



MERDEKA

MERDEKA FINANCIAL SERVICES GROUP LIMITED

萬德金融服務集團有限公司*

STOCK CODE 股份代號: 8163

** for identification purposes only*
* 僅供識別

ANNUAL REPORT 2017 年報

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Merdeka Financial Services Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險之公司提供一個上市的市場。有意投資的人士應瞭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資深投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於主板買賣之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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本報告乃遵照《聯交所創業板證券上市規則》(「《創業板上市規則》」)的規定而刊載，旨在提供有關Merdeka Financial Services Group Limited (萬德金融服務集團有限公司*)(「本公司」)之資料；本公司各董事願共同及個別對此負全責。本公司各董事經作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在一切重大方面均屬準確及完整，且無誤導或欺詐成分，且無遺漏任何其他事實，致使本報告所載任何聲明或本報告產生誤導。

* 僅供識別

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung Wai Yin, Wilson
(Chairman and Chief Executive Officer)
Mr. Lau Chi Yan, Pierre
(Managing Director)

Independent Non-executive Directors

Ms. Yeung Mo Sheung, Ann
Mr. Ng Kay Kwok
Mr. Au-yeung Sei Kwok

COMPANY SECRETARY

Mr. Lai Yau Hong, Thomson

COMPLIANCE OFFICER

Mr. Cheung Wai Yin, Wilson

AUDIT COMMITTEE

Ms. Yeung Mo Sheung, Ann
Mr. Ng Kay Kwok
Mr. Au-yeung Sei Kwok

REMUNERATION COMMITTEE

Mr. Cheung Wai Yin, Wilson
Mr. Lau Chi Yan, Pierre
Ms. Yeung Mo Sheung, Ann
Mr. Ng Kay Kwok
Mr. Au-yeung Sei Kwok

NOMINATION COMMITTEE

Mr. Cheung Wai Yin, Wilson
Mr. Lau Chi Yan, Pierre
Ms. Yeung Mo Sheung, Ann
Mr. Ng Kay Kwok
Mr. Au-yeung Sei Kwok

AUTHORISED REPRESENTATIVE

Mr. Cheung Wai Yin, Wilson
Mr. Lai Yau Hong, Thomson

AUDITORS

Elite Partners CPA Limited

董事會

執行董事

張偉賢先生
(主席兼行政總裁)
劉智仁先生
(董事總經理)

獨立非執行董事

楊慕嫦女士
吳祺國先生
歐陽士國先生

公司秘書

賴祐康先生

監察主任

張偉賢先生

審核委員會

楊慕嫦女士
吳祺國先生
歐陽士國先生

薪酬委員會

張偉賢先生
劉智仁先生
楊慕嫦女士
吳祺國先生
歐陽士國先生

提名委員會

張偉賢先生
劉智仁先生
楊慕嫦女士
吳祺國先生
歐陽士國先生

法定代表

張偉賢先生
賴祐康先生

核數師

開元信德會計師事務所有限公司

Corporate Information

公司資料

PRINCIPAL BANKERS

Hang Seng Bank Limited
Shanghai Pudong Development Bank Co., Ltd*
Industrial and Commercial Bank of China (Asia) Limited

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Grand Cayman KY1-1111
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor
24 Shedden Road
PO Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

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WEBSITE

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主要往來銀行

恒生銀行有限公司
上海浦東發展銀行股份有限公司
中國工商銀行(亞洲)有限公司

註冊辦事處

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P.O. Box 2681
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British West Indies

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香港
皇后大道東183號
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Letter to the Shareholders

致股東函件

Dear Shareholders,

On behalf of Merdeka Financial Services Group Limited, I am pleased to present the 2017 annual report of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017. During the year, the Group is principally engaged in financial services business, trading business and information technology business. Financial services business and trading business continued to grow healthily and the information technology business remained challenging.

BUSINESS REVIEW AND OPERATION REVIEW

It is obvious that commencing from the establishment of the money lending business to the acquisitions of 恒河融資租賃(上海)有限公司 (Heng He Finance Lease (Shanghai) Company Limited*) ("Heng He") and Merdeka Capital Limited ("Merdeka Capital") as well as Heng Asset Management Limited ("Heng"), the Group is putting more weight on the financial services business.

During the year under review, Heng He continuously earns interest income and has been liaising and negotiating new contracts in order to further explore new clients as well as expanding its finance lease business in more provincial markets within the PRC. However, in light of the expecting transaction size and the prevailing economic environment in the PRC, such progress is slow in pace. Information in respect of the finance lease contracts is disclosed in the below section "FINANCE LEASE CONTRACTS".

Merdeka Capital, besides in developing its securities brokerage business, has been exploring the opportunities in developing a higher returns and, in turn, a more profitable business in taking up the role as a book-runner as well as a lead manager in respect of issuance of debts listed worldwide after concluding two transactions in Europe in 2016. On 25 July 2017, a client of Merdeka Capital from the PRC has listed the United States dollars guaranteed bonds due 2020 issued by it on the Stock Exchange. Merdeka Capital participated as a Joint Lead Manager to the transaction.

Since commencing its money lending business with a valid money lenders licence granted, the Company is able to develop the money lending business as one of its principal lines of business by providing loans in a systematic and repetitive nature in its ordinary course of business, subject to compliance with the requirements in the Money Lenders Ordinance. The Group has been approached by potential borrowers for provision of loans from time to time but management is cautious in making provision of loan to avoid possible bad debts.

各位股東：

本人欣然代表萬德金融服務集團有限公司，提呈本公司及其附屬公司（「本集團」）截至二零一七年十二月三十一日止年度之二零一七年年報。年內，本集團主要從事金融服務業務、貿易業務及資訊科技業務。金融服務業務及貿易業務持續健康增長且資訊科技業務依然挑戰重重。

業務及營運回顧

於開展放債業務及收購恒河融資租賃(上海)有限公司（「恒河」）及萬德資本有限公司（「萬德資本」）以及衡資產管理有限公司（「衡」）後，本集團正投放更多資源發展金融服務業務。

於回顧年度，恒河持續賺取利息收入，並就新合約進行溝通及磋商，以進一步尋找新客戶，並於中國各省市場擴充其融資租賃業務。然而，依照預期交易量及中國現行經濟環境，有關事宜進展緩慢。有關融資租賃合同之資料將於下文「融資租賃合同」一節披露。

萬德資本除發展其證券經紀業務外，於二零一六年在歐洲完成兩項交易後，一直探索發展具更高回報且轉而帶來更高利潤的業務的機遇，該業務為擔任有關全球上市的債券發行的賬簿管理人及牽頭經辦人。於二零一七年七月二十五日，萬德金融來自中國的客戶已將其發行於二零二零年到期的美元有擔保債券於聯交所進行上市。萬德金融於交易中作為聯席牽頭經辦人。

自獲授有效放債人牌照並開展其放債業務後，本公司遵照放債人條例規定，透過在日常業務過程中以系統化和重複模式提供貸款，得以將放債業務發展成為其中一項主要業務。本集團不時獲潛在借貸人接洽，以商討提供貸款事宜，但管理層於提供貸款方面小心謹慎以避免可能出現的壞賬。

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致股東函件

Trading business continues to provide a stable source of revenue to the Group during the period under review and as the business is running steadily but competitive with a thin profit margin, the Group is expanding its trading business into more variety of consumer products and into more geographical markets within the PRC. The Group's trading outlet is located in Sheung Shui, at where, it is nearer to its customers. The variety of the Group's trading products has been enlarged to confectioneries and pharmacy products. The Group sourced locally and from Japan and other Asia countries in respect of its trading products. Furthermore, after registered as a food importer/food distributor under the Food Safety Ordinance, the Group has been ordering OEM products from Asia countries that include Japan and Malaysia. With complimentary effects from the Group's mobile and cloud information technology centre in Mian Yang, a city of Sichuan Province, the PRC, the Group's trading arm, Source Easy Limited ("Source Easy") has been expanding its customer base in the PRC.

The Group's information technology business remained challenging during the period under review, mainly because of the keen competition and the rapid change in project cycles of the customers. However, the Group is consolidating different acquired entities into a single stream of income and shifting the weight to its 60% owned subsidiary, 綿陽恒達信息科技有限公司 (Mian Yang Heng Da Information Technology Limited*) ("Heng Da"). Currently, Heng Da has been developing mobile and cloud based application software and operating related e-commerce platform to trade the Group's consumer products in the PRC for Source Easy's trading products.

Heng Da has also franchised a mobile game licence from a provider to market and ran exclusively a mobile game platform in the Mian Yang city of Sichuan, the PRC. This is a small but meaningful step for Heng Da as it would get hold of the hand-on technology and experience in the mobile game industry in the PRC based on its own development on the mobile and cloud based application software.

於回顧期間，貿易業務繼續為本集團提供穩定的收入來源，業務穩健成長但存在競爭而毛利率低，本集團正擴大其貿易業務以提供不同類型的消費品貿易及進入中國不同的地區市場。本集團的貿易零售店位於上水，以便更接近客戶。本集團的貿易產品種類擴大至涵蓋糖果及藥品。本集團於本地及日本以及其他亞洲國家採購貿易產品。此外，根據食品安全條例已註冊為食品進口商／食品經銷商後，本集團已就其來自不同亞洲國家(包括日本及馬來西亞)的貿易產品委聘代工生產。連同本集團位於中國四川省城市綿陽的移動及雲端信息科技中心所帶來的互補效果，本集團的貿易公司源易通有限公司(「源易通」)一直於中國擴大其客戶基礎。

本集團之資訊科技業務於回顧期間依然備受挑戰，主要由於市場競爭激烈及顧客項目週期改變迅速所致。然而，本集團正合併不同收購實體以形成單項收入流，並將其業務承擔轉移至其擁有60%股權之附屬公司綿陽恒達信息科技有限公司(「恒達」)。目前，恒達一直發展以移動及雲端為基礎的應用程式軟件及經營相關電子商務平臺，以便本集團於中國為源易通的貿易品進行消費品貿易。

於二零一六年的最後季度，恒達亦已自供應商取得手機遊戲專營牌照，並於中國四川綿陽市獨家運作手機遊戲平臺。對恒達而言，此舉雖小但意義深遠，基於其自身發展(於移動及雲端為基礎的應用程式軟件方面)，可把握中國手機遊戲行業之實用技術及經驗。

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Letter to the Shareholders

致股東函件

FINANCIAL LEASING CONTRACTS

As at 31 December 2017, Heng He had the following finance lease contracts in the aggregate amount of RMB1,649.5 million. Details of the finance lease contracts are as follows:

融資租賃合同

於二零一七年十二月三十一日，恒河擁有下列融資租賃合同，總額為人民幣1,649,500,000元。該等融資租賃合同的詳情如下：

		Principal Amount 本金額 (RMB'000) (人民幣千元)	Date 日期	Tenor 年期	Interest rate per annum 年利率
Customer A (Note 1)	客戶A(附註1)	25,000	20 January 2017 二零一七年一月二十日	3 years 三年	6.175%
Customer B (Note 2)	客戶B(附註2)	460	31 March 2015 二零一五年三月三十一日	5 years 五年	11.00%
Customer C (Note 3)	客戶C(附註3)	200,000	14 August 2015 二零一五年八月十四日	3 years 三年	6.67%
		200,000	31 August 2015 二零一五年八月三十一日	3 years 三年	6.38%
Customer D (Note 4)	客戶D(附註4)	44,000	31 August 2015 二零一五年八月三十一日	3 years 三年	11.00%
Customer E (Note 5)	客戶E(附註5)	1,000,000	1 August 2016 二零一六年八月一日	2 years 兩年	5.12%
Customer F (Note 6)	客戶F(附註6)	65,000	18 August 2016 二零一六年八月十八日	3 years 三年	6.18%
Customer G (Note 7)	客戶G(附註7)	115,000	20 October 2016 二零一六年十月二十日	3 years 三年	5.10%

Notes:

附註：

- | | |
|--|---|
| 1. A company located in Shanghai which is principally engaged in embroidery processing in the PRC. | 1. 一間位於上海之公司，主要於中國從事刺繡工藝。 |
| 2. A company located in Shanghai which is principally engaged in the provision of auditing, taxation and business advisory services in the PRC. | 2. 一間位於上海之公司，主要於中國從事提供審計、稅務及商業諮詢服務。 |
| 3. A company based in the PRC which is principally engaged in the construction of port and transportation infrastructure in Asia, Africa and Europe. | 3. 一間以中國為基地之公司，主要於亞洲、非洲及歐洲從事港口及交通基礎設施建設。 |
| 4. A company based in Shanghai which is principally engaged in property development business in the PRC. | 4. 一間以上海為基地之公司，主要於中國從事物業開發業務。 |
| 5. A company incorporated in the PRC which is a prime contractor company specialized in offshore engineering, construction, repair and conversion. | 5. 一間於中國註冊成立之公司，是專業從事海洋工程設計、建造、修理和改裝的總承包公司。 |
| 6. A company incorporated in the PRC which engages in digital networking and information technology development. | 6. 一間於中國註冊成立之公司，從事數字網絡及資訊科技開發。 |
| 7. A company incorporated in the PRC which specialized in the provision of heat supply and industrial use steam. | 7. 一間於中國註冊成立之公司，專門供熱及提供工業用蒸汽。 |

Letter to the Shareholders

致股東函件

Apart from the equity fund raising activity mentioned below, the Company had not conducted any other equity fund raising activities in the past 12 months immediately preceding the date of this report:

除下文所述之股本集資活動外，本公司在緊接本報告日期前十二個月內並無進行任何其他股本集資活動：

Date of announcement 公佈日期	Fund raising activity 集資活動	Net proceeds (approximately) 所得款項淨額 (概約)	Intended use of proceeds 所得款項擬定用途	Actual use of proceeds 所得款項實際用途
19 June 2017	Placing of new Shares under general mandate	HK\$24.90 million	(i) as to HK\$23,600,000 for the full repayment of the outstanding principal of the 2014 PN (as defined hereinafter); and (ii) the remaining for the strengthening of the general working capital base of the Company to finance its business development and/or to finance any future investment opportunities or any future needs in repaying its outstanding debts	Fully utilized as intended
二零一七年 六月十九日	按一般授權配售新股份	24,900,000港元	(i) 23,600,000港元全數償還二零一四年承兌票據(定義見下文)的未償還本金；及(ii)餘下金額用作鞏固本公司一般營運資金基礎，為其業務發展提供資金及/或為任何未來投資機遇或任何未來償還其債務的需要提供資金。	全數按擬定用途動用

Letter to the Shareholders

致股東函件

OUTLOOK

Looking forward to year 2018 and after, the Group will continue to focus on the development of financial services business in both PRC and Hong Kong.

The Directors believe that the acquisition of Hang He allowed the Group, without setting up a new financing company, to further develop its financing related business in the PRC through a direct working capital injection, and subsequently to enjoy the benefits of the capital leverage in Heng He. Furthermore, in view of the growth potential of the finance lease industry in the PRC, the Directors consider that this acquisition will enhance the performance of the Group and the return to the Shareholders as a whole.

Regarding the money lending business, the Company continuously receives enquiries from various customers, however, the Company is cautious in concluding the transactions in order to control the risk in money-laundering as well as, the risk of bad debt.

After the completion of the acquisition of Merdeka Capital, the Company has further expanded and diversified into the financial services by having a 100% indirect owned subsidiary in securities business.

To build on its successes in the debt financing business, Merdeka Capital is also taking advantage in the Group's appearance in the PRC by co-operation with the debt financing and issuance experts in listing debts issued by the PRC corporations on the stock exchanges worldwide. Merdeka Capital would continuously focusing on the role of book-runner and lead managers on these financing exercise of the significant sizes PRC corporations.

To cope with the Group's strategy in exploring the China market, the Board is studying the possibilities for Merdeka Capital to apply for the certificate of Hong Kong service suppliers which is the first step in applying for the preferential treatment under Mainland and Hong Kong closer economic partnership arrangement ("CEPA"). Under CEPA, it is anticipated that Merdeka Capital may enjoy preferential treatment when setting up business in its relevant sector in the Mainland China and is vigorously planning to establish strategic partnership co-operations with certain Mainland financial institutes of relevant business in sharing commercial resources in the extensive areas, including products and customer paths, for mutual developments.

In order to complement the Type 1 regulated activity currently undertaken by Merdeka Capital and to explore the opportunities in the asset management business to potential overseas clients through the overseas network of the Group in the near future, the Group, through a wholly-owned subsidiary, acquired 51% of the issued share capital of Heng, a company principally engages in the provision of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

展望

展望二零一八年度及以後，本集團將繼續關注於中國及香港的金融服務業務的發展。

董事相信，收購恒河將容許本集團在毋須開設新融資公司的情況下，進一步透過直接注資營運資金發展中國融資相關業務，隨後享有恒河資本槓桿帶來的好處。再者，鑒於中國融資租賃行業增長潛力龐大，董事相信該項收購將改善本集團業績表現及為整體股東帶來回報。

就放債業務而言，本公司持續接獲不同顧客的查詢。然而，本公司進行交易時將保持審慎，以控制洗黑錢風險及降低壞賬風險。

於完成收購萬德資本後，本公司透過擁有100%之間接全資證券業務附屬公司已進一步擴充業務及多元化延伸至金融服務。

建立於債務融資業務的成功之上，萬德資本亦利用本集團於中國的知名度，與上市債券(由中國公司發行於環球交易所上市)的債務融資及發行的專家合作。萬德資本將持續著眼於該些大型中國公司融資操作的賬簿管理人及牽頭經辦人的角色。

為配合本集團進軍中國市場的策略，董事會正在研究萬德資本申請獲得內地與香港關於建立更緊密經貿關係的安排(「安排」)首步之香港服務提供者證明書。預期在安排下，萬德資本可以優惠待遇在其相關領域內於中國內地開設業務，並積極計劃與業務相關的多家內地金融機構建立戰略合作夥伴關係，在廣泛的業務領域尋求包括產品以及客戶管道等在內商業資源的共用協同發展。

為配合萬德資本目前進行之第1類受規管活動及於不遠未來透過本集團之海外脈絡發掘資產管理業務之機遇至海外潛在客戶。本集團通過一間全資附屬公司，收購衡51%已發行股本，其為一間主要從事提供根據證券及期貨條例第4類(就證券提供意見)及第9類(資產管理)受規管活動的公司。

Letter to the Shareholders

致股東函件

The Directors consider that the participation in Heng would enable the Group to further provide more comprehensive financial services through direct investment in and hands-on management and operation of Heng. The Board observes that the current condition in the investment advisory market is highly competitive but at the same time there are promising opportunities in the market. It is expected to take advantage of the future growth in capital markets and continuous products development, by diversifying its business further within the financial services sector, in particular the asset management business and to broaden the Group's revenue base.

Trading business is expected to continuously providing a stable source of revenue to the Group and it is anticipate that the Group is continuously expanding its trading business into more variety of consumer products and actively considering to open physical stores in the PRC. The Group is also commencing to OEM its trading products from various Asian countries including Japan and Malaysia. In addition, the Group will explore the opportunities in the development of logistic and/or its related business in order to enhance the Group's trading sector.

For the information technology business, revenue would be mainly driven by the additional contribution from the consolidation of different acquired entities into a single stream of income. Complementing the trading business with its information technology business, the Group intends to commence trading consumer products into the PRC through its customers there by developing mobile and cloud based application software and operating related e-commerce platform in the PRC. Another opportunity to complement the business of the Group lied on the development of mobile and cloud based applications in relation to the financial services provided or to be provided by the Group, in terms of, namely, finance lease, money lending and securities business in accordance with the permission under the laws of Hong Kong and the PRC.

董事認為，參與衡將令本集團透過直接投資以及親自管理及經營衡，進一步提供更多綜合金融服務。董事會注意到，投資諮詢市場目前競爭激烈，但同時，市場上機遇處處。倘此收購事項完成，預期其將透過於金融服務領域內進一步多元化發展其業務(尤其是資產管理業務)，把握資本市場的未來增長及產品持續發展的優勢，並擴闊本集團的收益基礎。

貿易業務預期繼續為本集團提供穩定的收入來源，預期本集團正不斷擴大其貿易業務以涵蓋不同類型的消費產品貿易並積極考慮於中國開設實體店。本集團亦開始就其來自不同亞洲國家(包括日本及馬來西亞)的貿易產品進行代工生產。此外，本集團將探索發展物流及／或其相關業務的機會，從而加強本集團的貿易業務。

於資訊科技業務方面，收入將主要來自合併不同收購實體形成單項收入流產生的額外資金。憑藉貿易業務及資訊科技業務之互補效果，本集團擬藉由發展以移動及雲端為基礎的應用程式軟件及於中國經營相關電子商務平臺，以便透過其客戶於中國展開消費品貿易。另一個能與本集團業務相輔相成的機會，為發展以移動及雲端為基礎的應用程式，以配合本集團已經或將會提供之金融服務，例如根據香港及中國法律在許可情況下進行融資租賃、放債及證券業務等。

Letter to the Shareholders

致股東函件

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 19 June 2017 (after trading hours), the Company and the Placing Agent entered into a placing agreement (as supplemented by the supplement agreement dated 7 July 2017, all together known as the "Placing Agreement") pursuant to which the Company placed, under the General Mandate granted 7 March 2017, through the Placing Agent, on a best endeavour basis, up to 320,000,000 placing shares, to not less than six placees who and whose ultimate beneficial owners will be independent third parties at a price of HK\$ 0.081 per placing share.

The completion of the Placing took place on 20 July 2017 in accordance with the terms and conditions of the Placing Agreement. The Company received net proceeds of approximately HK\$24.90 million (after deduction of commission and other expenses of the Placing) from the Placing. The entire net proceeds from the Placing will be applied (i) as to HK\$23,600,000 for the full repayment of the outstanding principal of the promissory note issued pursuant to the agreement in relation to the acquisition of Ever Hero Group Limited in 2014 (the "2014 PN"); and (ii) the remaining for the strengthening of the general working capital base of the Company to finance its business development and/or to finance any future investment opportunities or any future needs in repaying its outstanding debts.

The net proceeds have been fully utilized as intended during the year.

CONVERTIBLE BONDS

Further to the convertible bonds issued by the Company on 12 August 2008 (the "2008 CBs") as part of the consideration for the acquisition of forest concessions in Papua, Indonesia, upon the completion of the acquisition of the entire issued share capital of Blossom Height, the Company issued further convertible bonds on 21 April 2015 (the "2015 CBs") in the principal amount of HK\$40 million to the vendor, Yihua Enterprises Limited as part of the relevant consideration.

Furthermore, on 20 January 2017 (after trading hours), the Company and the bondholders of the 2008 CBs entered into the third supplemental deed, for (a) extending the maturity date of the 2008 CBs for 3 years from 12 August 2017 to 12 August 2020; (b) amending the conversion price of the 2008 CBs from HK\$0.3696 per Share to HK\$0.095 per Share; and (c) inclusion of the following adjustment events to the conversion price: (i) issue of Shares for subscription by way of rights, or a grant of options or warrants to subscribe for Shares, at a price which is less than 80% of the market price per Share to the shareholders of the Company; (ii) issue wholly for cash of securities convertible into or exchangeable for or carrying rights of subscription for Shares, if in any case the total effective consideration per Share receivable is less than 80% of the market price, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable is less than 80% of such market price; and (iii) issue of Shares being made wholly for cash at a price less than 80% of the market price per Share.

按一般授權配售新股份

於二零一七年六月十九日(交易時段後)，本公司與配售代理訂立配售協議(經日期為二零一七年七月七日的補充協議補充，全部均稱為「配售協議」)，據此，本公司按二零一七年三月七日授出之一般授權，通過配售代理按竭盡所能基準配售最多320,000,000股配售股份予不少於六名承配人，彼等及其最終實益擁有人將為獨立第三方，價格為每股配售股份0.081港元。

完成配售事項於二零一七年七月二十日根據配售協議的條款及條件發生。本公司已自配售事項收取所得款項淨額約24,900,000港元(經扣除配售事項之佣金及其他開支)。所得款項淨額全數將按下列用途投入應用：(i) 23,600,000港元全數償還根據於二零一四年收購Ever Hero Group Limited之協議發行的承兌票據(「二零一四年承兌票據」)的未償還本金；及(ii) 餘下金額用作鞏固本公司一般營運資金基礎，為其業務發展提供資金及／或為任何未來投資機遇或任何未來償還其債務的需要提供資金。

所得款項淨額於年內已全數按擬定用途動用。

可換股債券

本公司除於二零零八年八月十二日發行可換股債券(「二零零八年可換股債券」)作為收購位於印尼巴布亞森林特許權之部分代價外，於完成收購Blossom Height全部已發行股本後，本公司於二零一五年四月二十一日再度向賣方溢華企業有限公司發行本金額為40,000,000港元的可換股債券(「二零一五年可換股債券」)，作為相關代價一部分。

此外，於二零一七年一月二十日(交易時段後)，本公司與二零零八年可換股債券之債券持有人訂立第三份補充契據，以(a)將二零零八年可換股債券之到期日延長三年，由二零一七年八月十二日延至二零二零年八月十二日；(b)將二零零八年可換股債券之換股價由每股股份0.3696港元修訂為每股股份0.095港元；及(c)包括下列換股價調整事件：(i) 以供股或授出購股權或認股權證以認購股份之方式向本公司股東發行股份以供認購，而其價格低於每股股份市價之80%；(ii) 發行可兌換或轉換為股份或附帶認購股份權利之證券以全數換取現金，而在任何情況下每股應收股份之實際總代價低於市價80%，或任何有關發行之兌換、轉換或認購權出現改動，而導致上述應收實際總代價低於該市價80%；及(iii) 以低於每股股份市價80%之價格發行股份，以全數換取現金。

Letter to the Shareholders

致股東函件

The Board is pleased to announce that the proposed resolution in respect of the above mentioned Third Supplemental Deed and the transactions contemplated thereunder was duly passed by the Shareholders by way of poll at an extraordinary general meeting of the Company held on 7 March 2017. Accordingly a maximum of 1,305,978,947 Shares will be allotted and issued upon exercise of the conversion rights attached to the outstanding 2008 CBs of aggregate principal amount of HK\$124,068,000 in full at the conversion price of HK\$0.095 per Share as at 31 December 2017.

As at 31 December 2017, the Company had outstanding 2015 CBs of aggregate principal amount of HK\$40 million which will be compulsorily converted into 173,913,043 Shares.

PROMISSORY NOTE

The Group had an outstanding principal of promissory note of approximately HK\$28,900,000 (2016: HK\$29,000,000), which was issued pursuant to the agreement in relation to the acquisition of Blossom Height Ventures Limited in 2015. It is non-interest bearing and the settlement date is 21 April 2018.

LITIGATION

On 22 January 2015, the Company announced that a writ of summons was issued in the Court of First Instance of the High Court of Hong Kong by Au Kai To Karel, as the plaintiff claiming against (i) End User Technology Limited, an indirect wholly-owned subsidiary of the Company, as the 1st Defendant; (ii) the Company, as the 2nd Defendant; and (iii) Lau Chi Yan Pierre, the managing director and executive director of the Company, as the 3rd Defendant for, inter alia, (1) specific performance of an agreement dated 2 May 2013 in relation to a discloseable transaction of the Company (details of which were disclosed in the announcement of the Company dated 2 May 2013); or (2) alternatively, the damages in the sum of HK\$8,000,000 in lieu of specific performance; and (3) the interest; (4) further and/or other relief; and (5) the costs. Formal trial was held on 4-7 September 2017.

On 29 September 2017, the Company received a judgement dated 29 September 2017 handed down by the High Court of Hong Kong (the "Judgement") ordering, among others, that the Company and End User Technology Limited, the Company's indirect wholly owned subsidiary, to pay, jointly and severally, damages to Mr Au Kai To Karel in the sum of HK\$4.4 million.

As announced by the Company in its announcement on 14 November 2017, the Company has appealed against the Judgment by way of Notice of Appeal filed on 25 October 2017 with the Court of Appeal. The Company's appeal is numbered CACV 237 of 2017. Additionally, after seeking further legal advice on the Judgment, the Appeal, the Petition (as explained below) and other appropriate actions to be taken thereon.

董事會欣然宣佈，有關上述第三份補充契據之擬議決議案及其項下擬進行交易於股東特別大會(於二零一七年三月七日舉行)上獲股東以投票方式正式通過。因此，於二零一七年十二月三十一日，最多1,305,978,947股股份將於尚未行使使本金總額124,068,000港元的二零零八年可換股債券所附帶之換股權按換股價每股股份0.095港元獲悉數行使後，獲配發及發行。

於二零一七年十二月三十一日，本公司有本金額合共為40,000,000港元，其將強制兌換為173,913,043股股份的未行使二零一五年可換股債券。

承兌票據

本集團承兌票據之未償還本金額約為28,900,000港元(二零一六年：29,000,000港元)，其根據有關於二零一五年收購華高創投有限公司之協議發行。乃屬免息，結算日為二零一八年四月二十一日。

訴訟

於二零一五年一月二十二日，本公司宣佈，區君宇(原告)於香港高等法院原訟法庭向下列人士發出傳訊令狀：(i)本公司之間接全資附屬公司End User Technology Limited(第一被告)；(ii)本公司(第二被告)；及(iii)本公司之董事總經理兼執行董事劉智仁(第三被告)，以就以下事項提出索償，其中包括：(1)強制履行日期為二零一三年五月二日之協議，內容有關本公司之須予披露交易(詳情於本公司日期為二零一三年五月二日之公佈披露)；或(2)替代性地，8,000,000港元的替代強制履行損害；及(3)利息；(4)進一步及/或其他補償；及(5)成本。正式審訊已於二零一七年九月四日至七日進行。

於二零一七年九月二十九日，本公司接獲日期為二零一七年九月二十九日由香港高等法院頒佈的判決(「判決」)命令(其中包括)本公司及本公司間接全資附屬公司End User Technology Limited向區君宇先生共同及分別支付金額4,400,000港元。

誠如本公司於二零一七年十一月十四日之公佈所宣佈，本公司已於二零一七年十月二十五日採用上訴通知形式向上訴法庭提出上訴。本公司之上訴編號為二零一七年CACV 237號。此外，就該判決、該上訴、該呈請(如下所述)及其他將予採取的適當行動尋求進一步法律意見。

Letter to the Shareholders

致股東函件

On 13 November 2017, the Company received a petition made by Mr Au kai To Karel (the "Petition") in the matter of the Companies (Winding Up and Miscellaneous Provision) Ordinance, Chapter 32 (the "Ordinance") from the High Court that the Company may be wound up by the High Court under the provisions of the Ordinance on the ground that the Company is deemed to be unable to pay the sum of HK\$4.4 million as stipulated therein the Judgement mentioned above. The Petition is numbered HCCW 343 of 2017.

The Company, on 1 December 2017, applied to the Court for a validation order in respect of the Company's disposition of property pending determination of the Petition (the "Validation Order"). At the hearing on 24 January 2018, the Validation Order was granted by the Court in the terms as follows: until further order of the Court, (i) any payment or other disposition of property made on or after 13 November 2017 in the ordinary course of the business of the Company shall not be void; (ii) the payments made into or out of certain specified bank accounts of the Company in respect of expenses incurred in the ordinary course of business shall be sanctioned; (iii) the payment of reasonable legal expenses incurred by the Company in various legal proceedings shall not be void; (iv) any transfer of the Company's shares on or after 13 November 2017 shall not be void; and (v) the Company shall provide to the Petitioner all quarterly Reports commencing December 2017 and annual Reports starting from the year ending 31 December 2017 within three days from the date of issuance of the same to the public.

On 26 February 2018 the hearing of the Petition is adjourned to 26 March 2018 for further directions.

As the Company continues to be solvent and the normal course of operation of the Company has not been adversely affected by the Petition. The Company is endeavouring to oppose the Petition and will take every possible step to protect the interests and assets of the Group as well as the interest of the Shareholders and investors of the Company.

於二零一七年十一月十三日，本公司接獲自高等法院發出；由區君宇先生提起有關香港法例第32章《公司(清盤及雜項條文)條例》(「該條例」)之呈請(「該呈請」)，指稱本公司因被視作未能償還日期為二零一七年九月二十九日之該判決中所述的合共港幣4,400,000元而可能獲高等法院根據該條例之條文清盤。該呈請之編號為二零一七年HCCW 343號。

本公司於二零一七年十二月一日就其產權處置向法院申請認可令(「認可令」)，以待釐定該呈請。於二零一八年一月二十四日進行之聆訊上，法院已頒授認可令，有關條款如下：直至法院進一步頒令為止(i)不得取消於二零一七年十一月十三日或之後於本公司日常業務過程中作出之任何付款或其他產權處置；(ii)批准就有關日常業務過程中所產生開支之轉入或轉出本公司若干指定銀行賬戶之款項；(iii)不得取消本公司就各項法律程序所產生之合理法律費用付款；(iv)不得取消於二零一七年十一月十三日或之後辦理之任何本公司股份轉讓；及(v)本公司應於向公眾刊發全部季度報告(自二零一七年十二月起)及年報(自截至二零一七年十二月三十一日止年度起)之日期起三日內將該等報告提交予呈請人。

於二零一八年二月二十六日，該呈請的聆訊押後至二零一八年三月二十六日，以待進一步指示。

由於本公司仍具有償債能力且本公司之正常營運並無受該呈請之負面影響。本公司正努力反對該呈請並將採取一切可能的措施以保障本集團的利益及資產以及本公司股東及投資者的利益。

Letter to the Shareholders

致股東函件

PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF BLOSSOM HEIGHT VENTURES LIMITED

On 21 April 2015, the Group completed the acquisition of the entire issued capital of Blossom Height Ventures Limited, investment of which is primarily in the shareholding interests in Hang He, and in accordance with the terms of the relevant acquisition agreement dated 31 October 2014, the Vendor has given to and for the benefit of the Purchaser a profit guarantee that the consolidated net profit after taxation and any extraordinary and exceptional items for each of the three years ending 31 December 2015, 2016 and 2017 shall not be less than HK\$10 million.

However, as the profit guarantee for the year ended 31 December 2017 has not been met, the amount payable by the Company on redemption of the above promissory note shall be reduced on a dollar for dollar basis by the amount for approximately HK\$0.1 million.

DISCLOSEABLE TRANSACTION IN RELATION TO THE FINANCE LEASE AGREEMENT

As disclosed in the Company's announcement dated 20 January 2017 (the "FL Announcement"), on 20 January 2017 (after trading hours), Heng He, entered into a finance lease agreement (the "Finance Lease Agreement") with 上海長城電腦繡花有限公司 (Shanghai Zhang Cheng Computerized Embroidery Company Limited*) (the "Lessee"), pursuant to which Heng He conditionally agreed to purchase the Leased Assets (as defined therein the FL Announcement) from the Lessee at a total consideration of RMB25 million (approximately HK\$27.50 million), which would be leased back to the Lessee at the aggregate lease receivables of approximately RMB28.85 million (approximately HK\$31.73 million) for a term of 3 years, commencing on the date of payment of the consideration for the Leased Assets.

As one or more of the applicable percentage ratios calculated under the GEM Listing Rules in respect of the Finance Lease Agreement exceed 5% but are less than 25%, the transaction contemplated under the Finance Lease Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

ACQUISITION OF 51% OF THE ISSUED SHARES IN HENG

On 7 February 2017 (after trading hours), the Company through a wholly-owned subsidiary entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to acquire 51% of the issued share capital of Heng (the "Acquisition") at a consideration of HK\$10,000,000 which will be settled by the allotment and issue of the consideration Shares by the Company to the vendor or its nominee upon completion of the transaction.

As the applicable ratios under Chapter 19 of the GEM Listing Rules exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules.

有關收購華高創投有限公司全部已發行股本之溢利保證

於二零一五年四月二十一日，根據日期為二零一四年十月三十一日之相關收購協議之條款，本集團已完成收購華高創投有限公司之全部已發行股本，有關投資主要作為恒河之股權，賣方以買方為受益人向買方作出溢利保證，於截至二零一五年、二零一六年及二零一七年十二月三十一日止三個年度各年之綜合淨利潤（扣除稅項及任何非經常性及特殊項目後）不得少於10,000,000港元。

然而，由於截至二零一七年十二月三十一日止年度的溢利保證未能達成，本公司就贖回上述承兌票據應付金額應按等額基準減少約100,000港元。

關於融資租賃協議的須予披露交易

誠如本公司日期為二零一七年一月二十日的公佈（「融資租賃公佈」）所披露，於二零一七年一月二十日（交易時段後），恒河與上海長城電腦繡花有限公司（「承租人」）訂立融資租賃協議（「融資租賃協議」），據此，恒河有條件同意按總代價人民幣25,000,000元（約為27,500,000港元）向承租人購買租賃資產（定義於融資租賃公佈），並讓承租人以租賃應收款項總額約人民幣28,850,000元（約為31,730,000港元）租回租賃資產，由支付租賃資產之代價當日起計為期三年。

由於根據創業板上市規則就融資租賃協議計算之其中一項或多項適用百分比率超過5%但少於25%，故根據融資租賃協議擬進行之交易構成本公司之須予披露交易及須遵守創業板上市規則第19章項下之通知及公佈的規定。

收購衡51%已發行股份

於二零一七年二月七日（交易時段後），本公司透過一間全資附屬公司訂立買賣協議，據此，本公司已有條件同意收購衡已發行股本之51%（「收購事項」），代價為10,000,000港元，將由本公司於交易完成後透過向賣方或其代名人配發及發行代價股份之方式償付。

由於創業板上市規則第19章項下之適用比率均高於5%但低於25%，故根據創業板上市規則，收購事項構成本公司之須予披露交易。

Letter to the Shareholders

致股東函件

On 24 March 2017, an extraordinary general meeting was convened and held and, during which, the resolution in relation to the Acquisition and the transactions contemplated thereunder including the grant of the specific mandate to allot and issue the consideration Shares was duly passed by the Shareholders by way of poll.

On 26 July 2017, the Securities and Futures Commission has approved the Company's application to become a substantial shareholder of Heng pursuant to section 132 of the SFO. The completion of the Acquisition took place on 10 August 2017 in accordance with the terms and conditions of the Agreement.

CHANGE OF DIRECTORSHIP AND COMMITTEE MEMBERS

Mr. Yip Kat Kong, Kenneth, due to his need in concentrating in the development of his own business, has resigned as an independent non-executive director of the Company with effect from 27 February 2017, and accordingly, his appointment as a member of the nomination committee, a member of the remuneration committee and as a member of the audit committee of the Company has been revoked with effect from 27 February 2017.

Mr. Au-yeung Sei Kwok was appointed as an independent non-executive director of the Company with effect from 27 February 2017 and he was also appointed as a member of the nomination committee, a member of the remuneration committee and as a member of the audit committee of the Company with effect from 27 February 2017.

During the Company's annual general meeting (the "AGM") held on 26 June 2017, Mr. Au-yeung Sei Kwok was re-elected as a director of the Company pursuant to the articles of association of the Company.

APPRECIATION

I would like to express my gratitude to our management team and all staff for their hard work in the execution of the Group's strategies and operations during the past year. As approved by the shareholders in the annual general meeting held on 3 May 2012, the Company adopted a share option scheme, which could provide incentives and rewards to eligible participants for their contribution to the Group. Last but not the least, I wish to thank all shareholders, customers, suppliers, business partners, bankers, government authorities for their continuous support and confidence in the Group.

Cheung Wai Yin, Wilson
Chairman and Chief Executive Officer

Hong Kong
26 March 2018

於二零一七年三月二十四日，股東特別大會獲召開及舉行，於其有關收購事項及其項下擬進行之交易(包括授出特別授權以配發及發行代價股份)的決議案，已獲股東以投票表決方式正式通過。

於二零一七年七月二十六日，證券及期貨事務監察委員會根據證券及期貨條例第132章已批准本公司申請成為衡的主要股東。完成收購事項根據該協議的條款及條件於二零一七年八月十日發生。

變更董事及委員會成員

葉吉江先生因須集中於發展其個人業務而已辭任為本公司之獨立非執行董事，自二零一七年二月二十七日起生效，因此，其作為本公司提名委員會成員、薪酬委員會成員及審核委員會成員的委任，亦被相應撤回，自二零一七年二月二十七日起生效。

歐陽士國先生獲委任為本公司獨立非執行董事，自二零一七年二月二十七日起生效，而彼亦獲委任為本公司提名委員會成員、薪酬委員會成員及審核委員會成員，自二零一七年二月二十七日起生效。

於本公司於二零一七年六月二十六日舉行的股東週年大會(「股東週年大會」)，歐陽士國先生根據本公司組織章程細則獲重選為本公司董事。

致謝

本人向管理人員及全體員工在過去一年於執行本集團策略及業務營運方面的辛勤工作致以謝意。經股東於二零一二年五月三日舉行的股東週年大會上批准後，本公司採納優先購股權計劃，藉此向對本集團有貢獻的合資格參與者提供鼓勵和嘉許。最後，本人亦謹此向全體股東、客戶、供應商、業務夥伴、銀行及政府機關一直以來對本集團的支持及信心表示謝意。

主席兼行政總裁
張偉賢

香港
二零一八年三月二十六日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Highlights on financial results

財務回顧

財務業績摘要

(HK\$'000, except percentage figures) (千港元，除百分比數字外)		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年	2016 二零一六年
Revenue	收入	430,184	256,232
Gross profit	毛利	31,265	26,821
Gross profit margin	毛利率	7.3%	10.5%
Operating expenses	經營開支	(24,667)	(22,191)
Administrative expenses	行政費用	(13,883)	(12,824)
Non-cash items:	非現金項目		
Depreciation of property, plant and equipment*	物業、廠房及設備折舊*	(3,785)	(2,161)
Written off of inventories	存貨撇賬	(137)	(435)
Written off of bad debts	呆賬撇賬	(3,009)	(117)
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備	—	(3)
Provision for impairment loss on loan receivables	應收貸款減值虧損撥備	(1,000)	—
Provision for impairment loss on prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值虧損撥備	(285)	—
Loss on early repayment of promissory notes	提早償還承兌票據之虧損	—	(493)
Finance costs of convertible bonds and promissory notes	可換股債券及承兌票據之融資成本	(16,541)	(19,005)
Gain on extinguishment of CB liability component	註銷可換股債券負債部分收益	31,162	—
Loss for the year	本年度虧損	(3,332)	(40,148)
Loss for the year excluding non-cash items**	本年度撇除非現金項目之虧損**	(9,737)	(17,934)

* In 2017 and 2016, all of the depreciation of property, plant and equipment were included in the operating and administrative expenses.

** Loss for the year less non-cash items stated.

* 於二零一七年及二零一六年，所有物業、廠房及設備折舊計入經營開支及行政費用。

** 本年度虧損減所列非現金項目。

Management Discussion and Analysis

管理層討論及分析

DISCUSSION ON FINANCIAL RESULTS

For the year ended 31 December 2017, the Group's reported revenue reached approximately HK\$430.2 million, representing an increase of approximately 67.9% on a year-on-year basis. The significant increase in revenue was driven by the two major sources of revenue from trading business and financial services business. Trading business increased approximately HK\$149.9 million, representing approximately 85.5%, and financial services business also increased approximately HK\$23.9 million, representing approximately 29.7% on a year-on-year basis.

To correspond with the pace of growth in revenue, the Group's gross profit for the current year was approximately HK\$31.3 million, representing approximately 16.6% increase on a year-on-year basis. The increase was mainly attributable to the financial services business segment.

Despite the significant growth in terms of dollar in both revenue and gross profit, under intensive competition in the overall business environment, the Group's overall gross profit margin decreased by approximately 3.2% on a year-on-year basis.

During the year, the Group recognised a one-off gain on extinguishment of 2008 CB liability component of approximately HK\$1.2 million derived from revaluation upon extension for 3 years.

In light of the increasing operating activities carried out during the year, the overall operating and administrative expenses also increased correspondingly to approximately HK\$24.7 million and HK\$13.9 million respectively.

For the reason mentioned earlier, the result for the year improved drastically. The Group reported loss for the year of approximately HK\$3.3 million which represented approximately 91.7% reduction on a year-on-year basis. The loss excluding non-cash items decreased approximately HK\$9.7 million.

Analysis by business segment

(HK\$'000) (千港元)	Year ended 31 December 截至十二月三十一日止年度			
	Revenue 收入		Profit/(loss) before tax 除稅前溢利/(虧損)	
	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
Trading business 貿易業務	325,217	175,290	(573)	(866)
Financial services business 金融服務業務	104,155	80,274	8,282	11,760
Information technology business 資訊科技業務	812	628	(322)	(1,773)
Other business 其他業務	—	40	(43)	(28)
	430,184	256,232	7,344	9,093

Contributed by the intensive sale efforts putting on dairy products, beauty products and consumables, the revenue increased significantly to approximately HK\$325.2 million, representing a 85.5% increase over the last year. As a result, the reported loss was reduced to approximately HK\$0.6 million which decreased by approximately 33.8% compared with the corresponding year.

財務業績討論

截至二零一七年十二月三十一日止年度，本集團報告收入達到約430,200,000港元，按年增長約67.9%。收入的重大增長主要來自兩大收入來源，貿易業務及金融服務業務。貿易業務增長約149,900,000港元，按年約85.5%，金融服務業務增長約23,900,000港元，按年約29.7%。

本集團於本年度的毛利約為31,300,000港元，按年增長約16.6%，與收益增長速度一致。增長乃主要由於金融服務業務分部所致。

儘管按金額計值的收益及毛利均有重大增長，在整體業務環境的激烈競爭之下，本集團整體毛利率按年下跌約3.2%。

本集團於年內確認因在延長3年時重估註銷二零零八年可換股債券負債部分約31,200,000港元的一次性收益。

鑒於年內進行的經營活動日益增加，整體經營及行政開支亦分別相應上升至約24,700,000港元及13,900,000港元。

鑒於先前所述之理由，年內業績大幅改善。本集團年內虧損約3,300,000港元，其按年下跌約91.7%。不包括非現金項目的虧損減少約9,700,000港元。

業務分部分析

由密集銷售牛奶產品、美容產品及消耗品的努力貢獻，收入大幅上升至約325,200,000港元，較上年上升85.5%。因此，報告虧損下跌至約600,000港元，較上年度下跌約33.8%。

Management Discussion and Analysis

管理層討論及分析

The financial services business kept providing satisfactory results in terms of revenue and profit before tax. Compared to 2016, the reported revenue increased by approximately 29.7% to HK\$104.2 million.

Since 2015, the information technology business kept not performing well due to keen competition in the industry. The reported revenue slightly increased in terms of dollars to approximately HK\$0.8 million representing approximately 29.3% on year-on-year basis for the year 2017. The loss before tax decreased by approximately 81.8% to approximately HK\$0.3 million for the current year.

金融服務業務保持提供於收益及稅前溢利方面令人滿意的業績。報告收益較二零一六年上升約29.7%，至104,200,000港元。

自二零一五年，資訊科技業務因行業競爭激烈持續表現不佳。報告收益小幅上升至二零一七年度約800,000港元，按年約29.3%。稅前虧損下跌約81.8%至本年度的約300,000港元。

Analysis by geographical segment

區域分部分析

(HK\$'000, except percentage figures) (千港元，百分比數字除外)		Year ended 31 December 截至十二月三十一日止年度			
		2017 二零一七年		2016 二零一六年	
		Revenue 收入	Proportion 比例	Revenue 收入	Proportion 比例
Hong Kong	香港	328,371	76.33%	177,414	69.24%
Mainland China	中國大陸	101,813	23.67%	78,818	30.76%
		430,184	100%	256,232	100%

Highlights on financial position

財務狀況摘要

(HK\$'000) (千港元)		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
Property, plant and equipment	物業、廠房及設備	4,011	4,664
Goodwill	商譽	5,803	—
Held-for-trade investment	持作買賣投資	534	—
Intangible assets	無形資產	5,705	2,805
Statutory deposit	法定按金	510	510
Available-for-sale investments	可供出售投資	1,475	1,475
Finance lease receivables	融資租賃應收款項	2,077,675	1,901,318
Trade receivables	應收貸款	8,202	6,867
Loan receivables	貸款應收款項	1,080	3,300
Bank balances — Trust accounts	銀行結餘 — 信託賬戶	5,759	5,206
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	36,490	63,347
Bank borrowings	銀行借款	(1,824,615)	(1,695,685)
Convertible bonds — liability component	可換股債券 — 負債部分	(95,940)	(114,400)
Promissory notes	承兌票據	(27,622)	(50,402)
Finance lease obligation	融資租賃承擔	(1,026)	(1,968)
Non-controlling interests	非控股權益	(101,046)	(88,039)
Equity attributable to owners of the Company	本公司股權擁有人應佔股東權益	40,114	3,301

Management Discussion and Analysis

管理層討論及分析

Discussion on financial position

During the year, the Group acquired a subsidiary, which is carrying out regulated activities under SFO, that led to the increase in goodwill, held-for-trade investment, intangible assets, trade receivables, bank balances and cash — general accounts.

Finance lease receivables and bank borrowings increased in tandem. Finance lease receivables increased approximately HKD176.4 million and bank borrowings increased approximately 128.9 million. Both increment were mainly contributable to new finance lease contracts entered and RMB has been stronger against HKD at the end of the reporting date.

Convertible bonds - liability component decreased approximately HKD18.5 million which was the net effect of gain in extinguishment of liability component upon maturity and imputed interest charged.

During the year, one of the promissory notes matured which was transferred to other payable and the remaining promissory note was charged with imputed interest. As a result, the carrying amount of the promissory note at the reporting date had a net decrease of approximately HKD22.7 million.

Capital structure and gearing ratio

財務狀況討論

於年內本集團已收購一間附屬公司，其經營證券及期貨條例所規定的受規管活動，使商譽、持作買賣投資、無形資產、貿易應收款項、銀行結餘及現金 — 一般賬戶。

應收金融租賃及銀行借款增加。應收金融租賃增加約176,400,000港元及銀行借款增加約128,900,000港元。兩者增加主要由於訂立新金融租賃合約，而人民幣於報告日期末強於港元。

可換股債券負債部分下跌約18,500,000港元，其為於到期時註銷負債部分收益及估算利息的淨影響。

由於其中一張承兌票據於年內到期，其轉至其他應付款項而餘下的承兌票據已計入估算利息。因此，於報告日期承兌票據的賬面值淨下跌約22,700,000港元。

資本架構及資本負債比率

		As at 31 December 於十二月三十一日			
		2017 二零一七年		2016 二零一六年	
		HK\$'000 千港元	Proportion 比例	HK\$'000 千港元	Proportion 比例
Total borrowings	總借貸				
— Bank borrowings	— 銀行借款	1,824,615	91.72%	1,695,685	90.88%
— Convertible bonds (liability component)	— 可換股債券 (負債部分)	95,940	4.82%	114,400	6.13%
— Promissory notes	— 承兌票據	27,622	1.39%	50,402	2.70%
— Finance lease obligation	— 融資租賃承擔	1,026	0.05%	1,968	0.11%
		1,949,203	97.98%	1,862,455	99.82%
Equity attributable to owners of the company	本公司股權擁有人 應佔股東權益	40,114	2.02%	3,301	0.18%
Total capital employed	已使用的總資本	1,989,317	100%	1,865,756	100%

The increase in bank borrowings was in line with the growth of finance lease business during the year.

銀行借款增加，與年內融資租賃業務的增長一致。

Management Discussion and Analysis

管理層討論及分析

During the year, 2008 CB was matured and extended for three years, as a result the liability component was extinguished by approximately HKD31.2 million based on revaluation upon maturity. On the other hand, the carrying amount has been charged with imputed interest, the outstanding principal amount of the convertible bonds remained approximately HK\$124.1 million for both years with the maturity date due on 12 August 2020.

There were 2 batches of promissory notes collectively referred as 2014 PN and 2015 PN respectively. As at 31 December 2017, the outstanding principal and coupon interest of the 2014 PN amounted to approximately nil (2016: HK\$26.6 million) which has been matured in April 2017. In April 2015, the Company issued the principal amount of HK\$32.0 million of 2015 PN as part of the consideration to acquire the 40% equity interests in Heng He. The 2015 PN will be matured in April 2018. During the year 2016, the Company early repaid partially the outstanding principal of the 2015 PN of HK\$3.0 million. The outstanding principal of 2015 PN amounted to approximately HK\$28.9 million as at 31 December 2017 (2016: HK\$29.0 million).

Liquidity and financial resources

(HK\$'000) (千港元)		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
Current assets	流動資產	1,966,381	176,172
Current liabilities	流動負債	1,913,951	246,355
Current ratio	流動比率	1.0	0.7

As at 31 December 2017, high portion of the finance lease receivables were current assets, however high portion of bank borrowings in tandem were also current liabilities which were non-current as at 31 December 2016. Furthermore, the bank balances and cash - general accounts decreased dramatically, and other components of current liabilities increased. The combined effect of these factors led the current ratio increased to 1.0 from 0.7.

於年內，二零零八年可換股債券已到期並延長三年，因此按到期時的重新估算，負債部分已註銷約31,200,000港元。於另一方面，賬面值已計入估算利息。兩個年度的可換股債券未兌換本金剩餘約124,100,000港元，其到期日為二零二零年八月十二日。

有兩批承兌票據，分別統稱為二零一四年承兌票據及二零一五年承兌票據。於二零一七年十二月三十一日，二零一四年承兌票據之未贖回本金額及票面利息約為零(二零一六年：26,600,000港元)，其已於二零一七年四月到期。於二零一五年四月，本公司發行本金額32,000,000港元的二零一五年承兌票據，作為收購恒河40%股權的代價。二零一五年承兌票據將於二零一八年四月到期。於二零一六年，本公司已提前償還部份二零一五年承兌票據之未償還本金額3,000,000港元。於二零一七年十二月三十一日，二零一五年承兌票據之未償還本金額約為28,900,000港元(二零一六年：29,000,000港元)。

流動資金及財務資源

於二零一七年十二月三十一日，大部份融資租賃應收款項為流動資產，然而，大部份銀行借款同時亦為流動負債，其於二零一六年十二月三十一日為非流動負債。再者，銀行結餘及現金一般帳戶大幅下跌，而流動負債其他部分增加。該等因素的合併影響引致流動比率自0.7上升至1.0。

Management Discussion and Analysis

管理層討論及分析

Foreign currency exposure

The Group's reporting currency is Hong Kong dollar. During the year ended 31 December 2017, most of the Group's transactions were denominated in Hong Kong dollars ("HK\$") and Renminbi ("RMB"). The Group had exposure to the risk of exchange rate fluctuations for RMB on account of its cost of finance lease and information technology operations in the Mainland China. The Group did not formally employ any hedging instruments or derivative products considering the relevant costs and benefits. However, the Group will continue to monitor closely the exchange rate risk.

Contingent liabilities

Details of the Company's contingent liabilities is set out in the note 42 to the financial statements (2016: Nil).

Acquisition and disposal of subsidiaries and affiliated companies

Details of acquisition and disposal of subsidiaries during the year ended 31 December 2017 and 2016 are disclosed in the notes to the financial statements of the Annual Report of the Company. Except for those disclosed in the Annual Report, the Group did not acquire or dispose of any material subsidiaries and affiliated companies during the year ended 31 December 2017.

Significant investments

The Group did not acquire or hold any significant investment during the year ended 31 December 2017 (2016: Nil).

Pledge of assets

As at 31 December 2017, the finance lease assets held by the leasees with the carrying value of approximately RMB1,858.1 million (equivalent to approximately HK\$2,231.5 million) had been pledged to the bank as security for the loan facilities of the Group (2016: RMB1,858.1 million (equivalent to approximately HK\$2,074.7 million)).

Capital commitments

As at 31 December 2017, the Group did not have any significant capital commitments (2016: Nil).

Employees and remuneration policy

As at 31 December 2017, the Group employed 35 staff (2016: 35). The Group's remuneration policy is based on principle of equality, motivating, performance-oriented and market-competitiveness. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits included provident fund contributions, medical insurance coverage and performance related bonuses. A share option scheme is also established to reward and motivate the employees of the Group.

外匯風險

本集團以港元為呈報貨幣。於截至二零一七年十二月三十一日止年度，本集團的大部分交易均以港元(「港元」)及人民幣(「人民幣」)列值。本集團的融資租賃及資訊科技業務均位於中國內地，故須就相關成本承受人民幣匯率波動的風險。計及相關成本及利益，本集團並無正式採用任何對沖工具或衍生產品，惟本集團將繼續密切監控匯率風險。

或然負債

本公司或然負債詳情載於財務報表附註42(二零一六年：無)。

收購及出售附屬公司及聯屬公司

截至二零一七年及二零一六年十二月三十一日止年度收購及出售附屬公司之詳情於本公司年報內財務報告附註披露。除本年報內披露者外，本集團於截至二零一七年十二月三十一日止年度並無收購或出售任何主要附屬公司及聯屬公司。

重大投資

本集團於截至二零一七年十二月三十一日止年度並無收購或持有任何重大投資(二零一六年：零)。

資產抵押

於二零一七年十二月三十一日，由承租人持有且賬面值約人民幣1,858,100,000元(相等於約2,231,500,000港元)的融資租賃資產已抵押予銀行，作為本集團貸款融資之抵押品(二零一六年：人民幣1,858,100,000元(相當於約2,074,700,000港元))。

資本承擔

於二零一七年十二月三十一日，本集團並無任何重大資本承擔(二零一六年：零)。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團共僱用35名員工(二零一六年：35名)。本集團薪酬政策以公平為原則，為僱員提供具推動力，以表現為主且具市場競爭力。薪酬方案通常每年檢討。除薪金外，其他員工福利包括公積金供款、醫療保險及與表現掛鉤之花紅。本集團亦設有優先購股權計劃以獎勵及激勵員工。

Directors and Senior Management

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Cheung Wai Yin, Wilson, aged 47, is currently an executive director, the chairman, chief executive officer (“CEO”), compliance officer, member of the Nomination Committee, member of the Remuneration Committee, authorised representative and agent for service of process in Hong Kong of the Company and as a director of certain relevant subsidiaries of the Company. He is deemed a substantial shareholder of the Company. Mr. Cheung has over 20 years of experience in the field of audit, business development, corporate finance and financial management. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute. He holds a Master of Science degree in Financial Engineering from City University of Hong Kong and Bachelor degrees in Arts and Administrative Studies from York University, Canada.

Mr. Lau Chi Yan, Pierre, aged 42, is currently an executive director, the managing director, member of Nomination Committee, member of the Remuneration Committee and as a director of certain relevant subsidiaries of the Company. Mr. Lau has over 15 years of experience in the field of information system, operational system and general management. Mr. Lau holds an Executive Master Degree of Business Administration in General Management from University of Hull, the United Kingdom and a Bachelor of Science degree in Computer Science from University of Calgary, Canada. Besides, Mr. Lau is a member of Guangdong Huizhou Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議廣東省惠州市委員) and a member of The 12th All-China Youth Federation Committee (第十二屆中華全國青年聯合委員會).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Yeung Mo Sheung, Ann (“Ms. Yeung”), aged 53, has served as an independent non-executive Director of the Company since October 2012 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. She holds a Bachelor degree of Retail Marketing with honours in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She pursued her further study on legal course and has been awarded a Diploma in Legal Practice in the United Kingdom in 1998 and is presently a consultant of Messrs. Fung & Fung, Solicitors, a legal firm in Hong Kong. Ms. Yeung is currently an independent non-executive director, a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of Success Universe Group Limited, issued shares of which are listed on the Main Board of the Stock Exchange.

Furthermore, she is currently an independent non-executive director, a member of each of the audit committee, remuneration committee and nomination committee of E Lighting Group Holdings Limited, issued shares of which are listed on GEM. She is also the chairman of the nomination committee of this company.

執行董事

張偉賢先生，47歲，現為本公司之執行董事、主席、行政總裁（「行政總裁」）、監察主任、提名委員會成員、薪酬委員會成員、法定代表及香港接收法律文件代表以及本公司若干相關附屬公司的董事職務。彼亦被視為本公司之主要股東。張先生於審核、業務發展、企業融資及財務管理方面擁有逾20年經驗。張先生為香港會計師公會及香港證券及投資學會會員。彼持有香港城市大學之金融工程學碩士學位及加拿大 York University 之文學及行政學學士學位。

劉智仁先生，42歲，現為本公司之執行董事、董事總經理、提名委員會成員、薪酬委員會成員以及本公司若干相關附屬公司的董事。劉先生擁有超過15年資訊系統、營運系統和高層管理經驗。劉先生持有英國 University of Hull 行政人員工商管理（一般管理）碩士學位及加拿大 University of Calgary 電腦科學理學士學位。此外，劉先生亦為中國人民政治協商會議廣東省惠州市委員並為第十二屆中華全國青年聯合委員會委員。

獨立非執行董事

楊慕嫦女士（「楊女士」），53歲，自二零一二年十月起為本公司之獨立非執行董事及提名委員會成員、薪酬委員會成員及審核委員會成員。於英國取得零售市場學榮譽學士學位及英國特許市場學學會之市場學文憑。彼其後於一九九八年在英國進修法律課程並獲頒執業律師法律實務文憑，現為馮霄·馮國基律師行（一間香港律師行）之顧問。楊女士現為實德環球有限公司之獨立非執行董事及審核委員會成員、薪酬委員會成員及提名委員會成員，該間公司之已發行股份於聯交所主板上市。

此外，彼目前擔任壹照明集團控股有限公司（該公司的已發行股份於創業板上市）之獨立非執行董事、審核委員會、薪酬委員會及提名委員會各自之成員。彼亦為此公司的提名委員會主席。

Directors and Senior Management

董事及高級管理層

Mr. Ng Kay Kwok (“Mr. Ng”), aged 55, has served as an independent non-executive Director of the Company since July 2013 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. He graduated from the Australian National University with a Bachelor’s Degree in Economics and obtained a Graduate Diploma in Accounting from Macquarie University. He is a member of CPA Australia and has extensive experience in accounting and financial management. In addition, Mr. Ng was an executive director and the chief executive officer of GET Holdings Limited (“GET”), a company listed on GEM, from 9 July 2010 to 31 May 2011 and from 29 May 2012 to 24 May 2013, he was also the company secretary of GET from 1 January 2007 to 31 May 2011. Mr. Ng is currently an independent non-executive director, the chairman of the audit committee, a member of the nomination committee and the remuneration committee of China Fortune Financial Group Limited, a company listed on the Main Board of the Stock Exchange.

Mr. Au-yeung Sei Kwok (“Mr. Au-yeung”), aged 57, was appointed an independent non-executive Director of the Company and a member of the Nomination Committee, the Remuneration Committee and the Audit Committee on 27 February 2017. He has over 30 years of experience in business development and management. Mr. Au-yeung holds a Master degree of Business Administration in Business Management from University of Hull and a Bachelor of Science degree in Mechanical Engineering from University of Newcastle upon Tyne, the United Kingdom. Mr. Au-yeung is also enthusiastic in social affairs and currently serves as the Vice Chairman of Senate of Democratic Alliance for Betterment of Hong Kong.

SENIOR MANAGEMENT

Mr. Lai Yau Hong, Thomson, aged 55, joined the Group in December 2010, is the company secretary of the Company. Mr. Lai has over 22 years of experience in company secretarial duties as well as corporate governance and management fields and has taken up senior management positions in a number of multinational conglomerates and companies listed on the Stock Exchange. He is an associate member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

吳祺國先生(「吳先生」)，55歲，自二零一三年七月起為本公司之獨立非執行董事及提名委員會成員、薪酬委員會成員及審核委員會成員。彼畢業於澳洲國立大學並取得經濟學學士學位，及獲得Macquarie University會計深造文憑。彼為澳洲會計師公會會員，於會計及財務管理方面擁有豐富經驗。此外，由二零一零年七月九日至二零一一年五月三十一日及由二零一二年五月二十九日至二零一三年五月二十四日，吳先生擔任創業板上市公司智易控股有限公司(「智易」)之執行董事及行政總裁。彼亦於二零零七年一月一日至二零一一年五月三十一日擔任智易之公司秘書。吳先生現為中國富強金融集團有限公司(該公司於聯交所主板上市)之獨立非執行董事及審核委員會主席、提名委員會成員及薪酬委員會成員。

歐陽士國先生(「歐陽先生」)，57歲，於二零一七年二月二十七日獲委任為本公司獨立非執行董事，以及提名委員會、薪酬委員會及審核委員會之成員。歐陽先生於商業發展及管理上擁有逾三十年的經驗。歐陽先生於赫爾大學持有工商管理碩士學位，並持有英國泰恩河畔紐卡素大學機械工程學學士學位。歐陽先生亦熱衷於社會事務，現為民建聯監察委員會副主席。

高級管理層

賴祐康先生，55歲，於二零一零年十二月加入本集團，為本公司之公司秘書。賴先生於公司秘書職務以及公司管治及管理領域方面擁有超過22年經驗，並於多間於聯交所上市之跨國集團及公司擔任高級管理職位。彼為英國特許秘書及行政人員公會及香港特許秘書公會之會員。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of the transparency and accountability to shareholders of the Company (the "Shareholders"). It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders. Throughout the year ended 31 December 2017, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules, except for the following deviations from the code provisions of the Code:

Code Provision A.2.1

The Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

There is no separation of the roles of chairman and chief executive officer as set out in the Code Provision A.2.1.

Mr. Cheung Wai Yin, Wilson currently assumes the roles of both the chairman and chief executive officer of the Company. Traditionally, the chief executive officer of the Company also assumes the role of the chairman of the Company because it is believed that the structure of the Board ensures the balance of power and authority therefore no need to segregate the roles of the chairman and chief executive officer of the Company. Mr. Cheung Wai Yin, Wilson, has substantial experience that is essential to fulfilling the role of the chairman of the Company, at the same time, he has the appropriate management skills and business acumen that are the prerequisites for assuming the role of the chief executive officer of the Company in the day-to-day management of the Group.

The Board is currently composed of five directors including three independent non-executive directors with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the roles of the management of the Company's major operating subsidiaries are performed by the managing director and other individuals. The balance of power and authority is therefore ensured by the current structure of the Board. Whilst it does not believe that such role separation will improve the corporate performance, the Board, as well as the Company, intends to comply with this code provision by seeking and appointing suitable candidate with appropriate background, acknowledge, experience and calibre to assume the role as the chairman of the Company.

企業管治常規

本公司一向認同對本公司股東(「股東」)的透明度及問責之重要性。董事會深信良好之企業管治能使股東獲得最大利益。本公司致力維持及確保高水平之企業管治，以符合股東之利益。董事會已審閱本集團之企業管治常規，並且信納本公司於截至二零一七年十二月三十一日止年度，除下列各項偏離創業板上市規則附錄十五所載之企業管治守則之守則條文外，一直遵守守則之守則條文：

守則條文第 A.2.1 條

守則條文第 A.2.1 條規定主席及行政總裁之職務須分立並不應由同一人出任。

主席及行政總裁之職務並無如守則條文第 A.2.1 條所載作出分立。

張偉賢先生現時兼任本公司主席及行政總裁之職務。傳統上，由於本公司相信董事會之架構確保權力及職權能取得平衡，本公司行政總裁亦兼任本公司主席之職務，因此毋須將本公司主席及行政總裁之職務分立。張偉賢先生擔任本公司主席之職務，擁有擔任該職責所需之豐富經驗，同時，彼擁有合適之管理技巧及商業觸覺，此乃擔任本公司行政總裁於本集團日常管理中必不可缺的元素。

董事會現時由五名董事組成，包括三名獨立非執行董事，可於能力及經驗上取得平衡，符合本集團之要求。此外，本公司主要營運附屬公司管理層之職務由董事總經理及其他個別人士履行。因此，董事會之現行架構確保權力及職權之平衡。儘管本公司不認為該職務分立可改善企業表現，董事會及本公司擬透過尋求及委任擁有適合背景、知識、經驗及才幹之合適候選人擔任本公司主席之職務，以遵守本守則條文。

Corporate Governance Report

企業管治報告

Code Provision A.4.2

The Code Provision A.4.2 provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the articles of association of the Company, any director appointed to fill a casual vacancy shall hold office only until the next following AGM and shall then be eligible for re-election.

The Board considers that the Company is in compliance with paragraph 4(2) of Appendix 3 under the GEM Listing Rules and such a deviation is not material as casual vacancy is expected seldom happens and duration between appointment to fill casual vacancy and the immediate following AGM is less than one year and is considered to be short.

Pursuant to the articles of association of the Company, the Chairman and the managing director of the Company shall not be subject to retirement by rotation or also not be taken into account in determining the number of directors to retire in each year. The Board considers that the continuity of the Chairman and the managing director and their leaderships will be essential for the stability of the key management of the Board. On the other hand, the Board will ensure that the directors of the Company other than the Chairman and the managing director will rotate at least once every three years in order to comply with the Code Provision A.4.2.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has not adopted a code of conduct nor established written guidelines regarding the securities transactions by the directors and relevant employees of the Company but has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all directors of the Company and the Company is not aware of any non-compliance with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 31 December 2017.

THE BOARD

The Board is charged with the responsibility for the promotion of the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith and should take decision objectively in the best interests of the Company.

守則條文第 A.4.2 條

守則條文第 A.4.2 條規定所有獲委任以填補臨時空缺之董事應由股東於彼等獲委任後首屆股東大會上推選。每名董事(包括有特定任期的董事)應最少每三年輪值告退一次。

根據本公司組織章程細則，任何獲委任以填補臨時空缺之董事將留任直至下屆股東週年大會，其後將合資格重選連任。

董事會認為，本公司已遵守創業板上市規則附錄三第 4(2) 段的規定，而由於預期鮮有出現臨時空缺，加上委任人選填補臨時空缺與緊隨下屆股東週年大會相隔不足一年，認為有關時間甚短，故有關偏離事項不屬重大。

根據本公司組織章程細則，本公司主席及董事總經理毋須輪值告退，或於釐定每年須告退之董事人數時亦不會計算在內。董事會認為，主席及董事總經理及彼等領導之延續性對維持董事會主要管理層之穩定實屬必要。另一方面，董事會將確保本公司董事(除主席及董事總經理以外)將最少每三年輪值一次，以符合守則條文第 A.4.2 條。

董事進行證券交易的標準守則

本公司並無就本公司董事及相關僱員進行證券交易採納操守守則或設立書面指引，惟已應用創業板上市規則第 5.48 至第 5.67 條所載之交易必守標準原則。本公司亦已向本公司全體董事作出特定查詢，而本公司並不知悉於截至二零一七年十二月三十一日止年度有任何違反載於創業板上市規則第 5.48 至第 5.67 條之交易必守標準之情況。

董事會

董事會之責任為盡責有效地指引及監督公司事務，以帶領本公司踏上成功之路。每名董事均有責任忠實地為本公司最佳利益行事，所作決策亦須符合本公司最佳利益。

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Matters reserved for the Board's decision include those relating to:

- the strategic direction of the Group;
- the objectives of the Group;
- monitoring the performance of the management of the Group;
- ensuring prudent and effective control measures are in place;
- material bank facilities arrangements;
- material acquisitions and disposals of assets and significant investments;
- material transactions with connected persons;
- material corporate finance transactions including placing or sale of shares or convertible bonds, corporate restructuring, take-over, including approval of the announcements and the circulars;
- reviewing and approving quarterly results, half-yearly results and annual financial statements, declaration of dividends;
- appointment, re-appointment of auditors and determination of their remuneration; and
- reviewing and determination of the terms and remuneration of the Directors.

須由董事會議決之事宜如下：

- 本集團的策略方針；
- 本集團的目標；
- 監察本集團管理層之表現；
- 確保實行審慎及有效之監控措施；
- 重大銀行信貸安排；
- 重大的資產收購及出售與重大投資；
- 與關連人士進行重大交易；
- 配售或出售股份或可換股債券、公司重組、收購(包括審批有關公佈及通函)等重大企業融資交易；
- 審閱及審批季度業績、中期業績及年度財務報告、宣派股息；
- 委任、續聘核數師及釐定其酬金；及
- 審閱及釐定董事之聘用條件及酬金。

The management of the Group was delegated the authority and responsibility by the Board for managing the businesses of the Group, with division heads responsible for different aspects of the business. The Board meets at least four times each year and meets as and when required. Appropriate and sufficient information including notices were provided to the Board's members in a timely manner. During the year ended 31 December 2017, the Board held ten meetings. The attendance of a director appointed part way during this financial year is stated by reference to the number of meetings held during his/ her tenure. The attendance of the Directors at the Board's meetings (either in person or by phone) is set out as follows:

董事會已授予本集團管理層權力及責任，以管理本集團之業務，其中各部門主管負責不同範疇之業務。董事會每年最少舉行四次會議，並可在必要時隨時召開會議。董事會成員已適時獲提供適當及足夠之資料(包括通告)。於截至二零一七年十二月三十一日止年度，董事會已舉行十次會議。於本財政年度中獲委任董事的出席情況乃根據其任期內所舉行的會議次數而列出。董事(親身或透過電話)出席董事會會議情況如下：

Name of the Directors	董事姓名	Number of attendance 出席次數
Cheung Wai Yin, Wilson	張偉賢	9/9
Lau Chi Yan, Pierre	劉智仁	9/9
Yeung Mo Sheung, Ann	楊慕嫦	9/9
Ng Kay Kwok	吳祺國	9/9
Yip Kat Kong, Kenneth (resigned on 27 February 2017)	葉吉江 (於二零一七年二月二十七日辭任)	2/2
Au-yeung Sei Kwok (appointed on 27 February 2017)	歐陽士國 (於二零一七年二月二十七日委任)	7/7

Corporate Governance Report

企業管治報告

The company secretary of the Company is responsible for taking minutes of the Board's meetings and all Board's minutes are open for inspection by the Directors upon reasonable notice. During the year ended 31 December 2017, the company secretary has taken over 15 hours of relevant professional training.

本公司之公司秘書負責就董事會之會議進行會議記錄，所有董事會會議記錄經合理通知後可供董事查閱。截至二零一七年十二月三十一日止年度，公司秘書已參加超過15小時之相關專業培訓。

The Directors are enabled, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

董事可按合理要求，在適當情況下尋求獨立專業意見，費用由本公司支付。董事會應議決另外為董事提供合適之獨立專業意見，以協助有關董事履行其職務。

Appropriate insurance cover has been arranged in respect of the legal action against the Directors and the management of the Group. The Board considers that the Group has sufficient and appropriate liability insurance to cover the Directors and the management of the Group against any legal liability arising from their performance of duties.

本公司已安排適當保險，以於董事及本集團管理層面臨法律訴訟時獲得保障。董事會認為，本集團已投保充足及適當之責任保險，一旦董事及本集團管理層因履行職務而負上任何法律責任，亦可獲得保障。

During the year ended 31 December 2017, each Director has ensured that he can give sufficient time and attention to the Company's affairs and has participated in continuous professional development to develop and refresh their knowledge and skills.

於截至二零一七年十二月三十一日止年度，各董事已確保能付出足夠時間及專注處理本公司事務，並已參與持續專業發展，以發展及更新其知識及技術。

Name of Directors 董事姓名	Training received 所接受培訓
Cheung Wai Yin, Wilson 張偉賢	Attending seminars and forums/reading materials/in house briefing on regulatory and corporate governance matters 參加講座及論壇／閱讀資料／接受內部闡述有關監管規定及企業管治之事項
Lau Chi Yan, Pierre 劉智仁	Attending seminars and forums/reading materials/in house briefing on regulatory and corporate governance matters 參加講座及論壇／閱讀資料／接受內部闡述有關監管規定及企業管治之事項
Yeung Mo Sheung, Ann 楊慕嫦	Attending seminars and forums/reading materials/in house briefing on regulatory and corporate governance matters 參加講座及論壇／閱讀資料／接受內部闡述有關監管規定及企業管治之事項
Ng Kay Kwok 吳祺國	Attending seminars and forums/reading materials/in house briefing on regulatory and corporate governance matters 參加講座及論壇／閱讀資料／接受內部闡述有關監管規定及企業管治之事項
Yip Kat Kong, Kenneth (resigned on 27 February 2017) 葉吉江 (於二零一七年二月二十七日辭任)	Attending seminars and forums/reading materials/in house briefing on regulatory and corporate governance matters 參加講座及論壇／閱讀資料／接受內部闡述有關監管規定及企業管治之事項
Au-yeung Sei Kwok (appointed on 27 February 2017) 歐陽士國 (於二零一七年二月二十七日委任)	Attending seminars and forums/reading materials/in house briefing on regulatory and corporate governance matters 參加講座及論壇／閱讀資料／接受內部闡述有關監管規定及企業管治之事項

Corporate Governance Report

企業管治報告

BOARD'S COMPOSITION

As at the date of this Annual Report, the Board comprises two executive directors, namely Mr. Cheung Wai Yin, Wilson (also acting as the Chairman and CEO) and Mr. Lau Chi Yan, Pierre (also acting as the Managing Director) and three INEDs, namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Au-yeung Sei Kwok. The Board has maintained a balance of skills, experience and diversity of perspectives appropriate to the requirements, promotion and development of the businesses of the Group. Its composition represents a mixture of management, technical, marketing, procurement, legal, accounting and finance which is relevant in managing the businesses in which the Group is engaged.

The Company has received annual confirmation of independence from the three INEDs of the Company in accordance with Rule 5.09 of the GEM Listing Rules. The Board has assessed their independence and concluded that all INEDs of the Company are independent within the definition of the GEM Listing Rules.

The Board's members have no financial, business, family or other material/relevant relationships with each other. Such balanced composition of the Board is formed to ensure strong independence exists across the Board and has met the GEM Listing Rules for the Board to have at least one-third in number of its members comprising the INEDs. The biographies of the Directors are set out in the section headed "Directors and Senior Management" in this Annual Report, which demonstrate a diversity of skills, expertise, experience and qualifications.

THE CHAIRMAN AND THE CEO

Presently, Mr. Cheung Wai Yin, Wilson assumes the roles of both the Chairman and the CEO of the Company. The reasons for the deviation from the Code Provision A2.1 under the Code are set out in the section headed "Corporate Governance Practices" above.

RE-ELECTION AND RETIREMENT OF THE DIRECTORS

The articles of association of the Company provide that (i) each Director (except the Chairman and the managing director) is required to retire by rotation and that one-third (or the number nearest to but not greater than one-third) of the Directors shall retire from office by rotation and be eligible for re-election at each AGM of the Company; and (ii) any Director appointed by the Board, either to fill a casual vacancy on or as an addition to the existing Board, will hold office only until the next following AGM of the Company and shall then be eligible for re-election at that meeting.

董事會之組成

於本年報日期，董事會成員包括兩名執行董事(張偉賢先生(同時擔任主席及行政總裁)及劉智仁先生(同時擔任董事總經理))、及三名獨立非執行董事(楊慕嫦女士、吳祺國先生及歐陽士國先生)。董事會具備適當所需技巧、經驗及多樣的觀點與角度，切合本集團業務所需，並能促進及發展本集團之業務。董事會成員擁有各項技能，包括管理、專業技術、市場推廣、採購、法律、會計及財務等，適用於管理本集團從事之業務。

本公司已接獲本公司三名獨立非執行董事根據創業板上市規則第5.09條就其獨立性發出之每年確認函。董事會已評估彼等之獨立性，認為本公司所有獨立非執行董事均為獨立人士(定義見創業板上市規則)。

董事會成員間並沒有任何財務、業務、家族或其他重大/相關關係。維持董事會之組成平衡之目的為確保董事會高度獨立，並且符合創業板上市規則董事會須有最少三分之一成員為獨立非執行董事之規定。各董事之履歷載於本年報「董事及高級管理層」一節，當中詳列各董事所擁有之各項技能、專業知識、經驗及資格。

主席及行政總裁

張偉賢先生現時同時擔任本公司主席及行政總裁。本公司偏離守則之守則條文A.2.1條之原因載於上文「企業管治常規」一節。

董事重選及告退

本公司組織章程細則規定：(i)每位董事(主席及董事總經理除外)須輪值告退，而三分之一(或最接近但不得多於三分之一之人數)之董事須於本公司每屆股東週年大會上輪值告退，並符合資格重選連任；及(ii)任何獲董事會委任之董事(不論為填補臨時空缺或新增於現時董事會之董事)將留任直至本公司下屆股東週年大會，並將符合資格於該股東週年大會上重選連任。

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INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the INEDs of the Company has filed a written confirmation to the Company confirming his independence pursuant to Rule 5.09 of the GEM Listing Rules and has undertaken to inform the Stock Exchange and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this Annual Report, the Board still considers the INEDs of the Company to be independent. All INEDs of the Company are appointed for a term of one year and are subject to retirement by rotation and re-election at the AGM of the Company in accordance with the articles of association of the Company.

THE COMPANY SECRETARY

The Company has appointed and employed, on a full time basis, Mr. Lai Yau Hong, Thomson as the company secretary. He is an associate member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and is an individual who, by virtue of his professional qualifications and relevant experience, is, in the opinion of the Board, capable of discharging the functions of company secretary. During the year ended 31 December 2017, the company secretary has taken over 15 hours of relevant professional training.

The company secretary is responsible not just for taking minutes of the Board's meetings but also for supporting the board by ensuring good information flow within the Board and that board policy and procedures are followed and for advising the Board through the Chairman and the CEO on governance matters and also for facilitating induction and professional development of directors.

The company secretary reports to the Chairman and the CEO while all directors have access to the advice and services of him to ensure that board procedures, and all applicable law, rules and regulations, are followed.

A physical board meeting is required to be held to discuss and approve any change in the company secretary.

BOARD COMMITTEES

The Board has established three committees, namely the Nomination Committee, the Remuneration Committee and the Audit Committee, with clearly defined written terms of reference. The main roles and responsibilities of these three committees, including all authorities delegated to them by the Board, as set out in the terms of reference, are published on the Company's website at www.merdeka.com.hk. The different committees' independent views and recommendations not only ensure proper control of the Group but also the continual achievement of the high corporate governance standards expected of a listed company. The chairman of each committee reports the outcome of the committee's meetings to the Board for further discussion and approval.

獨立非執行董事

本公司各獨立非執行董事已根據創業板上市規則第5.09條向本公司提呈確認函，以確認彼之獨立性，並承諾日後如出現影響其獨立性之任何變化，會於切實可行之情況下盡快知會聯交所及本公司。截至本年報日期，董事會仍認為本公司獨立非執行董事屬獨立人士。本公司所有獨立非執行董事的任期均為一年，惟彼等須根據本公司組織章程細則於本公司股東週年大會上輪值告退及重選連任。

公司秘書

本公司按全職基準委任及聘用賴祐康先生為公司秘書。彼為英國特許秘書及行政人員公會及香港特許秘書公會之會員。董事會認為，憑藉其專業資質及相關經驗，賴祐康先生能夠履行公司秘書之職能。截至二零一七年十二月三十一日止年度，公司秘書已參加超過15小時相關專業培訓。

本公司之公司秘書不僅負責就董事會之會議進行會議記錄，亦須支援董事會工作，確保董事會內信息流動暢順、遵守董事會政策及程序、透過主席及行政總裁就管治事務向董事會提供建議以及促進對董事之指導及其專業發展。

公司秘書須向董事會主席及行政總裁匯報，而所有董事均能獲得公司秘書之建議及服務，以確保董事會程序以及所有適用法律、規則及法規獲得遵守。

本公司須舉行實際董事會會議，以討論及批准公司秘書之任何變更。

董事會委員會

董事會已成立三個委員會，分別為提名委員會、薪酬委員會及審核委員會，各具清晰界定之權責範圍書。三個委員會之主要角色及職責，包括董事會授予之一切權力，均在權責範圍書內加以說明，並刊登在本公司網站 www.merdeka.com.hk。不同委員會所提供之獨立意見與建議，不但可確保本集團實行適當的監控，更可保證本集團持續保持上市公司應有之高水平企業管治。各委員會會議之結果，經委員會之主席向董事會匯報，以作進一步商討和批核。

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企業管治報告

Nomination Of The Directors

Pursuant to the requirements of the GEM Listing Rules, the Company has established the Nomination Committee in 2012 with specific written terms of reference in line with the code provisions under the Code.

The responsibilities and authorities of the Nomination Committee include such responsibilities and authorities set out in the relevant code provisions of the Code and its duties include: (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of INEDs; and (iv) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the CEO.

The Nomination Committee will at all times, have a minimum of three members, a majority of which shall be INEDs and presently consists of five members comprising three INEDs, namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Au-yeung Sei Kwok and two executive directors, namely Mr. Cheung Wai Yin, Wilson and Mr. Lau Chi Yan, Pierre. The chairman of the Nomination Committee is elected by the members who are present at the meeting.

The Nomination Committee will meet as and when required to discharge its responsibilities, but not less than once a year. During the year ended 31 December 2017, the Nomination Committee held one meeting. The attendance of a member appointed as a director part way during this financial year is stated by reference to the number of meetings held during his/her tenure. The attendance of the members of the Nomination Committee at the Nomination Committee's meetings (either in person or by phone) is set out as follows:

Name of the members of the Nomination Committee	提名委員會成員姓名	Number of attendance 出席次數
Cheung Wai Yin, Wilson	張偉賢	2/2
Lau Chi Yan, Pierre	劉智仁	2/2
Yeung Mo Sheung, Ann	楊慕嫦	2/2
Ng Kay Kwok	吳祺國	2/2
Au-yeung Sei Kwok	歐陽士國	2/2

For the year ended 31 December 2017, the members of the Nomination Committee have reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on proposed changes to the Board to complement the Company's corporate strategy. The Nomination Committee also identified and selected individuals suitably qualified to become Directors of the Company and make recommendations to the Board on the respective appointment of individuals nominated for directorships.

董事之提名

根據創業板上市規則的規定，本公司已於二零一二年成立提名委員會，其特定的權責範圍書符合守則之守則條文。

提名委員會之職務及權力包括守則之相關條文所載之有關職務及權力，其職務包括：(i) 最少每年一次審閱董事會的架構、人數及組成(包括技能、知識及經驗)，並就任何為配合本公司之公司策略而擬對董事會作出之變動提出建議；(ii) 物色具備合適資格可擔任董事會成員之人士，並挑選提名有關人士出任董事或就此向董事會提供意見；(iii) 評核獨立非執行董事的獨立性；及(iv) 就委任或重新委任董事以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

提名委員會於所有時間，必須具備最少三名成員，當中大部分須為獨立非執行董事。現時包括五名成員，當中包括三名獨立非執行董事楊慕嫦女士、吳祺國先生及歐陽士國先生，以及兩名執行董事張偉賢先生及劉智仁先生。提名委員會主席由出席會議之成員推選。

提名委員會於有需要履行其責任時舉行會議，惟不少於每年一次。於截至二零一七年十二月三十一日止年度，提名委員會已舉行一次會議。於本財政年度中獲委任為董事之成員的出席情況乃根據其任期內所舉行的會議次數而列出。提名委員會成員(親身或透過電話)出席提名委員會會議情況如下：

截至二零一七年十二月三十一日止年度，提名委員會成員已審閱董事會的架構、人數及組成(包括技能、知識及經驗)，並就配合本公司之公司策略而擬對董事會作出之變動提出建議。提名委員會亦已物色及挑選具備合適資格可擔任本公司董事之人士，並就提名有關人士出任董事向董事會提供意見。

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The Nomination Committee has assessed the independence of INEDs for the year ended 31 December 2017.

During the year ended 31 December 2017, the Nomination Committee was provided with sufficient resources to perform its duties and responsibilities and at the Company's expense to seek independent professional advice, where and when necessary.

Remuneration of the Directors

Pursuant to the requirements of the GEM Listing Rules, the Company has established the Remuneration Committee in 2005 with specific written terms of reference in line with the code provisions under the Code. The Remuneration Committee is mainly responsible for (i) making recommendations to the Board on the policy and structure for the remuneration of the directors and the senior management of the Group; (ii) reviewing the remuneration package including the performance-based bonus and incentive rewards for the executive Directors and the senior management of the Group; and (iii) reviewing and making recommendations to the Board the compensation, if any, payable to the executive directors and senior management in connection with any loss or termination of their office or appointment.

The Remuneration Committee consists of five members comprising three INEDs, namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Au-yeung Sei Kwok and two executive directors, namely Mr. Cheung Wai Yin, Wilson and Mr. Lau Chi Yan, Pierre. The chairman of the Remuneration Committee is elected by the members who are present at the meeting.

During the year ended 31 December 2017, the Remuneration Committee held one meeting. The attendance of a member appointed as a director part way during this financial year is stated by reference to the number of meetings held during his/her tenure. The attendance of the members of the Remuneration Committee at the Remuneration Committee's meetings (either in person or by phone) is set out as follows:

提名委員會已評估獨立非執行董事截至二零一七年十二月三十一日止年度之獨立性。

於截至二零一七年十二月三十一日止年度，提名委員會已提供足夠資源以履行其職務及責任，並於有需要時由本公司承擔開支尋求專業意見。

董事之薪酬

根據創業板上市規則規定，本公司已於二零零五年成立薪酬委員會，其特定的職權範圍書符合守則之守則條文。薪酬委員會主要職責為(i)就本集團董事及高級管理層之薪酬政策及架構向董事會提供建議；(ii)審閱授予執行董事及本集團高級管理層之薪酬條件，包括與表現掛鈎之花紅及獎賞；及(iii)審閱應付予執行董事及高級管理層有關任何離職或終止任命之補償(如有)，並就此向董事會提供建議。

薪酬委員會由五名成員組成，當中包括三名獨立非執行董事楊慕嫦女士、吳祺國先生及歐陽士國先生，以及兩名執行董事張偉賢先生及劉智仁先生。薪酬委員會主席由出席會議之成員推選。

於截至二零一七年十二月三十一日止年度，薪酬委員會已舉行一次會議。於本財政年度中獲委任為董事之成員的出席情況乃根據其任期內所舉行的會議次數而列出。薪酬委員會成員(親身或透過電話)出席薪酬委員會會議情況如下：

Name of the members of the Remuneration Committee	薪酬委員會成員姓名	Number of attendance	出席次數
Cheung Wai Yin, Wilson	張偉賢	2/2	2/2
Lau Chi Yan, Pierre	劉智仁	2/2	2/2
Yeung Mo Sheung, Ann	楊慕嫦	2/2	2/2
Ng Kay Kwok	吳祺國	2/2	2/2
Au-yeung Sei Kwok	歐陽士國	2/2	2/2

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During such meetings, the current framework, policies and structure for the remuneration of the directors and the senior management of the Group was reviewed by the members of the Remuneration Committee who reported to the Board of their reviews with recommendations. The Remuneration Committee also reviewed the specific remuneration packages including the terms of employment, incentive rewards and performance-based bonus of the executive Directors and the senior management of the Group and the fees payable to the INEDs of the Company.

The primary objective of the Group's remuneration policy is to retain and motivate the executive Directors and the senior management of the Group by linking their rewards to the corporate and individual performance, job complexity and responsibilities, so that the interests of the executive Directors are aligned with those of the Shareholders. No Director can, however, approve his/her own remuneration.

In order to attract, retain and motivate the executives and the employees serving for the Group, the Company has adopted the share option scheme in 2012. The share option scheme enable the eligible participants to obtain an ownership interest in the Company by payment of the exercise price with reference to the market price of the Shares at the time of grant and thus to reward to the participants who contribute to the success of the Group's operations.

Details of the amount of the Directors' emoluments are set out in note 9 to the financial statements in this Annual Report and details of the share option scheme adopted by the Company on 3 May 2012 are set out in the section headed "Report of the Directors" in this Annual Report.

Audit Committee

The Company has established the Audit Committee in 2001 with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company's financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee consisted of three members comprising three INEDs, namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Au-yeung Sei Kwok, one of whom is a qualified accountant and has extensive experience in accounting and financial matters. The chairman of the Audit Committee is elected by the members who are present at the meeting. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to give advice on the Board's strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the external auditors and all employees of the Company.

薪酬委員會於該會議上審閱本集團董事及高級管理層之現行薪酬框架、政策及架構，且已向董事會報告其審閱結果及有關建議。薪酬委員會亦已審閱特定薪酬條件，包括執行董事及本集團高級管理層之聘任條件、獎賞及與表現掛鈎花紅，以及應付予本公司獨立非執行董事之袍金等事宜。

本集團薪酬政策之主要目的，乃將執行董事及本集團高級管理層之薪酬與企業及個人之表現、其工作性質及職責掛鈎，藉此挽留及激勵彼等人士，使執行董事與股東的利益保持一致。然而，董事不得批核其本身之薪酬。

為吸引、挽留及激勵行政人員及僱員為本集團服務，本公司於二零一二年採納優先購股權計劃。優先購股權計劃讓合資格參與人可透過支付於授出優先購股權時參考股份之市價釐定之行使價而擁有本公司之權益，藉此回饋對本集團經營業務的成功作出貢獻之參與人。

董事酬金數額詳情載於本年報財務報告附註9內，而本公司於二零一二年五月三日採納之優先購股權計劃詳情則載於本年報「董事會報告書」一節內。

審核委員會

本公司已於二零零一年成立審核委員會，並根據創業板上市規則規定制訂特定的權責範圍書。審核委員會主要職責為確保本公司財務報告及內部監控程序客觀及可信，以及與本公司外聘核數師維持恰當關係。

審核委員會由三名成員組成，包括三名獨立非執行董事楊慕嫻女士、吳祺國先生及歐陽士國先生，其中一人為合資格會計師，並在會計及財務方面具備豐富經驗。審核委員會主席由出席會議之成員推選。審核委員會所有成員均具備必要的相關行業或法律、會計及財務經驗，可就董事會策略及其他相關事宜提供意見。審核委員會所有成員可完全自由地與外聘核數師及本公司全體僱員聯繫。

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The Audit Committee is mainly responsible for (i) reviewing the Company's quarterly results, half-yearly results and annual financial statements and making recommendations as to the approval of the Company's quarterly results, half-yearly results and annual financial statements by the Board; (ii) reviewing and making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the terms of engagement including the remuneration of the external auditors; (iii) discussing with the external auditors the nature and scope of the audit; (iv) monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standards; (v) reviewing and monitoring financial reporting and the reporting judgement contained in them; and (vi) reviewing financial and internal control (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget), accounting policies and practices with the management of the Group, and internal and external auditors of the Company.

During the year ended 31 December 2017, the Audit Committee held four meetings. The attendance of a member appointed as a director part way during this financial year is stated by reference to the number of meetings held during his/her tenure. The attendance of the members of the Audit Committee at the Audit Committee's meetings (either in person or by phone) is set out as follows:

Name of the members of the Audit Committee	審核委員會成員姓名	Number of attendance	出席次數
Yeung Mo Sheung, Ann	楊慕嫻	4/4	4/4
Ng Kay Kwok	吳祺國	4/4	4/4
Au-yeung Sei Kwok	歐陽士國	4/4	4/4

For the year ended 31 December 2017, the members of the Audit Committee have met with the Group's external auditors to discuss the annual audit plan. The meeting of the Audit Committee was attended by the members of the Audit Committee and the external auditors of the Company. The external auditors also made presentations to the Audit Committee on the findings on key issues addressed in the annual audit.

For the year ended 31 December 2017, the Audit Committee reviewed the accounting principles and practices adopted by the Company and discussed with the management of the Group the financial reporting matters. The Audit Committee also reviewed the internal control and risk management system of the Group with the internal auditor. The Audit Committee also reviewed the quarterly results for the period ended 31 March 2017 and 30 September 2017, the half-yearly results for the period ended 30 June 2017 and the annual results for year ended 31 December 2017 of the Company, and confirmed that the preparation of such complied with the applicable accounting principles and practices adopted by the Company, the requirements of the Stock Exchange and adequate disclosures has been made, before announcement of these results.

審核委員會主要負責 (i) 審閱本公司季度業績、中期業績與年度財務報告，並就董事會審批本公司季度業績、中期業績及年度財務報告提供建議；(ii) 審閱外聘核數師之委任、續聘及罷免，以及其聘用條件（包括外聘核數師酬金），並就此向董事會提供建議；(iii) 與外聘核數師討論審核工作之性質及範圍；(iv) 根據適用準則，監察及評估外聘核數師的獨立性及客觀性，以及核數過程之成效；(v) 審閱及監察財務報告及報告所載之判斷；及 (vi) 與本集團管理層及本公司內部及外聘核數師審閱財務及內部監控（包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足）、會計政策及實務守則。

於截至二零一七年十二月三十一日止年度，審核委員會已舉行四次會議。於本財政年度中獲委任為董事之成員的出席情況乃根據其任期內所舉行的會議次數而列出。審核委員會成員（親身或透過電話）出席審核委員會會議情況如下：

截至二零一七年十二月三十一日止年度，審核委員會成員與本集團外聘核數師舉行會議，商討年度審核計劃。審核委員會成員及本公司外聘核數師均有出席該次審核委員會之會議。外聘核數師亦向審核委員會作出匯報，闡述年度審核發現的主要問題。

截至二零一七年十二月三十一日止年度，審核委員會已審閱本公司採納之會計原則及實務守則，並與本集團管理層討論財務報告事項。審核委員會亦已與內部核數師審閱本集團內部監控及風險管理制度。審核委員會亦已於公佈本公司截至二零一七年三月三十一日及二零一七年九月三十日止期間之季度業績、截至二零一七年六月三十日止期間之中期業績及截至二零一七年十二月三十一日止年度之全年業績前審閱該等業績，並確認有關業績之編製已遵守本公司採納之適用會計原則及慣例以及聯交所之規定，並已作出充分之披露。

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The Audit Committee recommended to the Board to review the re-appointment of Messrs. Elite Partners CPA Limited as the Company's external auditors subject to the Shareholders' approval at the forthcoming AGM of the Company.

AUDITORS' REMUNERATION

During the year ended 31 December 2017, the remuneration paid/payable to the external auditors of the Group, Elite Partners CPA Limited, is set out as follows:

Services rendered	所提供服務	Fees paid/payable 已付／應付費用 HK\$'000 千港元
Audit services	審核服務	800

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such financial statements. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

The statement of the external auditors of the Company, Messrs. Elite Partners CPA Limited, with regard to their reporting responsibilities on the Company's financial statements is set out in the section headed "Independent Auditors' Report" in this Annual Report.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Board therefore continues to adopt the going concern approach in preparing the accounts.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board is entrusted with the overall responsibility for establishing and maintaining the Group's internal control system and reviewing their effectiveness. The Group's internal control system has been designed for safeguarding assets, maintaining proper accounting records and ensuring reliability of the financial information. Through the Company's internal audit team, the Board has conducted a review of the effectiveness of the internal control system of the Group which covers all material controls, including operational, financial and compliance controls and risk management functions.

審核委員會建議董事會審閱續聘開元信德會計師事務所有限公司為本公司外聘核數師之任命，有關任命須待股東於本公司應屆股東週年大會上批准後方可作實。

核數師酬金

於截至二零一七年十二月三十一日止年度，已付／應付本集團外聘核數師開元信德會計師事務所有限公司之酬金如下：

董事就有關財務報告之責任

董事知悉彼等須負責編製本公司財務報告，並確保報告根據法定規定及適用會計準則編製。董事亦須確保準時刊發該等財務報告。董事致力就本集團現況及前景提呈持平且易於理解之評估。

本公司外聘核數師開元信德會計師事務所有限公司就彼等對本公司財務報告須承擔的申報責任所發表之聲明，載於本年報「獨立核數師報告」一節。

董事確認，在作出一切合理查詢後，就彼等所知、所悉及確信，彼等並沒有發現可能重大質疑本公司持續經營能力的任何重大不明朗事件或情況。因此，董事會繼續採納持續經營基準編製賬目。

內部監控及內部審核

董事會全面負責建立與維持本集團內部監控制度及檢討該制度之成效。本集團內部監控制度乃是為保障資產、妥善置存會計記錄及確保財務資料之可靠而設。透過本公司內部審核小組，董事會已審閱涵蓋本集團所有重大監控(包括營運、財務及合規監控，以及風險管理功能)之內部監控制度之成效。

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The internal audit team of the Company reviews the major operational, financial and compliance controls and risk management functions of the Group on a continuing basis and aims to cover all major operations of the Group on a rotational basis. The internal audit team of the Company presents their internal audit plan annually to the CEO for approval and they also discuss and agree their audit plan with the Audit Committee at the Audit Committee's meeting.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

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

SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Company, for the attention of company secretary at the Company's head office and principal place of business in Hong Kong.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Article 86(2) of the Articles sets out that the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board, subject to the Articles and the Companies Law of the Cayman Islands.

Pursuant to Article 88 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such written notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such written notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

本公司內部審核小組以持續基準審閱本集團之主要營運、財務及合規監控，以及風險管理功能，旨在以循環基準涵蓋本集團之所有主要業務。本公司內部審核小組每年向行政總裁呈報內部審核計劃以供其審批，同時會於審核委員會會議上與審核委員會討論及協定有關審核計劃。

股東召開股東特別大會之程序

根據細則第58條，任何一名或以上於遞呈要求日期持有賦予於本公司股東大會上投票權之本公司實繳股本不少於十分之一之股東，隨時有權透過向董事會或本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；且有關大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開有關大會，則遞呈要求人可自行以同樣方式召開大會，而遞呈要求人因董事會未有召開大會而合理產生的所有開支應由本公司償付遞呈要求人。

向董事會發出查詢

股東可將書面查詢發送至本公司總辦事處及香港主要營業地點，註明公司秘書為收件人。

股東提名人士參選董事之程序

細則第86(2)條載列，根據本公司細則及開曼群島公司法，本公司可藉普通決議案選舉任何人士出任董事以填補董事會臨時空缺或作為董事會新增董事。

根據細則第88條，除非獲董事推薦參選，否則除會上退任董事外，概無任何人士合資格於任何股東大會上參選董事，除非由正式合資格出席大會並於會上表決的股東(並非擬參選人士)簽署書面通告，其內表明建議提名有關人士參選的意向，並附上獲提名人士簽署表示願意參選的書面通告，送至總辦事處或過戶登記處而發出有關書面通告之期間最少須為七(7)天，該期間不得早於寄發舉行有關選舉之股東大會之有關通告翌日開始，也不得遲於有關股東大會舉行日期前七(7)日結束。

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COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company is committed to maintaining a high level of transparency and employs a policy of open and timely disclosure of relevant information to its shareholders and investors and discloses information in compliance with the GEM Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations.

The Board strives to encourage and maintain constant dialogue with its shareholders through various means. The Directors host the annual general meeting each year to meet the shareholders and answer their enquiries. The Company also updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports.

The corporate website of the Company has provided an effective communication platform to the shareholders and the investors as well as the general publics.

During the year under review, there is no change in the Company's constitutional documents.

與股東之溝通及投資者關係

本公司致力維持高透明度及採取公開的政策，根據創業板上市規則適時地向其股東及投資者披露相關資料，及根據有關法律及法規向公眾定期刊發報告及公佈。

董事會努力透過多種方式鼓勵及維持與其股東持續對話。董事每年主持股東週年大會，與股東會面及解答其諮詢。本公司亦透過年度報告、中期報告及季度報告向其股東提供有關其最新業務發展及財務表現的資訊。

本公司的公司網站亦為與股東、投資者及公眾進行溝通的有效平台。

於回顧年度內，本公司的憲章文件並無任何更改。

Environmental, Social and Governance Report

環境、社會及管治報告

This year's environmental, social and governance (the "ESG") report is prepared by the Group to disclose information in relation to the ESG issues. Despite this report is not comprehensive nor exhaustive, it is the endeavours of the Group to get as close as possible in compliance with the requirements under Appendix 20 of the GEM Listing Rules.

The key performance indicators ("KPIs") may at the moment not be as mature as those disclosed and presented by the other issuers in Hong Kong, not to mention to be compatible and comparable with international players. Yet, the Group is dedicated to develop and adopt a higher level of ESG reporting based on international guidance and standards.

The Board understands that it is important to involve itself in preparing this ESG report and it has extended its full support to the Secretary of the Company, who is responsible for the task of compiling this ESG report and is reporting directly to the Board.

We take those having interests in or being affected by the decisions and activities of the Group as the stakeholders, who may include shareholders, business partners, employees, suppliers, sub-contractors, consumers, regulators and the public. As we recognize the importance of engaging stakeholders in identifying material aspects and KPIs and understand their views, we take every and all opportunities to communicate with them in all occasions our environmental, social and governance approach and performance and are looking forward to their suggestion and comments.

The Group has commissioned itself to become a high-growth player in pursuing excellence in operations, at the same time we are dedicated to become a "Green Corporation" that explores business opportunities in this new and exciting sustainable world. We see no conflict in becoming a profit making entity simultaneously being a Green Corporation.

During the year 2017, the Group is principally engaged in financial services business, trading business and information technology business. Financial services business, includes the finance lease business, the securities business, and the money lending business.

The geographical location of the Group's businesses situated both in Hong Kong and the PRC. In Hong Kong, the Group's headquarter was located in Wanchai district with a trading outlet at Sheung Shui, the New Territories. In the PRC the main areas where the operations situate include Shanghai and Mian Yang in the Sichuan province.

This ESG report covers the Group's endeavours and performance during the year ended 31 December 2017 and four subject areas: workplace quality, environmental protection, operating practices and community involvement. Corporate governance is not included here as it has just been dealt with separately in the section headed "Corporate Governance Report" in this Annual Report on pages 23 to 35.

本年度之環境、社會及管治(「環境、社會及管治」)報告乃由本集團編製，以披露有關環境、社會及管治事項之資料。儘管本報告並不全面或詳盡，惟本集團已竭誠努力編製，以期盡可能遵循創業板上市規則附錄20之規定。

主要表現指標(「主要表現指標」)目前可能未如香港其他發行人所披露或呈列者成熟，更遑論與國際同業兼容相比。然而，本集團致力根據國際指引及標準編製及採納高水平的環境、社會及管治報告。

董事會深明參與編製環境、社會及管治報告非常重要，而直接向董事報告之公司秘書更獲全力支持，以負責編撰環境、社會及管治報告報告。

我們視於本集團決策及活動中擁有權益或受其影響之人士為持份者，彼等可能包括股東、業務夥伴、僱員、供應商、分包商、消費者、監管人及公眾。我們明白讓持份者參與識別重大方面及主要表現指標同時瞭解彼等見解誠屬重要，因此，我們抓緊每個機會，於所有場合向彼等講解我們的環境、社會及管治方針以及表現，並期待彼等給予建議及回饋。

本集團致力成為高速增長企業，在運營業績上精益求精，同時矢志成為「綠色企業」，在此令人鼓舞的可持續發展新世界中探索商機。我們認為追求利潤和創建綠色企業並行不悖。

於二零一七年度，本集團主要從事金融服務業務、貿易業務及資訊科技業務。金融服務業務包括融資租賃業務、證券業務及放債業務。

本集團業務位於香港及中國兩地。在香港，本集團總部設於灣仔區，而貿易中心設於新界上水。在中國，主要經營所在地包括上海及四川省綿陽。

本環境、社會及管治報告涵蓋本集團於截至二零一七年十二月三十一日止年度之努力及表現，且涉及四大範疇：工作環境質素、環境保護、營運慣例及社區參與。由於企業管治已於本年報第23頁至第35頁之「企業管治報告」一節分開處理，本報告並未包括企業管治事宜。

Environmental, Social and Governance Report

環境、社會及管治報告

Workplace quality

As at 31 December 2017, the Group employed 35 staff (2016: 35). The Group's remuneration policy is built on principle of equality, motivating, performance oriented and market-competitiveness. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits included provident fund contributions, medical insurance coverage and performance related discretionary bonuses. A share option scheme is also established to reward and motivate the employees of the Group.

In order to fully develop staff competence and potential, the Group has an employee handbook in place for the employees to understand the policy of the Group. To equip staff members with necessary skills and knowledge to meet future challenges and professional requirements, especially those who are involved in regulated businesses and activities, the Group encourages the employees to attend a wide range of training in the areas of regulatory requirements and compliance. Subject to the management's approval, the Group will subsidize the studying fee of the staff members with a maximum annual cap, however, the Group may consider granting more subsidize if it sees fit.

Moreover, plenty of staff activities were organized for employees, including annual dinner, Christmas party, birthday party, and so on and so forth. The sense of belonging of employees was enhanced and they have strong bonding with each other.

By offering competitive remuneration packages and comprehensive fringe benefits to our employees, our staff turnover rate remains stable, while job performance and productivity are maintained at satisfactory levels.

Occupational Health and Safety Data:

	2017	2016
Work related fatality	0	0
Work injury cases >3 days	0	0
Work injury cases <3	0	0
Lost days due to work injury	0	0
Work injury rate	0	0

There is no child nor forced labour in the Group's operations. They are in compliance with the laws of Hong Kong and the PRC in terms of employment management.

工作環境質素

於二零一七年十二月三十一日，本集團聘用35名員工（二零一六年：35名）。本集團之薪酬政策奉行平等、具激勵性，注重績效和強調市場競爭力之原則。薪酬待遇一般每年檢討。除工資外，其他員工福利包括公積金供款、醫療保險及績效掛鈎酌情花紅。本集團亦設有優先購股權獎勵及激勵其僱員。

為全面發揮員工之才能及潛力，本集團備有員工手冊，以供僱員瞭解本集團政策。為使員工具備必要技能及知識，以迎接日後的挑戰及符合專業規定，本集團鼓勵僱員出席有關監管規定及合規之各種培訓。倘獲管理層批准，本集團將按最高年度上限，向員工補貼學費，然而，本集團可能在其認為合適的情況下給予更多補貼。

此外，本集團為僱員舉辦許多員工活動，包括週年聚餐、聖誕派對、生日會等等，令僱員歸屬感得以加強，而彼此之間的聯繫亦更加深厚。

透過向僱員提供具競爭力之薪酬待遇及全面的福利，僱員之流失率保持穩定，而工作表現及生產力維持於滿意水平。

職業健康及安全數據：

	二零一七年	二零一六年
與工作相關之死亡事故	0	0
牽涉多於三日之工傷個案	0	0
牽涉少於三日之工傷個案	0	0
工傷損失日數	0	0
工傷率	0	0

本集團營運中概無牽涉童工或強迫勞工情況，且一直遵守香港及中國有關僱傭管理的法律。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group promotes fair treatment in the workplace. Although the Group does not have equal opportunity policies or anti-discrimination and affirmative action policies, the Group encourages unprejudiced behaviour within the workplace and discourages inappropriate behaviour from employees, supervisors and independent contractors in regard to the race, gender, sexual orientation or religious and cultural beliefs of another person within the Group.

Environmental protection

The Group implements policies and practices that help conserve resources, improve energy efficiency and raise environmental awareness among our staff. We are committed to building an environmentally-friendly corporation that pays close attention to conserving the natural resources on Earth. We strive to minimise our environmental impact while ensuring high standards in our service quality. We focus on paper and toner usage throughout all of our daily operation and we have always been devoted to reduce energy consumption as we closely monitor energy consumption at our offices.

During the year 2017, the Group has no data on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and nonhazardous wastes, etc. nor had the Group discharged hazardous and/or nonhazardous wastes into water and land.

This year, we purchased A4 sized 80 gsm photocopying paper 100 reams (2016: 50 reams). The Group did not have any other consumption on any other kind of papers.

Currently, in order to save paper, the Group implements certain measures such as setting duplex printing as the default mode for most network printers; reminding employees to practise photocopying wisely; encouraging the employees to use both sides of paper; separating the paper waste from other waste for easier recycling; and placing boxes and trays beside photocopiers as containers to collect single-sided paper for reuse purpose.

All of the Group's financial reports are printed on FSC certified papers. The Group will continue to explore opportunities to develop its green purchasing practices in paper supplies.

本集團宣揚平等工作待遇。儘管本集團並無平等機會政策或反歧視及平權法案政策，本集團鼓勵在工作環境中捨棄成見，主張僱員、監事及獨立承包商不應就本集團其他人士之種族、性別、性取向或宗教及文化信仰作出不恰當行為。

環境保護

本集團實行政策及慣例，協助節約資源、改善能源效益及增強員工之環保意識。我們致力建立環保企業，密切關注保育地球天然資源。我們致力盡可能減少對環境之影響，同時確保我們服務質素達致高標準。我們密切監察辦事處之能源消耗，集中於日常所有運作中之紙張及碳粉用度，在能源減耗方面一直不遺餘力。

於二零一七年，本集團並無有關空氣及溫室氣體排放、在水上及陸上排污、危險及非危險污染物產生之數據，亦無在水上及陸上排出危險及／或非危險污染物。

於本年度，我們訂購100包A4大小的80克影印機用紙（二零一六年：50包）。本集團並無消耗任何其他類型之紙張。

目前，為節約用紙，本集團實施若干措施，例如於多部網絡打印機內設定雙面打印為默認模式；提醒僱員減少複印；鼓勵僱員善用紙張的雙面；將廢紙與其他廢棄物分開，方便回收；及在打印機旁設置空箱及托盤作容器收集單面用紙，作回收用途。

本集團所有財務報告均印於FSC認證生產的紙張。本集團將繼續探索機遇，於紙張供應方面發展其綠色採購慣例。

Environmental, Social and Governance Report

環境、社會及管治報告

In respect of electricity consumption in Hong Kong:

就香港之耗電量而言：

2017	二零一七年	Office 1 in Hong Kong District 香港區 一號辦事處	Office 2 in Hong Kong District# 香港區 二號辦事處#	Shop in New Territories District	Total
Month	月份	kilowatt hour 千瓦時	kilowatt hour 千瓦時	kilowatt hour 千瓦時	合計 kilowatt hour 千瓦時
January	一月	140	2,558	1,930	4,628
February	二月	1,635	823	1,220	3,678
March	三月	788	0	1,540	2,328
April	四月	1,557	0	1,670	3,227
May	五月	1,585	0	2,400	3,985
June	六月	2,086	0	3,240	5,326
July	七月	2,170	0	3,560	5,730
August	八月	2,239	0	3,650	5,889
September	九月	2,286	0	3,700	5,986
October	十月	2,123	0	3,270	5,393
November	十一月	1,866	0	2,520	4,386
December	十二月	1,650	0	2,090	3,740
2017 Annual Consumption	二零一七年全年消耗量	20,125	3,381	30,790	54,296

Tenancy expired in February 2017

租期於二零一七年二月期滿

2016	二零一六年	Office 1 in Hong Kong District 香港區 一號辦事處	Office 2 in Hong Kong District* 香港區 二號辦事處*	Shop in New Territories District	Total
Month	月份	kilowatt hour 千瓦時	kilowatt hour 千瓦時	kilowatt hour 千瓦時	合計 kilowatt hour 千瓦時
January	一月	1,041	58	2,300	3,399
February	二月	934	41	1,609	2,584
March	三月	1,020	37	1,720	2,777
April	四月	1,116	45	2,190	3,351
May	五月	1,190	39	2,530	3,759
June	六月	1,121	58	3,010	4,189
July	七月	1,186	3,798	3,730	8,714
August	八月	1,146	3,407	3,490	8,043
September	九月	1,113	3,860	3,880	8,853
October	十月	1,262	3,124	3,080	7,466
November	十一月	1,057	3,106	2,610	6,773
December	十二月	140	2,558	1,950	4,648
2016 Annual Consumption	二零一六年全年消耗量	12,326	20,131	32,099	64,556

* Including the consumption in the office of a newly acquired subsidiary in mid-July 2016.

* 包括於二零一六年七月中的新收購附屬公司辦公室的消耗量。

Environmental, Social and Governance Report

環境、社會及管治報告

The total floor area occupied by the Group for its operations in Hong Kong was 5,900 sq. ft. (2016: 6,304 sq. ft.). The electricity consumption by the Group was 54,296 kilowatt hour (2016: 64,556 kilowatt hour) in the reporting year, with an energy intensity of 9.20 kilowatt hour per sq. ft. (2016: 10.24 kilowatt hour per sq. ft.). As most of the water usage was included in the management fee of the premises occupied by the Group's operations, we have no figure of the Group's annual consumption, however, the Group is still conscientious in the conservation of water resources and encourage the staff members to reduce wastage.

Operating practices

The Group through its subsidiaries has communicated with its suppliers on the Company's vision and mission and policies and procedures in respect of ESG. To be a responsible supplier, the Group has registered as a food importer/food distributor under the Food Safety Ordinance.

The Group always observes the local laws, rules and regulations at where its businesses located, as such, the Group applied and was granted and renewed, a money lenders licence in Hong Kong to carry on business as a money lender for a period of twelve (12) months from 12 January 2017.

The Board has formally adopted the anti-corruption policies with reference to the Corruption Prevention Best Practices recommended by the Independent Commission Against Corruption since 2016.

Community involvement

Like in 2016, the Group did not do much in the year 2017 in respect of the involvement in repaying the community by direct donations to charity organisations. The Group will continue to explore more opportunities in contributing to community services.

本集團在香港營運之總樓面面積為5,900平方呎(二零一六年：6,304平方呎)。於報告年度內，本集團之耗電量為54,296千瓦時(二零一六年：64,556千瓦時)，能源強度為每平方呎9.20千瓦時(二零一六年：每平方呎10.24千瓦時)。由於大部分用水已納入本集團營運所佔用物業的管理費中，我們並無本集團年度耗水量之數據，然而，本集團在保護水資源方面仍然竭盡努力，鼓勵員工減少浪費。

營運慣例

本集團透過其附屬公司向供應商傳達本公司關於環境、社會及管治之願景、使命、政策和程序。作為負責任之供應商，本集團已根據食品安全條例註冊成為食品進口商／食品經銷商。

本集團一直遵從經營所在地之當地法律、法例及規例，因此，本集團已申請，並已獲授及重續其香港放債人牌照，以自二零一六年十二月二日起十二(12)個月內以放債人身份經營有關業務。

董事會已在二零一六年度參考廉政公署推薦的防貪錦囊，正式採納反貪污政策。

社區參與

與二零一六年一樣，本集團於二零一七年並無通過向慈善機構直接捐款之方式參與回饋社區。本集團將持續開拓更多機會以在社會服務方面作出貢獻。

Report of the Directors

董事會報告書

The directors of the Company presents their report and the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The subsidiaries are engaged in the financial services business, trading business and information technology business. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2017 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 57 to 63.

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial periods/years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out on page 146. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Details of movements in the Company's share capital, share options and convertible bonds during the year, together with the reasons therefor, are set out in notes 26, 35 and 29 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the Companies Law of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2017.

本公司董事謹提呈董事會報告書以及本公司及其附屬公司截至二零一七年十二月三十一日止年度之經審核財務報告，以供閱覽。

主要業務

本公司的主要業務為投資控股。

附屬公司從事金融服務業務、貿易業務以及資訊科技業務。年內，本集團之主要業務性質並無重大變動。

業績及股息

本集團截至二零一七年十二月三十一日止年度之虧損以及本公司及本集團於該日之事務狀況載於財務報告第57至63頁。

董事會並不建議宣派截至二零一七年十二月三十一日止年度末期股息(二零一六年：零)。

財務資料概要

本集團過去五個財政期間／年度之業績及資產、負債及非控制權益概要載於第146頁，乃摘錄自己刊發之經審核財務報告(在適當情況下重列／重新分類)。該概要並非經審核財務報告之一部分。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動詳情載於財務報告附註14。

股本、優先購股權及可換股債券

本公司之股本、優先購股權及可換股債券於年內之變動詳情以及有關原因分別載於財務報告附註26、35及29。

先購權

根據本公司的組織章程細則或開曼群島公司法，並無任何有關先購權之條文規定本公司須向現時之股東按比例發售新股。

購買、出售或贖回上市股份

本公司或其任何附屬公司於截至二零一七年十二月三十一日止年度概無購買、出售或贖回任何本公司上市股份。

Report of the Directors

董事會報告書

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 41 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to approximately HK\$37,288,000 (2016: HK\$1,665,000). This included the Company's share premium account amounting to approximately HK\$957,059,000 (2016: HK\$923,103,000) which is 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 and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers, respectively, during the financial year is as follows:

儲備

年內，本公司及本集團之儲備變動詳情分別載於財務報告附註41及綜合股東權益變動表。

可供分派儲備

於二零一七年十二月三十一日，本公司根據開曼群島公司法計算的可供分派儲備為約37,288,000港元（二零一六年：1,665,000港元），當中包括本公司的股份溢價賬約957,059,000港元（二零一六年：923,103,000港元）。倘緊隨建議分派股息當日後，本公司仍有能力償付其於日常業務過程中到期的債務，則此筆款項可供分派予本公司股東。

主要客戶及供應商

有關主要客戶及供應商於財政年度分別所佔的本集團銷售額及採購額相關資料如下：

		Percentage of the Group's total sales 佔本集團總銷售額百分比	
		2017 二零一七年	2016 二零一六年
Largest customer	最大客戶	59.25%	43.26%
Five largest customers	五大客戶總額	87.04%	74.55%

		Percentage of the Group's total purchase 佔本集團總採購額百分比	
		2017 二零一七年	2016 二零一六年
Largest supplier	最大供應商	69.18%	48.59%
Five largest suppliers	五大供應商總額	94.77%	85.48%

None of the directors of the Company or any of their associates or any shareholders of the Company (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

本公司董事或彼等任何聯繫人或就董事所知持有本公司已發行股本5%以上之本公司任何股東概無擁有本集團五大客戶或供應商之任何實益權益。

Report of the Directors

董事會報告書

DIRECTORS

The Directors during the year ended 31 December 2017 and up to the date of this Annual Report are as follows:

Executive Directors:

Cheung Wai Yin, Wilson
Lau Chi Yan, Pierre

Independent non-executive Directors:

Yeung Mo Sheung, Ann
Ng Kay Kwok
Yip Kat Kong, Kenneth (resigned on 27 February 2017)
Au-yeung Sei Kwok (appointed on 27 February 2017)

In accordance with article 87 of the Company's articles of association, Mr. Ng Kay Kwok to retire at the forthcoming AGM of the Company and being eligible, he offer himself for re-election at the forthcoming AGM of the Company. All INEDs of the Company are appointed for a term of one year. According to the articles of association of the Company, all Directors (except the Chairman and the managing director) are subject to retirement by rotation and re-election at the annual general meeting of the Company.

The Company has received from each of the INEDs of the Company an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and, as at the date of this Annual Report, still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 21 to 22 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

All INEDs are appointed for a term of one year and are subject to retirement by rotation in accordance with the Company's articles of association.

The two executive Directors, namely Mr. Cheung Wai Yin, Wilson, and Mr. Lau Chi Yan, Pierre have each entered into a two-year service contract with the Company commencing from 24 August 2012 respectively.

No Director had a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

於截至二零一七年十二月三十一日止年度內及截至本年報日期之董事如下：

執行董事：

張偉賢
劉智仁

獨立非執行董事：

楊慕嫻
吳祺國
葉吉江(於二零一七年二月二十七日辭任)
歐陽士國(於二零一七年二月二十七日委任)

根據本公司組織章程細則第87條，吳祺國先生將於本公司應屆股東週年大會上退任，惟彼符合資格並願意於本公司應屆股東週年大會上重選連任。本公司所有獨立非執行董事的委任任期為一年。根據本公司組織章程細則，所有董事(主席及董事總經理除外)須於本公司股東週年大會上輪值告退及重選連任。

本公司已接獲本公司各名獨立非執行董事根據創業板上市規則第5.09條就彼之獨立性發出之每年確認函，且於本年報日期仍然認為彼等為獨立人士。

董事及高級管理層履歷

本公司董事及本集團高級管理層之詳細履歷載於本年報第21至22頁。

董事服務合約

所有獨立非執行董事的委任任期為一年及須根據本公司的組織章程細則輪值告退。

兩名執行董事張偉賢先生及劉智仁先生已各自分別與本公司訂立為期兩年的服務合約，年期由二零一二年八月二十四日開始。

概無董事與本公司訂立本公司不作補償(法定補償除外)則不可於一年內終止之服務合約。

Report of the Directors

董事會報告書

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2017.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted by the shareholders of the Company in the annual general meeting of the Company held on 3 May 2012 and was effective from that date. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption.

As at 31 December 2017, there were 233,390,855 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 233,390,855, which represents approximately 11.44% and 11.44% of the total issued share capital of the Company as at 31 December 2017 and the date of this report respectively.

董事於合約之權益

概無董事在截至二零一七年十二月三十一日止年度內於本公司或其任何附屬公司或同系附屬公司所訂立任何對本集團業務關係重大之合約中直接或間接擁有任何重大權益。

優先購股權計劃

本公司之優先購股權計劃(「優先購股權計劃」)於二零一二年五月三日在本公司股東週年大會獲本公司股東採納，並自該日起生效。除非另行註銷或修訂，否則優先購股權計劃將由其採納日期起計十年期間內有效。

於二零一七年十二月三十一日，優先購股權計劃項下有233,390,855份優先購股權尚未行使。根據該等尚未行使之優先購股權計算，可予發行之股份總數為233,390,855股，分別佔於二零一七年十二月三十一日及本報告刊發日期本公司已發行股本總額約11.44%及11.44%。

Report of the Directors

董事會報告書

Details of the movements of the share options under the Share Option Scheme during the year were as follows:

於年內，優先購股權計劃項下之優先購股權變動詳情如下：

Name	姓名	Number of share options 優先購股權份數				Outstanding as at 31 December 2017 於二零一七年 十二月 三十一日 尚未行使	Date of grant of the share options 優先 購股權之 授出日期	Exercise period of the share options 優先 購股權之 行使期	Price of the shares before the date of grant (Note 2) (附註 2) per share 每股	Original exercise price of the share options (Note 1) (附註 1) per share 每股	Adjusted exercise price of the share options after open offer (Note 1) (附註 1) per share 每股
		Outstanding as at 1 January 2017 於二零一七年 一月一日 尚未行使	Granted during the period 於期內授出	Exercised during the period 於期內行使	Cancelled/ Lapsed During the period 於期內 註銷/失效						
Executive director	執行董事										
Cheung Wai Yin, Wilson	張偉賢	100,000,000	—	—	—	100,000,000	19/8/2015	19/8/2015 - 18/8/2025	0.147	0.147	—
Lau Chi Yan, Pierre	劉智仁	20,000,000	—	—	—	20,000,000	19/8/2015	19/8/2015 - 18/8/2025	0.147	0.147	—
Independent non-executive director	獨立非執行董事										
Yeung Mo Sheung, Ann	楊慕嫦	16,483	—	—	—	16,483	17/1/2013	17/1/2013 - 16/1/2023	0.010	3.360	2.130
		1,000,000	—	—	—	1,000,000	19/8/2015	19/8/2015 - 18/8/2025	0.147	0.147	—
Ng Kay Kwok	吳祺國	1,000,000	—	—	—	1,000,000	19/8/2015	19/8/2015 - 18/8/2025	0.147	0.147	—
Employees and other eligible participants	僱員及其他合資格 參與者										
Employees	僱員	28,241	—	—	—	28,241	30/5/2012	30/5/2012 - 29/5/2022	0.017	5.680	3.600
		40,000,000	—	—	—	40,000,000	19/8/2015	19/8/2015 - 18/8/2025	0.147	0.147	—
Other eligible participants	其他合資格參與者	332,003	—	—	—	332,003	30/5/2012	30/5/2012 - 29/5/2022	0.017	5.680	3.600
		14,128	—	—	—	14,128	17/1/2013	17/1/2013 - 16/1/2023	0.010	3.360	2.130
		71,000,000	—	—	—	71,000,000	19/8/2015	19/8/2015 - 18/8/2025	0.147	0.147	—
		233,390,855	—	—	—	233,390,855					

Report of the Directors

董事會報告書

Notes:

1. Pursuant to the terms and conditions of the Share Option Scheme, the number and the exercise price of the share options is subject to adjustment in the case of capitalisation issue, rights issue, subdivision or consolidation of the shares of the Company, or other similar changes in the Company's share capital.
2. The price of the shares of the Company before the date of the grant of the share options is the closing price of the shares of the Company as quoted on the Stock Exchange on the trading day immediately before the date on which the share options were granted.

Save as disclosed above, at the date of this report, no other share options were exercised subsequent to the balance sheet date.

During the year ended 31 December 2017, no share option was granted by the Company.

No other feature of the share options granted was incorporated into the measurement of fair value.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, the directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

附註：

1. 根據優先購股權計劃的條款及條件，優先購股權之數目及行使價須就資本化發行、供股、本公司股份分拆或合併或本公司股本其他類似變更而作出調整。
2. 本公司股份於優先購股權授出日期前之價格，為緊接優先購股權授出日期前之交易日本公司股份於聯交所所報之收市價。

除上文披露者外，於本報告日期，並無其他優先購股權於結算日後獲行使。

於截至二零一七年十二月三十一日止年度，本公司概無授出優先購股權。

計算公平價值時並無計及已授出優先購股權之其他特性。

董事於股份及相關股份的權益

於二零一七年十二月三十一日，本公司董事及最高行政人員及／或彼等各自之任何聯繫人於本公司及／或其任何相聯法團（定義見證券及期貨條例第 XV 部）之股份、相關股份及債權證中，擁有已記錄於本公司根據證券及期貨條例第 352 條規定存置之登記冊，或根據證券及期貨條例第 XV 部或創業板上市規則已知會本公司及聯交所的權益及淡倉如下：

Report of the Directors

董事會報告書

Interests and short positions in the shares and the underlying shares of the share options and the convertible bonds of the Company as at 31 December 2017

於二零一七年十二月三十一日於本公司股份以及優先購股權及可換股債券所涉及相關股份之權益及淡倉

(i) Long positions in the shares of the Company:

(i) 於本公司股份之好倉：

Name of directors	董事姓名	Number of the shares interested and nature of interest 擁有權益之股份數目及權益性質			Approximate percentage of the total issued share capital of the Company 佔本公司已發行股本總額之概約百分比 (%)
		Personal 個人	Founder of a discretionary trust 一項全權信託之創辦人	Total 總數	
Cheung Wai Yin, Wilson	張偉賢	557,814	98,437,500 (note) (附註)	98,995,314	4.85%
Lau Chi Yan, Pierre	劉智仁	3,984,375	—	3,984,375	0.20%

Note:

As at the Latest Practicable Date, 98,437,500 Shares were owned by Ivana Investment Limited ("Ivana"), a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiatrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung Wai Yin, Wilson ("Mr. Cheung") and the discretionary objects which are family members of Mr. Cheung (including Mr. Cheung himself). Accordingly, Mr. Cheung is deemed to be interested in the relevant Shares of the purpose of the SFO. Mr. Cheung is also personally interested in 557,814 Shares.

附註：

於最後實際可行日期，Ivana Investment Limited (「Ivana」) 擁有98,437,500股股份。其為於英屬處女群島註冊成立之公司，由CW Limited擁有100%權益，而CW Limited由Asiatrust Limited全資擁有。Asiatrust Limited為一間信託公司，為全權信託之受託人，該全權信託之創辦人(定義見證券及期貨條例)為張偉賢先生(「張先生」)，受益人為張先生之家族成員(包括張先生本人)。因此，根據證券及期貨條例，張先生被視為於相關股份中擁有權益。張先生亦個人擁有557,814股股份權益。

(ii) Long positions in the underlying shares of the share options granted under the share option scheme of the Company:

(ii) 於根據本公司優先購股權計劃授出優先購股權所涉及相關股份之好倉：

Name of directors	董事姓名	Date of grant of the share options 優先購股權之授出日期	Exercise period of the share options 優先購股權之行使期	Exercise price per share 每股行使價 HK\$ 港元	Number of the share options outstanding 尚未行使之優先購股權份數	Number of the total underlying shares 相關股份總數	Approximate percentage of the total issued share capital of the Company 佔本公司已發行股本總額之概約百分比 (%)
Cheung Wai Yin, Wilson	張偉賢	19/8/2015	19/8/2015 - 18/8/2025	0.147	100,000,000	100,000,000	4.901%
Lau Chi Yan, Pierre	劉智仁	19/8/2015	19/8/2015 - 18/8/2025	0.147	20,000,000	20,000,000	0.980%
Yeung Mo Sheung, Ann	楊慕嫦	17/1/2013	17/1/2013 - 16/1/2023	2.130	16,483	16,483	0.001%
		19/8/2015	19/8/2015 - 18/8/2025	0.147	1,000,000	1,000,000	0.049%
Ng Kay Kwok	吳祺國	19/8/2015	19/8/2015 - 18/8/2025	0.147	1,000,000	1,000,000	0.049%

Report of the Directors

董事會報告書

(iii) Long positions in the underlying shares of the convertible bonds of the Company: (iii) 於本公司可換股債券所涉及相關股份之好倉：

Name of the holder of the convertible bonds	可換股債券持有人姓名	Principal amount of the convertible bonds 可換股債券之本金金額 HK\$ 港元	Number of the total underlying shares 相關股份總數	Approximate percentage of the total issued share capital of the Company 佔本公司已發行股本總額之概約百分比 (%)
Cheung Wai Yin, Wilson	張偉賢	110,000,000	1,157,894,736	56.76

Note: These convertible bonds (originally due on 12 August 2011 and extended to 12 August 2020) were issued by the Company on 12 August 2008 as part of the consideration to acquire the forestry business. They are unlisted, interest-free and convertible into the shares of the Company at the adjusted conversion price of HK\$0.095 per share of the Company (subject to adjustment according to the terms of the convertible bonds). The interest is held by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiatrusted Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects which are family members of Mr. Cheung (including Mr. Cheung himself).

附註：該等可換股債券(由原定二零一一年八月十二日延至二零二零年八月十二日到期)乃本公司於二零零八年八月十二日發行作為收購林木業務之部分代價，為非上市、免息及可按經調整換股價每股0.095港元(根據可換股債券之條款可予調整)兌換為本公司股份。該等權益由Ivana持有。其為於英屬處女群島註冊成立之公司，由CW Limited擁有100%權益，而CW Limited由Asiatrusted Limited全資擁有。Asiatrusted Limited為一間信託公司，為全權信託之受託人，該全權信託之創辦人(定義見證券及期貨條例)為張先生，受益人為張先生之家族成員(包括張先生本人)。

Save as disclosed above, as at 31 December 2017, none of the directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

除上文披露者外，於二零一七年十二月三十一日，並無任何本公司董事及最高行政人員及/或彼等各自之任何聯繫人於本公司及/或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中，擁有已記錄於本公司根據證券及期貨條例第352條規定存置之登記冊，或根據證券及期貨條例第XV部或創業板上市規則已知會本公司及聯交所的任何權益及淡倉。

Report of the Directors

董事會報告書

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' Interests in Shares and Underlying Shares" and "Share Option Scheme" above, at no time during the year ended 31 December 2017 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2017, the following persons (not being the directors or chief executive of the Company) had interests or short positions in the shares or underlying 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, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

(i) Long positions in the shares of the Company:

Name of shareholders	Capacity and nature of interest	Number of the shares interested	Approximate percentage of the total issued share capital of the Company (%) 佔本公司已發行股本總額之概約百分比 (%)
股東名稱	身份及權益性質	擁有權益之股份數目	
Ivana	Beneficial owner 實益擁有人	98,437,500	4.83
CW Limited (Note) (附註)	Controlled corporation 受控制法團	98,437,500	4.83
Asiatrust Limited (Note) (附註)	Trustee 受託人	98,437,500	4.83

Note: The interest is held by Ivana, a company incorporate in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiatrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself).

董事收購股份或債權證的權利

除上文「董事於股份及相關股份的權益」一節及「優先購股權計劃」一節所披露者外，本公司或其任何附屬公司或相聯法團於截至二零一七年十二月三十一日止年度任何時間概無訂立任何安排，使本公司董事及最高行政人員（包括彼等各自之配偶及十八歲以下之子女）可透過收購本公司或其任何相聯法團之股份、相關股份或債權證而獲益。

主要股東於本公司股份及相關股份的權益

於二零一七年十二月三十一日，以下人士（非本公司董事或最高行政人員）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或已記錄於本公司根據證券及期貨條例第336條規定存置之登記冊的權益或淡倉：

(i) 於本公司股份之好倉：

附註：該權益由 Ivana 持有。其為於英屬處女群島註冊成立之公司，由 CW Limited 擁有 100% 權益，而 CW Limited 由 Asiatrust Limited 全資擁有。Asiatrust Limited 為一間信託公司，為全權信託之受託人，該全權信託之創辦人（定義見證券及期貨條例）為張先生，受益人為張先生之家族成員（包括張先生本人）。

Report of the Directors

董事會報告書

(ii) Long positions in the underlying shares of the convertible bonds of the Company: (ii) 於本公司可換股債券所涉及相關股份之好倉：

Name of the holder of the convertible bonds	Nature of Interest	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company
可換股債券持有人名稱	權益性質	可換股債券之本金額 HK\$ 港元	相關股份總數	佔本公司已發行股本總額之概約百分比 (%)
Ivana	Beneficial owner 實益擁有人	110,000,000	1,157,894,736	56.76
CW Limited (Note 1) (附註 1)	Controlled corporation 受控制法團	110,000,000	1,157,894,736	56.76
Asiatrust Limited (Note 1) (附註 1)	Trustee 受託人	110,000,000	1,157,894,736	56.76
Yihua Enterprise Limited 溢華企業有限公司	Beneficial owner 實益擁有人	40,000,000	173,913,043	8.52
Cheng Jun (Note 2) 程雋(附註2)	Controlled corporation 受控制法團	40,000,000	173,913,043	8.52
Gao Yun Feng (Note 2) 高雲峰(附註2)	Controlled corporation 受控制法團	40,000,000	173,913,043	8.52

Note 1: The interest is held by Ivana, a company incorporate in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiatrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself).

附註1: 該權益由 Ivana 持有。其為於英屬處女群島註冊成立之公司，由 CW Limited 擁有 100% 權益，而 CW Limited 由 Asiatrust Limited 全資擁有。Asiatrust Limited 為一間信託公司，為全權信託之受託人，該全權信託之創辦人(定義見證券及期貨條例)為張先生，受益人為張先生之家族成員(包括張先生本人)。

Note 2: The interest is held by Yihua Enterprise Limited, a company incorporated in the British Virgin Islands owned as to 50% by Mr. Cheng Jun and 50% by Mr. Gao Yun Feng.

附註2: 該權益由溢華企業有限公司持有，該公司為於英屬處女群島註冊成立之公司，分別由程雋先生及高雲峰先生持有 50% 及 50%。

Save as disclosed above, the directors and chief executive of the Company are not aware that there is any party who, as at 31 December 2017, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文披露者外，本公司董事及最高行政人員並不知悉於二零一七年十二月三十一日，有任何人士於本公司股份或相關股份中擁有根據證券及期貨條例第 XV 部第 2 及第 3 分部之條文須向本公司披露，或已記錄於本公司根據證券及期貨條例第 336 條規定存置之登記冊中的權益或淡倉。

Report of the Directors

董事會報告書

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code set out in Appendix 15 to the GEM Listing Rules throughout the financial year under review, except for the deviations from Code Provisions A.2.1 and A.4.2. Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company are set out in the section headed "Corporate Governance Report" in 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, the Company has maintained a sufficient public float of not less than 25% of the total issued share capital of the Company as required under the GEM Listing Rules throughout the financial period under review and up to the date of this Annual Report.

AUDITORS

The consolidated financial statements for the year ended 31 December 2017 have been audited by Elite Partners, who will retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming AGM of the Company.

ON BEHALF OF THE BOARD

Cheung Wai Yin, Wilson

Chairman and Chief Executive Officer

Hong Kong
19 March 2018

遵守企業管治守則

董事認為，除偏離守則條文第A.2.1及A.4.2條外，本公司於整個回顧財政年度，一直遵守載於創業板上市規則附錄15之守則項下之守則條文。有關該等偏離事項之詳情及各自經過深思熟慮得出的理由，以及有關本公司企業管治常規之其他資料，已於本年報「企業管治報告」一節中載列。

足夠公眾持股量

根據本公司取得之公開資料並就董事所知，於整個回顧財政期間及截至本年報日期，本公司已按照創業板上市規則之規定維持足夠公眾持股量，即不少於本公司已發行股本總額之25%。

核數師

截至二零一七年十二月三十一日止年度之綜合財務報表經由開元信德審核。開元信德現將依章告退，且符合資格及願意重選連任。於本公司即將舉行之股東週年大會上將會提呈決議案續聘開元信德為本公司之核數師。

代表董事會

主席兼行政總裁

張偉賢

香港
二零一八年三月十九日

Independent Auditor's Report

獨立核數師報告



TO THE MEMBERS OF MERDEKA FINANCIAL SERVICES GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Merdeka Financial Services Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 57 to 145, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("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" (the "Code"), together with the ethical requirements that are relevant to our audit of the consolidated financial statement in the Cayman Islands, 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.

致萬德金融服務集團有限公司列位成員
(於開曼群島註冊成立的有限公司)

意見

吾等已審核列載於第57至145頁萬德金融服務集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此財務報告包括於二零一六年十二月三十一日的綜合財務狀況報表與截至當日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表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真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況以及 貴集團截至該日止年度的財務表現及其綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見基礎

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」)進行審核。根據該等準則，吾等的責任於本報告「核數師就審核綜合財務報表之責任」一節中進一步詳述。根據香港會計師公會「職業會計師道德守則」(「守則」)及與吾等審核於開曼群島的綜合財務報表相關的道德要求，吾等獨立於 貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得之審核憑證能充足及適當地為吾等的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key audit matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2017. 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.

Impairment assessment of finance lease receivables

As at 31 December 2017, the Group had finance lease receivables of approximately HK\$2,078 million, as set out in note 22 to the consolidated financial statements. During the year ended 31 December 2017, no impairment had been provided by the Group on the finance lease receivables.

We had identified impairment assessment of finance lease receivables as a key audit matter because significant management judgement had to be made for the assessment of the recoverability of the receivables. (e.g. the credit history and estimated future cash flows).

How the matter was addressed in our audit

Our major audit procedures to address the management's impairment assessment of finance lease receivables included the following:

- We tested the effectiveness on the control environment in respect of the finance lease receivables, including the Group's existing provision policy.
- We discussed with management if there is any indicator of impairment of the finance lease receivables and accessed the reasonableness of management's assessment, in particular, those balances had been past due.
- We tested on a sample basis on the settlement made by lessees during the year and their subsequent settlement with reference the repayment schedule.

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核截至二零一七年十二月三十一日止年度綜合財務報表中最重要的事項。吾等於審核綜合財務報表整體處理該等事項及就此形成意見，而吾等不會就該等事項單獨發表意見。

融資租賃應收款項之減值評估

於二零一七年十二月三十一日，貴集團有約2,078,000,000港元之融資租賃應收款項(如綜合財務報表附註22所載)。於截至二零一七年十二月三十一日止年度，貴集團概無就融資租賃應收款項作出減值撥備。

由於管理層須就評估應收款項之可回收性作出重大判斷，故吾等已識別出融資租賃應收款項之減值評估為關鍵審核事項。(如信貸記錄及估計未來現金流量)。

吾等審核時處理該事項的方法

吾等處理管理層就融資租賃應收款項所作減值評估的主要審核程序包括下列各項：

- 吾等已就融資租賃應收款項測試控制環境的有效性，包括貴集團之現有撥備政策。
- 吾等與管理層討論是否有任何融資租賃應收款項減值的指標，並評估管理層的評估(特別是該等已逾期結餘)的合理性。
- 吾等已測試基於經參考還款時間表由承租人於年內所作的結算及其隨後結算的樣本。

Independent Auditor's Report

獨立核數師報告

Other Information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Directors and Audit Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determined 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 are responsible for overseeing the Group's financial reporting process.

年報的其他資料

董事負責其他資料。其他資料包括 貴公司年報所載資料，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鑒證結論。

審核綜合財務報表時，吾等的責任為閱讀其他資料，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，吾等沒有任何事項報告。

董事及審核委員會就綜合財務報表須承擔的責任

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

於編製綜合財務報表，董事負責評估 貴集團的持續經營能力，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。

審核委員會負責監督 貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

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

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

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

核數師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不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）按照委任條款報告，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。吾等的結論以截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。

Independent Auditor's Report

獨立核數師報告

- 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 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 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 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 Yip Kai Yin with practising certificate number P05131.

Elite Partners CPA Limited

Certified Public Accountants
Hong Kong, 26 March 2018

10th Floor,
8 Observatory Road, Tsim Sha Tsui,
Kowloon, Hong Kong

- 評估綜合財務報表(包括披露)的整體呈列、架構及內容，以及綜合財務報表是否已公允反映及呈列相關交易及事項。

- 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)與彼等溝通。

吾等從與審核委員會溝通的事項中，決定哪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葉啟賢(執業證書編號：P05131)。

開元信德會計師事務所有限公司

執業會計師
香港，二零一八年三月二十六日

香港
九龍尖沙咀
天文臺道8號10樓

Consolidated Statement of Profit and Loss

綜合損益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
REVENUE	收入	6	430,184	256,232
Cost of sales	銷售成本		(398,919)	(229,411)
Gross profit	毛利		31,265	26,821
Other income, other gains and losses	其他收入、其他收益及虧損	6	32,809	(7,679)
Operating expenses	經營開支		(24,667)	(22,191)
Administrative expenses	行政費用		(13,883)	(12,824)
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備		—	(3)
Provision for impairment of loss on loan receivables	應收貸款減值虧損撥備		(1,000)	—
Provision for impairment loss on prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值虧損撥備		(285)	—
Written off of bad debts	呆賬撇賬		(3,009)	(117)
Written off of inventories	存貨撇賬		(137)	(435)
Profit/(Loss) from operations	經營業務之溢利/(虧損)		21,093	(16,428)
Finance costs	融資成本	7	(21,183)	(19,782)
LOSS BEFORE TAX	除稅前虧損	8	(90)	(36,210)
Income tax	所得稅	11	(3,242)	(3,938)
LOSS FOR THE YEAR	本年度虧損		(3,332)	(40,148)
Loss for the year attributable to:	應佔本年度虧損：			
Owners of the Company	本公司股權擁有人		(6,725)	(42,617)
Non-controlling interests	非控股權益		3,393	2,469
			(3,332)	(40,148)
LOSS PER SHARE	每股虧損			
Basic and diluted	基本及攤薄	13	(HK\$ 港元0.003)	(HK\$ 港元0.026)

The notes on pages 57 to 145 form part of these financial statements.

第57至145頁之附註組成該等財務報表之一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
LOSS FOR THE YEAR	本年度虧損	(3,332)	(40,148)
Other comprehensive income/(loss): <i>Items that may be reclassified subsequently to profit or loss:</i>	其他全面收入/(虧損): <i>其後可能重新分類入損益之項目:</i>		
Exchange difference on translating of financial statements of overseas subsidiaries	換算海外附屬公司之財務報表的 匯兌差額	15,328	(14,689)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	本年度全面總收入/(虧損)	11,996	(54,837)
Total comprehensive income/(loss) attributable to:	應佔全面總收入/(虧損):		
Owners of the Company	本公司股權擁有人	2,437	(51,098)
Non-controlling interests	非控股權益	9,559	(3,739)
		11,996	(54,837)

Consolidated Statement of Financial Position

綜合財務狀況報表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	14	物業、廠房及設備	4,011	4,664
Statutory deposit		法定按金	510	510
Goodwill	17	商譽	5,803	—
Intangible assets	16	無形資產	5,705	2,805
Available-for-sale investments	18	持作出售投資	1,475	1,475
Finance lease receivables	22	融資租賃應收款項	240,366	1,869,445
Total non-current assets		非流動資產總值	257,870	1,878,899
Current assets		流動資產		
Inventories	20	存貨	1,292	2,726
Trade receivables	21	貿易應收款項	8,202	6,867
Loan receivables	23	應收貸款	1,080	3,300
Prepayments, deposits and other receivables	24	預付款項、按金及其他應收款項	75,715	62,853
Finance lease receivables	22	融資租賃應收款項	1,837,309	31,873
Held-for-trade investments		可供買賣投資	534	—
Bank balances - Trust accounts	25	銀行結餘 - 信託賬戶	5,759	5,206
Bank balances and cash - general accounts	25	銀行結餘及現金 - 一般賬戶	36,490	63,347
Total current assets		流動資產總值	1,966,381	176,172
Total assets		資產總值	2,224,251	2,055,071
EQUITY AND LIABILITIES		股東權益及負債		
Equity attributable to owners of the Company		本公司股權擁有人應佔股東權益		
Share capital	26	股本	2,040	1,620
Reserves	27	儲備	38,074	1,681
			40,114	3,301
Non-controlling interests		非控股權益	101,046	88,039
Total equity		權益總值	141,160	91,340
Non-current liabilities		非流動負債		
Deferred tax liabilities	28	遞延稅項負債	941	463
Convertible bonds	29	可換股債券	95,940	—
Promissory notes	30	承兌票據	—	24,238
Finance lease obligation due more than one year	31	於一年後到期之融資租賃承擔	199	1,026
Bank borrowings due more than one year	32	於一年後到期之銀行借款	72,060	1,691,649
Total non-current liabilities		非流動負債總值	169,140	1,717,376

Consolidated Statement of Financial Position

綜合財務狀況報表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current liabilities	流動負債			
Bank borrowings due within one year	於一年內到期之銀行借款	32	1,752,555	4,036
Finance lease obligation due within one year	於一年內到期之融資租賃承擔	31	827	942
Convertible bonds	可換股債券	29	—	114,400
Promissory notes	承兌票據	30	27,622	26,164
Trade payables	貿易應付款項	33	47,683	40,425
Other payables and accruals	其他應付款項及應計款項	34	83,035	57,299
Tax payables	應付稅項		2,229	3,089
Total current liabilities	流動負債總值		1,913,951	246,355
Total liabilities	負債總值		2,083,091	1,963,731
Total equity and liabilities	股東權益及負債總值		2,224,251	2,055,071
Net current assets/(liabilities)	流動資產/(負債)淨值		52,430	(70,183)
Net assets	資產淨值		141,160	91,340

Approved and authorised for issue by the board of directors on 26 March 2018.

經董事會於二零一八年三月二十六日核准及授權刊發。

Cheung Wai Yin, Wilson

張偉賢
Director
董事

Lau Chi Yan, Pierre

劉智仁
Director
董事

Consolidated Statement of Changes in Equity

綜合股東權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司股東擁有人應佔										
		Issued capital	Share premium account	Contributed surplus	Equity component of convertible bonds	Share option reserve	Capital reduction reserve	Exchange fluctuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價賬	繳入盈餘	可換股債券之權益部分	優先購股權儲備	股本削減儲備	匯兌波動儲備	累計虧損	總計	非控股權益	權益總計
		HK\$' 000 千港元	HK\$' 000 千港元*	HK\$' 000 千港元*	HK\$' 000 千港元*	HK\$' 000 千港元*	HK\$' 000 千港元*	HK\$' 000 千港元*	HK\$' 000 千港元*	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元
As 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	1,225	884,832	66,710	53,115	27,363	163,191	(4,134)	(1,176,623)	15,679	68,015	83,694
Changes in equity for 2016	二零一六年之權益變動：											
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(42,617)	(42,617)	2,469	(40,148)
Other comprehensive loss	其他全面虧損	—	—	—	—	—	—	(8,415)	(66)	(8,481)	(6,208)	(14,689)
Total comprehensive loss	全面總虧損	—	—	—	—	—	—	(8,415)	(42,683)	(51,098)	(3,739)	(54,837)
Issue of new shares upon placing	配售時發行新股份	395	38,271	—	—	—	—	—	—	38,666	—	38,666
Forfeiture of share options	沒收購股權	—	—	—	—	(35)	—	—	35	—	—	—
Dividend to non-controlling interest	非控股權益之股息	—	—	—	—	—	—	—	—	—	(6,666)	(6,666)
Contribution for formation of a subsidiary from non-controlling interests	非控股權益注資成立一間附屬公司	—	—	—	—	—	—	—	—	—	18,036	18,036
Disposal of a subsidiary	出售一間附屬公司	—	—	—	—	—	—	54	—	54	12,393	12,447
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	1,620	923,103	66,710	53,115	27,328	163,191	(12,495)	(1,219,271)	3,301	88,039	91,340
Changes in equity for 2017	二零一七年之權益變動：											
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(6,725)	(6,725)	3,393	(3,332)
Other comprehensive income	其他全面收入	—	—	—	—	—	—	8,953	209	9,162	6,166	15,328
Total comprehensive income/(loss)	全面總收入/(虧損)	—	—	—	—	—	—	8,953	(6,516)	2,437	9,559	11,996
Issue of new shares upon placing	配售時發行新股份	320	25,056	—	—	—	—	—	—	25,376	—	25,376
Issue of consideration shares	發行代價股份	100	8,900	—	—	—	—	—	—	9,000	—	9,000
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	—	—	—	—	—	—	3,448	3,448
As at 31 December 2017	於二零一七年十二月三十一日	2,040	957,059	66,710	53,115	27,328	163,191	(3,542)	(1,225,787)	40,114	101,046	141,160

* These reserve accounts comprise the consolidated reserves of approximately HK\$38,074,000 (2016: HK\$1,681,000) in the consolidated statement of financial position.

* 該等儲備賬目包括於綜合財務狀況報表的綜合儲備約 38,074,000 港元(二零一六年：1,681,000 港元)。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務現金流量		
Loss before tax	除稅前虧損	(90)	(36,210)
Adjustments for:	調整：		
Finance costs	融資成本	16,664	19,477
Interest income	利息收入	(60)	(91)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,785	2,161
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	16	—
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	—	10,370
Reversal of deferred tax liabilities	撥回遞延稅項負債	(4)	—
Gain on extinguishment of CB liability component	註銷可換股債券負債部分收益	(31,162)	—
Unrealised gain on held-for-trade investment	持作買賣投資未變現收益	(12)	—
Provision for impairment loss on loan receivables	應收貸款減值虧損撥備	1,000	—
Provision for impairment loss on prepayments, deposits, and other receivables	預付款項、按金及其他應收款項減值虧損撥備	285	—
Written off of bad debts	呆賬撇賬	—	117
Written off of inventories	存貨撇賬	137	435
Loss on early repayment of promissory notes	提早償還承兌票據之虧損	—	493
		(9,441)	(3,248)
Decrease / (increase) in inventories	存貨減少 / (增加)	1,309	662
Decrease / (increase) in trade receivables	貿易應收款項減少 / (增加)	(961)	766
Decrease / (increase) in loan receivables	應收貸款減少 / (增加)	1,220	4,151
(Increase) / decrease in finance lease receivables	融資租賃應收款項(增加) / 減少	(31,351)	(990,654)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(5,986)	(51,571)
(Increase) / decrease in bank balances - trust account	銀行結餘 - 信託賬戶(增加) / 減少	(553)	714
Increase in trade payables	貿易應付款項增加	4,671	13,595
(Decrease) / increase in other payables and accruals	其他應付款項及應計款項(減少) / 增加	(5,506)	52,144
Net cash used in operations	經營活動所用之現金淨額	(46,598)	(973,441)
Income taxes paid	已付所得稅	(4,292)	(3,599)
Interest paid	已付利息	(420)	
Net cash (used in) / generated from operating activities	經營業務(所用) / 產生之現金淨額	(51,310)	(977,040)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Interest received	已收利息	60	91
Purchases of property, plant and equipment	購置物業、廠房及設備	(3,044)	(1,037)
Disposal/(purchases) of available-for-sale investments	出售/(購置)持作出售之投資	—	8,399
Net cash inflow/(outflow) from acquisition of a subsidiary	收購一間附屬公司之現金流入/(流出)淨額	39	(3,613)
Net cash (used in) / generated from investing activities	投資活動(所用)/產生之現金淨額	(2,337)	3,840
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Interest paid on bank borrowings and finance lease obligation	就銀行借款及融資租賃承擔支付之利息	120	(157)
Proceeds from placing of shares	配售股份所得款項	25,376	38,666
New bank borrowings raised	新增銀行借款	1,363	1,307,265
Repayments of bank borrowings	償還銀行借款	—	(366,143)
Repayments of promissory notes	償還承兌票據	—	(3,000)
Repayments of finance lease obligation	償還融資租賃承擔	(942)	(786)
Dividend to non-controlling interest	非控股權益之股息	—	(6,666)
Contribution for formation of a subsidiary from non-controlling interests	非控股權益注資成立一間附屬公司	—	18,036
Net cash generated from / (used in) financing activities	融資活動產生/(所用)之現金淨額	25,917	987,215
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目(減少)增加淨額	(27,730)	14,015
Bank balances and cash - general accounts at the beginning of the year	年初銀行結餘及現金 — 一般賬戶	63,347	52,839
Effect of foreign exchange rate changes, net	外幣匯率淨變動影響	873	(3,507)
BANK BALANCES AND CASH - GENERAL ACCOUNTS AT THE END OF THE YEAR	年終銀行結餘及現金 — 一般賬戶	36,490	63,347

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. CORPORATE INFORMATION

The Company is a limited company incorporated in the Cayman Islands, its registered office is located at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is located at Room 1502, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The directors consider that the Company's immediate holding company and ultimate controlling parent company is Ivana Investments Limited, which is a private company incorporated in British Virgin Islands.

During the year ended 31 December 2017, the principal activity of the Company was investment holding. The principal activities of the subsidiaries comprised of trading business, financial services business and information technology business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). The adoption of new and revised HKFRSs and the impacts on the Group's consolidated financial statements are disclosed in Note 3.

The consolidated financial statements have been prepared under historical cost convention except for certain financial instruments which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

1. 公司資料

本公司為一間於開曼群島註冊成立之有限公司，其註冊辦事處位於 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，而主要營業地點則位於香港灣仔告士打道178號華懋世紀廣場1502室。

董事認為本公司之直接控股公司及最終控股母公司為 Ivana Investments Limited，其為於英屬處女群島註冊成立之私人公司。

截至二零一七年十二月三十一日止年度，本公司的主要業務為投資控股，而附屬公司的主要業務包括貿易業務、金融服務業務及資訊科技業務。

2. 主要會計政策概要

(a) 編製基準

該等綜合財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」）（包括所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）及香港公司條例之披露規定編製。該等綜合財務報表亦遵守香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）之適用披露條文。採納新訂及經修訂香港財務報告準則以及對本集團綜合財務報表造成的影響於附註3披露。

綜合財務報表乃以歷史成本慣例為編製基準，惟若干金融工具乃按公平價值計量。歷史成本一般基於交換資產所付代價之公平價值。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Basis of preparation (Continued)

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

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

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

2. 主要會計政策概要(續)

(a) 編製基準(續)

編製符合香港財務報告準則的財務報表要求管理層作出可影響政策應用及資產、負債、收入及開支呈報金額的判斷、估計和假設。此等估計及相關假設乃基於過往經驗及於有關情況下相信屬合理的多項其他因素，而有關結果乃作為就該等不可基於其他資料來源而明顯地得出的資產及負債賬面值的判斷基準。實際的結果可能會與此等估計不同。

此等估計及相關假設會持續獲檢討。若對會計假設所作的修訂僅影響作出修訂的期間，則有關修訂會於該期間確認，若有關修訂影響當期及未來期間，則會於作出修訂的期間及未來期間確認。

管理層應用香港財務報告準則時所作出之判斷(其對財務報表及估計不確定性的主要來源有重大影響者)於附註4論述。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of subsidiaries acquired or disposed of over the years are included in the profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of Group.

All intragroup transaction balance, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. 主要會計政策概要(續)

(b) 綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司所控制實體之財務報告。倘本公司達成以下事項，則視為取得控制：

- 對被投資方擁有權力；
- 就參與被投資方所得可變回報面臨風險或擁有權利；及
- 有行使其權力以影響其回報之能力。

倘有事實及情況顯示上述三項控制元素之一項或多項有變，則本集團會重估其是否控制被投資方。

本集團取得附屬公司控制權時開始將附屬公司綜合入賬，於喪失控制權時終止入賬。具體而言，年內收購或出售之附屬公司收入及開支自本集團取得控制權日期及直至本集團不再控制附屬公司之日止計入損益及其他全面收益表。

損益及各其他全面收入項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使此會導致非控股權益出現虧絀結餘。

如有需要，附屬公司財務報告已作出調整，以使其會計政策與本集團其他成員公司所用者一致。

所有集團內公司間之交易結餘、收入及開支以及與本集團成員公司間之交易有關之現金流量均於綜合入賬時悉數對銷。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair values, except that:

- a deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination and the potential tax effects of temporary differences and carryforwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are recognised and measured in accordance with HKAS 12 Income Tax;
- assets or liabilities relating to employee benefit arrangements are recognised and measured in accordance with HKAS 19 Employee Benefits;
- liabilities or equity instruments relating to share-based payment transactions of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

2. 主要會計政策概要(續)

(c) 業務合併

收購業務採用收購法進行會計處理。業務合併之轉讓代價以公平價值計量，而公平價值按本集團於收購日期向被收購方前擁有人轉讓資產、所產生的負債以及本集團為換取被收購方控制權而發行之股本權益之總和計算得出。收購相關成本一般會於產生時在損益表確認。

於收購日所收購之可識別資產及所承擔之負債應按其在收購日之公平價值予以確認，惟以下各項除外：

- 因業務合併中所收購之資產及所承擔之負債而產生之遞延稅項資產或負債，以及於收購日存在或因收購事項而產生之被收購方暫時差額及結轉之潛在稅項影響，乃根據香港會計準則第12號「所得稅」予以確認及計量；
- 有關僱員福利安排之資產或負債乃根據香港會計準則第19號「僱員福利」予以確認及計量；
- 與被收購方以股份為基礎之付款交易有關或以本集團以股份為基礎之付款交易取代被收購方以股份為基礎之付款交易有關之負債或股本工具，乃於收購日根據香港財務報告準則第2號「以股份為基礎之付款」計量(參閱下述會計政策)；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產(或出售集團)並根據該準則計量。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. 主要會計政策概要(續)

(c) 業務合併(續)

商譽是以轉讓代價、任何非控股權益於被收購方中所佔金額及收購方過往持有之被收購方股本權益之公平價值(如有)之總和，超出所收購可識別資產及所承擔之負債於收購日之淨額之差額計量。倘經過重新評估後，所收購之可識別資產與所承擔之負債於收購日之淨額高於轉讓代價、任何非控股權益於被收購方中所佔金額及收購方過往持有之被收購方權益之公平價值(如有)之總和，則差額即時於損益表確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值之非控股權益，可按逐項交易基準初步以公平價值或非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。其他類別之非控股權益按其公平價值或於適用情況下另外以香港財務報告準則所述基準列賬。

倘本集團在業務合併中轉讓之代價包括或然代價安排所產生之資產或負債，則或然代價按其於收購日之公平價值計量，並包含於業務合併中轉讓之部分代價。符合計量期間調整條件之或然代價公平價值變動會追溯調整，並相應調整商譽或廉價購買收益。計量期間調整是指在「計量期間」(從收購日起計不超過一年)所獲取之關於購買日存在之事實及環境之額外資料而引致之調整。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Business combinations (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39 Financial Instruments: Recognition and Measurement, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(d) Goodwill

Goodwill is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating unit, or groups of cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2. 主要會計政策概要(續)

(c) 業務合併(續)

倘或然代價公平價值之其後變動不符合計量期間調整之條件，則有關其後會計處理須視乎或然代價如何分類而定。分類為權益之或然代價於報告日後不獲重新計量，而有關其後結算於權益列賬。分類為資產或負債之或然代價於報告日後根據香港會計準則第39號「金融工具：確認及計量」或香港會計準則第37號「撥備、或然負債及或然資產」(視何者適用而定)重新計量，相關收益或虧損於損益表確認。

倘業務合併之初步會計處理於合併發生之報告期末尚未完成，則本集團報告尚未完成會計處理之項目臨時金額。該等臨時金額會於計量期間(請參閱上文)予以調整，或確認額外資產或負債，以反映於收購日已存在而據所知可能影響該日已確認金額之事實與情況所取得之新資料。

(d) 商譽

商譽乃按成本減去累計減值虧損列賬。就減值測試目的而言，商譽會分配至預期可透過合併的協同效益獲利的各個現金產生單位或現金產生單位組別。

獲分配商譽的現金產生單位每年會進行減值測試，但如果有跡象顯示某單位可能會發生減值，則會更頻密地進行減值測試。就於報告期間的收購所產生的商譽而言，獲分配商譽的現金產生單位於該報告期末前進行減值測試。如果現金產生單位的可收回金額低於該單位的賬面值，減值虧損會先分配以減少分配到該單位的任何商譽賬面值，然後根據該單位每一資產的賬面值的比例分攤到該單位的其他資產。商譽之任何減值虧損直接於損益中確認。已確認商譽減值虧損不可在後續期間撥回。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvement	Over the lease term
Computer and office equipment	20% to 33%
Motor vehicles	25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2. 主要會計政策概要(續)

(e) 物業、廠房及設備

物業、廠房及設備乃按成本值減累計折舊及減值虧損於財務狀況報表列賬。

折舊以直線法按各項物業、廠房及設備於其估計可使用年期的剩餘價值撇銷其成本值。就此而使用的主要折舊年率如下：

租賃物業裝修	按租期
電腦及辦公室設備	20% 至33%
汽車	25%

當物業、廠房及設備項目之部分擁有不同使用年期時，該項目之成本值乃按合理基準分配至各部分，各部分將個別地折舊。本集團每年均會審閱資產之可使用年期及其剩餘價值(如有)。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所替換之部分的賬面值乃撇除確認。所有其他維修及保養費均需於產生時於該財務期間之損益表扣除。

倘資產賬面值大於其估計可收回金額，資產賬面值即時撇減至其可收回金額。

退用或出售物業、廠房及設備項目所產生之收益或虧損乃按銷售所得款項淨額與有關項目賬面值之差額釐定，並在退用或出售當日於損益表確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses or at revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any subsequent accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

(g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

2. 主要會計政策概要(續)

(f) 無形資產

個別購買而有固定年期之無形資產按成本扣除累計攤銷及任何累計減值虧損或其重估價值(即於重估日之公平價值扣除其後累計攤銷及任何累計減值虧損)列賬。有固定年期之無形資產乃按其估計可用年期以直線法攤銷，而於每個報告期末檢閱估計可用年期及攤銷方法，並把有關估計之任何轉變的影響以未來的方式反映。擁有無限使用年期之無形資產按成本扣除任何其後累計減值虧損列賬。

撤銷確認無形資產產生之收益或虧損，按出售所得款項淨額與資產賬面值之差額計量，並於撤銷確認資產期間在損益表確認。

(g) 租賃

凡租賃的條款規定擁有權所附帶的一切風險及報酬實質上轉移至承租人者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

本集團作為出租人

融資租賃下承租人應付金額，以本集團於租賃的投資淨額確認為應收款項。融資租賃收入分配予會計期間，以為反映本集團於租賃的未完成投資淨額的定期回報率。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Leases (Continued)

The Group as lessee

Assets held by a lessee under finance leases are recognised as assets of the Group at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as finance lease obligation. Finance charges, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable by a lessee under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the accounting period in which they are incurred.

(h) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2. 主要會計政策概要(續)

(g) 租賃(續)

本集團作為承租人

融資租賃由承租人持有之資產於租賃開始時以公平價值或最低租賃付款之較低者確認為本集團之資產。出租人的相應債務於綜合財務狀況表中列為融資租賃承擔。財務費用(即租賃承擔總額與所收購資產之公平價值兩者間之差額)乃按各項租賃之年起，自損益賬中扣除，以設定於餘下租賃承擔於各會計期間之固定定期收費額。

經營租賃承租人應付租金於損益賬中以直線法按相關租約期支銷。已收租賃激勵於損益表中確認為租賃淨付款總額之組成部分。或然租金於產生之會計期間內作為費用。

(h) 除商譽外有形及無形資產減值

本集團於各報告期間結算日檢討其有形資產及無形資產之賬面值，以確定有關資產是否出現減值虧損跡象。如有任何該等跡象，則會估計資產之可收回金額，以確定減值虧損(如有)之程度。如不可能估計個別資產之可收回金額，則本集團會估計該類資產之現金產生單位之可收回金額。如可識別合理及一致之分配基準，企業資產亦會分配至個別現金產生單位，或按其他能確認以合理及一致之分配基準將其分配至最少之現金產生單位組別。

無限可使用年期之無形資產及尚未可供使用之無形資產至少每年及於有跡象顯示資產可能出現減值時進行減值測試。可收回金額指公平價值減銷售成本與使用價值兩者中之較高者。評估使用價值時，採用除稅前折現率將估計未來現金流量折現至其現值，該折現率反映目前市場對貨幣時間值及並未於未來估計現金流量調整之資產特定風險之評估。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of tangible and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(i) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not measured at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Other than investments in subsidiaries and associates, the Group's financial assets are classified into (i) loans and receivables and (ii) available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of 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. Loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

2. 主要會計政策概要(續)

(h) 除商譽外有形及無形資產減值(續)

倘資產(或一項現金產生單位)之可收回金額估計低於其賬面值,則資產(或一項現金產生單位)之賬面值下調至其可收回金額。減值虧損會即時於損益中確認。

倘其後回撥減值虧損,該資產(或現金產生單位)賬面值會調高至其經修訂之估計可收回金額,但增加之賬面值不得高於倘該資產(或一項現金產生單位)往年並無確認減值虧損時釐定之賬面值。撥回之減值虧損會即時於損益中確認。

(i) 金融工具

當本集團成為工具合約條款一方時,金融資產及金融負債獲得確認。

金融資產及金融負債初步按公平價值計量。收購或發行金融資產及金融負債其非按公平價值計入損益直接應佔之交易成本於初步確認時加入金融資產公平價值或金融負債公平價值扣除(倘適用)。

金融資產

除附屬公司及聯營公司投資外,本集團之金融資產分類為(i)貸款及應收款項及(ii)可供出售金融資產。分類視乎金融資產之性質及用途,並於初次確認時釐定。

(i) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款且並無在活躍市場上報價的非衍生金融資產。貸款及應收款項(包括貿易及其他應收款項以及銀行結餘及現金)使用實際利率法按攤銷成本減任何減值計量。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

(i) *Loans and receivables*

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables; (b) held-to-maturity investments; or (c) financial assets at fair value through profit and loss.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Where the financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Available-for-sale equity investments 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 investments are measured at cost less any identified impairment losses at the end of the reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Effective interest method

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

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產(續)

(i) *貸款及應收款項*

利息收入使用實際利率法確認，惟當確認利息屬無關重要之短期應收款項時除外。

(ii) *可供出售金融資產*

可供出售金融資產乃被指定為可供出售或未被分類為：(a)貸款和應收款項；(b)持至到期投資；或(c)按公平價值計入損益之金融資產之非衍生工具。

可供出售金融資產於報告期末以公平價值計量。公平價值之變動於其他全面收益中確認及於投資重估儲備中累積。當該金融資產被出售或被認定為減值時，先前於投資重估儲備中累積之收益或虧損，將重新分類到損益中(見下文有關金融資產減值虧損之會計政策)。

沒有於活躍市場報價且公平價值不能可靠計算之可供出售股本投資，及與該等沒有報價股本投資掛鈎且必須以該等沒有報價股本投資作交收之衍生工具，則於報告期末按成本價扣除任何已識別減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

實際利息法

實際利息法乃計算債務工具的攤銷成本以及分配相關期間的利息收入的方法。實際利率乃於初始確認時按債務工具的預計年期或適用的較短期間內準確貼現估計未來收取的現金(包括構成實際利率一部份的所有已付或已收的費用及點數、交易成本及其他溢價或折讓)至賬面淨值的利率。就債務工具而言，利息收入按實際利息基準確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial instruments (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. These assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available-for-sale equity investments that were measured at fair value at subsequent reporting dates, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - (i) adverse changes in the payment status of borrowers in the group (eg an increased number of delayed payments or an increased number of credit card borrowers who have reached their credit limit and are paying the minimum monthly amount); or
 - (ii) national or local economic conditions that correlate with defaults on the assets in the group (eg an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, a decrease in oil prices for loan assets to oil producers, or adverse changes in industry conditions that affect the borrowers in the group).

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產減值

金融資產於各報告期末被評估減值指標。倘有客觀證據證明因金融資產於初次確認後發生的一件或多件事項使投資的估計未來現金流量受影響，則該等資產被視為已減值。

就可供出售股本投資而言，其於隨後報告日期按公平價值計量，投資之公平價值大幅或持續下降至低於其成本被視為客觀之減值證據。

所有其他金融資產之客觀減值證據可包括：

- 發行人或對手方出現嚴重財政困難；
- 違反合約，如逾期支付或拖欠利息或本金付款；
- 借款人有可能破產或進行財務重組；
- 該金融資產之活躍市場因財政困難而消失；或
- 可觀察的資料顯示，某一組合金融資產自首次確認入賬後，其估計之未來現金流量出現重大跌幅(儘管未能識別有關跌幅來自組合內之個別金融資產)，資料包括：
 - (i) 組合內借款人的付款狀況出現逆轉(如有所增加的延遲付款或有所增加的信用卡借款人已達到其信貸限額且正繳付每月最低還款額)；或
 - (ii) 組合內資產拖欠情況與有關當地或國家經濟狀況相符。(如借款人所在地區失業率上升、相關地區物業按揭價格下降、石油生產商貸款資產油價下跌或影響組合內借款人之行業狀況不利變動)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial instruments (Continued)

Impairment of financial assets (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For finance lease receivables, they are assessed as to whether objective evidence of impairment exists individually for receivables that are individually significant, and individually or collectively for receivables that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed receivables, whether significant or not, it includes the receivables in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment. Receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are reversed against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產減值(續)

就若干類別之金融資產(如應收貿易款項及獲評估為不會個別減值之資產)而言,將進而作整體減值評估。應收款項組合出現之客觀減值證據可包括本集團過往收款經驗,以及與應收款項拖欠情況相關之國家或地方的經濟狀況出現明顯變動。

對於按攤銷成本列賬之金融資產而言,減值虧損之金額按資產之賬面值與以金融資產原來實際利率折現估計未來現金流量現值間之差額確認。

就融資租賃應收款項而言,該等款項會獲評估客觀減值證據是否個別存在於個別重大之應收款項,及是否個別或整體存在於並非個別重大之應收款項。倘本集團釐定並無客觀減值證據存在於個別經評估應收款項(無論重大與否),則會將具有類似信貸風險特性之應收款項歸類至一組應收款項,並以整體方式評估減值。已個別評估減值且減值虧損現已確認或持續確認之應收款項不包括於整體評估減值內。

以成本列賬之金融資產,其減值虧損金額計算為資產賬面值及以類似金融資產現時市場回報率折現的估計未來現金流量的現值兩者之差額。此減值虧損不可於以後期間撥回。

金融資產之賬面值直接透過所有金融資產之減值虧損減少,惟應收貿易款項除外,其賬面值透過使用撥備賬減少。倘應收貿易款項被認為不可收回,則於撥備賬撇銷。之後收回的先前已撇銷數額會撥回撥備賬。撥備賬賬面值的變動於損益中確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial instruments (Continued)

Impairment of financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Other financial liabilities

Other financial liabilities including trade payables, other payables and accruals, convertible bonds and promissory notes are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產減值(續)

當可供出售金融資產被視為已減值時，先前於其他全面收益內確認的累計損益則重新分類至期內損益中。

金融負債及股本工具

集團實體發行的債務及股本工具乃根據合同安排的實質內容與金融負債及股本工具的定義分類為金融負債或股本。

股本工具

股本工具乃指證明於一間實體扣減所有負債後的資產中擁有剩餘權益的任何合約。本集團發行的股本工具乃按收取的所得款項(扣除直接發行成本)確認。

購回本公司本身的股本工具於權益中直接確認及扣除。購買、出售、發行或註銷本公司本身的股本工具不會於損益中確認任何收益或虧損。

其他金融負債

其他金融負債(包括貿易應付款項、其他應付款項及應計款項、可換股債券及承兌票據)其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法指一種用於計算有關期間內金融負債之攤銷成本以及分配利息開支之方法。實際利率乃為精確地把估計未來現金付款(包括組成實際利率、交易成本及其他溢價或折讓一部分之已付或已收的所有費用及點數)於金融負債之預期壽命或(倘適合)較短期間折現為初次確認時之賬面淨值之利率。利息開支按實際利率基準確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds contains liability and equity components

The component parts of the convertible bonds issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the lives of the convertible bonds using the effective interest method.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融負債及股本工具(續)

可換股債券包含負債及權益成份

本公司發行之可換股債券之組成成份乃根據合同安排的實質內容與金融負債及股本工具的定義，個別分類為金融負債及股本。將以固定金額現金或另一項金融資產交換固定數目之本公司本身股本工具方式結清之轉換選擇權屬股本工具。

於發行日期，負債成份之公平價值按類非可換股工具之現行市場利率估算。該金額按實際利率法以攤銷成本基準入賬列作負債，直至於轉換時或該工具到期日被取消為止。

分類為權益之轉換選擇權乃透過從整體複合工具之公平價值中扣減負債成份金額釐定。其將於扣除所得稅影響後在權益中確認及記賬，且其後將不予重新計量。此外，分類為權益之轉換選擇權將一直保留於權益內，直至該轉換選擇權獲行使為止，在此情況下，權益內確認之結餘將轉入股份溢價。倘轉換選擇權於可換股債券到期日仍未行使，則於權益內確認之結餘將轉入保留溢利。轉換選擇權於獲轉換或屆滿時將不會於損益中確認任何收益或虧損。

與發行之可換股債券有關之交易成本乃按所得款項總額之分配比例分配至負債及權益成份。與權益成份有關之交易成本會直接自權益扣除。與負債成份有關之交易成本則計入負債成份之賬面值，並於可換股債券壽命內使用實際利率法攤銷。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds contains liability and equity components
(Continued)

When the Company extinguishes a convertible bonds before maturity through an early redemption or repurchase in which the original conversion privileges are unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of the transaction. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with that used in the original allocation to the separate components of the proceeds received by the Company when the convertible instrument was issued. The gain or loss relating to the equity component is recognised in equity. The gain or loss relating to the liability component is recognised in profit or loss.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in first-out. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(k) Bank balances and cash

Bank balances and cash comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of bank balances and cash for the purpose of the consolidated statement of cash flows.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融負債及股本工具(續)

可換股債券包含負債及權益成份(續)

當本公司於到期日前通過提早贖回或購回之方式取消可換股債券，而原轉換權並無改變，則本公司將已付代價及任何購回或贖回之交易成本於交易日期分配至該工具之負債及權益成份。分配已付代價及交易成本至個別成份之所用方法，與發行可換股工具當時原有分配本公司所收款項至個別成份之方法一致。與權益成份相關之收益或虧損於權益中確認。與負債成份相關之收益或虧損於損益中確認。

(j) 存貨

存貨乃按成本及可變現淨值兩者中之較低值列值。存貨成本乃按先進先出法計算。可變現淨值指存貨之估計售價減所有完成所需估計成本及進行銷售所需成本。

(k) 銀行結餘及現金

銀行結餘及現金包括銀行及手持現金、銀行及其他金融機構之活期存款，以及可隨時轉換為可知現金數額而無須承受重大風險的價值改變，以及於購入起計於三個月內到期的高度流通投資。就綜合現金流量表而言，按通知償還並構成本集團現金管理一部分之銀行透支亦列入為銀行結餘及現金。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 主要會計政策概要(續)

(i) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債變動。即期稅項及遞延稅項資產及負債變動於損益表確認，惟倘該等項目與其他全面收益或直接於權益確認之項目有關，則分別於其他全面收益或直接於權益確認。

即期稅項為年度應課稅收入按報告期末已制定或大致上制定的稅率釐定之預計應付稅項，並已包括以往年度應付稅項之任何調整。

遞延稅項資產及負債是因財務申報目的及納稅基礎計算之資產及負債與其賬面值之間之差異而分別產生之可扣減及應課稅之暫時差額。遞延稅項資產也產生自未動用稅項虧損及未動用稅項抵免。

除了若干有限之例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來應課稅溢利可支持由可扣減之暫時差額引致遞延稅項資產之確認，包括現存之應課稅暫時差額之撥回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣減之暫時差額撥回或在若干期限內由該遞延稅項資產產生之稅項虧損可以收回或轉結。相同標準應用在判斷現時可扣減暫時差額能否支持由未動用稅項虧損或稅項抵免產生之遞延稅項資產確認，即如果屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅項虧損或稅項抵免可使用而撥回時，會計入該等差額。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future or, in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

2. 主要會計政策概要(續)

(I) 所得稅(續)

在有限例外情況下，不確認遞延稅項資產及負債之暫時差額包括不可扣稅之商譽、初始時已確認不影響會計及應課稅溢利之資產或負債(須不是商業合併之一部分)、及有關投資附屬公司之暫時差額，就應課稅差額而言，不超過集團可控制該差額撥回的時間而該差額在可見將來不會撥回；而就可扣稅差額而言，除非該差額在可見將來可以撥回。

確認遞延稅項金額乃根據該資產及負債之賬面值之預期變現及結算方式，按於各報告期末已制定或大致上制定的稅率釐定。遞延稅項資產及負債不作折讓。

遞延稅項資產的賬面值將於各報告期末審核，直至不再可能會有足夠應課稅溢利以容許動用相關稅務利益，則會予以扣減。如有足夠應課稅溢利，有關扣減則予撥回。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

即期稅項與遞延稅項結餘及其變動之金額會分別列示而不會相互抵銷。本集團只在有合法權利對即期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對即期及遞延稅項資產及負債作出抵銷：

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(l) Income tax (Continued)

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(m) Provisions and contingent liabilities

i) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition.

ii) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a 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 carried at the present value of the expenditure expected to settle the obligation.

2. 主要會計政策概要(續)

(l) 所得稅(續)

- 就即期稅項資產及負債而言，本集團計劃支付淨額或同時間變現資產及償還負債；或
- 有關遞延稅項資產及負債屬同一稅務機關對以下機構徵收所得稅而產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，並預計在未來期間會結算或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現即期稅項資產及償還即期稅項負債，或同時間變現及償還。

(m) 撥備及或然負債

i) 業務合併中假定之或然負債

業務合併中假定之或然負債乃屬於交易當日之現有責任，初步須按公平價值確認(倘公平價值可被可靠計量)。確認公平價值後該或然負債乃按初始確認金額減累計攤銷(如適用)兩者中的較高者確認。業務合併中之假定或然負債未能可靠計量，或在交易當日而言並非現有責任。

ii) 撥備及或然負債

當本集團須就過往事件承擔法律或推定責任，而履行有關責任會導致經濟利益外流，並可作出可靠之估計時，本集團或本公司便會就時間或金額不定之負債計提撥備。倘貨幣時間價值重大，則按預計清償責任所須開支之現值計提撥備。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Provisions and contingent liabilities (Continued)

ii) Provisions and contingent liabilities (Continued)

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 an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

(n) Related parties

- a) A person, or a close member of that person's family, is related to the Group if that person:
 - i) has control or joint control over the Group;
 - ii) has significant influence over the Group; or
 - iii) is a member of the key management personnel of the Group or the Group's parent.
- b) An entity is related to the Group if any of the following conditions applies:
 - i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.

2. 主要會計政策概要(續)

(m) 撥備及或然負債(續)

ii) 撥備及或然負債(續)

倘經濟利益外流之可能性不大，或無法就有關金額作出可靠之估計，則該責任將予披露為或然負債，惟經濟利益外流之可能性極低則除外。倘本集團之可能責任僅將視乎某宗或多宗未來事件是否發生始能確定是否存在，亦會披露為或然負債，惟經濟利益外流之可能性極低則除外。

(n) 關聯方

- a) 有關人士為一名人士或該人士之關係密切家庭成員，而該人士：
 - i) 控制本集團或共同控制本集團；
 - ii) 可對本集團發揮重大影響力；或
 - iii) 為本集團或其母公司的主要管理人員。
- b) 有關人士為適用任何以下條件的實體：
 - i) 該實體與本集團屬同一集團的成員公司。
 - ii) 一實體為另一實體(或另一實體的母公司、附屬公司或同集團附屬公司)的聯營或合營公司。
 - iii) 該實體與本集團為同一第三方的合營公司。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(n) Related parties (Continued)

- 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.
- vi) The entity is controlled or jointly controlled by a person identified in a).
- vii) A person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably as follows:

i) Sale of goods

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title is passed.

ii) Finance income under finance leases (the Group as the lessor)

Finance income is recognised on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

iii) Rendering of services

Services income is recognised when the services are rendered.

2. 主要會計政策概要(續)

(n) 關聯方(續)

- iv) 一實體為一第三方的合營公司，而另一實體為同一第三方的聯營公司。
- v) 該實體為本集團或屬本集團關聯方的實體的僱員離職後福利計劃。
- vi) 該實體為 a) 所述人士控制、或共同控制。
- vii) 於 a) i) 所識別人士對實體有重大影響或屬該實體(或該實體母公司)主要管理人員的其中一名成員。
- viii) 實體或其所屬集團的任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

有關人士之關係密切家庭成員是指預期在彼等與有關實體往來時會影響上述個人或受上述個人影響之該等家庭成員。

(o) 收入確認

收入乃按已收或應收代價之公平價值計量。倘經濟利益可能會流入本集團以及能夠可靠地按下列方法計算收入及成本(如適用)時：

i) 銷售貨品

銷售貨品於所有權之風險及回報轉移時確認，其大致上與貨品交付予客戶及權利轉移之時一致。

ii) 融資租賃項下的融資收入(本集團作為出租人)

融資收入乃按可反映出租人於融資租賃的投資淨額定期回報率之方式確認。

iii) 提供服務

服務收入乃於服務獲提供時確認。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Employee benefits

i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are carried at their present values.

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (HK\$25,000 prior to June 2014). Contributions to the plan vest immediately.

The employees of the Company's subsidiaries which operate in the People's Republic of China ("PRC") are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. 主要會計政策概要(續)

(p) 僱員福利

i) 短期僱員福利及向定額供款退休計劃作出之供款

薪金、年終花紅、有薪年假、對定額供款計劃之供款及非金錢福利費用於僱員提供相關服務的年度計提。倘遞延付款或結算，且影響重大，則按現值將該等款項入賬。

本集團根據香港強制性公積金計劃條例，為於香港僱傭條例項下司法權區僱用的僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理的界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須向計劃供款，供款額為僱員有關收入的5%，惟不得超過每月相關收入30,000港元(二零一四年六月前為25,000港元)的上限。向計劃作出的供款即時歸屬。

本公司於中華人民共和國(「中國」)營運之附屬公司所聘僱員須參與由當地市政府運作之中央退休金計劃。該等附屬公司須按薪金成本之若干百分比作為中央退休金計劃供款。供款於其根據中央退休金計劃之規則應付時於損益內列賬。

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財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Employee benefits (Continued)

ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2. 主要會計政策概要(續)

(p) 僱員福利(續)

ii) 以股份為基礎之付款

授予僱員之購股權之公平價值乃確認為僱員成本，並在股本權益內之資本儲備作相應增加。公平價值乃於授出日期以柏力克-舒爾斯期權定價模式計量，並經計入授出購股權之條款及條件。當僱員可無條件享有購股權前須符合歸屬條件，購股權之估計公平價值總額在歸屬期內攤分入賬，並計及購股權歸屬之或然率。

預期歸屬之購股權數目乃於歸屬期內作出檢討。除非原僱員支出符合資產確認之要求，任何已在過往年度確認之累積公平價值之調整須在回顧年度之損益表內扣除／抵免，並於資本儲備作相應調整。於歸屬日期，除非僅因未能符合歸屬條件引致權利喪失與本公司股份之市價有關，確認為支出之金額按歸屬購股權之實際數目作調整，並於資本儲備作相應調整。股本權益金額於資本儲備確認，直至購股權獲行使（轉撥至股份溢價賬）或購股權屆滿（直接於保留盈利中解除）。

iii) 離職福利

倘本集團明確就終止僱用作出承擔或因在一項實際上不可能退出之詳細正式計劃下僱員自願離職而提供利益（及僅在上述情況下），則離職福利可確認入賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Foreign currencies translation

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in the other comprehensive income and accumulated in the exchange fluctuation reserve.

(r) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

2. 主要會計政策概要(續)

(q) 外幣換算

該等財務報告乃以港元列示，而港元乃本公司之功能及呈報貨幣。本集團旗下各實體決定本身之功能貨幣，而納入各實體之財務報告之項目乃以該功能貨幣計量。本集團內實體記錄之外幣交易初步以交易日期各自適用之功能貨幣匯率記錄。以外幣計值之貨幣資產及負債乃按報告期末適用之功能貨幣匯率重新換算。所有差額乃計入損益表。以歷史成本及外幣計量之非貨幣項目乃以初步交易日期適用之匯率換算。以公平價值及外幣計量之非貨幣項目乃按公平價值釐定當日適用之匯率換算。

若干附屬公司之功能貨幣乃港元以外之貨幣。於報告期末，該等實體之資產及負債乃以本公司之呈報貨幣及按報告期末適用之匯率換算，而該等實體之損益表則按年內加權平均匯率換算為港元。所得匯兌差額於其他全面收益確認，並累積於匯兌波動儲備。

(r) 分部報告

財務資料所報告之經營分部及個別分部項目之款項乃於為分配資源於本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團最高級行政管理層提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方式以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部分此等準則，則該等經營分部可能會被合併。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. NEW AND REVISED HKFRSS APPLIED

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendment to HKAS 7	Disclosure Initiative;
Amendment to HKAS 12	Recognition of Deferred Tax Assets for Unrealised losses; and
HKFRSs (Amendment)	Annual Improvements to HKFRSs, 2014-2016 Cycle

The amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments to HKAS 12 clarify when unrealised losses on a debt instrument measured at fair value would give rise to a deductible temporary difference and how to evaluate whether sufficient future taxable profits are available to utilise a deductible temporary difference.

Annual improvements to HKFRSs (2014-2016 cycle) include an amendment to HKFRS 12 that clarifies that, when an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with HKFRS 5 *Non-current Assets held for Sale and Discontinued operations*, it is not required to disclose summarised financial information for that subsidiary, joint venture or associate, as required by HKFRS 12 *Disclosure of Interests in Other Entities*.

The application of these amendments has had no effect on the Group's consolidated financial statements.

3. 已應用新訂及經修訂香港財務報告準則

本集團已就本年度之財務報告首次採納下列經修訂準則。

香港會計準則第7號 (修訂本)	披露計劃；
香港會計準則第12號 (修訂本)	就未變現虧損確認遞延稅項資產；及
香港財務報告準則 (修訂本)	香港財務報告準則的年度改進，二零一四年至二零一六年週期

香港會計準則第7號(修訂本)要求實體作出披露，以使財務報表使用者能夠評估融資活動產生的負債變動。本集團各類融資負債的對賬披露於綜合財務報表附註**及附註**。除有關額外披露者外，應用該等修訂本對綜合財務報表並無任何重大影響。

香港會計準則第12號(修訂本)澄清當按公平價值計量債務工具的未變現虧損將會產生可扣減暫時差額及評估是否有足夠的未來應課稅溢利可用作抵扣可扣減暫時差額的方法。

香港財務報告準則的年度改進(二零一四年至二零一六年週期)包括香港財務報告準則第12號(修訂本)，其澄清當實體在附屬公司、合營公司或聯營公司的權益(或其合營公司或聯營公司的權益部分)根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務被分類為持作出售(或計入分類為持有作出售的出售組別)，其毋須按香港財務報告準則第12號於其他實體的權益披露之要求披露該附屬公司、合營公司或聯營公司的財務資料概要。

應用該等修訂本對本集團的綜合財務報告概無影響。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. ACCOUNTING ESTIMATES AND JUDGEMENT

Key sources of estimation uncertainty

In the process of applying the Group's accounting policies, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

(i) *Property, plant and equipment and depreciation*

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) *Impairment of finance lease receivables*

The Group's management has to exercise judgement in determining whether finance lease receivables are impaired or the event previously causing the finance lease receivables impairment no longer exists, taking into account: (i) whether the finance lease receivables have been past due; (ii) whether there are any indicators of impairment; and (iii) whether the repayments are in accordance with repayment schedules. Changing the assumptions selected by management to determine the level of impairment, could materially affect the amount of impairment.

(iii) *Allowance for bad and doubtful debts*

The provisioning policy for bad and doubtful debts of the Group is based on the evaluation by management of the collectability of the accounts receivable. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including assessing the current creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance will be required.

(iv) *Impairment of goodwill and intangible assets*

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cashgenerating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

4. 會計估計及判斷

估計不確定性之主要來源

於應用本集團會計政策的過程中，管理層就未來及其他於報告期末之估計不確定性之主要來源作出若干主要假設。有重大風險並導致須於下一個財政年度對資產及負債賬面值作重大調整之估計及假設論述如下。

(i) *物業、廠房及設備以及折舊*

本集團管理層釐定物業、廠房及設備的估計可使用年期以及相關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備實際使用年期的過往經驗而作出，並會因技術發展及競爭對手因應激烈的行業週期所作行動而出現重大變動。倘可使用年期較之前的估計為短，則管理層會調高折舊開支，或將已報廢或出售的技術過時或非策略資產撇銷或撇減。

(ii) *應收融資租賃減值*

本集團管理層需就應收融資租賃是否已減值或過往導致融資租賃應收款項減值之事件是否不再存在行使判斷，當中經考慮：(i) 應收融資租賃是否已逾期；(ii) 是否有任何減值指標；及(iii) 是否按還款時間表還款。更改管理層為釐定減值級別所選取的假設可能大幅影響減值金額。

(iii) *呆壞賬撥備*

本集團之呆壞賬撥備政策為根據管理層對應收款項之可收回性進行評估。在評估該等應收款項最終能否變現時，需作出相當判斷，包括評估各客戶之現時借貸能力及過去還款記錄。倘該等客戶之財務狀況惡化，導致其付款能力減弱，將需要額外撥備。

(iv) *商譽及無形資產減值*

於確定商譽及無形資產是否出現減值時，需要估計商譽獲分配的現金產生單位的使用價值。計算使用價值時，董事需要估計該現金產生單位預期將產生的未來現金流量以及計算現值的合適貼現率。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

Key sources of estimation uncertainty (Continued)

(v) Income tax

The Group is subject to income taxes in several jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be charged. Where the final tax outcome of these matters is different from the amounts that are initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. SEGMENT REPORTING

For management purposes, the Group is organised into business units based on its products and services and has the reportable operating segments as follows:

- the trading business segment is engaged in the trading of goods, components and accessories;
- financial services business segment is engaged in provision of finance lease services, provision of money lending services and provision of securities services;
- the information technology business segment is engaged in distributorship of information technology products and the provision of relevant technical support services; and
- other business segment is engaged in servicing business, such as training course provision.

During the year ended 31 December 2016, the forestry business segment had been ceased upon the disposal of subsidiary in 2016 as disclosed in note 40 to the financial statements. Executive directors of the Company, who are the chief operating decision makers, monitor the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit/loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, finance costs, equity-settled share option expenses, as well as head office and corporate expenses are excluded from such measurement.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arose from the depreciation or amortisation of assets attributable to those segments.

4. 會計估計及判斷(續)

估計不確定性之主要來源(續)

(v) 所得稅

本集團須於多個司法權區繳納所得稅。在釐定全球所得稅撥備時，本集團需作出重大判斷。許多交易及計算所涉及之最終稅務釐定皆無法於一般業務過程中確定。本集團根據對是否須繳付額外稅款的估計，就預期稅務審計項目確認負債。如此等事件的最終稅務後果有別於最初列賬金額，此等差額將影響作出此等釐定期間的所得稅和遞延稅項撥備。

5. 分部報告

為方便管理，本集團根據其產品及服務規劃為不同業務單位，本集團之業務呈報分部如下：

- 買賣貨品、零件及配件之貿易業務分部；
- 從事提供融資租賃服務、提供放債服務及提供證券服務之金融分部；
- 從事分銷資訊科技產品及提供相關技術支援服務之資訊科技業務分部；及
- 從事服務業務(如提供培訓課程)之其他業務分部。

於截至二零一六年十二月三十一日止年度，林木業務分部已於二零一六年出售附屬公司(誠如財務報表附註40所披露)後終止經營，其已於財務報表附註40披露。作為主要營運決策人之本公司執行董事獨立監控各業務分部之業績，目的為就資源分配及表現評估作出決策。分部表現按呈報分部溢利或虧損作出評估。呈報分部溢利或虧損乃為除稅前經調整溢利/虧損的計量單位。除稅前經調整溢利或虧損與本集團之除稅前溢利/虧損計量一致，惟該計量並不包括利息收入、融資成本、以股權結算的優先購股權開支，以及總辦事處及公司開支。

收益及開支乃參考該等分部產生之銷售及該等分部產生之開支，或該等分部應佔資產折舊或攤銷分配至可報告分部。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT REPORTING (Continued)

Segment assets include non-current assets and current assets with the exception of certain assets unallocated to an individual reportable segment.

Segment liabilities include non-current liabilities and current liabilities with the exception of tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

For the year ended 31 December 2017

5. 分部報告(續)

分部資產包括非流動資產及流動資產，惟不包括未分配至個別可報告分部之若干資產。

分部負債包括非流動負債及流動負債，惟不包括集團管理之應付稅項及其他未分配總辦事處及公司負債。

截至二零一七年十二月三十一日止年度

HK\$'000	千港元	Trading business 貿易業務	Financial services business 金融服務 業務	Information Technology business 資訊科技 業務	Other business 其他業務	Total 合計	Unallocated 未分配	Group Total 本集團合計
Segment revenue:	分部收入：							
Revenue from external customers	來自外間客戶之收入	325,217	104,155	812	—	430,184	—	430,184
Segment profit/(loss)	分部溢利/(虧損)	(260)	8,261	(323)	(43)	7,635	107	7,742
Interest income	利息收入	38	21	1	—	60	—	60
Finance costs	融資成本	(351)	—	—	—	(351)	(20,832)	(21,183)
Gain on extinguishment of convertible bonds liability component	註銷可換股債券 負債部分收益	—	—	—	—	—	31,162	31,162
Other expenses	其他開支	—	—	—	—	—	(17,871)	(17,871)
Profit/(loss) before tax	除稅前溢利/(虧損)	(573)	8,282	(322)	(43)	7,344	(7,434)	(90)
Additions to non-current assets	添置非流動資產	—	564	—	—	564	2,498	3,062
Provision for impairment loss on loan receivables	應收貸款減值虧損撥備	—	(1,000)	—	—	(1,000)	—	(1,000)
Provision for impairment loss on prepayments, deposits and other receivables	預付款項、按金及其他應收款項 減值虧損撥備	—	(285)	—	—	(285)	—	(285)
Written off of inventories	存貨撇賬	(50)	—	(87)	—	(137)	—	(137)
Written off of bad debts	呆賬撇賬	—	97	—	—	97	(3,106)	(3,009)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(44)	(747)	(41)	—	(832)	(2,953)	(3,785)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT REPORTING (Continued)

For the year ended 31 December 2016

5. 分部報告(續)

截至二零一六年十二月三十一日止年度

HK\$'000	千港元	Trading business 貿易業務	Financial services business 金融服務 業務	Information Technology business 資訊科技 業務	Other business 其他業務	Total 合計	Unallocated 未分配	Group Total 本集團合計
Segment revenue:	分部收入:							
Revenue from external customers	來自外間客戶之收入	175,290	80,274	628	40	256,232	—	256,232
Segment profit/(loss)	分部溢利/(虧損)	(675)	11,694	(1,774)	(28)	9,217	(493)	8,724
Interest income	利息收入	—	67	1	—	68	23	91
Finance costs	融資成本	(191)	(1)	—	—	(192)	(19,590)	(19,782)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	—	—	—	—	—	(10,370)	(10,370)
Other expenses	其他開支	—	—	—	—	—	(14,873)	(14,873)
Profit/(loss) before tax	除稅前溢利/(虧損)	(866)	11,760	(1,773)	(28)	9,093	(45,303)	(36,210)
Additions to non-current assets	添置非流動資產	15	1,032	—	—	1,047	20	1,067
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備	—	—	—	(3)	(3)	—	(3)
Written off of inventories	存貨撇賬	(435)	—	—	—	(435)	—	(435)
Written off of bad debts	呆賬撇賬	—	—	(109)	—	(109)	(8)	(117)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(96)	(689)	(70)	—	(855)	(1,306)	(2,161)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT REPORTING (Continued)

As at 31 December 2017

HK\$'000	千港元	Trading business 貿易業務	Financial service business 金融服務 業務	Information Technology business 資訊科技 業務	Other business 其他業務	Total 合計	Unallocated 未分配	Group Total 本集團合計
Segment assets	分部資產	15,533	2,194,586	4,614	51	2,214,784	—	2,214,784
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	—	—	—	—	—	3,479	3,479
Other assets	其他資產	—	—	—	—	—	5,988	5,988
Total assets	資產總額	15,533	2,194,586	4,614	51	2,214,784	9,467	2,224,251
Segment liabilities	分部負債	(6,002)	(1,920,864)	(2,526)	—	(1,929,392)	—	(1,929,392)
Convertible bonds	可換股債券	—	—	—	—	—	(95,940)	(95,940)
Promissory notes	承兌票據	—	—	—	—	—	(27,622)	(27,622)
Other liabilities	其他負債	—	—	—	—	—	(30,137)	(30,137)
Total liabilities	負債總額	(6,002)	(1,920,864)	(2,526)	—	(1,929,392)	(153,699)	(2,083,091)

5. 分部報告(續)

於二零一七年十二月三十一日

As at 31 December 2016

於二零一六年十二月三十一日

HK\$'000	千港元	Trading business 貿易業務	Financial service business 金融服務 業務	Information Technology business 資訊科技 業務	Other business 其他業務	Total 合計	Unallocated 未分配	Group Total 本集團合計
Segment assets	分部資產	14,738	2,019,819	4,942	289	2,039,788	—	2,039,788
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	—	—	—	—	—	2,171	2,171
Other assets	其他資產	—	—	—	—	—	13,112	13,112
Total assets	資產總額	14,738	2,019,819	4,942	289	2,039,788	15,283	2,055,071
Segment liabilities	分部負債	(4,228)	(1,780,982)	(2,436)	—	(1,787,646)	—	(1,787,646)
Convertible bonds	可換股債券	—	—	—	—	—	(114,400)	(114,400)
Promissory notes	承兌票據	—	—	—	—	—	(50,402)	(50,402)
Other liabilities	其他負債	—	—	—	—	—	(11,283)	(11,283)
Total liabilities	負債總額	(4,228)	(1,780,982)	(2,436)	—	(1,787,646)	(176,085)	(1,963,731)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT REPORTING (Continued)

Geographical information

(a) Revenue from external customers

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	328,371	177,414
Mainland China	中國大陸	101,813	78,818
		430,184	256,232

The revenue information is based on the location of the customers.

收入資料乃以客戶所在地為依據。

(b) Non-current assets - property, plant and equipment

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	2,908	3,383
Mainland China	中國大陸	1,103	1,281
		4,011	4,664

The non-current asset information above is based on the location of assets.

上述非流動資產資料乃以資產所在地為依據。

5. 分部報告(續)

區域資料

(a) 來自外間客戶之收入

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	328,371	177,414
Mainland China	中國大陸	101,813	78,818
		430,184	256,232

(b) 非流動資產 - 物業、廠房及設備

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	2,908	3,383
Mainland China	中國大陸	1,103	1,281
		4,011	4,664

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT REPORTING (Continued)

Information about major customers

Revenues from customers contributing 10% or more of the total sales of the Group are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A — revenue from trading business	客戶A 來自貿易業務之收入		
— Hong Kong	— 香港	255,255	110,836
Customer B — revenue from financial services business	客戶B 來自金融服務業務之收入		
— PRC	— 中國	—	26,392
Customer C — revenue from financial services business	客戶C 來自金融服務業務之收入		
— PRC	— 中國	51,505	—
		306,760	137,228

6. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, the value of services rendered and interest income from financial services business during the year. An analysis of revenue and other income is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue:	收入：		
Revenue from trading business	貿易業務之收入	325,217	175,290
Revenue from financial services business	金融服務業務之收入	104,155	80,274
Revenue from information technology business	資訊科技業務之收入	812	628
Others	其他	—	40
		430,184	256,232
Other income, other gains and losses:	其他收入、其他收益及虧損：		
Interest income on bank deposit	銀行存款之利息收入	60	91
Investment income	投資收入	—	1,299
Loss on early repayment of promissory notes	提早償還承兌票據之虧損	—	(493)
Loss on disposal of a subsidiary (note 40)	出售一間附屬公司虧損(附註40)	—	(10,370)
Gain on extinguishment of CB liability component	註銷可換股債券負債部分之收益	31,162	—
Sundry income	雜項收入	1,587	1,794
		32,809	(7,679)

5. 分部報告(續)

主要客戶之資料

來自對本集團銷售總額貢獻10%或以上客戶之收入如下：

6. 收入及其他收入

收入指年內銷售貨品(扣除退貨撥備及貿易折扣後)之發票淨值、所提供服務之價值及金融服務業務之利息收入。收入及其他收入之分析如下：

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

7. FINANCE COSTS

7. 融資成本

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Imputed interest charge on convertible bonds(note 1)	可換股債券之估算利息開支(附註1)	12,702	14,195
Imputed interest charge on promissory notes	承兌票據之估算利息開支	3,839	4,810
Coupon interest charge on promissory notes	承兌票據之息票開支	123	472
Interest charge on bank borrowings	銀行借款利息開支	77,922	57,971
Interest charge on other borrowings	其他借款利息開支	4,099	—
Interest charge on finance lease obligation (note 2)	融資租賃承擔之利息開支(附註2)	69	113
		98,754	77,561
Less: interest charge on bank borrowings included in cost of sales for financial services business	減：計入金融服務業務銷售成本之 銀行借款利息開支	(77,571)	(57,779)
		21,183	19,782

Notes:

- (1) The charge represents the imputed interest on the liability component of the convertible bonds for the year.
- (2) Interest on financing the acquisition of motor vehicles.

附註：

- (1) 該開支指本年度可換股債券負債部分之估算利息。
- (2) 購買汽車融資之利息。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

8. 除稅前虧損

本集團的除稅前虧損經扣除下列項目後達致：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(a) Staff costs (including directors' emoluments):	(a) 員工成本(包括董事酬金):		
Salaries, wages and other benefits	薪金、工資及其他福利	19,431	13,390
Pension scheme contributions	退休金計劃供款	242	218
		19,673	13,608
(b) Other items:	(b) 其他項目:		
Auditors' remuneration — Audit services	核數師酬金 — 核數服務	800	756
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,785	2,161
Operating lease payments in respect of office premises	辦公室物業之經營租賃付款	2,849	2,446
Provision for impairment loss on loan receivables	應收貸款減值虧損撥備	1,000	—
Provision for impairment loss on prepayments, deposits and other receivable	預付款項、按金及其他應收款項減值虧損撥備	285	—
Written off of inventories	存貨撇賬	137	435
Written off of bad debts	呆賬撇賬	3,009	117

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. DIRECTORS' EMOLUMENTS

The remuneration of directors during the year were as follow:

9. 董事酬金

年內董事酬金如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Executive directors:	執行董事：		
Fees	袍金	—	—
Other emoluments:	其他酬金：		
Salaries, housing allowances, other allowances and benefits in kind	薪金、房屋津貼、 其他津貼及實物利益	4,680	4,680
Pension scheme contributions	退休金計劃供款	36	36
		4,716	4,716
Non-executive director:	非執行董事：		
Fees	袍金	—	—
Other emoluments:	其他酬金：		
Salaries, housing allowances, other allowances and benefits in kind	薪金、房屋津貼、 其他津貼及實物利益	—	—
Pension scheme contributions	退休金計劃供款	—	—
Equity-settled share option expenses (note)	以股權結算的優先購股權開支(附註)	—	—
		—	—
Independent non-executive directors:	獨立非執行董事：		
Fees	袍金	350	360
Other emoluments:	其他酬金：		
Equity-settled share option expenses (note)	以股權結算的優先購股權開支(附註)	—	—
		350	360
		5,066	5,076

Note: The amount represent share option expenses recognised under HKFRS 2 Share-based payment.

During the year ended 31 December 2017 and 2016, no share option was granted.

附註：按香港財務報告準則第2號以股份為基礎付款的已確認購股權支出的金額。

截至二零一七年及二零一六年十二月三十一日止年度，並無授出任何優先購股權。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. DIRECTORS' EMOLUMENTS (Continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		Fees	Equity-settled share option expenses 以股權結算的 優先購股權 開支	Total emoluments
		袍金 HK\$'000 千港元	HK\$'000 千港元	酬金總額 HK\$'000 千港元
2017:	二零一七年:			
Ng Kay Kwok	吳祺國	120	—	120
Yeung Mo Sheung, Ann	楊慕嫦	120	—	120
Yip Kat Kong, Kenneth	葉吉江	20	—	20
Au-Yeung Sei Kwok	歐陽士國	90	—	90
		350	—	350
2016:	二零一六年:			
Ng Kay Kwok	吳祺國	120	—	120
Yeung Mo Sheung, Ann	楊慕嫦	120	—	120
Yip Kat Kong, Kenneth	葉吉江	120	—	120
		360	—	360

(b) Non-executive director

(b) 非執行董事

		Fees	Equity-settled share option expenses 以股權結算的 優先購股權 開支	Total emoluments
		袍金 HK\$'000 千港元	HK\$'000 千港元	酬金總額 HK\$'000 千港元
2017:	二零一七年:			
—	—	—	—	—
2016:	二零一六年:			
Wong Chi Man	黃志文	—	—	—

9. 董事酬金(續)

(a) 獨立非執行董事

年內已付獨立非執行董事之袍金如下：

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. DIRECTORS' EMOLUMENTS (Continued)

(c) Executive directors

		Fees	Salaries, housing allowances, other benefits in kind 薪金、房屋津貼、其他津貼及實物利益 袍金 HK\$'000 千港元	Pension scheme contributions 退休金計劃供款 HK\$'000 千港元	Equity-settled share option expenses 以股權結算的優先購股權開支 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
2017:	二零一七年:					
Cheung Wai Yin, Wilson	張偉賢	—	3,900	18	—	3,918
Lau Chi Yan, Pierre	劉智仁	—	780	18	—	798
		—	4,680	36	—	4,716
2016:	二零一六年:					
Cheung Wai Yin, Wilson	張偉賢	—	3,900	18	—	3,918
Lau Chi Yan, Pierre	劉智仁	—	780	18	—	798
		—	4,680	36	—	4,716

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2017 and 2016.

During the years ended 31 December 2017 and 2016, no emolument was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 董事酬金(續)

(c) 執行董事

於截至二零一七年及二零一六年十二月三十一日止年度，並無作出有關任何董事放棄或同意放棄任何酬金之安排。

於截至二零一七年及二零一六年十二月三十一日止年度，本集團概無向董事支付薪酬，以作為促使其加入或於加入本集團時支付或作為其離職補償。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 2 (2016: 2) directors. Details of the emoluments of the remaining 3 (2016: 3) non-director, highest paid employee for the year ended 31 December 2017 are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,925	2,925
Pension scheme contributions	退休金計劃供款	54	54
Equity-settled share option expenses	以股權結算的優先購股權開支	—	—
		2,979	2,979

The emoluments of the three (2015: three) individuals with the highest emoluments are within the following bands:

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
HK\$	港元		
Nil — 1,000,000	零至1,000,000	2	2
1,000,001 — 2,000,000	1,000,001至2,000,000	1	1
2,500,000 — 3,000,000	2,500,000至3,000,000	—	—
3,000,001 — 3,500,000	3,000,001至3,500,000	—	—

10. 五名最高薪酬僱員

於年內，五名最高薪酬僱員包括兩名(二零一六年：兩名)董事。截至二零一七年十二月三十一日止年度，其餘三名(二零一六年：三名)最高薪酬的非董事僱員之酬金詳情如下：

該三名(二零一五年：三名)最高薪人士之薪酬介乎以下範圍：

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. INCOME TAX

Hong Kong Profits Tax was calculated at 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong for both years. The PRC enterprise income tax has been provided at the rate of 25% (2016: 25%). Taxes on profits assessable elsewhere have been calculated at the prevailing rates of tax based on existing legislation, interpretations and practices.

11. 所得稅

兩個年度之香港利得稅乃按於香港產生之估計應課稅溢利的16.5% (二零一六年：16.5%) 計算。中國企業所得稅按25% (二零一六年：25%) 之稅率計提撥備。其他地區應課稅溢利之稅項已基於現行法例、詮釋及常規按現行稅率計算。

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong profits tax:	香港利得稅：		
— current year	— 本年度	—	463
— under / (over) provision in prior years	— 過往年度撥備不足 / (超額)	459	(20)
PRC enterprise income tax:	中國企業所得稅：		
— current year	— 本年度	2,550	3,353
— under provision in prior years	— 過往年度撥備不足	233	142
		3,242	3,938

The tax charge for the year can be reconciled to the loss before tax as follow:

年度稅項支出可與除稅前虧損對賬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax	除稅前虧損	(90)	(36,210)
Tax at the applicable tax rate	按適用稅率計算的稅項	(15)	(5,975)
Effect of different taxation rates of other countries	其他國家不同稅率之影響	1,018	847
Income not subject to tax	毋須課稅收入	(6,057)	(1,451)
Expenses not deductible for tax purpose	不可扣稅開支	600	2,454
Tax losses not recognised	未確認稅項虧損	7,004	7,404
Deferred taxation	遞延稅項	—	537
Tax under provided	稅項撥備不足	692	122
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	3,242	3,938

As at 31 December 2017, the Group has unused tax losses of approximately HK\$222,716,000 (2016: HK\$183,487,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

於二零一七年十二月三十一日，本集團未動用稅項虧損約為222,716,000港元(二零一六年：183,487,000港元)，可用作無限期抵銷未來溢利。由於未能預測未來溢利來源，本集團並無就稅項虧損確認遞延稅項資產。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIVIDEND

No dividend has been paid or declared by the Company during the year (2016: Nil).

13. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

The calculation of basic and diluted loss per share is based on:

12. 股息

於本年度，本公司並無派發或宣派股息(二零一六年：零)。

13. 每股虧損

每股基本虧損乃根據本公司股權擁有人應佔虧損及於年內已發行普通股的加權平均數計算。

每股基本及攤薄虧損乃根據以下各項計算：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss	虧損		
Loss attributable to owners of the Company used in the basic loss per share calculation	用作計算每股基本虧損之本公司擁有人應佔虧損	(6,725)	(42,617)
		Number of shares (thousands) 股份數目(千股)	
Shares	股份		
Weighted average number of ordinary shares in issue during the year	年內已發行普通股加權平均數	1,803,053	1,457,526
Effect of 2015 CB (see note 29(2))	二零一五年可換股債券之影響(見附註29(2))	173,913	173,913
Weighted average number of ordinary shares for the purpose of calculating loss per share	普通股的加權平均數目以計算每股虧損	1,976,966	1,631,439

No diluted loss per share information presented for the years ended 31 December 2017 and 2016 as the impact of the convertible bonds and share options outstanding had anti-dilutive effect on the basic loss per share.

截至二零一七年及二零一六年十二月三十一日止年度，由於尚未行使的可換股債券及優先購股權對每股基本虧損具反攤薄效應，故並無呈列每股攤薄虧損之資料。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Computer and office equipment 電腦及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost:	成本：				
As at 1 January 2016	於二零一六年一月一日	1,684	1,668	6,096	9,448
Addition	購置	—	43	994	1,037
Acquisition of subsidiaries	收購附屬公司	24	6	—	30
Disposal and written off	出售及撇賬	—	(35)	(276)	(311)
Exchange realignment	匯兌調整	(60)	(11)	(55)	(126)
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	1,648	1,671	6,759	10,078
Addition	購置	2,498	546	—	3,044
Acquisition of subsidiaries	收購附屬公司	—	18	—	18
Disposal and written off	出售及撇賬	(779)	(4)	—	(783)
Exchange realignment	匯兌調整	65	31	83	179
As at 31 December 2017	於二零一七年十二月三十一日	3,432	2,262	6,842	12,536
Accumulated depreciation and impairment:	累計折舊及減值：				
As at 1 January 2016	於二零一六年一月一日	884	1,191	1,532	3,607
Provided for the year	年度撥備	404	354	1,403	2,161
Written back on disposal	出售時撇銷	—	(35)	(276)	(311)
Exchange realignment	匯兌調整	(26)	(5)	(12)	(43)
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	1,262	1,505	2,647	5,414
Provided for the year	年度撥備	2,169	202	1,414	3,785
Written back on disposal	出售撇銷	(765)	(2)	—	(767)
Exchange realignment	匯兌調整	52	10	31	93
As at 31 December 2017	於二零一七年十二月三十一日	2,718	1,715	4,092	8,525
Net carrying value:	賬面淨值：				
As at 31 December 2017	於二零一七年十二月三十一日	714	547	2,750	4,011
As at 31 December 2016	於二零一六年十二月三十一日	386	166	4,112	4,664

The net book value of the Group's motor vehicle includes an amount approximately HK\$2,134,000 (2016: HK\$3,266,000) in respect of assets held under finance leases.

本集團汽車之賬面淨值包括根據融資租賃持有的資產2,134,000港元(二零一六年：3,266,000港元)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

15. FOREST CONCESSIONS

15. 森林特許權

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost:	成本：		
As at 1 January	於一月一日	—	833,801
Disposal of a subsidiary	出售一間附屬公司	—	(833,801)
As at 31 December	於十二月三十一日	—	—
Accumulated amortisation:	累計攤銷：		
As at 1 January	於一月一日	—	(3,990)
Disposal of a subsidiary	出售一間附屬公司	—	3,990
As at 31 December	於十二月三十一日	—	—
Accumulated impairment:	累計減值：		
As at 1 January	於一月一日	—	(829,811)
Impairment for the year	年內減值	—	—
Disposal of a subsidiary	出售一間附屬公司	—	829,811
As at 31 December	於十二月三十一日	—	—
Carrying amount:	賬面值：		
As at 31 December	於十二月三十一日	—	—

Amortisation is charged on a unit of production basis over the estimated useful lives of forest concessions.

The forest concession rights cover the entire forest area of 313,500 hectares Mimika Areas in Indonesia. This licence which allows logging, land clearing and plantation of oil palm trees.

In 2015, as the result of the unexpected delay of production due to communal conflicts and caused riots at the vicinity, the Group carried out a review of the recoverable amount of those concessions and related equipment. These assets are used in the Group's forestry business reportable segments. The recoverable amount of the relevant assets has been determined on the basis of their fair value less cost to sell. In determining the recoverable amount, the Group engaged Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group, to value the fair value of the forest concessions.

The review led to recognition of an impairment loss on forest concessions of HK\$29.0 million which has been recognised in the profit or loss for the year ended 31 December 2015.

During the year ended 31 December 2016, the forest concession rights had been disposed of through the disposal of Merdeka Timber Group Limited. Detail of the disposal of a subsidiary has been set out in note 40 to the consolidated financial statements.

攤銷是以生產單位基準按森林特許權之估計可使用年期扣除。

森林特許權覆蓋印尼 Mimika 地區整個面積為 313,500 公頃之森林。此牌照，允許伐木、開闢林地及種植棕櫚樹。

於二零一五年，由於鄰近地區爆發部落衝突及暴亂以致發生意料之外之生產延誤，本集團已檢視該等特許權及相關設備之可收回金額。該等資產乃用於本集團之林木業務可報告分部。相關資產之可收回金額乃按公平價值減銷售成本釐訂。於釐定可收回金額，本集團已委聘與本集團並無關連之獨立合資格專業估值師羅馬國際評估有限公司對森林特許權之公平

檢視結果為確認森林特許權減值虧損 29,000,000 港元，其已於截至二零一五年十二月三十一日止年度的損益確認。

截至二零一六年十二月三十一日止年度，森林特許權已透過出售 Merdeka Timber Group Limited 而售出，出售一間附屬公司詳情已載列於綜合財務報表附註 40。

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16. INTANGIBLE ASSETS

16. 無形資產

		Trading right 交易權 HK\$'000 千港元
As at 1 January 2016	於二零一六年一月一日	—
Acquisition of a subsidiary	收購一間附屬公司	2,805
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	2,805
Acquisition of a subsidiary	收購一間附屬公司	2,900
As at 31 December 2017	於二零一七年十二月三十一日	5,705

Trading right have indefinite useful life and therefore no amortisation has been provided. No impairment was provided during the year ended 31 December 2017.

交易權無固定使用期限因此概無攤銷已計提撥備。截至二零一六年十二月三十一日止年度，概無減值需計提撥備。

17. GOODWILL

17. 商譽

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 1 January	於一月一日	—	—
Acquisition of a subsidiary	收購一間附屬公司	5,803	—
Impairment	減值	—	—
As at 31 December	於十二月三十一日	5,803	—

Goodwill acquired through business combination has been allocated to the financial services business segment.

透過業務合併收購之商譽已分配至金融服務業務分部。

In 2017, the Group performed its annual impairment test for goodwill allocated to the financial services business segment cash-generating-unit by comparing its recoverable amount to its carrying amount as at the end of the reporting period. The recoverable amount of the cash-generating-unit is determined based on value-in-use calculations. These calculations used cash flow projections based on a five-year financial budget approved by management. Cash flows beyond a five-year period approved by management have been extrapolated with an estimated general annual growth of not more than 3% for a five-year period. The discount rate used of for the year ended 31 December 2017 was 14.7% reflects specific risks related to the segment. At the end of the year 2017, management of the Group determines that there is no impairment of goodwill.

於二零一七年，本集團比較分配予金融服務業務分部現金產生單位之商譽可收回金額與其於報告期末之賬面值，對商譽進行年度減值測試。現金產生單位的可收回金額乃根據使用價值計算方法釐定。該等計算方法使用依據管理層批准的五年財務預算的現金流量預測。經管理層批准五年期以外的現金流量乃以估計一般年增長率不超過3%的五年期間推算。截至二零一七年十二月三十一日止年度所採用的14.7%貼現率反映與該分部相關的特定風險。於二零一七年年終，本集團管理層釐定概無商譽減值。

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18. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unlisted investments	非上市投資		
Debt securities — Debentures, fair value (Note 1)	債務證券 — 債權證，按公平價值(附註1)	1,475	1,475
Total	合計	1,475	1,475

Note 1: The debenture securities with a carrying amount of HK\$1,475,000 as at 31 December 2017 (2016: HK\$1,475,000) represent the Group's interest in unlisted zero coupon debentures issued by companies incorporated in Hong Kong, which are measured at fair value.

The available-for-sale investments are denominated in the following currencies:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong dollar	港元	1,475	1,475
Renminbi	人民幣	—	—
		1,475	1,475

18. 可供出售投資

可供出售投資之組成部分如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unlisted investments	非上市投資		
Debt securities — Debentures, fair value (Note 1)	債務證券 — 債權證，按公平價值(附註1)	1,475	1,475
Total	合計	1,475	1,475

附註1：於二零一七年十二月三十一日，該債權證券賬面值為1,475,000港元(二零一六年：1,475,000港元)。指本集團於在香港註冊成立之公司所發行非上市零息債權證之權益，乃按公平價值計量。

可供出售投資按下列貨幣計值：

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19. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries are as follows:

19. 於附屬公司權益

有關主要附屬公司之詳情如下：

Name	Place of establishment/ incorporation and operations 成立/註冊 成立及經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/註冊股本面值	Percentage of equity attributable to the Company 本公司 應佔股本權益百分比	Principal activities 主要業務	
名稱			2017 二零一七年 %	2016 二零一六年 %	
Atbinary (Holdings) Limited 二次元(控股)有限公司	Hong Kong 香港	1 ordinary share of HK\$1 1股每股面值1港元之普通股	100	100	Information technology business 資訊科技業務
End User Investments Limited	BVI 英屬維京群島	29,706,179 ordinary shares of HK\$0.1 each 29,706,179股每股面值0.1港元 之普通股	100	100	Investment holding 投資控股
End User Technology Limited	BVI 英屬維京群島	100 ordinary shares of US\$ 1 each 100股每股面值1美元之普通股	100	100	Investment holding 投資控股
Ever Hero Group Limited	BVI 英屬維京群島	1 ordinary share of of US\$1 1股每股面值1美元之普通股	100	100	Investment holding 投資控股
Gold Coin Development Limited 金鼎發展有限公司	Hong Kong 香港	1 ordinary share of HK\$1 1股每股面值1港元之普通股	100	100	Investment holding 投資控股
Ideal Magic International Limited 裕驛國際有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	100	100	Investment holding 投資控股
M Technology Limited	Hong Kong 香港	1 ordinary share of HK\$1 1股每股面值1港元之普通股	100	100	Information technology business 資訊科技業務
Mega Wealth Investments Limited 美衛投資有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值1港元之普通股	100	100	Investment holding 投資控股
Merdeka Finance Limited 萬德金融有限公司	Hong Kong 香港	1 ordinary share of HK\$1 1股每股面值1港元之普通股	100	100	Finance and money lending business 融資及放債業務
Merdeka Resources International Limited 萬德資源國際有限公司	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000股每股面值1港元之普通股	100	100	Trading business 貿易業務
Merry Fortune Holdings Limited	BVI 英屬維京群島	1 ordinary share of US\$1 1股每股面值1美元之普通股	100	100	Investment holding 投資控股
Mian Yang Heng Da Information Technology Limited 綿陽恒達信息科技有限公司	PRC 中國	RMB5,000,000 人民幣5,000,000元	60	60	Information technology business 資訊科技業務

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19. INTERESTS IN SUBSIDIARIES (Continued)

19. 於附屬公司權益(續)

Name 名稱	Place of establishment/ incorporation and operations 成立/註冊 成立及經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/註冊股本面值	Percentage of equity attributable to the Company 本公司 應佔股本權益百分比		Principal activities 主要業務
			2017 二零一七年 %	2016 二零一六年 %	
Hang He Financial Lease (Shanghai) Company Limited* 恒河融資租賃(上海)有限公司	PRC 中國	RMB170,016,315 人民幣170,016,315元	64.71	64.71	Finance lease 融資租賃
Netgenii Technology Limited 機智科技有限公司	Hong Kong 香港	1,000 ordinary shares of HK\$ 1 each 1,000股每股面值1港元之普通股	95	95	Information technology business 資訊科技業務
Prestige Gold Limited 金旺泰有限公司	Hong Kong 香港	1 ordinary share of HK\$ 1 1股每股面值1港元之普通股	100	100	Investment holding 投資控股
Source Easy Limited 源易通有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$ 1 each 10,000股每股面值1港元之普通股	100	100	Trading business 貿易業務
Merdeka Capital Limited 萬德資本有限公司	Hong Kong 香港	19,300,000 ordinary shares of HK\$ 1 each 19,300,000股每股面值1港元之普通股	100	100	Trading of securities 證券交易
Merdeka Credit Information Limited 萬德徵信有限公司	PRC 中國	RMB50,000,000 人民幣50,000,000元	70 70	70 70	Inactive 不活躍
Hang Asset Management Limited	Hong Kong 香港	5,000,000 ordinary shares of HK\$ 1 each 5,000,000股每股面值1港元之普通股	51	51	Advising on securities and asset management 就證券提供意見及資產管理

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The following information relating to non-wholly owned subsidiaries that have material non-controlling interests ("NCI").

The summarised financial information represents amounts before intercompany eliminations.

董事認為，上表所載列之本公司附屬公司主要影響本年度業績或構成本集團資產淨值的重大部分。董事認為，提供其他附屬公司之詳情將導致資料篇幅過於冗長。

下表列示有關擁有重大非控股權益(「非控股權益」)之非全資附屬公司的資料。

財務資料概要呈列公司間對銷前金額。

* For identification purpose only

* 僅供識別

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. INTERESTS IN SUBSIDIARIES (Continued)

Heng Asset Management Limited

19. 於附屬公司權益(續)

衡資產管理有限公司

		2017 二零一七 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日	
Non-current assets	非流動資產	14
Current assets	流動資產	5,210
Non-current liabilities	非流動負債	-
Current liabilities	流動負債	(29)
Net assets	資產淨值	5,195
Carrying amount of NCI	非控股權益賬面值	2,546
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度	
Revenue	收益	1,000
Expenses	開支	(421)
Profit	溢利	579
Loss attributable to NCI	非控股權益應佔虧損	284
Net cash flow from / (used in)	產生 / (所用) 淨現金	
Operating activities	經營活動	878
Investing activities	投資活動	-
Financing activities	融資活動	-

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. INTERESTS IN SUBSIDIARIES (Continued)

Heng He Financial Lease (Shanghai) Company Limited

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 31 December	於十二月三十一日		
Non-current assets	非流動資產	241,464	1,814,862
Current assets	流動資產	1,922,004	182,103
Non-current liabilities	非流動負債	(72,060)	(1,691,649)
Current liabilities	流動負債	(1,847,076)	(86,212)
Net assets	資產淨值	244,332	219,104
Carrying amount of NCI	非控股權益賬面值	86,225	77,322
Year ended 31 December	截至十二月三十一日止年度		
Revenue	收入	102,553	80,859
Expenses	開支	(92,653)	(70,136)
Profit for the year	年內溢利	9,900	10,723
Profit attributable to NCI	非控股權益應佔溢利	3,494	3,942
Net cash flow (used in) / generated from Operating activities	以下活動(所用)/產生現金流量淨額經營活動	(29,830)	(960,848)
Investing activities	投資活動	(459)	7,896
Financing activities	融資活動	—	978,040

Following the Company's injection of a sum of approximately RMB20.28 million (approximately HK\$23.59 million) in cash into Heng He as its paid capital, the Company's interest in Heng He increased from 56.97% to 64.71% with effect from 26 July 2016.

本公司以現金向恒河注資合共約人民幣20,280,000元(約23,590,000港元)作為其已繳資本後，本公司於恒河的權益由56.97%增加至64.71%，自二零一六年七月二十六日起生效。

19. 於附屬公司權益(續)

恒河融資租賃(上海)有限公司

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20. INVENTORIES

20. 存貨

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Finished goods	製成品	1,292	2,726

The cost of inventories recognised as an expense during the year was approximately HK\$321.8 million (2016: HK\$171.5 million), in respect of which approximately HK\$Nil (2016: nil) represents write down of inventories to net realisable value.

年內確認為開支的存貨成本約為321,800,000港元(二零一六年：171,500,000港元)，其中約零港元(二零一六年：零)指存貨撇減至可變現淨值。

21. TRADE RECEIVABLES

21. 貿易應收款項

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	貿易應收款項	8,202	6,867

The Group's trading terms with its customers are mainly on credit. The credit period is generally two months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has credit control procedures established to monitor credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

本集團與其客戶之貿易條款主要以信貸為主，信貸期一般為兩個月。每名客戶有最高信貸限額。本集團嚴格控制未結清之應收賬款，並設有信貸程序以監察信貸風險，高級管理人員會定期檢討逾期欠款。貿易應收款項均為免息。

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

貿易應收款項於報告期末之賬齡分析(根據發票日期並扣除減值)如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	865	3,401
31 to 60 days	31至60日	532	7
61 to 120 days	61至120日	3,377	42
Over 120 days	120日以上	3,428	3,417
		8,202	6,867

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21. TRADE RECEIVABLES (Continued)

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not impaired	無減值	8,202	6,867

Receivables that were not impaired relate to customers for whom there were no recent history of default. The Group does not hold any collateral over these balances.

21. 貿易應收款項(續)

未被視為已減值之貿易應收款項之賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not impaired	無減值	8,202	6,867

無減值之應收賬款與近期並無欠繳記錄之客戶有關。本集團並無就該等款項持有抵押品。

22. FINANCE LEASE RECEIVABLES

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current finance lease receivables	即期融資租賃應收款項	1,837,309	31,873
Non-current finance lease receivables	非即期融資租賃應收款項	240,366	1,869,445
		2,077,675	1,901,318

22. 融資租賃應收款項

Amount receivable under finance leases

融資租賃項下應收款項

		Minimum lease payment 最低租賃付款		Present value of minimum lease payment 最低租賃付款現值	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	1,898,555	123,258	1,837,309	31,873
In more than one year but not more than two years	多於一年，少於兩年	248,375	1,755,021	240,310	1,673,886
In more than two years but not more than five years	多於兩年，少於五年	57	201,870	56	195,559
		2,146,987	2,080,149	2,077,675	1,901,318
Unearned finance income	未賺取融資收入	(69,312)	(178,831)	N/A 不適用	N/A 不適用
Present value of minimum lease payment	最低租賃付款現值	2,077,675	1,901,318	2,077,675	1,901,318

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22. FINANCE LEASE RECEIVABLES (Continued)**Amount receivable under finance leases** (Continued)

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The interest rates of the above finance leases range from 4.37% to 9.40% per annum (2016: 4.81% to 9.40%).

Finance lease receivable balances are secured over the equipment held by the lessee. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

The finance lease receivables as at 31 December 2017 and 31 December 2016 are neither past due nor impaired.

The terms of finance leases entered into ranged from 2 to 5 years.

23. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business during the year.

Loan receivables bear interest at rates, and with credit periods, mutually agreed between the contracting parties. Loan receivables are secured by personal guarantees by the debtors/certain individuals. Overdue balances are reviewed regularly and handled closely by senior management.

22. 融資租賃應收款項(續)**融資租賃項下應收款項**(續)

整個租期內之既有租賃利率定於合約日期當日之水平。上述融資租賃的年利率介乎4.37%至9.40% (二零一六年：4.81%至9.40%)。

融資租賃應收款項結餘已就承租人持有之設備作出抵押。本集團在承租人並無違約的情況下，不得銷售或再抵押有關抵押品。

於二零一七年十二月三十一日及二零一六年十二月三十一日之融資租賃應收款項並無逾期或減值。

訂立融資租賃條款介乎2至5年。

23. 應收貸款

年內本集團之應收貸款來自於放債業務。

應收貸款之利率及信貸期乃由訂約雙方共同協定。應收貸款以債務人／若干個別人士之個人擔保作抵押。高級管理人員定期檢討並密切跟進逾期結餘。

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Loan receivables	應收貸款	2,080	3,300
Less: provision for impairment loss	減：減值虧損撥備	(1,000)	-
		1,080	3,300

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23. LOAN RECEIVABLES (Continued)

The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Repayable:	償還：		
Within 3 months	三個月內	1,080	3,300
3 months to 1 year	三個月至一年	—	—
		1,080	3,300

The aged analysis of the loan receivables that are not individually nor collectively considered to be impaired is as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期及未減值	80	900
1 to 3 months past due	逾期一至三個月	—	2,400
Over 3 months to 1 year past due but not impaired	逾期超過三個月至一年但未減值	300	—
Over 1 year past due but not impaired	逾期超過一年但未減值	700	—
		1,080	3,300

The interest rate was fixed at the contract date. The average interest rate was at 1% to 2.5% per month as at 31 December 2017 (2016: 1% to 2.5% per month).

Loan receivables that were neither past due nor impaired relate to certain debtors for whom there was no recent history of default.

Loan receivables that were past due but not impaired relate to an independent debtor. The directors of the Company are of the opinion that no provision for impairment is necessary as the balance is considered fully recoverable. Up to date of this report, amount of HK\$172,000 were subsequently settled.

23. 應收貸款(續)

於報告期末，應收貸款按其剩餘期間至合約到期日之分析如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Repayable:	償還：		
Within 3 months	三個月內	1,080	3,300
3 months to 1 year	三個月至一年	—	—
		1,080	3,300

並無個別或共同被視為減值的應收貸款之賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期及未減值	80	900
1 to 3 months past due	逾期一至三個月	—	2,400
Over 3 months to 1 year past due but not impaired	逾期超過三個月至一年但未減值	300	—
Over 1 year past due but not impaired	逾期超過一年但未減值	700	—
		1,080	3,300

貸款利率於簽訂合約日期議定。於二零一七年十二月三十一日，平均每月利率介乎1%至2.5%（二零一六年：每月利率1%至2.5%）。

並無逾期或減值之應收貸款與最近並無拖欠記錄之若干債務人有關。

逾期但未減值之應收貸款與一名獨立債務人有關。由於本公司董事將結餘視為可全數收回，故認為毋須作出減值撥備。直至本報告日期，172,000港元已於隨後償付。

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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24. 預付款項、按金及其他應收款項

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Prepayments	預付款項	6,062	7,466
Trade deposit	貿易按金	4,774	7,444
Deposits and other receivables	按金及其他應收款項	70,879	53,943
		81,715	68,853
Less: Impairment losses	減：減值虧損	(6,000)	(6,000)
		75,715	62,853

Other receivables were neither past due nor impaired and related to receivables which had no recent history of default.

未逾期及無減值之其他應收款項與近期並無拖欠記錄之應收款項有關。

25. BANK BALANCES AND CASH

25. 銀行結餘及現金

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank balances — trust accounts (note)	銀行結餘 — 信託賬戶(附註)	5,759	5,206
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	36,490	63,347
		42,249	68,553

Note: The Group receives and holds money deposited by clients in the course of the conduct of the regulated activities. These clients money are maintained in one or more trust bank accounts and bear interest at commercial rates. The Group has recognised the corresponding accounts payable to respective clients. (note 33)

附註：本集團在進行受規管活動時收取並持有客戶存放的款項。該等客戶的款項於一個或多個信託銀行賬戶保管並按商業利率計息。本集團已確認應付各客戶的相應賬款(附註33)。

As at 31 December 2017, the Group's bank balances and cash - general accounts amounted to approximately HK\$36.5 million (2016: HK\$63.3 million), approximately HK\$21.3 million was denominated in RMB. Also, approximately HK\$14.1 million, about 38.8% (2016: 18.0%) were bank balances deposited with credit worthy banks of high credit ratings in Hong Kong, and approximately HK\$14.0 million (2016: HK\$10.4 million) was denominated in Hong Kong dollars. Included in bank balances and cash - general accounts, is a pledged deposit of approximately HK\$4.0 million to secure a general banking facility (note 32).

於二零一七年十二月三十一日，本集團之銀行結餘及現金 - 一般賬戶約為36,500,000港元(二零一六年：63,300,000港元)，約21,300,000港元以人民幣計值。此外，約14,100,000港元(即約38.8%(二零一六年：18.0%))為存放於香港具有高信貸評級且信譽良好銀行之銀行結餘，而約14,000,000港元(二零一六年：10,400,000港元)則以港元計值。銀行結餘及現金 - 一般賬戶包括已抵押存款約4,000,000港元，其作為一般銀行融資的抵押(附註32)。

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26. SHARE CAPITAL

26. 股本

		Notes 附註	Company 本公司 Number of shares 股份數目 in '000 千股	Nominal values 面值 HK\$'000 千港元
Authorised:	法定：			
As at 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日、 二零一七年一月一日及 二零一七年十二月三十一日			
Ordinary shares of HK\$0.001 each	每股面值0.001港元之普通股		200,000,000	200,000
Issued and fully paid:	已發行及繳足：			
As at 1 January 2016	於二零一六年一月一日			
Ordinary shares of HK\$0.001 each	每股面值0.001港元之普通股		1,225,094	1,225
Issue of shares under general mandate	根據一般授權發行股份	a	395,000	395
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日			
Ordinary shares of HK\$0.001 each	每股面值0.001港元之普通股		1,620,094	1,620
Issue of shares under general mandate	按一般授權發行股份	b	320,000	320
Issue of consideration shares	發行代價股份	c	100,000	100
As at 31 December 2017	於二零一七年十二月三十一日		2,040,094	2,040

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26. SHARE CAPITAL (Continued)

Notes:

- (a) On 14 March 2016, the Company entered into a General Mandate ("GM") placing agreement with a placing agent whereby the Company conditionally agreed to place through the placing agent, on a best endeavour basis, up to 245,000,000 Placing Shares, to not less than six places at a price of HK\$0.119 per GM placing share. On 31 March 2016, the Company entered into a supplemental agreement with the placing agent to reduce the number of placing shares to 125,000,000. On 8 April 2016, 125,000,000 new shares were placed. The net proceeds of approximately HK\$14.3 million would be used for the capital injections into Heng He and the remaining for general working capital.

And on 8 June 2016, the Company entered into another GM placing agreement with a placing agent whereby the Company conditionally agreed to place through the placing agent, on a best endeavour basis, up to 270,000,000 Placing shares, to not less than six places at a price of HK\$0.092 per GM placing share. On 24 June 2016, 270,000,000 new shares were placed. The net proceeds of approximately HK\$24.3 million would be used for capital injection into Heng He and the remaining for general working capital.

- (b) On 19 June 2017, the Company entered into a GM placing agreement with a placing agent whereby the Company conditionally agreed to place through the placing agent, on a best endeavour basis, up to 320,000,000 placing shares, to not less than six places at a price of HK\$0.081 per GM placing share. On 20 July 2017, 320,000,000 new shares were placed. The net proceeds of approximately HK\$25.4 million would be used for partial repayment of promissory note, expansion of the securities business, and general working capital.
- (c) On 7 February 2017, Merdeka Financial Services Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement for the acquisition of 51% issued share capital of Heng Asset Management Limited at a consideration of HK\$10 million which should be satisfied by the allotment and issuance of 100,000,000 ordinary shares of the Company under specific mandate approved by the shareholders at the extraordinary general meeting of the Company. The shares were allotted and issued on 10 August 2017 upon the completion of the acquisition.

26. 股本(續)

附註：

- (a) 於二零一六年三月十四日，本公司與配售代理訂立一般授權(「一般授權」)配售協議，據此，本公司有條件地同意透過配售代理按竭盡所能基準配售最多245,000,000股配售股份予不少於六名承配人，價格為每股一般授權配售股份0.119港元。於二零一六年三月三十一日，本公司與配售代理訂立補充協議，以減少配售股份數目至125,000,000股。於二零一六年四月八日，125,000,000股新股份已獲配售。所得款項淨額約14,300,000港元將用作注資恆河，餘額則用作一般營運資金。

於二零一六年六月八日，本公司與配售代理訂立另一項一般授權配售協議，據此，本公司有條件地同意透過配售代理按竭盡所能基準配售最多270,000,000股配售股份予不少於六名承配人，價格為每股一般授權配售股份0.092港元。於二零一六年六月二十四日，270,000,000股新股份已獲配售。所得款項淨額約24,300,000港元將用作注資恆河，餘額則用作一般營運資金。

- (b) 於二零一七年六月十九日，本公司與配售代理訂立一般授權配售協議，本公司已有條件地同意通過配售代理按竭盡所能基準，配售最多320,000,000股配售股份予不少於六名承配人，價格為每股一般授權配售股份0.081港元。於二零一七年七月二十日，320,000,000股新股份獲配售。所得款項淨額約25,400,000港元將用作部分償還承兌票據、擴展證券業務以及一般營運資金。
- (c) 於二零一七年二月七日，本公司間接全資附屬公司Merdeka Financial Services Limited訂立買賣協議，收購衡資產管理有限公司51%已發行股本，代價為10,000,000港元，其按本公司股東特別大會由股東批准的特別授權配發及發行100,000,000股普通股的方式償付。該等股份已於收購完成時在二零一七年八月十日配發及發行。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

27. RESERVES

Nature and purpose of the reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the share premium account is 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 and when they fall due in the ordinary course of business.

(ii) Contributed surplus

The Company's contributed surplus represents the excess of the fair value of the shares of a subsidiary acquired in prior years, over the nominal value of the Company's shares issued in exchange thereof.

(iii) Equity component of convertible bonds

The value of unexercised equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds.

(iv) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

(v) Capital reduction reserve

Capital reduction reserve is the credit arising from the capital reduction.

(vi) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the overseas subsidiaries.

Distributability of reserves

The aggregate amount of reserves available for the distribution to owners of the Company calculated in accordance with the Companies Law of the Cayman Islands was approximately HK\$37,288,000 as at 31 December 2017 (2016: HK\$1,665,000).

27. 儲備

儲備性質及目的

(i) 股份溢價

根據開曼群島公司法，倘於緊隨建議分派股息當日後，本公司能夠償付日常業務過程中到期的債務，則股份溢價賬可分派予本公司股東。

(ii) 繳入盈餘

本公司的繳入盈餘指於往年收購的一間附屬公司的股份公平價值，超出用作交換而發行的本公司股份面值的差額。

(iii) 可換股債券權益部分

本公司所發行可換股債券之未行使權益部分之價值乃根據有關可換股之債券會計政策予以確認。

(iv) 優先購股權儲備

優先購股權儲備包括已授出而尚未行使之優先購股權之公平價值。該數額會於有關優先購股權獲行使時轉撥至股份溢價賬，或於有關優先購股權期限屆滿或被沒收時轉撥至保留溢利。

(v) 股本削減儲備

股本削減儲備為股本削減產生的進賬。

(vi) 匯兌波動儲備

匯兌波動儲備包括因換算海外附屬公司財務報告產生之所有匯兌差額。

可供分派儲備

於二零一七年十二月三十一日，根據開曼群島公司法計算，可供分派予本公司股權擁有人之儲備總額約為37,288,000港元(二零一六年：1,665,000港元)。

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財務報表附註

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28. DEFERRED TAX LIABILITIES

28. 遞延稅項負債

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 1 January	於一月一日	463	—
Acquisition of a subsidiary (note 39)	收購一間附屬公司(附註39)	478	463
As at 31 December	於十二月三十一日	941	463

29. CONVERTIBLE BONDS

29. 可換股債券

(1) 2008 CB

On 12 August 2008, the Company issued a Convertible Bonds as part of the consideration for the acquisition of forest concessions in Papua, Indonesia ("2008 CB").

Subject to the restrictions specified below (Conversion Restriction), the 2008 CB are convertible at the option of the bondholders into ordinary shares in the Company at the initial conversion price of HK\$0.1 per share (subject to adjustments as provided in the terms and conditions of the 2008 CB) at any time from the date of issue and ending on the fifth business day before the third anniversary of the date of issue:

- The bondholders do not have the right to convert any principal amount of the Convertible Bonds into new shares of the Company thereof, if upon such conversion, MCL and the parties acting in concert with it will be interested in 30% (or such amount as may from time to time be specified in the Codes on Takeovers and Mergers and Share Repurchases as being the level for triggering a mandatory general offer) or more of the enlarged issued share capital of the Company at the date of relevant conversion;
- The conversion of the Convertible Bonds shall not cause the Company to be in breach of the minimum public float requirement as stipulated under Rule 11.23 of the GEM Listing Rules; and
- The bondholders do not have the right to convert any Convertible Bonds with the principal amount falling between the range of HK\$350,000,000 to HK\$776,880,000 at any time during the period from the issue date up to and inclusive of the date that falls on the first anniversary of the issue date.

The 2008 CB are unsecured, interest-free and have a maturity date of 12 August 2011. Unless converted into the Shares of the Company, the outstanding balance of the 2008 CB would be redeemed in full on maturity.

(1) 二零零八年可換股債券

於二零零八年八月十二日，本公司發行可換股債券，作為收購印尼巴布亞省森林特許權之部分代價（「二零零八年可換股債券」）。

債券持有人可選擇，於發行日期至發行日期滿三週年之前第五個營業日止期間內，隨時按初步換股價每股0.1港元（可根據二零零八年可換股債券之條款及條件所訂明者而調整）將二零零八年可換股債券兌換為本公司普通股。惟受下文所列限制（換股限制）：

- 倘於兌換後，MCL及與其一致行動人士於相關兌換日期將擁有本公司當時之經擴大已發行股本30%（或公司收購、合併及股份購回守則可能不時指定為觸發強制性全面收購要約水平之持股百分比）或以上權益，則債券持有人無權於當時將任何本金額之可換股債券兌換為本公司新股份；
- 兌換可換股債券不得導致本公司違反創業板上市規則第11.23條下訂明之最低公眾持股量規定；及
- 債券持有人之可換股債券本金額介乎350,000,000港元至776,880,000港元之間者，於發行日期至發行日期滿一週年之日（包括首尾兩日）止期間內任何時間無權兌換。

二零零八年可換股債券為無抵押、免息及於二零一一年八月十二日到期。除非本公司兌換為股份，否則二零零八年可換股債券尚未兌換餘額將於到期時悉數贖回。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

29. CONVERTIBLE BONDS (Continued)

(1) 2008 CB (Continued)

By the first supplemental deed dated 30 May 2011, the maturity date of the 2008 CB was extended for 3 years and the conversion period will accordingly be extended from 12 August 2011 to 12 August 2014 (new maturity date). Upon becoming effective of the first supplemental deed, the Company may at any time during the period commencing from the date of extension to the new maturity date to redeem the whole or part of the outstanding 2008 CB at par on a pro rata basis. Also, the Conversion Restriction was removed. Apart from the extension of the maturity date, the conversion period, the early redemption right and the removal of the Conversion Restriction, all terms of the 2008 CB remain unchanged.

By the second supplemental deed dated 9 July 2014, the maturity date of the 2008 CB was extended for 3 years and the conversion period will accordingly be extended from 12 August 2014 to 12 August 2017 (new maturity date). Upon becoming effective of the second supplemental deed, the Company may at any time during the period commencing from the date of extension to the new maturity date to redeem the whole or part of the outstanding 2008 CB on a pro rata basis.

Upon effective of the second supplemental deed, the 2008 CB was valued by the directors of the Company with reference to a valuation report issued by Roma Appraisal Limited, an independent qualified valuer not connected to the Group. Gain on extinguishment of convertible bonds of approximately HK\$39,480,000 was recognised in the profit or loss for the year ended 31 December 2014.

By the third supplemental deed dated 20 January 2017, the maturity date of the 2008 CB was extended for 3 years and the conversion period will accordingly be extended from 12 August 2017 to 12 August 2020 (new maturity date). Upon becoming effective of the third supplemental deed, the Company may at any time during the period commencing from the date of extension to the new maturity date to redeem the whole or part of the outstanding 2008 CB on a pro rata basis. Also, the conversion price and the adjustment events to the conversion price had been changed.

29. 可換股債券(續)

(1) 二零零八年可換股債券(續)

藉訂立日期為二零一一年五月三十日之第一份補充契據，二零零八年可換股債券之到期日延長三年，而相應之可換股期由二零一一年八月十二日延長至二零一四年八月十二日(新到期日)。於第一份補充契據生效後，本公司可於延長起始日起至新到期日期間之任何時間，按面值按比例贖回全部或部分未兌換之二零零八年可換股債券。另外，兌換限制被剔除。除延長到期日及可換股期、提早贖回權及剔除兌換限制外，二零零八年可換股債券的全部條款維持不變。

藉訂立日期為二零一四年七月九日之第二份補充契據，二零零八年可換股債券之到期日延長三年，而相應之可換股期由二零一四年八月十二日延長至二零一七年八月十二日(新到期日)。於第二次補充契據生效後，本公司可於延長起始日起至新到期日期間之任何時間，按比例贖回全部或部分未兌換之二零零八年可換股債券。

第二份補充契據生效後，本公司董事參考與本集團並無關連的獨立合資格估值師羅馬評估有限公司刊發之估值報告，對二零零八年可換股債券進行估值。註銷可換股債券之收益約39,480,000港元已於截至二零一四年十二月三十一日止年度之損益內確認。

根據日期為二零一七年一月二十日的第三份補充契據，二零零八年可換股債券的到期日延長三年，而兌換期將相應自二零一七年八月十二日延長至二零二零年八月十二日(新到期日)。於第三份補充契據生效後，本公司或於延長日期至新到期日的任何時間按比例贖回全部或部分尚未贖回二零零八年可換股債券。再者，兌換價及兌換價調整事件已變更。

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29. CONVERTIBLE BONDS (Continued)

(1) 2008 CB (Continued)

Upon effective of the third supplemental deed, the 2008 CB was valued by the directors of the Company with reference to a valuation report issued by International Valuation Limited, an independent qualified valuer not connected with the Group. Gain on extinguishment of convertible bond of approximately HK\$31,162,000 was recognized in the profit or loss for the year ended 31 December 2017.

The outstanding principal amount of the 2008 CB as at 31 December 2017 was HK\$124,068,000 (2016: HK\$124,068,000) conferring rights to convert into a total of 1,305,978,947 ordinary shares (2016: 335,681,818).

The 2008 CB contain two components, the liability and equity components. The equity component is presented in equity as an "Equity component of convertible bonds".

The effective interest rate of the liability component is as follow:

		Third Supplemental deed 第三份補充契據	Second Supplemental deed 第二份補充契據	First Supplemental deed 第一份補充契據
Effective interest rate	實際利率	10.11%	14.13%	11.66%

The movement of the liability component of the convertible bonds for the year was set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 1 January	於一月一日	114,400	100,205
Extinguishment of financial liability charged to profit or loss	註銷金融負債計入損益	(31,162)	—
Interest charged	利息費用	12,702	14,195
As at 31 December	於十二月三十一日	95,940	114,400

29. 可換股債券(續)

(1) 二零零八年可換股債券(續)

於第三份補充契據生效後，二零零八年可換股債券由本公司董事經參考由與本集團無關連的獨立合資格估值師國際評估有限公司發佈的估值報告所估值。註銷可換股債券收益約31,162,000港元已於截至二零一七年十二月三十一日止年度於損益確認。

於二零一七年十二月三十一日，二零零八年可換股債券尚未兌換本金額為124,068,000港元(二零一六年：124,068,000港元)，附帶權利可兌換為合共1,305,978,947股普通股(二零一六年：335,681,818股)。

二零零八年可換股債券包括負債及權利兩個組成部分。權益部分以「可換股債券之權益部分」呈列。

負債部分的實際利率如下：

年內可換股債券負債部分之變動載列如下：

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29. CONVERTIBLE BONDS (Continued)

(2) 2015 CB

On 21 April 2015, the Company issued the convertible bonds (2015 CB) as part of the consideration for the acquisition of Blossom Height Ventures Limited and its subsidiaries.

The outstanding principal amount of the 2015 CB as at 31 December 2017 was HK\$40,000,000 (2016: HK\$40,000,000) conferring rights to convert into a total of 173,913,043 ordinary shares of the Company (2016: 173,913,043).

The 2015 CB are convertible at the option of the bondholders into ordinary shares in the Company at the initial conversion price of HK\$0.32 per share (subject to adjustment as provided in the terms and conditions of the 2015 CB) at any time from the date of issue and ending on the fifth business day before the third anniversary of the date of issue.

As a result of open offer of shares on 10 August 2015, the conversion price of 2015 CB have been adjusted to HK\$0.23.

The 2015 CB are unsecured, interest-free and have a maturity date fall on the third anniversary from the date of issue.

At the maturity date, any outstanding principal amount of the 2015 CB will be compulsorily converted into ordinary shares at HK\$0.23 per share. The compulsorily conversion feature of the 2015 CB is, in substance, a prepaid forward purchase of the fixed number of shares of the Company. Accordingly, at the date of initial recognition, the fair value of the 2015 CB was wholly recognised as equity and will not be remeasured subsequently.

29. 可換股債券(續)

(2) 二零一五年可換股債券

於二零一五年四月二十一日，本公司發行可換股債券(二零一五年可換股債券)，作為收購Blossom Height Ventures Limited及其附屬公司之部分代價。

於二零一七年十二月三十一日，二零一五年可換股債券尚未兌換本金額為40,000,000港元(二零一六年：40,000,000港元)，附帶權利可兌換為合共173,913,043股本公司普通股(二零一六年：173,913,043股)。

債券持有人可選擇，於發行日期至發行日期滿三週年之前第五個營業日止期間內，隨時按初步換股價每股0.32港元(可根據二零一五年可換股債券之條款及條件所訂明者而調整)將二零一五年可換股債券兌換為本公司普通股。

由於在二零一五年八月十日公開發售股份，故二零一五年可換股債券的換股價已獲調整至0.23港元。

二零一五年可換股債券為無抵押、免息及於至發行日期滿三週年當日到期。

於到期日，任何二零一五年可換股債券之未兌換本金額將強制按每股0.23港元轉換為普通股。具體而言，二零一五年可換股債券之強制兌換特點為預付遠期購入固定數目之本公司股份。因此，於初步確認日期，二零一五年可換股債券之公平價值獲悉數確認為權益，其後將不會重新計量。

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30. PROMISSORY NOTES

On 4 April 2014, The Company issued a promissory note with principal amounts of HK\$51.0 million (2014 PN) as a partial consideration for the acquisition of Ever Hero Group. The 2014 PN bears interest at 2% per annum and is due on the date falling on the last day of the 36th month from the date of issue of the 2014 PN (the "2014 PN Maturity Date"). The maturity date is 4 April 2017. The Company has the right to repay in full or in part of the principal amount of the 2014 PN prior to the 2014 PN Maturity Date at par.

On 21 April 2015, The Company issued a promissory note with principal value of HK\$32.0 million (2015 PN) as a partial consideration for the acquisition of Blossom Height Ventures Limited, and its subsidiaries (the "Blossom Group"). The 2015 PN carries no interest and is fall due on the last day of the 42th month from the date of issue of the 2015 PN (the "2015 PN Maturity Date"). The maturity date is 21 April 2018. The Company has the right to repay in whole or in part prior to the 2015 PN Maturity Date at par.

The movement of the promissory notes was as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 1 January	於一月一日	50,402	47,627
Coupon interest charged	票面利息費用	123	472
Imputed interest charged	估算利息費用	3,839	4,810
Repayment	還款	—	(2,507)
Decrease in value	價值減少	(106)	—
Transfer to other payable upon maturity	到期時轉至其他應付款項	(26,636)	—
As at 31 December	於十二月三十一日	27,622	50,402

- (i) The fair value of the 2014 PN was approximately HK\$44.1 million as at the issue date, calculated at the effective interest rate of 7.04% per annum. The promissory note was carried at amortised cost until settlement on due date.

On 1 September 2014, the Company early repaid HK\$2.4 million. As a result, the total principal amount of outstanding 2014 PN was HK\$48.6 million as at 31 December 2014.

On 19 March 2015 and 20 April 2015, the Company early repaid each of HK\$10.0 million of the 2014 PN at cash consideration respectively. As a result, the total principal amount of outstanding 2014 PN was HK\$28.6 million.

30. 承兌票據

於二零一四年四月四日，本公司發行本金額為51,000,000港元之承兌票據(二零一四年承兌票據)，作為收購Ever Hero集團之部分代價。二零一四年承兌票據年利率為2%，將於二零一四年承兌票據自發行日期起第三十六個月之最後一日(「二零一四年承兌票據到期日」)到期。到期日為二零一七年四月四日。本公司有權於二零一四年承兌票據到期日之前按面值全部或部分償還二零一四年承兌票據之本金。

於二零一五年四月二十一日，本公司發行本金為32,000,000港元之承兌票據(二零一五年承兌票據)，作為收購Blossom Height Ventures Limited及其附屬公司(「Blossom集團」)之部分代價。二零一五年承兌票據並不計息，將於二零一五年承兌票據自發行日期起第四十二個月之最後一日(「二零一五年承兌票據到期日」)到期。到期日為二零一八年四月二十一日。本公司有權於二零一五年承兌票據到期日之前按面值償還全部或部分本金。

該等承兌票據變動如下：

- (i) 二零一四年承兌票據於發行日期之公平價值以實際年利率7.04%計算，約為44,100,000港元。承兌票據按攤銷成本列賬，直至於到期日償清為止。

於二零一四年九月一日，本公司提早償還2,400,000港元，以致於二零一四年十二月三十一日，二零一四年承兌票據未行使本金總額為48,600,000港元。

於二零一五年三月十九日及二零一五年四月二十日，本公司分別以現金提早償還二零一四年承兌票據各10,000,000港元的代價，以致尚未行使之二零一四年承兌票據本金總額為28,600,000港元。

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30. PROMISSORY NOTES (Continued)

The principal amount of the 2014 PN is subject to a downward adjustment on the due day in the event that the audited profit before taxation and before extraordinary items of Netgenii Technology Limited (the subsidiary of Ever Hero Group) for each of the years ended 31 December 2013 and 31 December 2014 is not attained, on a dollar-to-dollar basis.

The 2014 PN matured and was transferred to other payable during the year ended 31 December 2017.

As at 31 December 2017 and 2016, the carrying amount of the 2014 PN was approximately HK\$ nil and HK\$26.2 million respectively.

- (ii) The fair value of the 2015 PN was approximately HK\$21.4 million as at the issue date by using the discounted cash flow approach at prevailing market rate of approximately 13.53% per annum.

The principal amount of the 2015 PN is subject to downward adjustment in the event that the audited consolidated net profit after taxation and any extraordinary and exceptional items of the Blossom Group is less than HK\$10.0 million for each of the three years ending 31 December 2015, 2016 and 2017, the 2015 PN shall be reduced on a dollar to dollar basis by the amount of shortfall of the profit guarantee for the relevant year and cannot be carried forward to subsequent year. Blossom Group has met the profit guarantee for the year ended 31 December 2015 and 2016.

On 31 December 2016, the Company partially repaid the outstanding principal approximately HK\$3.0 million at cash.

As at 31 December 2017 and 2016, the carrying amount of the 2015 PN was approximately HK\$27.7 million and HK\$24.2 million respectively.

30. 承兌票據(續)

倘按等值基準計算，機智科技有限公司 (Ever Hero 集團之附屬公司) 不能於截至二零一三年十二月三十一日及二零一四年十二月三十一日止年度各年達到經審核除稅及非經常項目前溢利，則二零一四年承兌票據本金將於到期日下調。

於截至二零一七年十二月三十一日止年度，二零一四年承兌票據已到期且轉至其他應付款項。

於二零一七年及二零一六年十二月三十一日，二零一四年承兌票據賬面值分別約為零港元及26,200,000港元。

- (ii) 二零一五年承兌票據於發行日期採用貼現現金流量法以現行市場年利率約13.53%計算之公平價值約為21,400,000港元。

倘 Blossom 集團於截至二零一五年、二零一六年及二零一七年十二月三十一日止三個年度各年經審核綜合除稅及任何非經常及特殊之項目後純利少於10,000,000港元，則二零一五年承兌票據本金將予下調，二零一五年承兌票據應按照等值基準減少相關年度溢利保證之不足額，且不得於往後年度結轉。Blossom 集團已於截至二零一六年及二零一五年十二月三十一日止年度達至溢利保證。

於二零一六年十二月三十一日，本公司以現金償還部分尚未兌換本金約3,000,000港元。

於二零一七年及二零一六年十二月三十一日，二零一五年承兌票據賬面值分別約為27,700,000港元及24,200,000港元。

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31. OBLIGATIONS UNDER FINANCE LEASES

31. 融資租賃承擔

		As at 31 December 於十二月三十一日			
		Minimum lease payments 最低租賃款項		Present value of minimum lease payments 最低租賃款項現值	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Amount payable	應付金額				
Within one year	一年內	854	1,011	827	942
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	202	1,056	199	1,026
Future finance charges	未來融資費用	1,056 (30)	2,067 (99)	1,026 N/A 不適用	1,968 N/A 不適用
Present value of lease obligations	租賃承擔現值	1,026	1,968		
Less: Amount due for settlement within 12 months	減：十二個月內到期之應償清金額			827	942
Amount due for settlement after 12 months	十二個月之後到期之應償清金額			199	1,026

The Group's obligations under finance leases are secured by the assets as disclosed in Note 14.

本集團之融資租賃承擔由附註14所披露資產作為抵押。

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32. BANK BORROWINGS

32. 銀行借款

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註	
Fixed rate:	固定利率：		
Secured bank borrowings — repayable on demand	有抵押銀行借款 — 須應要求償還	a	206
Secured bank borrowings — due within one year	有抵押銀行借款 — 於一年內到期	b	3,830
			1,752,555
Secured bank borrowings — due more than one year, but not more than three years	有抵押銀行借款 — 於一年後 但三年內到期	b	1,691,649
			1,824,615

Notes:

- a The bank borrowings were secured by a personal guarantee given by a former director of a subsidiary of the Company. The interest rate of this bank borrowing was charged at 0.88% flat per month.
- b Bank borrowings obtained in the PRC were secured by the finance lease assets held by the leasee with the carrying value of approximately RMB1,858.1 million (equivalent to approximately HK\$2,231.5 million), as at 31 December 2016 (2016: RMB1,858.1 million (equivalent to approximately HK\$2,074.7 million)). The interest rate of the bank loans were ranged from 3.8% to 5.7% per annum (2016: 4.9% to 6.3% per annum).

Included therein, a general banking facility amounted to HK\$7.0 million was secured by a deposit of HK\$4.0 million. The facility was utilised to the extent of approximately HK\$4.9 million as at 31 December 2017 (31 December 2016: HK\$3.8 million). This general banking facility is subject to the fulfilment of covenants relating to certain of the security coverage ratios, as are commonly found in lending arrangements with financial institutions. If any of the security coverage ratios shall at any time fall below the level required, the Group shall provide additional security acceptable to the bank and/or reduce the outstanding of the facilities designated by the bank. The Group regularly monitors its compliance with these covenants.

附註：

- a 銀行借款由本公司一間附屬公司一名前任董事提供之個人擔保作抵押。此項銀行借款之利息按每月平息0.88%收取。
- b 銀行借款以二零一六年十二月三十一日賬面值約為人民幣1,858,100,000元(相等於約2,231,500,000港元)(二零一六年：人民幣1,858,100,000(相等於約2,074,700,000港元))之承租人所持有融資租賃資產作抵押。銀行貸款之利率每年介乎3.8%至5.7%(二零一六年：每年介乎4.9%至6.3%)。

其中，一般銀行融資7,000,000港元以存款4,000,000港元作抵押。於二零一七年十二月三十一日，已動用該融資約4,900,000港元(二零一六年十二月三十一日：3,800,000港元)。該一般銀行融資須待與若干抵押覆蓋比率有關之契據獲達成後方告落實，而此乃與金融機構作出借款安排的普遍做法。倘任何抵押覆蓋比率於任何時間低於所規定水平，本集團須提供銀行可接納之額外抵押及/或減少銀行所指定之尚未動用融資額。本集團定期監控其遵守該等契據之情況。

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33. TRADE PAYABLES

An aged analysis of trade payables as at the end of reporting period based on the invoice date, are as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payable from trading business	貿易業務的貿易應付款項	1,082	373
Trade payable from information technology business	資訊科技業務的貿易應付款項	2,023	2,052
Trade payable from financial services business	金融服務業務的貿易應付款項	38,367	29,906
Amount payable arising from the business of dealing in securities	來自證券買賣業務的應付款項		
— Cash clients	— 現金客戶	5,986	6,120
— HKSCC	— 香港結算	225	1,974
		47,683	40,425

An aged analysis of trade payables arising from business other than dealing in securities as at the end of reporting period based on the invoice date / contractual term, are as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	38,454	29,931
31 to 60 days	31至60日	749	—
61 to 120 days	61至120日	2	4
Over 120 days	120日以上	2,267	2,396
		41,472	32,331

33. 貿易應付款項

於報告期末，貿易應付款項按發票日期的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payable from trading business	貿易業務的貿易應付款項	1,082	373
Trade payable from information technology business	資訊科技業務的貿易應付款項	2,023	2,052
Trade payable from financial services business	金融服務業務的貿易應付款項	38,367	29,906
Amount payable arising from the business of dealing in securities	來自證券買賣業務的應付款項		
— Cash clients	— 現金客戶	5,986	6,120
— HKSCC	— 香港結算	225	1,974
		47,683	40,425

於報告期末，來自證券買賣以外業務的貿易應付款項按發票日期／合約期的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 30 days	30日內	38,454	29,931
31 to 60 days	31至60日	749	—
61 to 120 days	61至120日	2	4
Over 120 days	120日以上	2,267	2,396
		41,472	32,331

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34. OTHER PAYABLES AND ACCRUALS

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other payables (note)	其他應付款項(附註)	82,070	56,518
Accruals	應計款項	965	781
		83,035	57,299

Note:

Other payables are non-interest-bearing and have an average term of three months.

As at 31 December 2017, included in other payables an amount of approximately HK\$48,040,000 due to a non-controlling shareholder of a subsidiary of the Company. The amount is unsecured, interest-free and repayable on demand.

35. SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group. The share option scheme of the Company was effective on 3 May 2012, when the annual general meeting was held. Unless otherwise cancelled or amended, the share option scheme will remain in force for a period of 10 years from the date of its adoption. The Board may, at their discretion, offer options to any full-time or part-time employee or director of any member of the Group, and any consultant of or adviser to any member of the Group (the "Participants") to subscribe for shares of the Company (the "Shares").

The maximum number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under all share option scheme must not exceed 30% of the Shares in issue from time to time.

34. 其他應付款項及應計款項

附註：

其他應付款項為免息，平均期限為三個月。

於二零一七年十二月三十一日，其他應付款項包括應付本公司附屬公司非控股股東款項約48,040,000港元。該金額為無抵押、免息及須應要求償還。

35. 優先購股權計劃

本公司推行優先購股權計劃，旨在向對本集團有貢獻的合資格參與者提供鼓勵和嘉許。本公司優先購股權計劃於股東週年大會舉行當日二零一二年五月三日生效。除非另行註銷或修訂，否則優先購股權計劃亦將由其採納日期起計10年期間內有效。董事會可酌情向本集團成員公司的任何全職或兼職僱員或董事，以及本集團任何成員公司的顧問或諮詢人(「參與者」)授出優先購股權，以認購本公司股份(「股份」)。

於所有優先購股權計劃項下的所有已授出但尚未行使優先購股權獲悉數行使後須予發行之股份數目最多不得超過不時之已發行股份30%。

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35. SHARE OPTION SCHEME (Continued)

The maximum number of Shares available for issue under share options which may be granted under the share option scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue. The maximum number of Shares issued and to be issued upon exercise of the share options granted and to be granted to each Participant (including both exercised and outstanding share options) in any 12-month period up to the date of grant must not exceed 1% of the Shares in issue at the date of grant. Any further grant of share options in excess of the above limit must be subject to shareholders' approval with such Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting.

If share options are granted to a connected person (as defined in the GEM Listing Rules) or his associates, the granting of such share options will be subject to approval of all INEDs (excluding INED who is a grantee); where options are proposed to be granted to a connected person who is also a substantial shareholder or an INED of the Company or any of their respective associates which will result in the total number of Shares issued and to be issued upon exercise of the share options granted or to be granted (including share options exercised, cancelled and outstanding) to such person under the share option scheme in the past 12-month period up to and including the date of such grant: (1) exceeding 0.1% of the total issued Shares for the time being; and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000, the granting of such options will be subject to approval of the independent shareholders of the Company. All connected persons will abstain from voting (except any connected person that may vote against the resolution).

Upon acceptance of the share option offers, the grantee shall pay HK\$1 to the Company as consideration for each offer. The share option will be offered for acceptance for a period of 28 days (or such shorter period as the Board may from time to time determine) from the date on which the share option is granted. The exercise period of the share options granted is determinable by the directors and commences after a certain vesting period, if any, as determined by the directors and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the share option scheme, if earlier.

35. 優先購股權計劃(續)

根據本公司採納的優先購股權計劃可授出的優先購股權而可予發行的股份總數，最高不得超過已發行股份10%。在截至授出日期止任何12個月期間因行使已授予及將授予每位參與者的優先購股權(包括已行使及未行使的優先購股權)而已發行及將予發行的股份總數，最高不得超過於授出優先購股權日期已發行股份1%。任何授出超過上述限額的優先購股權必須獲得股東批准，而有關參與者及其聯繫人(定義見創業板上市規則)不得參與投票。

倘向關連人士(定義見創業板上市規則)或其聯繫人授出優先購股權，須獲得全體獨立非執行董事(不包括亦為承授人之獨立非執行董事)的批准。倘向關連人士(亦為本公司主要股東或獨立非執行董事)或彼等各自的聯繫人授出任何優先購股權，會導致根據優先購股權計劃於截至授出日期前(包括該日)12個月期間因行使已授予或將授予有關人士的優先購股權(包括已行使、已註銷及尚未行使的優先購股權)而已發行及將予發行的股份總數：(1)超出當時已發行股份總額0.1%；及(2)根據各授出日期股份收市價計算，其總值超過5,000,000港元，則上述授出優先購股權必須獲本公司獨立股東批准。所有關連人士必須放棄投票，惟任何投票反對決議案的關連人士除外。

於接納優先購股權時，承授人須向本公司支付1港元作為授出的代價。優先購股權將於授出日期起計28日期間(或董事會不時決定的較短期間)可供接納。授出之優先購股權之行使期由董事決定，並於若干由董事釐定之歸屬期間(如有)後開始，且最遲不得超過提呈優先購股權日期起計十年或優先購股權計劃屆滿之日(以較早者為準)終止。

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35. SHARE OPTION SCHEME (Continued)

The subscription price of the share in respect of any particular share option granted under the share option scheme shall be such price as the Board in its absolute discretion shall determine, save that such price shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange daily quotation sheet on the date of the grant of the share option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets on the five business days immediately preceding the date of the grant of the share option; and (iii) the nominal value of the Share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the share option scheme during the year:

35. 優先購股權計劃(續)

根據優先購股權計劃授出的任何特定優先購股權所涉及股份的認購價由董事會全權決定，惟在任何情況下應以下列情況之最高者為準：(i) 授出優先購股權之日(必須為營業日)聯交所每日報價表所列股份的收市價；(ii) 緊接授出優先購股權之日前五個營業日聯交所每日報價表所列股份的平均收市價；以及(iii) 股份之面值。

優先購股權並無賦予持有人獲派股息或於股東大會投票的權利。

於年內，優先購股權計劃項下之未行使優先購股權載列如下：

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share (每股港元)	Number of options 優先購股權 數目 '000 (千股)	Weighted average exercise price 加權平均 行使價 HK\$ per share (每股港元)	Number of options 優先購股權 數目 '000 (千股)
At beginning of the year	於年初	0.153	233,390	0.153	233,404
Adjusted during the year upon effective of open offer	年內於公开发售 生效後之調整	—	—	—	—
Lapsed / issued during the year	於年內失效 / 授出	—	—	3.6	(14)
At end of the year	於年終	0.153	233,390	0.153	233,390

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35. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding and exercisable as at the end of the reporting period are as follows:

2017 二零一七年 Number of options 優先購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期間
359	3.6	30 May 2012 to 29 May 2022 二零一二年五月三十日至二零二二年五月二十九日
31	2.13	17 January 2013 to 16 January 2023 二零一三年一月十七日至二零二三年一月十六日
233,000	0.147	19 August 2015 to 18 August 2025 二零一五年八月十九日至二零二五年八月十八日

2016 二零一六年 Number of options 優先購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期間
359	3.6	30 May 2012 to 29 May 2022 二零一二年五月三十日至二零二二年五月二十九日
31	2.13	17 January 2013 to 16 January 2023 二零一三年一月十七日至二零二三年一月十六日
233,000	0.147	19 August 2015 to 18 August 2025 二零一五年八月十九日至二零二五年八月十八日

* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other changes in the Company's share capital.

The share options were vested at the date of grant. No share option has been granted during the year ended 31 December 2017 and 31 December 2016.

35. 優先購股權計劃(續)

於報告期末，未行使及可行使優先購股權之行使價及行使期間如下：

* 優先購股權之行使價須就供股或發行紅股或本公司股本其他變更作出調整。

優先購股權於授出當日歸屬。截至二零一七年十二月三十一日及二零一六年十二月三十一日止年度，概無授出優先購股權。

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36. OPERATING LEASE COMMITMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	1,673	2,742
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	657	1,016
		2,330	3,758

37. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere to the consolidated financial statements, the Group have the following related party transactions.

			Year ended 31 December 截至十二月三十一日止年度	
Name of related party 關聯方名稱	Relationship 關係	Nature of transaction 交易性質	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Lai Yau Hong, Thomson 賴祐康	Secretary of the Company 本公司秘書	Loan interest payable 應付貸款利息 Loan payable 應付貸款	52 200	28 200

Note: The interest rate of the loan was 1% per month. In the opinion of the directors, the transactions between the Group and the related party were conducted in the ordinary course of business.

36. 經營租約承擔

本集團根據經營租約安排租賃其若干辦公室物業。經磋商的物業租約年期介乎一至三年。

本集團在下列年期屆滿的不可撤銷經營租約的未來最低租賃應付款項總額為：

37. 關聯方交易

除於綜合財務報表其他章節所披露者外，本集團有以下關聯方交易。

附註：貸款利率為每月1%。董事認為，本集團與關聯方之交易乃於日常業務過程中進行。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

37. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel of the Group

37. 關聯方交易(續)

本集團主要管理層人員之薪酬

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	6,590	6,600
Post-employment benefits	僱用後福利	54	54
Equity-settled share option expense	以股權結算的優先購股權開支	—	—
Total compensation paid to key management personnel	付予主要管理人員之薪酬總額	6,644	6,654

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise convertible bonds, promissory notes, bank borrowings, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk and liquidity risk. The Board reviews and agrees policies for managing this risk and they are summarised below.

38. 財務風險管理目標及政策

本集團之主要金融工具包括可換股債券、承兌票據、銀行借款、現金及短期存款。該等金融工具主要旨在為本集團之營運籌集資金。本集團擁有多種其他金融資產及負債，如直接由其營運產生之貿易應收款項及貿易應付款項。

本集團之政策為於回顧年度全年不進行任何金融工具交易。

本集團金融工具所產生之主要風險為外幣風險及流動資金風險。董事會審閱及同意管理各類風險之政策，茲概述如下。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales, purchases or expenditure by operating units in currencies other than the units' functional currencies. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of the HK dollar ("HK\$") and Renminbi ("RMB"), with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

		Increase/ (decrease) in exchange rate 匯率上升/ (下跌) %	Increase / (decrease) in loss before tax and accumulated loss 除稅前虧損及累計 虧損增加/(減少) HK\$'000 千港元
2017	二零一七年		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	10	120
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(10)	(120)
2016	二零一六年		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	10	64
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(10)	(64)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of convertible bonds and promissory notes.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

38. 財務風險管理目標及政策(續)

外幣風險

本集團涉及交易貨幣風險。該等風險來自以營運單位的功能貨幣以外貨幣作出的買賣及開支。下表闡述由於港元(「港元」)及人民幣(「人民幣」)匯率的可能變動，在其他變數保持不變的情況下，對本集團於報告期末的除稅前虧損(基於貨幣資產及負債之公平價值變動)的敏感度分析。

流動資金風險

本集團之目的是要充分利用可換股債券及承兌票據，在資金持續供應與靈活性之間維持平衡。

下表概述根據合約非貼現付款分析之本集團財務負債之到期情況。

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財務報表附註

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES 38. 財務風險管理目標及政策(續)

(Continued)

Liquidity risk (Continued)

As at 31 December 2017

流動資金風險(續)

於二零一七年十二月三十一日

		Within one year or on demand 一年內或 按要求 HK\$'000 千港元	More than 1 year but less than 5 years 多於一年 但少於五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Bank borrowings	銀行借款	1,847,897	75,612	1,923,509	1,824,615
Trade payables	貿易應付款項	47,683	—	47,683	47,683
Finance lease obligation	融資租賃承擔	854	202	1,056	1,026
Other payables and accruals	其他應付款項及應計款項	83,035	—	83,035	83,035
Convertible bonds	可換股債券	—	124,068	124,068	95,940
Promissory notes	承兌票據	28,894	—	28,894	27,622
		2,008,363	199,882	2,208,245	2,079,921

As at 31 December 2016

於二零一六年十二月三十一日

		Within one year or on demand 一年內或 按要求 HK\$'000 千港元	More than 1 year but less than 5 years 多於一年 但少於五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Bank borrowings	銀行借款	4,036	1,837,659	1,841,695	1,695,685
Trade payables	貿易應付款項	40,425	—	40,425	40,425
Finance lease obligation	融資租賃承擔	1,011	1,056	2,067	1,968
Other payables and accruals	其他應付款項及應計款項	57,299	—	57,299	57,299
Convertible bonds	可換股債券	124,068	—	124,068	114,400
Promissory notes	承兌票據	26,636	29,000	55,636	50,402
		253,475	1,867,715	2,121,190	1,960,179

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Interest rate risk

The Group does not have material exposure to interest rate risk, as the Group has no financial assets and liabilities of material amounts with floating interest rate.

Management will continue to review the market trend, as well as its business operation needs and its financial position in order to identify the most effective tools for the Group's interest rate risk management.

Credit risk

The Group's credit risk is primarily attributable to trade, finance lease, loan and other receivables. Management has monitored the exposures on an ongoing basis.

The Group had certain concentration of credit risk as 59% (2016:60%) and 96% (2016:94%) at the total finance lease receivables were due from the largest lessee and the five largest lessees, respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any other guarantees which would expose the Group to the credit risk.

Fair value estimation

The fair values of current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity.

The Group's financial instruments carried at fair value represent the Group's other financial assets. The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. 財務風險管理目標及政策(續)

利率風險

本集團並無涉及重大利率風險，因為本集團並無以浮動利率計息之重大金融資產及負債。

管理層將繼續檢討市場趨勢以及其業務營運需求與財務狀況，以物色對本集團利率風險管理最有效之工具。

信貸風險

本集團之信貸風險主要來自貿易應收款項、融資租賃、應收貸款及其他應收款項。管理層持續監察風險。

由於融資租賃應收款項總額之59% (二零一六年：60%)及96% (二零一六年：94%)分別源自最大承租人及五大承租人，故本集團面臨若干信貸集中風險。

最高信貸風險指於綜合財務狀況報表內各金融資產之賬面值(扣除任何減值撥備)。本集團並無提供任何其他導致本集團須面對信貸風險之擔保。

公平價值估計

由於屬即時或於短期內到期，故流動金融資產及負債的公平價值與其賬面值並無重大差異。

本集團按公平價值列賬之金融工具指本集團之其他金融資產。下文提供於初步確認後按公平價值計量，且按照公平價值可觀察得出之程度歸類為第一至三個層級之金融工具分析。

- 第一層公平價值計量由相同資產或負債在活躍市場的報價(未經調整)得出。
- 第二層公平價值計量由第一層所載報價以外的可觀察資產或負債輸入數據直接(即價格)或間接(即源自價格)得出。
- 第三層公平價值計量由包括並非以可觀察市場數據(不可觀察數據)為基礎的資產或負債輸入數據的估值技術得出。

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Capital management

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 issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objective policies or processes for managing capital during the year ended 31 December 2017 and 2016.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total capital plus total borrowings. The Group's total borrowings represent bank borrowings, convertible bonds and promissory notes. The Group's capital represents the equity attributable to equity owners of the parent.

38. 財務風險管理目標及政策(續)

資本管理

本集團之資本管理目標主要為保障本集團繼續以持續經營基準運作之能力，以及維持穩健資本比率，從而支援其業務及擴大股東價值。

因應相關資產之經濟狀況變動及風險特徵，本集團管理其資本架構及對其進行調整。為維持或調整資本架構，本集團可能發行新股份。本集團不受任何外部附加資本要求所限。管理資本之目標、政策或程序於截至二零一七年及二零一六年十二月三十一日止年度並無任何轉變。

本集團利用資本負債比率監控資本，資本負債比率為借款總額除以資本總額加借款總額。本集團借款總額指銀行借款、可換股債券及承兌票據。本集團之資本指母公司股權擁有人應佔股東權益。

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank borrowings	銀行借款	1,824,615	1,695,685
Convertible bonds	可換股債券	95,940	114,400
Finance lease obligation	融資租賃承擔	1,026	1,968
Promissory notes	承兌票據	27,622	50,402
Total borrowings	借款總額	1,949,203	1,862,455
Equity attributable to owners of the Company	本公司股權擁有人應佔股東權益	40,114	3,301
Total capital and borrowings	資本及借款總額	1,987,317	1,865,756
Gearing ratio	資本負債比率	97.98%	99.82%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及任何其附屬公司不受外部附加資本規定之規限。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

39. BUSINESS COMBINATION

2017

Heng Asset Management Limited

Reference to the announcement on 10 August 2017, the Company completed the acquisition of 51% of the issued share capital of Heng Asset Management Limited, a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under Chapter 571 Securities and Futures Ordinance, through one of its wholly-owned subsidiaries upon the approval granted by the Securities and Futures Commission on 26 July 2017 of the application to be the substantial shareholder. Following the completion of the acquisition, Heng Asset Management Limited became an indirect non-wholly-owned subsidiary of the Company.

39. 業務合併

二零一七年

衡資產管理有限公司

茲提述二零一七年八月十日之公佈，經證券及期貨事務委員會於二零一七年七月二十六日批准透過成為其中一間全資附屬公司之主要股東的申請後，本公司已完成收購衡資產管理有限公司，該公司為一間根據第571章證券及期貨條例，可從事第四類(就證券提供意見)及第九類(資產管理)受規管活動之持牌法團。完成收購後，衡資產管理有限公司已成為本公司之間接非全資附屬公司。

		HK\$'000 千港元
Net assets acquired of:	已收購資產淨值：	
Property, plant and equipment	物業、廠房及設備	18
Intangible assets	無形資產	2,900
Held-for-trade investments	持作買賣投資	522
Trade receivables	貿易應收賬款	370
Deposits, prepayment and other receivables	按金、預付款項及其他應收款項	11
Amounts due from a director	應收一名董事款項	3,139
Bank balances and cash - general accounts	銀行結餘及現金 - 一般賬戶	647
Account payables	應付賬款	(88)
Deferred tax liability - noncurrent	遞延稅項負債 - 非流動	(482)
Net assets acquired	已收購資產淨值	7,037
Less: Non-controlling interests 49%	減：非控制權益49%	(3,448)
Net assets acquired attributable to equity owners	權益擁有人應佔已收購資產淨值	3,589
Goodwill	商譽	5,803
		9,392
Consideration for acquisition satisfied by	收購的代價的清償方式	
Consideration shares	代價股份	9,000
Other payable	其他應付款項	392
		9,392
Analysis of cash and cash equivalents in respect of the acquisition:	就收購事項分析現金及現金等值項目：	
Cash consideration paid or to be paid	已付或將支付現金代價	—
Bank balances and cash acquired	已收購的銀行結餘及現金	647
Net cash inflow of cash and cash equivalents	現金及現金等值項目的現金流入淨額	647

Had the combination been taken place at the beginning of the year, the revenue and profit of Heng Asset Management Limited would have been approximately HK\$2.0 million and HK\$0.4 million attributable to the Group respectively.

倘合併於年度初進行，則衡資產管理有限公司應佔本集團之收入及溢利將分別約為2,000,000港元及約為400,000港元。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

39. BUSINESS COMBINATION (Continued)

Merdeka Capital Limited (Continued)

2016

Reference to the announcement on 15 July 2016, the Company completed the acquisition of XiaXin Securities (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activities under Chapter 571 Securities and Futures Ordinance, upon the approval granted by the Securities and Futures Commission on 6 July 2016 for the application as the substantial shareholder of XiaXin. Following the acquisition, XiaXin became an indirect wholly-owned subsidiary of the Company since 15 July 2016. Pursuant to the announcement on 11 October 2016, XiaXin officially changed its name to Merdeka Capital Limited on 30 August 2016.

39. 業務合併(續)

萬德資本有限公司(續)

二零一六年

茲提述二零一六年七月十五日之公佈，經證券及期貨事務委員會於二零一六年七月六日批准有關成為廈信證券(香港)有限公司之主要股東的申請後，本公司已完成收購廈信，該公司為一間根據第571章證券及期貨條例，可從事第一類(證券交易)受規管活動之持牌法團。完成收購後，廈信自二零一六年七月十五日起已成為本公司之間接全資附屬公司。根據二零一六年十月十一日之公佈，於二零一六年八月三十日，廈信已正式更名為萬德資本有限公司。

	Amount 金額 HK\$'000 千港元
Net assets acquired of:	已收購資產淨值：
Property, plant and equipment	物業、廠房及設備 30
Statutory deposit	法定按金 510
Intangible assets	無形資產 2,805
Trade receivables	貿易應收賬款 2,897
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項 309
Bank balances and cash - general accounts	銀行結餘及現金 - 一般賬戶 3,887
Bank balances - Trust account	銀行結餘 - 信託賬戶 5,920
Account payables	應付賬款 (8,352)
Deferred tax liabilities	遞延稅項負債 (463)
Other payables and accruals	其他應付款項及應計款項 (43)
Net assets acquired	已收購資產淨值 7,500
Cash consideration	現金代價 7,500
Analysis of cash and cash equivalents in respect of the acquisition:	就收購事項分析現金及現金等值項目：
Cash consideration paid	已付現金代價 (7,500)
Cash and bank balances acquired	已收購的現金及銀行結餘 3,887
Net cash outflow of cash and cash equivalents	現金及現金等值項目的現金流出淨額 (3,613)

Had the combination taken place at the beginning of the year ended 31 December 2016, the revenue and the loss of Mederka Capital Limited would have been approximately HK\$273,000 and HK\$1,638,000 attributable to the Group respectively.

倘合併於截至二零一六年十二月三十一日止年度初進行，則萬德資本有限公司應佔本集團之收入及虧損將分別約為273,000港元及約為1,638,000港元。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

40. DISPOSAL OF A SUBSIDIARY

On 30 November 2016, the Company entered into a sale and purchase agreement (the "Agreement") to dispose of 100% equity interest in Merdeka Timber Group Ltd. together with its subsidiaries (the "Disposal Group")(the "Disposal"), for a total consideration of HK\$2.0 million. The Disposal was completed on 30 November 2016.

40. 出售附屬公司

於二零一六年十一月三十日，本公司訂立買賣協議(「協議」)，出售 Merdeka Timber Group Ltd 及其附屬公司(「出售集團」)的100% 權益(「出售」)，代價總額為2,000,000港元。於二零一六年十一月三十日，出售已完成。

		Amount 金額 HK\$'000 千港元
Net assets disposed of:	出售時淨資產：	
Forest concessions	森林特許權	—
Trade and other payables	貿易及其他應付款項	(77)
Net liabilities disposed	出售淨負債	(77)
Cash consideration	現金代價	(2,000)
Non-controlling interests	非控股權益	12,447
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	10,370
Analysis of cash and cash equivalents in respect of the disposal:	就出售的現金及現金等值物分析：	
Cash consideration received or to be received	已或將收取現金代價	2,000
Cash and bank balances disposed	已出售現金及銀行結餘	—
Net cash inflow of cash and cash equivalents	現金及現金等值物的現金淨流入	2,000

During the year, the Merdeka Timber Group Ltd together with its subsidiaries had no revenue and profit or loss for the year were reported.

於年內，Merdeka Timber Group Ltd 及其附屬公司概無報告收入及損益。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

41. 本公司財務狀況報表

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註		
ASSETS			
Non-current assets	資產 非流動資產		
Interests in subsidiaries	於附屬公司之權益	294,678	276,061
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,289	7,695
Bank balances and cash - general accounts	銀行結餘及現金 - 一般賬戶	3,480	2,171
Total current assets	流動資產總值	5,769	9,866
Total assets	資產總值	300,447	285,927
EQUITY AND LIABILITIES	股東權益及負債		
Issued capital	已發行股本	2,040	1,620
Reserves	儲備	135,934	100,311
Total equity	權益總額	137,974	101,931
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	95,940	—
Promissory notes	承兌票據	—	24,238
		95,940	24,238
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計款項	29,111	9,314
Due to subsidiaries	應付附屬公司款項	9,800	9,880
Convertible bonds	可換股債券	—	114,400
Promissory notes	承兌票據	27,622	26,164
Total current liabilities	流動負債總值	66,533	159,758
Total liabilities	負債總值	162,473	183,996
Total equity and liabilities	股東權益及負債總值	300,447	285,927
Net current liabilities	流動負債淨值	(60,764)	(149,892)
Net assets	資產淨值	137,974	101,931

Approved and authorised for issue by the board of directors on 26 March 2018.

經董事會於二零一八年三月二十六日核准及授權刊發。

Cheung Wai Yin, Wilson
張偉賢
Director
董事

Lau Chi Yan, Pierre
劉智仁
Director
董事

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 41. 本公司財務狀況報表(續)

(Continued)

		Share premium account	Contributed surplus	Equity component of convertible bonds	Share option reserve	Capital reduction reserve	Accumulated losses	Total
		股份溢價賬	繳入盈餘	可換股債券 之權益部分	優先購股權 儲備	股本削減 儲備	累計虧損	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As 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	884,832	18,203	53,115	27,363	163,191	(1,082,896)	63,808
Changes in equity for 2016: Loss and total comprehensive loss for the year	二零一六年之權益變動： 本年度虧損及全面虧損總額	—	—	—	—	—	(1,768)	(1,768)
Issue of new shares upon placing	配售時發行新股份	38,271	—	—	—	—	—	38,271
Forfeiture of share options	沒收購股權	—	—	—	(35)	—	35	—
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	923,103	18,203	53,115	27,328	163,191	(1,084,629)	100,311
Changes in equity for 2016: Loss and total comprehensive loss for the year	二零一六年之權益變動： 本年度虧損及全面虧損總額	—	—	—	—	—	1,667	1,667
Issue of new shares upon placing	配售時發行新股份	25,056	—	—	—	—	—	25,056
Issue of consideration shares	發行代價股份	8,900	—	—	—	—	—	8,900
As at 31 December 2017	於二零一七年十二月三十一日	957,059	18,203	53,115	27,328	163,191	(1,082,962)	135,934

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. LITIGATION

On 22 January 2015, the Company announced that a writ of summons was issued in the Court of First Instance of the High Court of Hong Kong by Au Kai To Karel, as the plaintiff claiming against (i) End User Technology Limited, an indirect wholly-owned subsidiary of the Company, as the 1st Defendant; (ii) the Company, as the 2nd Defendant; and (iii) Lau Chi Yan Pierre, the managing director and executive director of the Company, as the 3rd Defendant for, inter alia, (1) specific performance of an agreement dated 2 May 2013 in relation to a discloseable transaction of the Company (details of which were disclosed in the announcement of the Company dated 2 May 2013); or (2) alternatively, the damages in the sum of HK\$8,000,000 in lieu of specific performance; and (3) the interest; (4) further and/or other relief; and (5) the costs. Formal trial was held on 4-7 September 2017.

On 29 September 2017, the Company received a judgement dated 29 September 2017 handed down by the High Court of Hong Kong (the "Judgement") ordering, among others, that the Company and End User Technology Limited, the Company's indirect wholly owned subsidiary, to pay, jointly and severally, damages to Mr Au Kai To Karel in the sum of HK\$4.4 million.

As announced by the Company in its announcement on 14 November 2017, the Company has appealed against the Judgment by way of Notice of Appeal filed on 25 October 2017 with the Court of Appeal. The Company's appeal is numbered CACV 237 of 2017.

Based on the legal opinion, there are apparent merits for the appeal. No provision has therefore been made in respect of the judgement laid down by the High Court of Hong Kong. The maximum monetary loss would amount to about the said sum if the Company was found to have such obligation when the appeal was finished.

42. 訴訟

於二零一五年一月二十二日，本公司宣佈，區君宇(原告)於香港高等法院原訟法庭向下列人士發出傳訊令狀：(i)本公司之間接全資附屬公司End User Technology Limited(第一被告)；(ii)本公司(第二被告)；及(iii)本公司之董事總經理兼執行董事劉智仁(第三被告)，以就以下事項提出索償，其中包括：(1)強制履行日期為二零一三年五月二日之協議，內容有關本公司之須予披露交易(詳情於本公司日期為二零一三年五月二日之公佈披露)；或(2)替代性地，8,000,000港元的替代強制履行損害；及(3)利息；(4)進一步及/或其他補償；及(5)成本。正式審訊已於二零一七年九月四日至七日進行。

於二零一七年九月二十九日，本公司接獲日期為二零一七年九月二十九日由香港高等法院頒佈的判決(「判決」)命令(其中包括)本公司及本公司間接全資附屬公司End User Technology Limited向區君宇先生共同及分別支付金額4,400,000港元。

誠如本公司於二零一七年十一月十四日之公佈所宣佈，本公司已於二零一七年十月二十五日採用上訴通知形式向上訴法庭提出上訴。本公司之上訴編號為二零一七年CACV 237號。

根據法律意見，上訴有明顯的好處。因此，並無就香港高等法院作出的判決作出任何撥備。倘本公司於上訴完成時被發現有此責任，則最高金錢損失將相當於上述金額。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

43. ISSUED BUT NOT YET EFFECTIVE HKFRSS

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 9
香港財務報告準則第9號
HKFRS 15 and amendments to HKFRS 15
香港財務報告準則第15號及香港財務報告
準則第15號(修訂本)
HKFRS 16
香港財務報告準則第16號
Amendments to HKFRS 2
香港財務報告準則第2號(修訂本)
Amendments to HKFRS 10 and HKAS 28
香港財務報告準則第10號及香港會計準則
第28號(修訂本)
Amendments to HKAS 7
香港會計準則第7號(修訂本)
Amendments to HKAS 12
香港會計準則第12號(修訂本)

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after a date to be determined
- 4 Effective for annual periods beginning on or after 1 January 2017

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs but is not yet in a position to state whether the above HKFRSs will have a significant impact on the Group's results of operations and financial position.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 26 March 2018.

43. 已頒佈但尚未生效的香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

Financial Instruments¹
金融工具¹
Revenue from Contracts with Customers¹
客戶合約收益¹
Leases²
租賃²
Classification and Measurement of Share-based Payment Transactions¹
以股份為基礎付款的交易的分類及計量¹
Sale or Contribution of Assets between an Investor
and its Associate or Joint Venture³
投資者與其聯營或合營企業之間的資產出售或投入³
Disclosure Initiative⁴
披露計劃⁴
Recognition of Deferred Tax Assets for Unrealised Losses⁴
就未變現虧損確認遞延稅項資產⁴

- 1 對二零一八年一月一日或之後開始之年度期間生效
- 2 對二零一九年一月一日或之後開始之年度期間生效
- 3 對有待釐定日期或之後開始之年度期間生效
- 4 對二零一七年一月一日或之後開始之年度期間生效

本集團正在評估上述新訂及經修訂香港財務報告準則之潛在影響，但尚未能說明上述香港財務報告準則對本集團的經營業績及財務狀況是否有重大影響。

44. 財務報告之批准

本財務報告已經董事會於二零一八年三月二十六日核准及授權刊發。

Summary of Financial Information

財務資料概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

以下為本集團過去五個財政年度的業績以及資產、負債及非控股權益概要，乃摘錄自己刊發的經審核財務報告：

RESULTS

業績

		Year ended 31 December 2013 截至二零一三年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2014 截至二零一四年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2015 截至二零一五年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2016 截至二零一六年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收入	40,762	69,877	131,398	256,232	430,184
LOSS BEFORE TAX	除稅前虧損	(115,153)	(180,099)	(119,388)	(36,210)	(90)
Income tax	所得稅	—	(640)	(4,004)	(3,938)	(3,242)
LOSS FOR THE YEAR	年內虧損	(115,153)	(180,739)	(123,392)	(40,148)	(3,332)
Attributable to:	應佔：					
Owners of the Company	本公司股權擁有人	(109,167)	(172,225)	(124,944)	(42,617)	(6,725)
Non-controlling interests	非控股權益	(5,986)	(8,514)	1,552	2,469	3,393
LOSS FOR THE YEAR	年內虧損	(115,153)	(180,739)	(123,392)	(40,148)	(3,332)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		As at 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元	As at 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元	As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
TOTAL ASSETS	總資產	246,760	142,899	1,117,360	2,055,071	2,224,251
TOTAL LIABILITIES	總負債	(190,047)	(139,437)	(1,033,666)	(1,963,731)	(2,083,091)
		56,713	3,462	83,694	91,340	141,160
EQUITY:	權益：					
Equity attributable to owners of the Company	本公司股權擁有人 應佔權益	58,363	12,934	15,679	3,301	40,114
Non-controlling interests	非控股權益	(1,650)	(9,472)	68,015	88,039	101,046
		56,713	3,462	83,694	91,340	141,160

Glossary of Terms

專用詞語

GENERAL TERMS 一般詞彙

2008 CBs		The convertible bonds issued by the Company on 12 August 2008 as part of the consideration to acquire the forestry business. These convertible bonds, originally due on 12 August 2011 and extended to 12 August 2017, are interest-free and convertible into the Shares at the conversion price of HK\$0.3696 per Share (subject to adjustment according to the terms of the convertible bonds)
二零零八年可換股債券	指	由本公司於二零零八年八月十二日發行作為收購林木業務之部分代價之可換股債券。該等可換股債券(原於二零一一年八月十二日到期並延至二零一七年八月十二日)為免息，並可按換股價每股0.3696港元(根據可換股債券之條款可予調整)兌換為股份
2015 CBs		The convertible bonds issued by the Company on 21 April 2015 as part of the consideration to acquire the entire issued share capital of Blossom Height Ventures Limited. These convertible bonds due on 21 April 2018 are interest-free and convertible into the Shares at the conversion price of HK\$0.23 per Share (subject to adjustment according to the terms of the convertible bonds)
二零一五年可換股債券	指	由本公司於二零一五年四月二十一日發行作為收購Blossom Height Ventures Limited全部已發行股本之部分代價之可換股債券。該等可換股債券將於二零一八年四月二十一日到期且為免息，並可按換股價每股0.23港元(根據可換股債券之條款可予調整)兌換為股份
AGM(s) 股東週年大會	指	Annual general meeting(s) 股東週年大會
Articles 細則	指	The Articles of Association of the Company 本公司組織章程細則
Audit Committee 審核委員會	指	The audit committee of the Company 本公司審核委員會
Board 董事會	指	The board of Directors 董事會
CEO 行政總裁	指	The chief executive officer of the Company 本公司行政總裁
Chairman 主席	指	The chairman of the Company 本公司主席
Code 守則	指	The Corporate Governance Code under the GEM Listing Rules 創業板上市規則項下企業管治守則
Company 本公司	指	Merdeka Financial Services Group Limited Merdeka Financial Services Group Limited (萬德金融服務集團有限公司*)
Director(s) 董事	指	The director(s) of the Company 本公司董事
GEM 創業板	指	The Growth Enterprise Market of the Stock Exchange 聯交所創業板
GEM Listing Rules 創業板上市規則	指	The Rules Governing the Listing of Securities on the GEM 創業板證券上市規則
Group 本集團	指	The Company and its subsidiaries 本公司及其附屬公司
HK or Hong Kong 香港	指	The Hong Kong Special Administrative Region of PRC 中國香港特別行政區

* 僅供識別

Glossary of Terms

專用詞語

HK\$ 港元	指	Hong Kong dollar(s), the lawful currency of Hong Kong 港元，香港法定貨幣
INED(s) 獨立非執行董事	指	Independent non-executive director(s) 獨立非執行董事
Ivana Ivana	指	Ivana Investments Limited, a substantial shareholder of the Company Ivana Investments Limited，本公司之主要股東
N/A 不適用	指	Not applicable 不適用
Nomination Committee 提名委員會	指	The nomination committee of the Company 本公司提名委員會
PRC 中國	指	The People's Republic of China 中華人民共和國
Remuneration Committee 薪酬委員會	指	The remuneration committee of the Company 本公司薪酬委員會
RMB 人民幣	指	Renminbi, the lawful currency of PRC 人民幣，中國法定貨幣
SFC 證監會	指	The Securities and Futures Commission 證券及期貨事務監察委員會
SFO 證券及期貨條例	指	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
Share(s) 股份	指	The ordinary share(s) of HK\$0.001 each in the share capital of the Company 本公司股本中每股面值0.001港元的普通股
Shareholder(s) 股東	指	Holder(s) of the Share(s) 股份持有人
Stock Exchange 聯交所	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
US 美國	指	The United States of America 美利堅合眾國
USD 美元	指	United States dollar(s), the lawful currency of US 美元，美國法定貨幣
% %	指	Per cent. 百分比

FINANCIAL TERMS 財務詞彙

Current Ratio 流動比率	指	Current assets divided by current liabilities 流動資產除以流動負債
Gearing Ratio 資本負債比率	指	Total borrowings (representing bank & other borrowings, convertible bonds and finance lease payable) divided by total capital employed (i.e. total Shareholders' fund plus total borrowings) 總借貸(即銀行及其他借款、可換股債券及融資租賃應付款項)除以所動用的總資本(即股東資金總額加總借款)

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