佔權益	925,411,424	476,165,838	338,998,156	296,043,930	266,936,703

Particulars of Properties 物業詳情

At 31 December 2016 於二零一六年十二月三十一日

INVESTMENT PROPERTIES

投資物業長期租約

Location 地點	Use 用途	Tenure 租賃期	Attributable interest to the Group 本集團應佔權益
Units 901–902, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong 香港 德輔道中121號 遠東發展大廈 9樓901–902室	Commercial 商業	Long lease 長期租約	100%
Units 903, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong 香港 德輔道中121號 遠東發展大廈 9樓903室	Commercial 商業	Long lease 長期租約	100%
Units 905–908, 9th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong 香港 德輔道中121號 遠東發展大廈 9樓905–908室	Commercial 商業	Long lease 長期租約	100%

