



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 2018 年報

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香港聯合交易所有限公司(「聯交所」) GEM (「GEM」) 的特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在主板上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM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GEM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GEM證券上市規則》(「《GEM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

Ms. Hau Hei Man, Sonya (Appointed on 15 March 2019)

Mr. Lai Yau Hong, Thomson (Resigned on 15 March 2019)

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

Ms. Hau Hei Man, Sonya (Appointed on 15 March 2019)

Mr. Lai Yau Hong, Thomson (Resigned on 15 March 2019)

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

楊慕嫻女士

吳祺國先生

歐陽士國先生

公司秘書

侯瑋文女士(於2019年3月15日獲委任)

賴祐康先生(於2019年3月15日辭任)

監察主任

張偉賢先生

審核委員會

楊慕嫻女士

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

楊慕嫻女士

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

楊慕嫻女士

吳祺國先生

歐陽士國先生

授權代表

張偉賢先生

侯瑋文女士(於2019年3月15日獲委任)

賴祐康先生(於2019年3月15日辭任)

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*

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1108, 11/F,
Wing On Centre
111 Connaught Road Central
Central, Hong Kong

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

8163

WEBSITE

www.merdeka.com.hk

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

註冊辦事處

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P.O. Box 2681
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Cayman Islands
British West Indies

總辦事處及香港主要營業地點

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干諾道中111號
永安中心
11樓1108室

開曼群島主要股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor
24 Shedden Road
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Cayman Islands

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香港
皇后大道東183號
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股份代號

8163

網址

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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 2018 annual report of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2018. 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. However, the Group may experience bottleneck in the future development of financial leasing business in the People Republic of China (the “**PRC**”) market.

BUSINESS AND OPERATION REVIEW

Since 2015, the Company has started its financial services business from money lending to securities brokerage to asset management in Hong Kong and financial leasing business in the PRC.

Trading business

Trading business continues to provide a stable source of revenue to the Group during the year under review. 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. The Group’s trading outlet is located in Sheung Shui, where is nearer to its customers visiting Hong Kong from the PRC. The variety of the Group’s trading products has been enlarged to confectioneries and pharmacy products and sourced locally and from overseas, such as Japan and other Asia countries. 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. Recently, such registration has been renewed.

Financial services business

The financial services business includes securities brokerage business, money lending business, asset management business and financial leasing business.

Merdeka Capital Limited (“**Merdeka Capital**”), besides in developing its securities brokerage business, has been continuously exploring the opportunities in developing 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. In addition, Merdeka Capital will explore opportunities in developing retail brokerage and/or margin financing business.

For the money lending business, the Group has been approached by potential borrowers for provision of loans from time to time but the management is cautious in making provision of loans 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2018年12月31日止年度之2018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。然而，本集團融資租賃業務於中華人民共和國（「**中國**」）市場的未來發展可能遇到瓶頸。

業務及營運回顧

自2015年起，本公司開始其金融服務業務，軌跡從香港借貸業務發展到證券經紀業務，後來發展到資產管理業務及中國的融資租賃業務。

貿易業務

於回顧年度，貿易業務繼續為本集團提供穩定的收入來源，業務穩健增長但存在競爭且毛利率低，本集團現正擴大其貿易業務以提供不同類型的消費品。本集團的貿易零售店位於上水，以便更接近來自內地的訪港客戶。本集團的貿易產品種類擴大至涵蓋糖果及藥品，該等產品自本地及海外（如日本以及其他亞洲國家）採購。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，本集團已就其來自亞洲國家（包括日本及馬來西亞）的貿易產品委聘代工生產。近期，有關註冊已獲續期。

金融服務業務

金融服務業務包括證券經紀業務、放債業務、資產管理業務及融資租賃業務。

萬德資本有限公司（「**萬德資本**」），除發展其證券經紀業務外，一直持續探索發展具更高利潤的業務的機遇，該業務為擔任全球成功上市的債券發行的賬簿管理人及牽頭經辦人。此外，萬德資本將探索更多機遇開發零售經紀及／或孖展融資業務。

就放債業務而言，本集團不時獲潛在借貸人接洽，以商討提供貸款事宜，但管理層對於提供貸款方面小心審慎以避免可能出現壞賬。

Letter to the Shareholders

致股東函件

Heng Asset Management Limited is continuing its asset management business with discovering further development on fund management including listed securities, bonds and private direct investments.

During the year under review, 恒河融資租賃(上海)有限公司 (Heng He Finance Lease (Shanghai) Company Limited*) (“**Heng He**”) continuously earns interest income derived from the existing finance lease contracts. However, the financial leasing market in the PRC is highly fragmented and competitive, Heng He faced various competitions from other financial leasing companies of different sizes in the PRC. Those commercial banks referring customers previously were not be willing to or were not be able to refer new customers with larger business size due to their tightening fiscal policy and stricter lending conditions.

As at 31 December 2018, Heng He had the following material finance lease contracts in an aggregate amount of RMB205.0 million. Details of the finance lease contracts are as follows:

衡資產管理有限公司現正持續開展其資產管理業務，探索更多基金管理包括上市證券、債券及直接私募投資的發展機遇。

於回顧年度，恒河融資租賃(上海)有限公司(「恒河」)持續從其現有融資租賃合約中收取利息收入。然而，中國融資租賃市場高度分散且競爭激烈，恒河面臨中國其他不同規模融資租賃公司的各種競爭。該等以前推薦客戶的商業銀行因其財政政策緊縮及貸款條件更為嚴苛而不願或可能無法推薦業務規模較大的新客戶。

於2018年12月31日，恒河擁有以下重大融資租賃合約，總額為人民幣205,000,000元。該等融資租賃合約的詳情如下：

	Principal Amount 本金金額 (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 2017年1月20日	3 years 三年	6.18%
Customer B (Note 2) 客戶B (附註2)	65,000	18 August 2016 2016年8月18日	3 years 三年	6.18%
Customer C (Note 3) 客戶C (附註3)	115,000	20 October 2016 2016年10月20日	3 years 三年	5.10%

Notes:

1. A company incorporated in the PRC which is principally engaged in embroidery processing.
2. A company incorporated in the PRC which engages in digital networking and information technology development.
3. A company incorporated in the PRC which specialized in the provision of heat supply and industrial use steam.

附註：

1. 一間於中國註冊成立之公司，主要從事刺繡工藝。
2. 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。
3. 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

Information technology business

During the year under review, 綿陽恒達信息科技有限公司 (Mian Yang Heng Da Information Technology Limited*) (“**Heng Da**”), has been developing mobile and cloud based application software, operating related e-commerce platform and also franchised a mobile game licence from a provider to market and ran exclusively a mobile game platform in Mian Yang city of Sichuan province, the PRC.

However, the information technology business remained challenging due to the keen competition, high staff turnover and the rapid change in project cycles of the customers during the year under review. Heng Da continues to incur operating losses and the management expects the operation will not become profitable in the coming years. As such, the Group decided to dispose its entire 60% equity interests in Heng Da to an independent third party for a cash consideration of RMB10,000 in December 2018. Currently, the disposal is pending for the approval from the Mian Yang government. Once the disposal is approved, Heng Da will be no longer the subsidiary of the Group.

OUTLOOK

Trading business

Although the competition in the trading business is fierce, the Group is expanding the variety of its selling products to maintain the competitiveness and secure the Group’s source of revenue.

Financial services business

The Group is currently holding licenses to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”). In the coming years, the Group will put more resources in developing these regulated activities.

Due to the keen competition in the securities brokerage operation, the profit margin on regular brokerage and securities trading is very slim. The Group will continue to grasp opportunities to act as book-runner and lead managers on financing exercise in order to strengthen the revenue base.

資訊科技業務

於回顧年度，綿陽恒達信息科技有限公司(「**恒達**」)已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台，且亦已自供應商取得手機遊戲專營牌照，並於中國四川省綿陽市獨家運作手機遊戲平台。

然而，於回顧年度，資訊科技業務依然備受挑戰，此乃由於競爭激烈、員工流失率高企及顧客項目週期改變迅速所致。恒達持續產生經營虧損，且管理層預計於未來數年，營運將不會產生盈利。因此，本集團決定於2018年12月向獨立第三方出售其於恒達全部60%的股權，現金代價為人民幣10,000元。目前，該出售事項仍待綿陽市政府批准。經批准出售事項之後，恒達將不再為本集團之附屬公司。

前景

貿易業務

儘管貿易業務競爭激烈，本集團正在拓展其所售產品的多樣性，以維持優勢及獲取本集團收入來源。

金融服務業務

本集團目前持有可從事證券及期貨條例(香港法例第571章)(「**證券及期貨條例**」)項下第一類(證券交易)、第四類(就證券提供意見)及第九類(資產管理)受規管活動。於未來數年，本集團將投放更多資源發展該等受規管活動。

由於證券經紀業務競爭激烈，普通經紀及證券交易的利潤甚為稀薄。本集團將繼續把握機遇，擔任融資活動的賬簿管理人及牽頭經紀人，以充實收入基礎。

Letter to the Shareholders

致股東函件

It is expected that economic policies and Sino-US trade disputes will continue to cause stock market fluctuation. However, certain Chinese companies with reasonable valuations, excellent management and good competitive landscape will still achieve outstanding performance growth, which will improve stock price. On the other hand, the stock price of some companies with higher valuations but without performance as its support will be probably challenged by downside risks. The Group will continue to seek growth in both scale and performance in the coming years.

For the money lending business, the Group remains cautious in concluding loans in order to mitigate the risk in money-laundering and bad debts.

In light of the current severe global business environment and capital requirement encountered in the financial leasing business, the Group may experience bottleneck in its business development due to fierce competition. The Group expects that the development will remain sluggish in the coming future.

Given the steady increment of the listed companies in Hong Kong, the Group anticipates the demand from Hong Kong listed issuers requesting for professional services in relation to corporate governance matters and compliance with the appropriate local rules governing the listed companies in Hong Kong and other relevant legal and regulatory requirements will persist. On 28 February 2019, the Group completed an acquisition of entire interest in Veda Corporate Services Limited and its subsidiaries which are engaged in the provision of company secretarial services. The Group expects the acquisition will enhance the source of revenue in future.

Furthermore, the Group will continue to seize other growth opportunities to enhance competitiveness to strive for the best return to the shareholders of the Company.

CONVERTIBLE BONDS

Further to the convertible bonds issued by the Company on 12 August 2008 (the "2008 CB") as part of the consideration for the acquisition of forest concessions in Papua, Indonesia, the Company issued further convertible bonds on 21 April 2015 (the "2015 CB") in the principal amount of HK\$40.0 million as part of the consideration for the acquisition of the entire issued share capital of Blossom Height.

As at 31 December 2018, the Company had outstanding 2008 CB and 2015 CB of aggregate principal amounts of approximately HK\$124.1 million and HK\$40.0 million respectively which could be converted into 1,305,978,947 shares of the Company (the "Shares") and 173,913,043 Shares accordingly.

經濟政策及中美貿易糾紛預期將繼續引起股市動蕩。然而，若干具備合理估值、卓越管理能力及良好競爭格局的中國公司仍將取得出色發展，從而拉升股價。另一方面，部分估值較高但表現不佳的公司股價將可能受到下行風險的挑戰。本集團未來數年將繼續尋求規模與表現並重的增長。

就放債業務而言，本集團仍對放貸持審慎態度，以減輕洗錢及壞賬風險。

鑒於當前全球經濟環境惡劣且融資租賃業務面臨資本要求，本集團的業務發展或會因競爭激烈而遇到瓶頸。本集團預期未來發展仍將疲弱。

鑒於香港上市公司平穩增長，本集團預計，香港上市發行人仍將會有關於企業管治事宜、遵守管治香港上市公司的合適地方規則以及其他相關法律及監管規定的專業服務的要求。於2019年2月28日，本集團完成收購智略企業服務有限公司及其從事提供公司秘書服務業務的附屬公司的股權。本集團預期該收購事項將拓寬其日後的收入來源。

此外，本集團將繼續把握增長機遇，提升本身優勢，矢志為本公司股東提供最佳回報。

可換股債券

本公司除於2008年8月12日發行可換股債券（「2008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，本公司於2015年4月21日再度發行本金額為40,000,000港元的可換股債券（「2015年可換股債券」），作為收購Blossom Height全部已發行股本的代價一部分。

於2018年12月31日，本公司擁有本金總額分別約為124,100,000港元及40,000,000港元的尚未兌換的2008年可換股債券及2015年可換股債券，該等債券可將分別兌換成1,305,978,947股本公司的股份（「股份」）及173,913,043股股份。

Letter to the Shareholders

致股東函件

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 (the “**High Court**”) by Mr. Au Kai To Karel, as the plaintiff claiming against (i) End User Technology Limited (“**End User**”), 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 (the “**Judgement**”) ordering, among others, that the Company and End User, 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 dated 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.

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 Judgment 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**”).

訴訟

於2015年1月22日，本公司宣佈，區君宇先生(原告)於香港高等法院(「**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 (「**End User**」)(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2013年5月2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2013年5月2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2017年9月4日至7日進行。

於2017年9月29日，本公司接獲日期為2017年9月29日由高等法院頒佈的判決(「**判決**」)命令(其中包括)本公司及End User向區君宇先生共同及分別支付損害金額4,400,000港元。

誠如本公司於2017年11月14日之公佈所宣佈，本公司已於2017年10月25日採用上訴通知形式向上訴法庭就判決提出上訴。本公司之上訴編號為2017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。

於2017年11月13日，本公司接獲自高等法院發出：由區君宇先生提起有關《公司(清盤及雜項條文)條例》第32章(「**該條例**」)之呈請(「**該呈請**」)，指稱本公司因被視作未能償還上述判決中所述的合共4,400,000港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2017年HCCW 343號。

本公司於2017年12月1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。

Letter to the Shareholders

致股東函件

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 7 May 2018, upon the Company having paid into court the judgement sum of HK\$4.4 million pursuant to a court order dated 16 April 2018, the Petition was adjourned until the determination of the Appeal.

On 4 January 2019, the Court of Appeal allowed the Company's appeal despite dismissing End User's appeal. Reasons for judgment was handed down on 18 January 2019. The Group will seek further legal advice on the reasons for judgment and other appropriate actions will be taken thereon if so advised. The Group 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.

The Group will keep its shareholders and the public informed of any further significant developments by making further announcements as and when appropriate.

於2018年1月24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2017年11月13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2017年11月13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2017年12月起)及年報(自截至2017年12月31日止年度起)之日期起三日內將該等報告提交予呈請人。

於2018年5月7日，本公司根據日期為2018年4月16日的法院頒令向法院支付判決金額4,400,000港元後，該呈請押後至確定上訴為止。

於2019年1月4日，儘管駁回了End User的上訴，但上訴法庭允許本公司提出上訴。判決理由已於2019年1月18日作出。本集團將就判決理由尋求進一步法律意見，如有建議，將採取其他適當行動。本集團將採取一切可能措施保護本集團的利益及資產，以及保護本公司股東及投資者的利益。

本集團將於適當時候刊發進一步公佈，向股東及公眾通報任何進一步重大發展。

Letter to the Shareholders

致股東函件

EVENT AFTER REPORTING PERIOD

Acquisition of 100% equity interest in Veda Corporate Services Limited

On 18 February 2019, the Company through a direct wholly-owned subsidiary entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which the Company has conditionally agreed to acquire 100% of the issued share capital of Veda Corporate Services Limited (“**VCSL**”) (the “**Acquisition**”) at a consideration of HK\$8,000,000, which shall be settled by way of issue of the relevant promissory notes by the Company upon completion. VCSL and its subsidiaries (the “**VCSL Group**”) are principally engaged in the provision of company secretarial services and is a holder of the Trust or Company Service Provider licence registered with the Companies Registry of Hong Kong.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The vendor is directly wholly-owned by Mr. Wong Hin Shek, who holds approximately 23.12% of the entire issued share capital of the Company and is a substantial shareholder of the Company. Accordingly, the vendor is a connected person of the Company under the GEM Listing Rules and the Acquisition constitutes a connected transaction for the Company for the purpose of the GEM Listing Rules.

As the relevant applicable percentage ratios for the Acquisition are less than 25% and the total consideration in respect thereof is less than HK\$10,000,000 and the Acquisition is on normal commercial terms, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders’ approval requirements under Rule 20.74(2) of the GEM Listing Rules.

On 28 February 2019, all conditions precedent for the completion under the Sale and Purchase Agreement have been fulfilled and completion took place in accordance with the terms and conditions of the Sale and Purchase Agreement. Following completion, VCSL became an indirectly wholly-owned subsidiary of the Company and the financial results of the VCSL Group will be consolidated into the financial statements of the Group.

報告期後事件

收購智略企業服務有限公司100%股權

於2019年2月18日，本公司透過直接全資附屬公司訂立買賣協議（「**買賣協議**」），據此，本公司有條件同意收購智略企業服務有限公司（「**智略企業服務**」）100%已發行股本（「**收購事項**」），代價為8,000,000港元，將於完成後透過本公司發行有關承兌票據之方式償付。智略企業服務及其附屬公司（「**智略企業服務集團**」）主要從事提供公司秘書服務，並持有香港公司註冊處註冊之信託或公司服務供者牌照。

由於有關收購事項之一項或多項適用百分比比率（定義見GEM上市規則）超過5%但低於25%，故收購事項構成本公司之須予披露交易，並須遵守GEM上市規則第19章項下申報及公佈規定。

賣方由王顯碩先生直接全資擁有，而王顯碩先生持有本公司全部已發行股本約23.12%及為本公司主要股東。因此，根據GEM上市規則，賣方為本公司關連人士及就GEM上市規則而言，收購事項構成本公司之關連交易。

由於收購事項之相關適用百分比比率均低於25%及其總代價低於10,000,000港元，且收購事項乃按正常商業條款訂立，故收購事項須遵守申報及公佈規定，惟獲豁免遵守GEM上市規則第20.74(2)條項下通函、獨立財務意見及股東批准規定。

於2019年2月28日，買賣協議項下完成之所有先決條件均已獲達成，並已根據買賣協議之條款及條件完成。於完成後，智略企業服務將成為本公司之間接全資附屬公司，而智略企業服務集團之財務業績將併入本集團之財務報表。

Letter to the Shareholders

致股東函件

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. 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 2019

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。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
2019年3月26日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL AND BUSINESS REVIEW

For the year ended 31 December 2018, the Group recorded a revenue of approximately HK\$559.8 million (2017: approximately HK\$430.2 million). Loss for the year attributable to owners of the Company was approximately HK\$92.1 million (2017: approximately HK\$6.7 million). Basic and diluted loss per share was approximately HK\$0.042 (2017: approximately HK\$0.003). The net loss was mainly attributable from i) the tightening fiscal policy and stricter lending conditions affected the financial leasing market in the PRC leading to the decrease in both turnover and gross margin and ii) the provision for impairment loss on other receivables.

Trading business

The revenue for the year ended 31 December 2018 of the trading business was approximately HK\$485.5 million (2017: approximately HK\$325.2 million) and a segment loss of approximately HK\$3.5 million (2017: approximately HK\$0.3 million). Trading business is one of the core businesses of the Group which contributed approximately 86.7% of the Group's revenue for the year ended 31 December 2018. Having our trading outlet located in Sheung Shui, where is the most convenient location for the PRC visitors shopping for confectioneries, daily and pharmacy products, the source of revenue was comparatively stable. However, as the entry barrier of this trading business is low leading to fierce competition, the gross profit margin is comparatively low.

Financial services business

The financial services business includes the provision of financial leasing services, money lending services, securities brokerage services and asset management business. The revenue for the year ended 31 December 2018 of the financial services business was approximately HK\$73.8 million (2017: approximately HK\$104.2 million) and a segment loss of approximately HK\$88.1 million (2017: segment profit of approximately HK\$8.3 million). The segment loss was mainly contributed from the impairment loss on other receivables of approximately HK\$64.4 million and impairment loss on goodwill of approximately HK\$5.8 million.

During the year under review, the financial leasing services business in the PRC faced various competitions from other financial leasing companies of different sizes in the PRC. Only few financial leasing contracts with a narrow interest margin were concluded together with some material financial leasing contracts matured during the year under review that led to lesser interest income recognised. Those commercial banks referring customers previously were unwilling to or were not be able to refer new customers with larger business size due to their tightening fiscal policy and stricter lending conditions.

The asset management business continuous in grasping developing opportunities in fund management including listed securities, bonds and private direct investments.

財務及業務回顧

截至2018年12月31日止年度，本集團錄得收入約559,800,000港元(2017年：約430,200,000港元)。本公司股權擁有人應佔本年度虧損約92,100,000港元(2017年：約6,700,000港元)。每股基本虧損約0.042港元(2017年：約0.003港元)。淨虧損乃主要由於i)財政政策收緊及貸款條件更為嚴苛影響中國的融資租賃市場，從而導致營業額及毛利均有所減少；及ii)其他應收款項的減值虧損撥備。

貿易業務

截至2018年12月31日止年度的貿易業務收入約485,500,000港元(2017年：約325,200,000港元)及分部虧損約3,500,000港元(2017年：約300,000港元)。貿易業務為本集團的核心業務之一，佔截至2018年12月31日止年度本集團收入約86.7%。我們的貿易零售店位於上水，是中國遊客購買糖果、日常用品及藥品的最便利地點，收入來源相對穩定。然而，由於此貿易業務的進入壁壘較低導致競爭激烈，故錄得毛利率較低。

金融服務業務

金融服務業務包括提供融資租賃服務、放債服務、證券經紀服務及資產管理業務。截至2018年12月31日止年度的金融服務業務收入約73,800,000港元(2017年：約104,200,000港元)及分部虧損約88,100,000港元(2017年：分部溢利約8,300,000港元)。分部虧損主要來自其他應收款項減值虧損約64,400,000港元及商譽減值虧損約5,800,000港元。

於回顧年度，中國的融資租賃服務業務面臨來自中國其他不同規模融資租賃公司的各種競爭。於回顧年度，僅訂立幾份利差較窄的融資租賃合約，以及若干重大融資租賃合約已到期，從而導致所確認的利息收入減少。該等轉介客戶之商業銀行之前不願或無法轉介業務規模較大的新客戶，乃由於其緊縮的財政政策及更為嚴格的貸款條件。

資產管理業務繼續緊握基金管理的發展機遇，包括上市證券、債券及直接私募投資。

Management Discussion and Analysis

管理層討論及分析

Held-for-trade investments

As at 31 December 2018, the Group managed a listed equity investment with fair value of approximately HK\$0.4 million (2017: approximately HK\$0.5 million).

Gains/(losses) for the year ended 31 December 2018

Name of listed securities 上市證券名稱	Stock code 股份代號	Realised gains 已變現收益 HK\$'000 千港元	Unrealised (losses) 未變現(虧損) HK\$'000 千港元	Dividend received 已收股息 HK\$'000 千港元
China LNG Group Limited 中國天然氣集團有限公司	931	77	(98)	—

可供買賣投資

於2018年12月31日，本集團管理一項上市股權投資，其公平價值約400,000港元(2017年：約500,000港元)。

截至2018年12月31日止年度之收益/(虧損)

Held-for-trade investments as at 31 December 2018

於2018年12月31日之可供買賣投資

Name of listed securities 上市證券名稱	Stock code 股份代號	Brief description of the business 業務簡述	Number of shares held 所持股份數目	Proportion of shares held 所持股份比例	Investment cost 投資成本 HK\$'000 千港元	Market value 市值 HK\$'000 千港元	Approximate Percentage to total assets value of the Group 佔本集團資產總值概約百分比
China LNG Group Limited 中國天然氣集團有限公司	931	Development of liquified natural gas ("LNG") business 發展液化天然氣(「液化天然氣」)業務	360,000	0.006%	715	428	0.11%

Management Discussion and Analysis

管理層討論及分析

Gains for the year ended 31 December 2017

截至2017年12月31日止年度之收益

Name of listed securities 上市證券名稱	Stock code 股份代號	Realised gains 已變現收益 HK\$'000 千港元	Unrealised gains 未變現收益 HK\$'000 千港元	Dividend received 已收股息 HK\$'000 千港元
China LNG Group Limited 中國天然氣集團有限公司	931	—	13	—

Held-for-trade securities investments as at 31 December 2017

於2017年12月31日之可供買賣投資

Name of listed securities 上市證券名稱	Stock code 股份代號	Brief description of the business 業務簡述	Number of shares held 所持股份數目	Proportion of shares held 所持股份比例	Investment cost 投資成本 HK\$'000 千港元	Market value 市值 HK\$'000 千港元	Approximate Percentage to total assets value of the Group 佔本集團資產總值概約百分比
China LNG Group Limited 中國天然氣集團有限公司	931	Development of LNG business 發展液化天然氣業務	417,500	0.07%	798	534	0.02%

In view of the fluctuations in the global and local financial markets, the Board is always cautious of the prospects of the trading performance of the Group's portfolio of listed securities investments.

鑒於全球及本地金融市場之波動，董事會一直對本集團上市證券投資組合的交易表現前景持謹慎態度。

In assessing the recoverable amount of the cash generating unit of the financial services business as at 31 December 2018, value-in-use calculation has been adopted that the estimated future cash flows were discounted to their present value using a discount rate that reflected current market assessment of time value of money and the risk specific to the financial services business. The calculation used in cash flow projections was based on latest financial budgets covering a period of 5 years and at a discount rate of 15.0% which was determined with reference to the market conditions, such as company specific risk premium and cost of debt. The cash flow projections beyond the 5-year period are extrapolated using a perpetual growth rate of 3%. The management of financial services business reviewed the assumptions taking into account of (i) the general economic environment; (ii) industry dynamics; (iii) past performance; and (iv) on-going business development of the financial services business in preparing the cash flow projections.

於評估金融服務業務現金產生單位於2018年12月31日之可收回金額時，乃採用使用價值計算，估計未來現金流量已採用反映金錢時間價值及金融服務業務特定風險之現行市場評估貼現率貼現至現值。現金流量預測所採用計量基於涵蓋5年期間之最新財政預算，並按貼現率15.0%貼現，乃參考市況，如公司特定風險溢價及債務成本而釐定。超越5年期間之現金流量預測乃採用長期增長率3%推算。金融服務業務之管理人員於編製現金流量預測時已審閱各種假設，當中考慮到(i)整體經濟環境；(ii)行業動態；(iii)過往表現；及(iv)金融服務業務之持續業務發展。

Management Discussion and Analysis

管理層討論及分析

Information technology business

The revenue for the year ended 31 December 2018 of the information technology business was approximately HK\$0.5 million (2017: approximately HK\$0.8 million) and a segment loss of approximately HK\$3.5 million (2017: approximately HK\$0.3 million) which was mainly contributed by Heng Da.

Heng Da continues to incur operating losses and the management anticipates the operation will not become profitable in the coming years. As such, the Group decided to dispose its entire 60% equity interests in Heng Da to an independent third party for a cash consideration of RMB10,000 in December 2018. Currently, the disposal is pending for the approval from the Mian Yang government. Once the disposal is approved, Heng Da will be no longer the subsidiary of the Group.

FINAL DIVIDEND

The Board resolved not to recommend the payment of any dividend for the year ended 31 December 2018 (2017: Nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2018, the Group recorded cash and bank balances (including trust accounts) amounting to approximately HK\$18.8 million (2017: approximately HK\$42.2 million) and the net current assets value was approximately HK\$103.2 million (2017: approximately HK\$52.4 million).

The Group's gearing ratio as at 31 December 2018 was approximately 1.13 (2017: approximately 0.98), being a ratio of total interest-bearing debts, including bank borrowings, convertible bonds, promissory notes and finance lease obligation of approximately HK\$521.4 million (2017: approximately HK\$1,949.2 million) to the total equity attributable to owners of the Company plus total interest-bearing debts of approximately HK\$463.1 million (2017: approximately HK\$1,989.3 million).

FINANCIAL ASSISTANCES RECEIVED BY THE COMPANY

During the year ended 31 December 2018, Mr. Cheung Wai Yin Wilson ("Mr. Cheung"), the executive Director of the Company, advanced fund of approximately HK\$13.6 million to the Company at no interest and no fixed repayment terms.

On 28 September 2018, Mr. Wong Hin Shek ("Mr. Wong"), the substantial shareholder of the Company, entered into a loan agreement with the Company in which Mr. Wong agreed to grant a loan facility to the Company in the principal amount of up to HK\$25,000,000 at an interest rate of 5.125% per annum with an availability period from 28 September 2018 up to 30 September 2019. The loan will be matured after twelve months from the drawdown date.

資訊科技業務

截至2018年12月31日止年度，資訊科技業務的收入約為500,000港元(2017年：約800,000港元)及分部虧損約3,500,000港元(2017年：約300,000港元)，乃主要由於恒達所致。

恒達持續產生經營虧損及管理層預計於未來數年，營運將不會產生盈利。因此，本集團決定於2018年12月向獨立第三方出售其於恒達的全部60%的股權，現金代價為人民幣10,000元。目前，出售事項仍待綿陽市政府批准。經批准出售事項之後，恒達將不再為本集團的附屬公司。

末期股息

董事會決議不建議宣派截至2018年12月31日止年度的任何股息(2017年：無)。

財務資源、流動資金及資本負債比率

於2018年12月31日，本集團錄得現金及銀行結餘(包括信託賬戶)約18,800,000港元(2017年：約42,200,000港元)及流動資產淨值約103,200,000港元(2017年：約52,400,000港元)。

於2018年12月31日，本集團之資產負債比率約1.13(2017年：約0.98)，即計息債務總額(包括銀行借款、可換股債券、承兌票據及融資租賃承擔)約521,400,000港元(2017年：約1,949,200,000港元)相對本公司股權擁有人應佔權益總額加計息債務總額約463,100,000港元(2017年：約1,989,300,000港元)之比率。

本公司獲得的財務援助

截至2018年12月31日止年度，本公司的執行董事張偉賢(「張先生」)向本公司墊付資金約13,600,000港元，該款項免息及無固定還款期限。

於2018年9月28日，本公司的主要股東王顯碩(「王先生」)與本公司訂立貸款協議，據此，王先生同意向本公司授出本金金額高達25,000,000港元按年利率5.125%計息的貸款融資，有效期自2018年9月28日起至2019年9月30日止。該貸款將於提取日期起計十二個月後到期。

Management Discussion and Analysis

管理層討論及分析

As Mr. Cheung and Mr. Wong are the connected persons to the Company, the loans constitute financial assistance received by the Company from connected person. The loans were conducted on normal commercial terms or better to the Company and not secured by any asset of the Group, the loans were fully exempted from all disclosure, annual review, circular and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

PLEDGE OF ASSETS

As at 31 December 2018, the Group pledged bank deposits of approximately HK\$4.0 million (2017: approximately HK\$4.0 million) to secure banking facilities of the Group.

CAPITAL STRUCTURE

The Company had no changes in capital structure during the year ended 31 December 2018.

INVESTMENT POSITION AND PLANNING

Disposal of 100% equity interest in Mega Wealth Investments Limited, Merdeka Finance Limited and Prestige Gold Limited

On 28 September 2018, the Group entered into sale and purchase agreements to dispose 100% equity interest of each of Mega Wealth Investments Limited, Merdeka Finance Limited and Prestige Gold Limited to a company held by a director at a total consideration of approximately HK\$2.9 million. The disposal satisfied the requirements of a de minimis transaction pursuant to Rule 20.74 that exempted the Group from the reporting, announcement and independent shareholders' approval requirements as ascribed therein Chapter 20 of the GEM Listing Rules. The disposal was completed on 28 September 2018.

Disposal of 60% equity interest in Heng Da

On 28 December 2018, the Group entered into a share transfer agreement with an independent third party in which the Group agreed to dispose and the independent third party agreed to acquire 60% equity interest of Heng Da at a consideration of RMB10,000. The disposal was classified as a non-disclosable transaction under Chapter 19 of the GEM Listing Rules. The disposal is pending for the approval from the Mian Yang government.

CONTINGENT LIABILITIES

As at 31 December 2018, save for the litigation, the Group had no other significant contingent liabilities (2017: Nil).

由於張先生及王先生為本公司的關連人士，故該等貸款構成關連人士向本公司提供的財務援助。該等貸款乃按一般或更佳的商業條款向本公司提供，並無由本集團的任何資產作抵押，且該等貸款獲全面豁免遵守GEM上市規則第20章項下的所有披露、年度審閱、通告及股東批准規定。

資產抵押

於2018年12月31日，本集團已抵押銀行存款約4,000,000港元(2017年：約4,000,000港元)以為本集團銀行融資提供擔保。

資本架構

截至2018年12月31日止年度，本公司之資本架構並無其他變動。

投資狀況及計劃

出售於美衛投資有限公司、萬德金融有限公司及金旺泰有限公司的全部權益

於2018年9月28日，本集團訂立買賣協議，出售美衛投資有限公司、萬德金融有限公司及金旺泰有限公司的全部權益予一間公司(該公司為本公司一名董事持有)，總代價約為2,900,000港元。根據第20.74條，出售事項符合最底交易限額之規定，可豁免本集團遵守GEM上市規則第20章所述之申報、公告及獨立股東批准規定。出售事項已於2018年9月28日完成。

出售於恒達60%的權益

於2018年12月28日，本集團與獨立第三方訂立股份轉讓協議，據此，本集團同意出售，而獨立第三方同意收購恒達60%的權益，代價為人民幣10,000元。根據GEM上市規則第19章，出售事項可分類為不須予披露交易。出售事項須待綿陽市政府批准。

或然負債

於2018年12月31日，除訴訟外，本集團並無其他重大或然負債(2017年：無)。

Management Discussion and Analysis

管理層討論及分析

CAPITAL COMMITMENTS

As at 31 December 2018, the Group had no significant capital commitments (2017: Nil).

FOREIGN CURRENCY RISK

The Group's reporting currency is Hong Kong dollar. During the year ended 31 December 2018, 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 financial leasing and information technology operations in the PRC. 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.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed 35 staff (2017: 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.

CONNECTED TRANSACTIONS

Save as disclosed, the Company did not have any other connected transactions which were subject to the reporting requirements under Chapter 20 of the GEM Listing Rules for the year ended 31 December 2018.

資本承擔

於2018年12月31日，本集團並無任何重大資本承擔(2017年：無)。

外幣風險

本集團以港元為呈報貨幣。截至2018年12月31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，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。

僱員及薪酬政策

於2018年12月31日，本集團共僱用35名員工(2017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的薪酬政策。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鈎之花紅。本集團亦設有優先購股權計劃以獎勵及激勵員工。

關連交易

除所披露者外，截至2018年12月31日止年度，本公司概無須遵守GEM上市規則第20章申報規定之任何其他關連交易。

Biographical Details of Directors

董事履歷

EXECUTIVE DIRECTORS

Mr. Cheung Wai Yin, Wilson (“Mr. Cheung”), aged 47, joined in August 2012, is currently an executive Director, the Chairman, the CEO, the compliance officer, a member of the Nomination Committee, and the Remuneration Committee, an authorised representative under Rule 5.24 of the GEM Listing Rules and an agent for service of process in Hong Kong of the Company. He is also a director of certain relevant subsidiaries 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 (“Mr. Lau”), aged 43, joined in August 2012, is currently an executive Director, the managing Director, a member of Nomination Committee and the Remuneration Committee. He is also 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 54, has served as an independent non-executive Director 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 an independent non-executive director of Success Universe Group Limited (stock code: 487), a company listed on the Main Board of the Stock Exchange and E Lighting Group Holdings Limited (stock code: 8222), a company listed on the GEM of the Stock Exchange. Ms. Yeung ceased to act as an independent non-executive director of Trillion Grand Corporate Company Limited (now known as hmvd Limited) (stock code: 8103) in November 2017.

執行董事

張偉賢先生(「張先生」)，47歲，於2012年8月加入，現為本公司之執行董事、主席、行政總裁、監察主任、提名委員會及薪酬委員會成員、GEM上市規則第5.24條項下的授權代表及香港接收法律文件代表。彼亦為本公司若干相關附屬公司的董事。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約克大學之文學及行政學學士學位。

劉智仁先生(「劉先生」)，43歲，於2012年8月加入，現為本公司之執行董事、董事總經理、提名委員會及薪酬委員會成員。彼亦為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。劉先生持有英國赫爾大學行政人員工商管理(一般管理)碩士學位及加拿大卡爾加里大學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」)，54歲，自2012年10月起為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1998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)之顧問律師。楊女士為實德環球有限公司(股份代號：487)，一間於聯交所主板上市的公司及壹照明集團控股有限公司(股份代號：8222)，一間於聯交所GEM上市的公司之獨立非執行董事。楊女士於2017年11月不再擔任萬泰企業股份有限公司(股份代號：8103)(現稱hmvd視頻有限公司)之獨立非執行董事。

Biographical Details of Directors

董事履歷

Mr. Ng Kay Kwok (“Mr. Ng”), aged 56, has served as an independent non-executive Director since July 2013 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. He holds a Bachelor’s degree in Economics from the Australian National University and a Graduate Diploma in Accounting from Macquarie University. He is a member of CPA Australia and has extensive experience in accounting and financial management. Mr. Ng is an independent non-executive director of China Fortune Financial Group Limited (stock code: 290) and The Hong Kong Building and Loan Agency Limited (stock code: 145), both listed on the Main Board of the Stock Exchange.

Mr. Au-yeung Sei Kwok (“Mr. Au-yeung”), aged 59, has served as an independent non-executive Director since February 2017 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. 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.

吳祺國先生(「吳先生」)，56歲，自2013年7月起為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。彼持有澳洲國立大學經濟學學士學位及麥覺理大學會計深造文憑。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。吳先生為中國富強金融集團有限公司(股份代號：290)及香港建屋貸款有限公司(股份代號：145)之獨立非執行董事，該兩間公司均於聯交所主板上市。

歐陽士國先生(「歐陽先生」)，59歲，自2017年2月起為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。歐陽先生於商業發展及管理上擁有逾30年的經驗。歐陽先生持有赫爾大學工商管理碩士學位及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。

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. 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 and to complying with applicable statutory and regulatory requirements with a view to assuring the conduct of management as well as protecting the interests of the Shareholders.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 15 of the GEM Listing Rules. Throughout the year ended 31 December 2018, to the best knowledge of the Board, the Company has complied with the code provisions set out in the CG Code except for the following deviations from the code provisions of the CG 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 CEO. Traditionally, the CEO also assumes the role of the Chairman 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 CEO. Mr. Cheung Wai Yin, Wilson, has substantial experience that is essential to fulfilling the role of the Chairman, at the same time, he has the appropriate management skills and business acumen that are the prerequisites for assuming the role of the CEO in the day-to-day management of the Group.

The Board is currently composed of five Directors including three IEDs 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.

企業管治常規

本公司一向認同對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，並遵守適用法定及監管規定，以確保管理層之行為及保障股東之利益。

本公司的企業管治常規乃基於GEM上市規則附錄十五企業管治守則(「企業管治守則」)所載之原則及守則條文。截至2018年12月31日止整個年度，就董事會所知，本公司一直遵守企業管治守則所載之守則條文，惟以下偏離企業管治守則之守則條文的情況除外：

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, 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, the Chairman and the managing Director 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.

Code Provision A.6.7

The Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings, to gain and develop a balanced understanding of the views of shareholders. The three INEDs could not attend the AGM held on 20 June 2018 (the "2018 AGM") due to other important business engagements.

The Board will continue to review its corporate governance practices in order to enhance its corporate governance standards, comply with the increasingly complicated regulatory requirements, and meet with the rising expectations of the Shareholders and respective investors.

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GEM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。

根據細則，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。

守則條文第A.6.7條

守則條文第A.6.7條規定獨立非執行董事及其他非執行董事應出席股東大會，以獲取及建立對股東意見的均衡了解。三名獨立非執行董事因其他重要業務事務而無法出席於2018年6月20日舉行的股東週年大會(「2018年股東週年大會」)。

董事將繼續檢討其企業管治常規以提升其企業管治水平，遵守日趨複雜之規管規定，並達致股東及各自之投資者不斷提高之期望。

Corporate Governance Report

企業管治報告

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. All Directors have confirmed, following the specific enquiry by the Company, that they have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year.

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.

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.

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GEM上市規則第5.48至第5.67條所載之交易必守標準原則。經本公司作出特定查詢後，所有董事均已確認彼等於整個年度一直遵守GEM上市規則第5.48至5.67條之交易必守標準。

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。

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；
- 監察本集團管理層的表現；
- 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。

Corporate Governance Report

企業管治報告

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 members in a timely manner. During the year ended 31 December 2018, the Board held six 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2018年12月31日止年度，董事會已舉行六次會議。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	6/6	6/6
Lau Chi Yan, Pierre	劉智仁	6/6	6/6
Yeung Mo Sheung, Ann	楊慕嫦	6/6	6/6
Ng Kay Kwok	吳祺國	6/6	6/6
Au-yeung Sei Kwok	歐陽士國	6/6	6/6

The company secretary of the Company (the “**Company Secretary**”) is responsible for taking minutes of all Board meetings and Committee meetings. Draft minutes are circulated to Board members unless a conflict of interest arises and the final version of minutes are open for inspection by the Directors upon reasonable notice.

本公司之公司秘書(「**公司秘書**」)負責就所有董事會會議及委員會會議進行會議記錄。會議記錄草案(除有利益衝突外)均會供董事會成員傳閱，且會議記錄的最終稿經合理通知後可供董事查閱。

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 2018, each Director has ensured that he can give sufficient time and attention to the Company's affairs and all Directors have confirmed their participation in continuous professional development to develop and refresh their knowledge and skills.

於截至2018年12月31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，並已確認彼等已參與持續專業發展，以發展及更新其知識及技術。

Corporate Governance Report

企業管治報告

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
Au-yeung Sei Kwok 歐陽士國	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

COMPOSITION OF THE BOARD

As at the date of this Annual Report, the Board comprises five Directors, including 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 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 "Biographical Details of Directors" in this Annual Report, which demonstrate a diversity of skills, expertise, experience and qualifications.

董事會之組成

於本年報日期，董事會成員由五名董事組成，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GEM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GEM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GEM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「董事履歷」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。

Corporate Governance Report

企業管治報告

THE CHAIRMAN AND THE CEO

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

APPOINTMENT, RE-ELECTION AND RETIREMENT OF THE DIRECTORS

In accordance with articles 86(2) and 86(3) of the Articles, 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. The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following AGM and shall then be eligible for re-election.

In accordance with article 87(1) of the Articles, notwithstanding any other provisions in the Articles, at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

In accordance with article 87(2) of the Articles, a retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Article 86(2) or Article 86(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

主席及行政總裁

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

董事委任、重選及告退

根據細則第86(2)及86(3)條，本公司可通過普通決議案選舉任何人士擔任董事，以填補董事會臨時空缺或作為董事會新增董事。董事有權不時及於任何時候委任任何人士填補董事會臨時空缺或作為董事會新增董事。任何據此獲董事會委任之董事將留任直至下屆股東週年大會，並應符合資格重選連任。

根據細則第87(1)條，儘管細則之任何其他條文有所規定，於每屆股東週年大會上，當時三分之一董事（或倘人數並非三的倍數，則為最接近但不超過三分之一之人數）須輪值告退，惟不論本文任何規定，董事會主席及／或本公司董事總經理毋須於擔任該等職務期間輪值告退，或於釐定每年須告退之董事人數時亦不會計算在內。

根據細則第87(2)條，退任董事符合資格重選連任。輪值告退之董事應包括（於需要時確定輪值告退董事人數）任何擬退任但不擬重選連任之董事。任何其他退任董事應為其他須輪值告退且自上一次獲重選或獲委任以來任期最長者，惟於同一日成為董事或上一次獲重選為董事之人士，須以抽籤方式（除非彼等另行達成協議）釐定退任人選。根據細則第86(2)條或第86(3)條獲委任之任何董事，在釐定輪值告退之特定董事或董事人數時，不得計算在內。

Corporate Governance Report

企業管治報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the INEDs 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 to be independent. All INEDs are appointed for a term of one year and are subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

THE COMPANY SECRETARY

The Company has appointed and employed, on a full time basis, Mr. Lai Yau Hong, Thomson (“**Mr. Lai**”) as the Company Secretary. He is an associate member of the Institute of Chartered Secretaries and Administrators (the “**ICSA**”) and The Hong Kong Institute of Chartered Secretaries (the “**HKICS**”) 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 2018, Mr. Lai has taken over 15 hours of relevant professional training.

On 15 March 2019, Mr. Lai has resigned as the Company Secretary. Mr. Lai has confirmed that he has no disagreement with the Board and that there are no matters that need to be brought to the attention of the Stock Exchange and the Shareholders in connection with his resignation.

Following the resignation of Mr. Lai, Ms. Hau Hei Man, Sonya (“**Ms. Hau**”) has been appointed the Company Secretary with effect from 15 March 2019. Ms. Hau is an associate member of both the ICSA and the HKICS. She meets the qualification requirements of a company secretary under Rules 5.14 and 5.15 of the GEM Listing Rules.

A physical board meeting was held to discuss and approve the change of the Company Secretary.

The Company Secretary is responsible not just for taking minutes of the Board 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/her to ensure that Board procedures, and all applicable law, rules and regulations, are followed.

獨立非執行董事

本公司各獨立非執行董事已根據GEM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，董事會仍認為獨立非執行董事屬獨立人士。所有獨立非執行董事的任期均為一年，惟彼等須根據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(「**賴先生**」)為公司秘書。彼為英國特許秘書及行政人員公會(「**英國特許秘書及行政人員公會**」)及香港特許秘書公會(「**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2018年12月31日止年度，賴先生已參加超過15小時相關專業培訓。

於2019年3月15日，賴先生已辭任公司秘書職務。賴先生已確認彼與董事會並無任何意見分歧，亦無任何有關其辭任之事宜需提請聯交所及股東注意。

於賴先生辭任後，侯瑋文女士(「**侯女士**」)獲委任為公司秘書，自2019年3月15日起生效。侯女士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。彼符合GEM上市規則第5.14條及第5.15條項下之公司秘書之資格規定。

已舉行董事會會議討論及批准公司秘書之變更。

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。

Corporate Governance Report

企業管治報告

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.

There was satisfactory attendance for meetings of the Board committees during the year. The minutes of the committee meetings are circulated to all members of the relevant committee unless a conflict of interest arises. The committees are required to report back to the Board on key findings, recommendations and decisions.

Nomination Committee

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 CG Code.

In order to maintain its competitive advantage and achieve a sustainable and balanced development, the Company recognises the benefits of having a diverse Board. The Board has adopted a diversity policy (the "Policy") which sets out the approach by the Company to achieve diversity on the Board. According to the Policy, selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background and professional experience.

The responsibilities and authorities of the Nomination Committee include such responsibilities and authorities set out in the relevant code provisions of the CG Code and the terms of reference, 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.

董事會委員會

董事會已成立三個委員會，名為提名委員會、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。

董事會轄下委員會於本年度的會議出席率令人滿意。委員會會議的會議紀錄均會傳閱予相關委員會之所有成員(除有利益衝突者外)。委員會須向董事會匯報主要調查結果、建議及決定。

提名委員會

根據GEM上市規則的規定，本公司已於2012年成立提名委員會，其特定的權責範圍書符合企業管治守則之守則條文。

為了保持其競爭優勢，實現可持續及均衡發展，本公司認同有一個多元化董事會的好處。董事會已採納多元化政策(「政策」)，其中載列由本公司為達致董事會成員多元化制定的方針。根據政策，甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景及專業經驗。

提名委員會之職務及權力包括企業管治守則之相關守則條文及職權範圍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。

Corporate Governance Report

企業管治報告

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 2018, 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	1/1
Lau Chi Yan, Pierre	劉智仁	1/1
Yeung Mo Sheung, Ann	楊慕嫦	1/1
Ng Kay Kwok	吳祺國	1/1
Au-yeung Sei Kwok	歐陽士國	1/1

For the year ended 31 December 2018, 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 and make recommendations to the Board on the respective appointment of individuals nominated for directorships.

The Nomination Committee has assessed the independence of INEDs for the year ended 31 December 2018.

During the year ended 31 December 2018, 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.

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2018年12月31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2018年12月31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。

提名委員會已評估獨立非執行董事截至2018年12月31日止年度之獨立性。

於截至2018年12月31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。

Corporate Governance Report

企業管治報告

Remuneration Committee

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 CG 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 2018, 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:

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	1/1
Lau Chi Yan, Pierre	劉智仁	1/1
Yeung Mo Sheung, Ann	楊慕嫻	1/1
Ng Kay Kwok	吳祺國	1/1
Au-yeung Sei Kwok	歐陽士國	1/1

During the meeting, 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.

薪酬委員會

根據GEM上市規則規定，本公司已於2005年成立薪酬委員會，其特定的職權範圍書符合企業管治守則之守則條文。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，包括與表現掛鉤之花紅及獎賞；及(iii)審閱應付予執行董事及高級管理層有關於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嫻女士、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2018年12月31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：

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、獎賞及與表現掛鉤花紅，以及應付予本公司獨立非執行董事之袍金等事宜。

Corporate Governance Report

企業管治報告

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 auditor 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 auditor and all employees of the Company.

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鉤，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2012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表附註9內，而本公司於2012年5月3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2001年成立審核委員會，並根據GEM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嫦女士、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。

Corporate Governance Report

企業管治報告

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2018 with senior management and external auditor of the Company, and confirmed that the preparation of such complied with applicable accounting standards and practices adopted by the Company and the requirements under the GEM Listing Rules and other applicable statutory and regulatory requirements, and adequate disclosure had been made.

During the year ended 31 December 2018, 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
Ng Kay Kwok	吳祺國	4/4
Au-yeung Sei Kwok	歐陽士國	4/4

For the year ended 31 December 2018, the members of the Audit Committee have met with the Group's external auditor to discuss the annual audit plan. The meeting of the Audit Committee was attended by the members of the Audit Committee and the external auditor of the Company. The external auditor also made presentations to the Audit Committee on the findings on key issues addressed in the annual audit.

For the year ended 31 December 2018, 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 2018 and 30 September 2018, the half-yearly results for the period ended 30 June 2018 and the annual results for year ended 31 December 2018 of the Company, and confirmed that the preparation of such complied with the applicable accounting standards and practices adopted by the Company, the requirements of the under the GEM Listing Rules and other applicable statutory and regulatory requirements and adequate disclosures has been made, before announcement of these results.

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

審核委員會已聯同本公司高級管理層及外聘核數師審閱本集團截至2018年12月31日止年度之全年業績，並確認有關業績之編製已遵守本公司採納之適用會計準則及慣例、GEM上市規則項下之規定以及其他適用法定及監管規定，並已作出充分之披露。

於截至2018年12月31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2018年12月31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2018年12月31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2018年3月31日及2018年9月30日止期間之季度業績、截至2018年6月30日止期間之中期業績及截至2018年12月31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、GEM上市規則項下之規定以及其他適用法定及監管規定，並已作出充分之披露。

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應屆股東週年大會上批准後方可作實。

Corporate Governance Report

企業管治報告

ANNUAL GENERAL MEETING

The AGM of the Company held on 20 June 2018. The attendance of the Directors at the 2018 AGM is set out as follows:

股東週年大會

本公司於2018年6月20日舉行股東週年大會。董事出席2018年股東週年大會的情況如下：

Name of the Directors	董事姓名	Number of attendance 出席次數
Cheung Wai Yin, Wilson	張偉賢	1/1
Lau Chi Yan, Pierre	劉智仁	1/1
Yeung Mo Sheung, Ann	楊慕嫦	0/1
Ng Kay Kwok	吳祺國	0/1
Au-yeung Sei Kwok	歐陽士國	0/1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in the code provision D.3.1 of the CG Code which include (i) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

企業管治職能

董事會負責履行企業管治守則的守則條文第D.3.1條所載之企業管治職責，包括(i)擬定及檢討本公司的企業管治政策及常規守則，並向董事會作出建議；(ii)檢討及監察董事及高級管理層的培訓及持續專業發展；(iii)檢討及監察本公司的政策及常規守則，確保符合法律及監管規定；(iv)制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及(v)檢討本公司是否遵守企業管治守則及企業管治報告披露之資料。

AUDITORS' REMUNERATION

During the year ended 31 December 2018, the remuneration paid/payable to the external auditors of the Group, Elite Partners CPA Limited, is set out as follows:

核數師酬金

於截至2018年12月31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：

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	880

Corporate Governance Report

企業管治報告

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.

RISK MANAGEMENT AND INTERNAL CONTROL

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 risk management and 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 risk management and internal control system of the Group which covers all material controls, including operational, financial and compliance controls and risk management functions.

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.

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。

風險管理及內部監控

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。本集團風險管理及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)之風險管理及內部監控制度之成效。

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。

Corporate Governance Report

企業管治報告

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.

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。

Corporate Governance Report

企業管治報告

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 public.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2018 and up to the date of this Annual Report.

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GEM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。

憲章文件

於截至2018年12月31日止年度及直至本年報日期，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

INTRODUCTION

We are pleased to present this Environmental, Social and Governance (“ESG”) Report in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Guide”), as set out in Appendix 20 of the GEM Listing Rules. The information stated in this report covers the period from 1 January 2018 to 31 December 2018 (the “reporting period”) which aligns with the financial year as the 2018 annual report of the Group.

THE ESG GOVERNANCE STRUCTURE

Subsequent to the current year ended, the Group has actively prepared for the establishment of ESG working taskforce (the “Taskforce”) composed of staff from relevant departments to assist in ESG data collection and compilation of the ESG report. The Taskforce would periodically report to the Board, assist in assessing, identifying, and managing the Group’s ESG risk. It also reviews the Group’s ESG performance, including environmental, labour practices and other ESG aspects.

SCOPE OF REPORT

The Group is principally engaged in financial services business, trading business and information technology business. Financial services business, includes financial leasing business, securities brokerage business, money lending business and asset management business. The report content is focused mainly on the trading business located in Sheung Shui, and the Group’s Hong Kong headquarter office, which are the areas that represent the majority of the Group’s social, environmental and economic impacts.

SUBJECT AREA A: ENVIRONMENTAL SUBJECT AREA

The Board strives to comply with all relevant disclosures in accordance with the ESG Guide as set out in Appendix 20 of the GEM Listing Rules. Certain KPIs in this ESG Report lack comparative figures as the Group could not obtain them in the prior year. The Board will continue to extend its full support to the preparation of the ESG Report.

Since the Group does not engage in activities that are generally regarded as having a high environmental impact, the overall emissions and waste generation from the Company is lower than those manufacturing and other heavy industries, thus we believe that the environmental impact of the Group in term of emissions and waste generation is relatively small.

Nonetheless, the Company has always attached great importance to the protection of the environment and has adopted a number of measures which are regularly carried out to manage emissions and waste in the course of our business operations.

引言

我們欣然提呈根據GEM上市規則附錄二十所載之環境、社會及管治報告指引(「環境、社會及管治報告指引」)編製之本環境、社會及管治(「環境、社會及管治」)報告。本報告所載資料引述期間為2018年1月1日至2018年12月31日止期間(「本報告期間」)，與本集團2018年報之財務年度一致。

環境、社會及管治之管治架構

本年度結束後，本集團已積極籌備成立環境、社會及管治工作專責小組(「專責小組」)，由來自相關部門之員工組成，協助蒐集環境、社會及管治數據及編製環境、社會及管治報告。專責小組將定期向董事會匯報，協助評估、識別及管理本集團之環境、社會及管治風險，亦會檢討本集團之環境、社會及管治績效，包括環境、勞工常規及其他環境、社會及管治方面。

報告範圍

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、證券經紀業務、放債業務及資產管理業務。報告內容主要集中在位於上水之貿易業務及本集團香港總部，這是本集團大部分社會、環境及經濟影響之領域。

主要範疇A：環境主要範疇

董事會竭力遵守GEM上市規則附錄20所載環境、社會及管治報告指引之所有相關披露規定。本環境、社會及管治報告的若干關鍵績效指標並無比較數字，乃由於本集團於上一年度並無獲得有關數字。董事會將繼續全力支持編製環境、社會及管治報告。

由於本集團並非從事一般被認為對環境造成嚴重影響的業務，故本公司整體產生的排放物及廢棄物低於從事製造業及其他重工業的公司，因此我們相信本集團在產生排放物及廢棄物方面所造成的環境影響相對較低。

儘管如此，本公司一直十分重視環境保護，並定期採取多項措施管理業務營運中產生的排放物及廢棄物。

Environmental, Social and Governance Report

環境、社會及管治報告

Aspect A1: Emissions

Air and Green House Gases ("GHG") emissions

Emissions generated by the Group were mainly indirect GHG emissions generated from the use of purchased electricity. A small amount of air emissions was generated from the use of company motor vehicles and the air travels by employees for business purposes. These direct air emissions were mainly nitrogen oxides, sulphur oxides and particulate matter exhausted from the engines when petrol is combusted.

The amounts of the different types of air emissions emitted by the Company during the year were as follows:

Air emissions 廢氣排放物	Air emission source 廢氣排放來源	Total approx. volume emitted 概約總排放量 (kilograms) (千克)
Nitrogen Oxides (NOx) 氮氧化物(NOx)	Use of company vehicle 使用公司車輛	0.90
Sulphur Oxides (SOx) 硫氧化物(SOx)	Use of company vehicle 使用公司車輛	0.07
Particulate Matter (PM) 微粒(PM)	Use of company vehicle 使用公司車輛	0.07

The approximate volume of different types of GHG emissions in CO₂ equivalent emissions ("CO₂e") during the year were as follows:

Greenhouse gas emissions 溫室氣體排放物	Emission source(s) 排放來源	Total approx. volume emitted 概約總排放量 (tonnes of CO ₂ e) (噸二氧化碳 當量排放)	Percentage of total volume 佔總排放量 (%) 百分比
Scope 1 範圍1	Use of company vehicle 使用公司車輛		
Direct emissions 直接排放物		10.6	16.1
Scope 2 範圍2	Purchased electricity 所購電力		
Energy indirect emissions 能源間接排放物		48.7	73.8
Scope 3 範圍3	Air travels by employees for business purposes 僱員出於商業目的乘坐飛機出行		
Other indirect emissions 其他間接排放物		6.7	10.1
Total 總計		66.0	100.0

層面A1：排放物

廢氣及溫室氣體（「溫室氣體」）排放

本集團所產生的排放物主要為耗用所購電力產生的間接溫室氣體排放物。使用公司車輛及僱員出於商業目的乘坐飛機出行產生少量廢氣排放物。該等直接廢氣排放物主要為汽油燃燒時自引擎排出的氮氧化物、硫氧化物及微粒。

本公司於年內所排放的不同種類廢氣排放物數量如下：

年內二氧化碳當量排放（「二氧化碳當量排放」）中不同種類溫室氣體排放物概約數量如下：

Environmental, Social and Governance Report

環境、社會及管治報告

Wastes

Wastes generated by the Group were non-hazardous in nature. Major wastes generated by the Company included bubble wraps, carton boxes and paper from office printing. However, due to various waste reduction measures implemented in the Company as described in the later paragraphs, the amount of wastes generated during the year were negligible, and hence no meaningful data from waste can be collected for analysis.

Aspect A2: Use of Resources

The major source of energy used by the Group was electricity. It is used in all areas of the Group's business operation, for instance, general lighting and powering of laptops, monitors, printers, Point-of-Sales systems and other equipment in the office and retail store in Sheung Shui.

The major resource used by the Group was paper, which was mainly for printing at the head office. Other than paper, water, though its use in operation is minimal, was mainly used in the pantries and toilets.

廢棄物

本集團所產生的廢棄物屬無害性質。本公司產生的主要廢棄物包括氣泡包裝紙、紙箱以及辦公室印刷所用紙張。然而，由於如上文各段所述本公司實行多項減廢措施，年內僅產生少量廢物，因此未能收集到足夠的廢棄物數據以供分析之用。

層面A2：資源使用

本集團所使用能源的主要來源為電力。電力用於本集團業務營運的各個方面，例如整體照明及為手提電腦、螢幕、印刷機、銷售點系統以及辦公室及上水零售店內其他設備供電。

本集團所使用的主要資源為紙張，主要就總辦事處印刷使用紙張。除紙張外，本集團亦主要用水，但水在營運中的用途甚為有限。水主要用於茶水間及衛生間。

Energy and Resources 能源及資源	Units 單位	Consumed during the year 年內消耗量
Electricity 電力	kWh 千瓦時	76,992
Water* 水*	Tonnes 噸	2.1
Paper (A4 sized 80 gsm) 紙張 (A4大小80克)	Reams 卷	140

* Water consumption of the head office is minimal and was included in the management fee and therefore the figures were not available for the GHG emission calculation. Only data for the retail shop in Sheung Shui was included for this aspect.

* 總辦事處之用水量甚微且已納入管理費中，因此無法獲得溫室氣體排放量計算之數據。這方面僅包括上水零售店之數據。

The Company has always attached great importance to the protection of the environment. Energy and resources conservation is the key to the success of our ESG strategy. The following are measures which are regularly carried out to achieve our ESG strategy in the course of our business operations:

一直以來，本公司均十分重視環境保護。節約能源及資源為我們在環境、社會及管治策略方面取得成功的關鍵。我們在業務運營中通過定期執行以下措施實現我們的環境、社會及管治策略：

Energy saving

- Lights and air-conditioning in office premise are turned off when not in use.
- Air-conditioning is set at optimal temperature.
- Electronic appliances, such as computers, photocopy machines, printers, are turned off when employees are off duty or on leave.

節能

- 無人使用時關掉辦公室的電燈及空調。
- 空調調校至合適溫度。
- 員工下班或休假時關閉電腦、影印機及打印機等電器。

Environmental, Social and Governance Report

環境、社會及管治報告

Use of paper

- Other than formal documents that require the use of papers, each department is advised to handle documents electronically and employees are also encouraged to communicate electronically.
- When the use of paper is required, duplex printing and reusing single-side printed papers are recommended.
- All of the Group's financial reports are printed on FSC certified papers.

Reduction of waste

- We do not use additional packaging materials on finished products other than those supplied to us by suppliers and we encourage customers to bring their own bags to purchase our products at our retail stores.
- Waste produced in the course of business operations such as bubble wraps, carton boxes are reused wherever possible.

Aspect A3: Environment and Natural Resources

Other than water as described in the previous section, the Group's operation does not consume significant resources from, nor causes any significant impact on the environment. Sewage generated from operations is properly disposed of through a designated pipeline networks connected to the drainage services department for sewage processing. Hence the impact on the natural environment as a direct result of the Group's operation is minimal.

Nonetheless, as outlined in "Aspect A2: Use of Resources", the Group is committed to environmental protection and has adopted and effectively implemented a number of measures to make efficient use of resources, reduce wastage and dispose of waste in an environmental-friendly manner.

The Group is also committed to complying with all applicable environmental laws and regulations. During the year the Company has not received any related complaint nor has it breached any relevant environmental laws and regulations.

用紙

- 除正式文件須使用紙張外，建議各部門使用電子文檔處理文件，並鼓勵僱員以電子方式通訊。
- 當需要使用紙張時，建議以雙面打印及重用單面列印的環保紙。
- 本集團所有財務報告均印於FSC認證生產的紙張。

減廢

- 除供應商向我們提供的包裝物料外，我們不會就製成品使用額外包裝材料，我們亦鼓勵顧客在我們的零售店購物時自備購物袋。
- 在可行情況下，業務營運過程中產生的廢棄物（如氣泡包裝紙及紙箱等）均會重複使用。

層面A3：環境及天然資源

如上文章節所述，本集團的營運除使用水外並不會耗用大量環境資源，亦不會對環境造成任何嚴重影響。營運產生的污水乃妥善排放至指定管道網絡，而該網絡則連接至排水服務部門以進行污水處理。因此，因本集團的營運而直接引致的自然環境影響甚微。

儘管如此，如「層面A2：資源使用」所述，本集團致力於環境保護，並已採取及有效實施多項措施以有效利用資源、減少廢物及以環保方式處置廢棄物。

本集團亦致力遵守所有適用的環境法例及法規。於本年度，本公司並無接獲任何相關投訴，亦無違反任何相關環境法例及法規。

Environmental, Social and Governance Report

環境、社會及管治報告

SUBJECT AREA B: SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

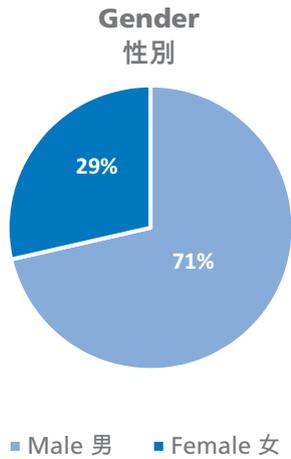
Aspect B1: Employment

The Company highly values its employees, as the workforce is not only the most valuable asset of the Group but is also the solid foundation of sustainable development. 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.

Employee recruitment and remuneration decisions are made on the basis of merits and working experience, including qualifications, industrial expertise, general aptitude and competence for the job the candidates applying for. As a Company which is committed to equal opportunity, these recruitment decisions are never based on gender, family position or ethnic background. There is no limit imposed on age other than the legal minimum age limits.

Our workforce

As at 31 December 2018, the Group had a total of 35 (2017: 35) employees. The workforce categorised by gender, age groups, employment type, and geographical region are depicted below:



主要範疇B：社會層面

僱員及勞工實務

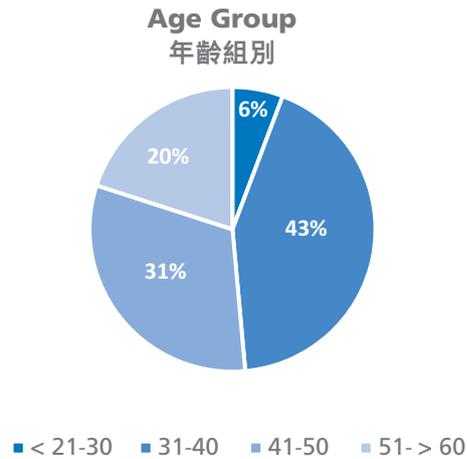
B1層面：僱傭

本集團高度重視其僱員，因勞動力不單是本集團最寶貴的資產，亦為可持續發展的堅石。為全面開發員工能力及潛能，本集團制定員工手冊，以便員工了解本集團政策。

我們按優點及工作經驗(包括候選人的資格、行業專長、綜合才能及是否勝任所申請職位)就員工招聘及薪酬作出決定。作為致力於平等機會的公司，本公司不會基於性別、家庭地位或種族背景作出招聘決定。除法定最低年齡限制外，我們並無制訂年齡限制。

我們的員工

於2018年12月31日，本集團共聘用35名(2017年：35名)僱員。按性別、年齡組別、僱傭類型、地理區域劃分的員工概述如下：

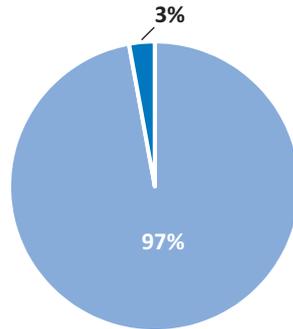


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Employment type

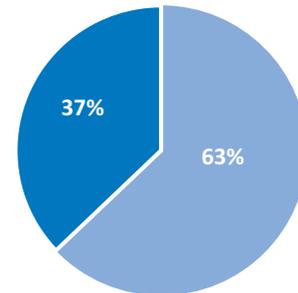
僱傭類別



■ Full time 全職 ■ Part time 兼職

Geographical region

地理位置



■ Hong Kong 香港 ■ PRC 中國

Retaining talents

Employees are the most valuable assets of the Group. To retain and motivate employees, the Group recognises their contribution by offering competitive remuneration package. The management regularly reviews the Group's remuneration policy in relation to relevant market standards. 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. During the year, only one employee left the Group.

Aspect B2: Health and Safety

The Group is committed to providing employees with a safe and healthy working environment. The office and retail store layouts are designed based on relevant safety provisions. The exit aisles are equipped with lighting panels "Exit" to guide the way out of the workplace when an emergency (especially fire) occurs. Smoking is strictly prohibited in the entire office premises.

During the year ended 31 December 2018, there was no (2017: 0) reported case of work-related injury.

挽留人才

僱員為本集團最寶貴的資產。為挽留及激勵僱員，本集團透過提供具競爭力的薪酬待遇認可其貢獻。管理層定期按相關市場標準檢討本集團的薪酬政策。除薪金付款外，其他僱員福利包括強積金供款、醫療保險及業績相關酌情獎金。本集團亦制定購股權計劃，以獎勵及激勵本集團之僱員。年內，僅有一名僱員從本集團離職。

B2層面：健康及安全

本集團致力為僱員提供安全健康的工作環境。辦公室及零售店佈局設計乃依據相關安全條文設計。出入通道均裝設「出口」照明顯示板，以便於發生緊急事故(尤其是火警)時就逃離工作場所提供逃生指示。全部辦公室嚴禁抽煙。

截至2018年12月31日止年度，並無呈報任何工傷案列(2017年：0宗)。

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Aspect B3: Development and Training

The Group is subject to various ordinances, rules and guidelines such as, but not limited to, the Securities and Futures Commission Ordinance (Chapter 571 of the Laws of Hong Kong), the Personal Data (Privacy) Ordinance, the GEM Listing Rules and the Hong Kong Securities and Futures Commission's Guideline on Anti-Money Laundering and Counter-Terrorist Financing ("AML Guideline"). Every licensed individual must fulfill prescribed hours of continuous professional training for each type of regulated activity in each calendar year. Also, pursuant to the GEM Listing Rules, the company secretary and all Directors are required to participate in continuous professional training to develop and refresh their knowledge and skills.

Knowledge and skills of employees are vital to the continuous business growth and success of the Group. As such, the Group is committed to providing support to its employees in continuous professional training and encourages them to attend professional training programs. Subject to management's approval, the Group will subsidise the studying fee of the staff members with a maximum annual cap, however, the Group may consider granting more subsidise if it sees fit.

Aspect B4: Labour Standards

The Company attaches great importance to and strictly abides by all applicable labour laws and regulations on both employment in Hong Kong and the People's Republic of China.

At all time, the Group strives to create a workplace that is free from discrimination and provide equal employment and promotion opportunities by recruiting or promoting people mainly based on job requirements and employees' performance. No one is subject to discrimination due to nationality, age, gender, religion, marital status, disability, and/or other forms of difference. The Group has published an employment hand book that includes the terms and conditions of employment, the staff benefits and the office rules and policies.

The Group strictly prohibits the use of child and forced labour. Through the well-established recruitment policies, the Group ensures that its employees are all above the minimum legal working age and no forced labour is hired. The Group has complied with all applicable laws and regulations in relation to employment matters during the year ended 31 December 2018.

B3層面：發展及培訓

本集團須遵守多項條例、規則及指引，例如但不限於證券及期貨條例(香港法例第571章)、個人資料(私隱)條例、GEM上市規則以及香港證券及期貨事務監察委員會的打擊洗錢及恐怖分子資金籌集指引(「打擊洗錢指引」)。各持牌人士均須於每個曆年就各類受規管活動接受規定時數的持續專業培訓。此外，根據GEM上市規則，公司秘書及全體董事須參與持續專業培訓，以增進及重溫其知識及技能。

僱員的知識及技能對於本集團業務持續增長及成功至關重要。因此，本集團致力支援僱員參與持續專業培訓，並鼓勵彼等參與專業培訓計劃。經管理層批准後，本集團將向員工提供學習津貼，該津貼設有最高年度上限，然而本集團可考慮於適當時授出更多津貼。

B4層面：勞工標準

本集團高度重視及嚴格遵守香港及中華人民共和國有關僱傭事宜的所有適用勞工法律法規。

本集團始終銳意建立不存在歧視以及提供平等僱傭及晉升機會的工作環境，主要按工作要求及僱員表現而招聘或晉升人才。任何人都不會因國籍、年齡、性別、宗教、婚姻狀況、殘障及／或其他形式的差異而受到歧視。本集團已刊發僱傭手冊，當中載列僱傭條款及條件、僱員福利以及辦公室規則及政策。

本集團嚴格禁止使用童工及強制勞工。本集團設有完善的招聘政策，確保其僱員全部均超過最低合法工作年齡及並無僱用強制勞工。截至2018年12月31日止年度，本集團已遵守有關僱傭事宜的所有適用法例及法規。

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Aspect B5: Supply Chain Management

Our supply chains mainly cover two general categories: (i) office supply chains; and (ii) trading segment supply chains. At the office level, supply chains cover procurement for headquarter office and are mainly focused on routine office items such as stationery, toner and paper. At the trading segment, most items are procured for running a retail store and that cover a wide variety items including milk powder, dairy products, beauty and cosmetic products, and pharmaceutical OTC products.

The Group recognises the supply chains play in an important role in the overall sustainability performance. Guidelines were adopted to guide the assessment of suppliers. Suppliers are assessed for their capability to fulfil our business needs based on a price and non-price factors such as labor practices, environment and quality. And at all time, the Group required suppliers to comply with all applicable laws and regulations and align with environmental protection management at a minimum. Supplier assessment guidelines will be reviewed and updated from time to time to ensure suppliers' best meet our business needs.

The Group will also continuously seek potential new suppliers in an attempt to find more reliable and price competitive products for operation. To further enhance the sustainability of the supply chains, the Group tried to source goods locally whenever possible. During the year ended 31 December 2018, over 75% of our suppliers are located in Hong Kong.

Aspect B6: Product Responsibility

Quality Assurance

We control the quality of our products from suppliers' selection as mentioned in the previous section. To be responsible to our customers, the Group has registered as a food importer/food distributor under the Food Safety Ordinance.

Apart from product quality, the quality of our employees is also a crucial element of our Company's continuous success which differentiates ourselves from other competitors in the industry. Through our comprehensive recruitment process, we ensure our employees are sufficiently qualified and experienced. In addition, the Group has in place a risk management structure and implemented compliance and operational manuals to ensure its full compliance with all applicable laws, rules and regulations. This is controlled and monitored by a team of experienced management, including responsible officers and compliance officers.

B5層面：供應鏈管理

我們的供應鏈主要涵蓋兩大類別：(i)辦公供應鏈；及(ii)貿易分部供應鏈。就辦公層面而言，供應鏈涵蓋總部辦公室的採購，主要為文具、碳粉及紙張等日常辦公用品。就貿易分部而言，所採購的用品大多用作營運零售店，涵蓋各類項目，包括牛奶、奶製品、美容及化妝品以及藥品。

本集團深信供應鏈對整體可持續發展表現而言至關重要。我們已採納嚴格的供應商評核指引。我們依據價格和非價格因素(例如勞工慣例、環境及質量等)，評估供應商滿足我們業務需求的能力。另外，本集團一貫要求供應商最低限度須遵守所有適用法律和法規及符合環保管理。供應商評核指引會不時檢討及更新，以確保供應商能最大程度切合我們的業務需求。

本集團亦將不斷物色潛在新供應商，為我們的營運尋找更可靠及更具價格競爭力的產品。為進一步提升供應鏈可持續性，本集團盡可能於本地採購貨品。截至2018年12月31日止年度，我們超過75%的供應商位於香港。

B6層面：產品責任

質量保證

我們按上節所述控制我們從供應商處挑選的產品的質量。為對客戶負責，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。

除產品質量外，我們員工的質素亦對本公司持續取得成功，從業內其他競爭對手脫穎而出至關重要。透過我們的全面招聘程序，我們確保我們的僱員充分具備相關資格且經驗豐富。此外，本集團已推行風險管理架構並執行合規及營運手冊，確保其全面遵守所有適用法律、規則及法規。此乃受經營豐富的管理團隊(包括主管人員及合規主任)控制及監察。

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Complaint Handling

We treat all complaints seriously and view them as means to consistently improve the quality of our services and the products we offer.

We have an email address as well as front-line staff at the retail store to handle complaints from customers, and from other stakeholders. We take immediate action upon receipt of any complaint, resolving or following up the complaint until resolution, offering replacement or refund where appropriate.

Protection of Customer Information

The Group emphasises the importance of confidentiality of personal data and privacy of its clients. Apart from complying with the provisions of the Personal Data (Privacy) Ordinance when collecting, processing and using clients' personal data, the Group has implemented various measures to prevent unauthorised access of clients' data, such as installation of firewall and storing clients' data in a secured place.

Aspect B7: Anti-corruption

The Group is committed to promoting a culture of integrity, fairness, honesty and openness when doing business and zero tolerance of bribery and corruption. All employees of the Group are regulated by the Prevention of Bribery Ordinance in Hong Kong and required to adhere to high standards of business and ethical conducts as lay out in the Group's employment handbook.

In addition, all employees of the Group are required to adhere to the requirements set out in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and the AML Guideline and any update in relation thereto. The Group has adopted policies and procedures in its operations and procedures manual to identify and detect money laundering activities, covering policies in relation to, among others, customer due diligence, records retention, handling of cash and reporting of suspicious transactions to the management of the Group.

The Group has complied with all applicable laws and regulations in relation to anti-corruption matters during the year ended 31 December 2018.

Aspect B8: Community Investment

Apart from concentrating on our business development, with the commitment to being a socially responsible corporation, we continued to fulfill our corporate responsibility by promoting and encouraging our employees to participate in public welfare activities during the year. The Group will continue to explore more opportunities in contributing to community services.

處理投訴

我們認真處理所有投訴，並視之為持續改善所提供服務及產品質量的方法。

我們設有電郵地址，並由零售店的前線員工處理客戶及其他利益相關者的投訴。我們於收到任何投訴後立刻採取行動，解決或跟進投訴，直至得到解決方案，提供換貨或退款(視適用情況而定)為止。

保護客戶資料

本集團強調客戶個人資料的保密性及私密性。除遵守個人資料(私隱)條例外，於收集、處理及使用客戶個人資料時，本集團已實施多項措施防止不當獲取客戶資料，如安裝防火牆及在安全地方儲藏客戶資料。

層面A7：反貪污

本集團努力提倡在經營業務時秉持持正、公平、誠實及公開的文化，對賄賂及貪污採取零容忍態度。本集團全體僱員均受香港防止賄賂條例規管，並須遵循本集團僱傭手冊所載高商業標準及道德操守。

此外，本集團全體僱員須謹守打擊洗錢及恐怖分子資金籌集(金融機構)條例及打擊洗錢指引以及其任何更新版本所載規定。本集團已採納其營運及程序手冊的政策及程序，以識別及查明洗錢活動，涉及有關(其中包括)客戶盡職審查、保留記錄、處理現金及向本集團管理層匯報可疑交易的政策。

截至2018年12月31日止年度，本集團已遵守有關反貪污事宜的所有適用法例及法規。

層面B8：社區投資

除專注業務發展外，秉持成為負責任社會企業的承諾，我們年內繼續履行其公司責任，方式為推動及鼓勵員工參加公益福利活動。本集團將繼續發掘更多機會，為社區服務作出貢獻。

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 2018.

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 results of the Group for the year ended 31 December 2018 set out in the consolidated financial statements on pages 66 to 161.

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

BUSINESS REVIEW

The business review of the Company for the year ended 31 December 2018 is set out in the "LETTER TO THE SHAREHOLDERS" and "MANAGEMENT DISCUSSION AND ANALYSIS" on pages 4 to 11 and pages 12 to 17 respectively.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out on page 162. 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 consolidated 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 25, 34 and 28 to the consolidated 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.

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2018年12月31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2018年12月31日止年度之業績載於綜合財務報表第66至161頁。

董事會並不建議宣派截至2018年12月31日止年度末期股息(2017年：無)。

業務回顧

本公司截至2018年12月31日止年度之業務回顧分別載於第4至11頁及第12至17頁之「致股東函件」及「管理層討論及分析」。

財務資料概要

本集團過去五個財政年度之業績及資產、負債及非控制權益概要載於第162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綜合財務報表附註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綜合財務報告附註25、34及28。

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。

Report of the Directors

董事會報告書

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 2018.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 40 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, was nil (2017: amounted to approximately HK\$37,288,000). This included the Company's share premium account amounting to approximately HK\$957,059,000 (2017: HK\$957,059,000) 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:

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2018年12月31日止年度概無購買、出售或贖回任何本公司上市股份。

儲備

年內，本公司及本集團之儲備變動詳情分別載於綜合財務報表附註40及綜合股東權益變動表。

可供分派儲備

於2018年12月31日，本公司根據開曼群島公司法計算的可供分派儲備為零(2017年：約37,288,000港元)，當中包括本公司的股份溢價賬約957,059,000港元(2017年：957,059,000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

		2018 2018年	2017 2017年
Largest customer	最大客戶	75.47%	59.25%
Five largest customers	五大客戶總額	88.58%	87.04%

Percentage of the Group's total purchase

佔本集團總採購額百分比

		2018 2018年	2017 2017年
Largest supplier	最大供應商	80.73%	69.18%
Five largest suppliers	五大供應商總額	96.11%	94.77%

Report of the Directors

董事會報告書

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.

DIRECTORS

The Directors during the year ended 31 December 2018 and up to the date of this Annual Report are as follows:

Executive Directors:

Mr. Cheung Wai Yin, Wilson
Mr. Lau Chi Yan, Pierre

Independent non-executive Directors:

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

In accordance with article 87 of the Articles, Mr. Au-yeung Sei Kwok to retire at the forthcoming AGM of the Company and being eligible, he offer himself for re-election at the forthcoming AGM. All INEDs are appointed for a term of one year. According to the Articles, all Directors (except the Chairman and the managing Director) are subject to retirement by rotation and re-election at the AGM.

The Company has received from each of the INEDs 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' BIOGRAPHIES

Biographical details of the Directors are set out on pages 18 to 19 of this Annual Report.

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。

董事

於截至2018年12月31日止年度內及截至本年報日期之董事如下：

執行董事：

張偉賢先生
劉智仁先生

獨立非執行董事：

楊慕嫦女士
吳祺國先生
歐陽士國先生

根據細則第87條，歐陽士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。

本公司已接獲各名獨立非執行董事根據GEM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。

董事履歷

本公司董事之詳細履歷載於本年報第18至19頁。

Report of the Directors

董事會報告書

DIRECTORS' SERVICE CONTRACTS

All INEDs are appointed for a term of one year and are subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

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 and would continue thereafter until terminated by either party.

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.

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 2018.

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.

As at 31 December 2018, the Company had outstanding 2008 CBs and 2015 CBs of aggregate principal amounts of HK\$124,068,000 and HK\$40 million respectively which could be converted into 1,305,978,947 Shares and 173,913,043 Shares accordingly.

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 2018, 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% of the total issued share capital of the Company as at 31 December 2018.

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細則在股東週年大會輪值告退及重選連任。

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，年期自2012年8月24日起並於期滿日自動續期至任何一方解約為止。

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。

董事於合約之權益

概無董事在截至2018年12月31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。

本公司除於2008年8月12日發行可換股債券(「2008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2015年4月21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(「2015年可換股債券」)，作為相關代價一部分。

於2018年12月31日，本公司擁有本金總額分別為124,068,000港元及40,000,000港元的尚未兌換的2008年可換股債券及2015年可換股債券，該等債券可分別兌換成1,305,978,947股股份及173,913,043股股份。

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2012年5月3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2018年12月31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2018年12月31日本公司已發行股本總額約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 for the year ended 31 December 2018 were as follows:

截至2018年12月31日止年度，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 2018 於2018年 12月31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 授出日期前 之股價 (Note 2) (附註2) per share 每股	Original exercise price of the share options 優先購股權 之原有 行使價 (Note 1) (附註1) per share 每股
		Outstanding as at 1 January 2018 於2018年 1月1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 Directors 執行董事										
Cheung Wai Yin, Wilson	張偉賢	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	—	—	—	19/8/2015	19/8/2015 – 18/8/2025	0.147	0.147	
Independent non-executive Directors 獨立非執行董事										
Yeung Mo Sheung, Ann	楊慕嫻	16,483	—	—	—	17/1/2013	17/1/2013 – 16/1/2023	0.010	2.130	
		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	—	—	—	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	—	—	—	30/5/2012	30/5/2012 – 29/5/2022	0.017	3.600	
		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	—	—	—	30/5/2012	30/5/2012 – 29/5/2022	0.017	3.600	
		14,128	—	—	—	17/1/2013	17/1/2013 – 16/1/2023	0.010	2.130	
		71,000,000	—	—	—	19/8/2015	19/8/2015 – 18/8/2025	0.147	0.147	
		233,390,855	—	—	—	233,390,855				

Notes:

- 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.
- 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.

附註：

- 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。
- 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。

Report of the Directors

董事會報告書

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, 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:

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 2018

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

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 Asiatruster 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.

董事於股份及相關股份的權益

於2018年12月31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GEM上市規則已知會本公司及聯交所的權益及淡倉如下：

於2018年12月31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) 於本公司股份之好倉：

附註：

於最後實際可行日期，Ivana Investment Limited (「Ivana」) 擁有98,437,500股股份。Ivana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Asiatruster Limited全資擁有。Asiatruster 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。

Report of the Directors

董事會報告書

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

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%

(iii) 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：

(iii) Long positions in the underlying shares of the convertible bonds of the Company:

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

(iii) 於本公司可換股債券所涉及相關股份之好倉：

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 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 which are family members of Mr. Cheung (including Mr. Cheung himself).

附註：該等可換股債券(由原定2011年8月12日延至2020年8月12日到期)乃本公司於2008年8月12日發行作為收購林木業務之部分代價，為非上市、免息及可按經調整兌換價每股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。Ivana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)。

Save as disclosed above, as at 31 December 2018, 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2018年12月31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GEM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 2018 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 2018, 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	Nature of interest/capacity	Number of Shares	Approximate percentage of 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	權益性質／身份	股份數目	
Ivana	Beneficial owner 實益擁有人	98,437,500	4.83
CW Limited (Note 1) (附註1)	Controlled corporation 受控制法團	98,437,500	4.83
Asiatrust Limited (Note 1) (附註1)	Trustee 受託人	98,437,500	4.83
Team Sunny International Holdings Limited (Note 2) 滙朗國際控股有限公司 (附註2)	Beneficial owner 實益擁有人	471,640,000	23.12
Wong Hin Shek (Note 2) 王顯碩(附註2)	Controlled corporation 受控制法團	471,640,000	23.12

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2018年12月31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2018年12月31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：

Report of the Directors

董事會報告書

Notes:

- (1) 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 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).
- (2) The interest is held by Team Sunny International Holdings Limited, a company incorporated in the British Virgin Islands owned as to 100% by Mr. Wong Hin Shek.
- (3) The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.

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)。
- (2) 該權益由滙朗國際控股有限公司持有。其為於英屬處女群島註冊成立之公司，由王顯碩先生擁有100%權益。
- (3) 該百分比指於相關披露權益表格中所述之本公司股本百分比。

(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) 程隽(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。Ivana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

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.

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 2018, 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, no Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed, no transactions, arrangements or contracts of significance in relation to the Group's business to which any of the Company's subsidiaries and fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the year or at the end of the year.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme and convertible bonds of the Company, no other equity-linked agreements were entered into by the Company, or existed during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to Code Provision A.1.8 of the Corporate Governance Code set out under Appendix 15 to the GEM Listing Rules and subject to the provisions of the Companies Ordinance, the Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of any losses or liabilities incurred, or any legal actions brought against the directors and senior management of the Group which may arise out of corporate activities. The permitted indemnity provision is in force for the benefit of the directors as required by section 470 of the Companies Ordinance.

MANAGEMENT CONTRACTS

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

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，分別由程隽先生及高雲峰先生持有50%及50%。

除上文披露者外，本公司董事及最高行政人員並不知悉於2018年12月31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。

董事於競爭業務之權益

於年內，概無董事或其各自聯繫人(定義見上市規則)直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

董事於交易、安排或合同之權益

除本年報所披露者外，本公司任何附屬公司及同系附屬公司概無訂立對本集團業務屬重大且董事或與董事關連之實體於其中直接或間接擁有重大權益而於年內任何時間或本年度結束時仍然有效之重大交易、安排或合同。

股票掛鈎協議

除本公司之優先購股權計劃及可換股債券外，於年內本公司概無訂立或存有任何股票掛鈎協議。

獲准許之彌償條文

根據GEM上市規則附錄十五所載企業管治守則之守則條文第A.1.8條及在公司條例條文之規限下，本公司已就董事及高級職員就公司業務活動中可能產生的任何虧損或負債而承擔的責任，或業務活動中可能產生的針對董事及本集團高級管理層的任何法律行動安排適當保險。該獲准許彌償條文乃根據公司條例第470條為董事的利益而制定。

管理合同

於年內概無訂立或存有任何與本公司整體或任何重大部分業務之管理及行政事務有關之合同。

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CONNECTED TRANSACTIONS

Save as disclosed, the Company did not have any other connected transactions which were subject to the reporting requirements under Chapter 20 of the GEM Listing Rules for the year ended 31 December 2018.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

EMOLUMENT POLICY AND RETIREMENT BENEFITS

The emolument policy of the senior employees of the Company is set and recommended by the Remuneration Committee to the Board on the basis of the employees' merit, qualifications and competence.

The emoluments of the Directors are formulated and recommended by the Remuneration Committee to the Board, having regards to the Company's operating results, individual performance of the Directors and comparable market statistics.

The Company has adopted a Share Option Scheme as an incentive to the Directors and eligible employees of the Company, details of which are set out in the "Share Option Scheme" on page 48.

ENVIRONMENTAL POLICY

The Company encourages environmental protection and promotes awareness towards environmental protection. The Company has adhered to the concepts of recycling and reducing by implementing green office practices such as double-sided printing and copying, using recycle papers and reducing energy by switching off those idle lighting. The Board will review the Company's environmental saving practices and identify other energy efficiency opportunities from time to time.

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus the Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with business partners to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the year, there was no material and significant dispute between the Group and its business partners.

關連交易

除所披露者外，截至2018年12月31日止年度，本公司概無須遵守GEM上市規則第二十章申報規定之任何其他關連交易。

遵守有關法律法規

於年內，據本公司所知，本集團並無因重大違反或不遵守適用法律法規而對本集團之業務及運營產生重大影響。

薪酬政策及退休福利

本公司高級僱員之薪酬政策由薪酬委員會按僱員價值、資質及能力釐定，並向董事會作出建議。

董事的薪酬乃由薪酬委員會按本公司經營業績、董事個人表現及可資比較市場數據制定，並向董事會作出建議。

本公司已採納優先購股權計劃，作為對本公司董事及合資格僱員之獎勵，有關詳情載於第48頁之「優先購股權計劃」。

環境政策

本公司提倡環境保護並推廣保護環境意識。本公司堅守循環再造及節約減廢之理念，實施綠色辦公室常規實務，例如實行雙面列印及影印及使用再造紙，關掉無人使用之照明以減少耗用能源。董事會將檢討本公司之環保節約常規實務並不時發掘其他有利能源效益之機會。

與利益相關人士之關係

本公司認同，僱員乃其寶貴資產。因此，本團提供具競爭力之薪酬待遇，以吸引並激勵僱員。本集團定期檢討僱員之薪酬待遇，並會因應市場標準而作出必要調整。

本集團亦明白，與商業夥伴保持良好商業關係對達成其長遠目標而言屬至關重要。因此，高級管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享最新業務資料。於年內，本集團與其商業夥伴並無重大而明顯之糾紛。

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KEY RISKS AND UNCERTAINTIES

The Group has reviewed the possible risks and uncertainties which may affect its businesses, financial condition, operations and prospects. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risks pertaining to trading business

The Group provides a large variety of products with a wide price range that appeal to broad market segments. This success in product competitiveness has been built on our ability to source and develop products that meet the demands of the market. The Group also develops our own brand to increase brand recognition and product competitiveness. However, consumers are ever changing their preferences. In addition to pressure to provide the right trendy products, market competitiveness is driving much faster product launches and shorter product life cycles. The Group addressed these challenges by adjusting our product portfolio, and building closer relationships with suppliers.

Risks pertaining to financial leasing business

The Group's major credit risk is primarily attributable to finance lease receivables. Any deterioration in collectability of our finance lease receivables and the underlying quality of leased assets and collaterals could adversely affect our business and financial conditions. The management of the Group has delegated staff responsible for assessing and minimizing the credit risk, including but not limited to the evaluation of the financial viability of customers and guarantors (if any), the prospect of the industries in which the customers operate, and the adequacy of the value of the leased assets, collaterals and any forms of securities provided by customers at the inception of the lease. Throughout the lease term, the Group also closely monitored the recoverability.

In addition, our financial leasing business is largely affected by the macroeconomic and market conditions in the PRC. The Group provides our customers with finance leasing services and rely on domestic demand for these services to achieve revenue growth. The macroeconomic downturn and adverse market conditions, such as decrease in available financing and slowdown in the industry growth, could materially and adversely affect our business, financial condition and results of operations. The evolving macroeconomic policies in the PRC, including the monetary, currency and industry policies may have material impact on the financial leasing business.

主要風險及不確定因素

本集團已審核可能影響其業務、財務狀況、營運及前景之潛在風險及不確定因素。以下為本集團已識別主要風險及不確定因素。除下文所述者外，亦可能存在其他本集團並未知悉之風險及不確定因素或現時並不重大但可能於未來變為重大之風險及不確定因素。

有關貿易業務之風險

本集團提供多種不同類型產品，其售價範圍頗廣，可吸引廣大的市場。本集團於產品競爭力方面的成功，實有賴我們能夠不斷搜羅及開發能滿足市場需要的產品。本集團亦發展自有品牌，以提升品牌知名度及產品競爭力。然而，消費者的喜好一直在改變。除推出迎合消費者需求之時尚產品之壓力外，為保持市場競爭力，本集團加快推出產品的步伐及縮短產品生命週期。本集團通過調整我們的產品組合以及與供應商建立更緊密的關係來應對該等挑戰。

有關融資租賃業務之風險

本集團的主要信貸風險主要來自融資租賃應收款項。我們融資租賃應收款項之可收回性及租賃資產及抵押品之相關質量出現惡化均或會對我們的業務及財務狀況產生不利影響。本集團管理層已委派負責評估及盡量減低信貸風險的員工，包括但不限於評估客戶及擔保人(如有)之財務可行性，客戶經營所在行業之前景、以及客戶於租賃開始時提供的租賃資產、抵押品及任何形式證券價值之充足性。於整個租賃期內，本集團亦密切監察可收回性。

此外，我們的融資租賃業務因中國宏觀經濟及市場狀況而受到重大影響。本集團向客戶提供融資租賃服務並依賴國內對該等服務的需求以實現收入增長。宏觀經濟下滑及市場狀況惡化(如可用融資減少及行業增長放緩)或會對我們的業務、財務狀況及經營業績產生重大不利影響。中國不斷發展的宏觀經濟政策，包括財政、貨幣及行業政策或會對融資租賃業務產生重大影響。

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Risks pertaining to securities brokerage business

As part of its ordinary brokerage activities, the Group is subject to the statutory liquidity requirements as prescribed by the regulators. The Group's finance department and senior management will review and monitor the Group's liquidity position on daily basis to ensure the availability of sufficient liquid funds and to comply with the Securities and Futures (Financial Resources) Rules (Cap.571N of the laws of Hong Kong).

The Group has responsible officers and compliance officers in charge of overseeing the day-to-day operations, controlling and monitoring compliance issues and solving dealing problems. They also formulate and update the compliance and operational manuals based on regulatory and industrial requirements to standardise the Group's operational procedures and reduce human errors.

Risks pertaining to exchange rate fluctuations

As a consequence of the business nature of the Group, it will be exposed to risks associated with changes in foreign currency exchange rates. The Group's future sales operations will be affected by fluctuations in exchange rates to the extent that its sales and purchases are denominated in currencies other than its reporting currency. Movements in exchange rates to translate foreign currencies may have a significant impact on the Group's results of operations, financial position and cash flows from year to year.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders of the Company by reason of their holding of the Company's securities.

CORPORATE GOVERNANCE

Full details on the Company's corporate governance practices are set out on pages 20 to 35 of this Annual Report.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference which are in line with the CG Code and comprises three INEDs.

The Audit Committee has reviewed with the management of the Company and the external auditor the Group's annual results for the year ended 31 December 2018, and was of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

有關證券經紀業務之風險

作為其普通經紀業務的一部分，本集團須遵守監管機構規定的法定流動資金要求。本集團財務部門及高級管理層將每日檢討及監察本集團的流動資金狀況，以確保有足夠流動資金及遵守證券及期貨（財務資源）條例（香港法例第571N章）。

本集團有負責人員及合規主任負責監督日常營運、控制及監察合規事宜以及解決交易問題。彼等亦會根據監管及行業規定就各業務制定及更新合規及營運手冊，以規範本集團的營運程序及減少人為錯誤。

有關匯率波動之風險

由於本集團之業務性質之故，其將承受與外幣匯率變動有關的風險。倘本集團之買賣以呈報貨幣以外之貨幣計值，其未來銷售業務將會受到匯率波動的影響。換算外幣的匯率變動或會對本集團不同年度之經營業績、財務狀況及現金流量產生重大影響。

稅務寬免及豁免

本公司並不知悉本公司股東因持有本公司證券可獲任何稅務寬免及豁免。

企業管治

有關本公司企業管治常規之全部詳情，載於本年報第20至35頁。

審核委員會

本公司已成立審核委員會，並制定符合企業管治守則之書面職權範圍，成員包括三名獨立非執行董事。

審核委員會已聯同本公司高級管理層及外聘核數師審閱本集團截至2018年12月31日止年度之全年業績，並認為該業績之編製符合相關會計準則、規則及規例，且已作出充分披露。

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COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has always recognised the importance of the transparency and accountability to 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 and to complying with applicable statutory and regulatory requirements with a view to assuring the conduct of management as well as protecting the interests of the Shareholders.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 15 of the GEM Listing Rules. Throughout the year ended 31 December 2018, to the best knowledge of the Board, the Company has complied with the code provisions set out in the CG Code except for the following deviations from the code provisions of the CG 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.

遵守企業管治守則

本公司一向認同對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，並遵守適用法定及監管規定，以確保管理層之行為及保障股東之利益。

本公司的企業管治常規乃基於GEM上市規則附錄十五企業管治守則(「企業管治守則」)所載之原則及守則條文。就董事會所知，截至2018年12月31日止年度，本公司一直遵守企業管治守則所載之守則條文，惟以下偏離企業管治守則之守則條文的情況除外：

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。

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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, 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, 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 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.

Code Provision A.6.7

The Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings, to gain and develop a balanced understanding of the views of shareholders. The three INEDs could not attend the annual general meeting held on 20 June 2018 due to other important business engagements.

The Board will continue to review its corporate governance practices in order to enhance its corporate governance standards, comply with the increasingly complicated regulatory requirements, and meet with the rising expectations of the Shareholders and respective investors.

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.

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GEM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。

根據細則，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。

守則條文第A.6.7條

守則條文第A.6.7條規定獨立非執行董事及其他非執行董事應出席股東大會，以獲取及建立對股東意見的均衡了解。三名獨立非執行董事因其他重要業務事務而無法出席於2018年6月20日舉行的股東週年大會。

董事將繼續檢討其企業管治常規以提升其企業管治水平，符合日趨複雜之規管規定，並達致股東及各自之投資者不斷提高之期望。

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GEM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%。

Report of the Directors

董事會報告書

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by Elite Partners CPA Limited, 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.

ON BEHALF OF THE BOARD

Cheung Wai Yin, Wilson

Chairman and Chief Executive Officer

Hong Kong
26 March 2019

核數師

截至2018年12月31日止年度之綜合財務報表經由開元信德審核。開元信德會計師事務所有限公司現將依章告退，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會計師事務所有限公司為本公司之核數師。

代表董事會

主席兼行政總裁

張偉賢

香港
2019年3月26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 66 to 161, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018 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 statements, 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66至161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，此財務報告包括於二零一八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 貴集團於二零一八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的香港審計準則(「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 2018. 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.

Allowance for impairment assessment of accounts receivables

The Group's accounts receivable consists of finance lease receivables, trade receivables and other receivables, and accounted for approximately 95% of the Group's total assets. The assessment of impairment of accounts receivable under the expected credit loss model is considered to be a matter of most significance as it requires the application of judgement and use of subjective assumptions by management.

Management performed periodic assessment on the recoverability of the accounts receivable and the sufficiency of provision for impairment based on information including credit profile of different debtors, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going relationships with the relevant debtors. Management also considered forward looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

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:

- Understanding and evaluating the key controls that the Group has implemented to manage and monitor its credit risk, and validating the control effectiveness on a sample basis;
- We performed independent credit reviews of accounts receivable on a sample basis, considering the credit profiles of the debtors, guarantors and the collaterals (if any), as well as external evidence and factors, to assess whether management's assessment of ECL was appropriate; and
- We assessed management's forecast of future repayments and current financial conditions of the debtors, based on historical experience, value of collaterals (if any) and observable external data.

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二零一八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。

應收款項之減值撥備評估

本集團的應收款項包括融資租賃應收款項、貿易應收款項及其他應收款項，佔貴集團總資產約95%。根據預期虧損模式對應收款項進行減值評估被視作一項最重要的事項，此乃由於管理層須作出判斷及運用主觀假設。

管理層基於不同債務人的信用概況、歷史結算記錄、其後結算狀況、未償還結餘的預期變現時間及金額及與相關債務人的持續關係等資料對應收款項的可收回性及減值撥備的充分性定期進行評估。管理層亦考慮可能影響客戶償還未償還結餘能力之前瞻性資料，以估計減值評估的預期信貸虧損。

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：

- 了解及評估本集團為管理及監控其信貸風險而實施的關鍵控制措施及抽樣驗證控制措施的有效性；
- 吾等經考慮債務人、擔保人及抵押品(如有)的信用概況以及外部證據及因素，按抽樣基準對應收款項進行獨立的信用審查，以評估管理層對預期信貸虧損作出之評估是否合適；及
- 吾等基於過往經驗、抵押品價值(如有)及可觀察外部數據，評估管理層對未來還款的預測及債務人當前的財務狀況。

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.
- 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。

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.

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。

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.

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。

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.

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。

The engagement partner on the audit resulting in this independent auditor's report is Yip Kai Yin with practising certificate number P05131.

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)。

Elite Partners CPA Limited

Certified Public Accountants
Hong Kong, 26 March 2019

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

開元信德會計師事務所有限公司

執業會計師

香港，二零一九年三月二十六日

香港九龍
尖沙咀天文臺道8號
10樓

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
REVENUE	收入	6	559,785	430,184
Cost of sales	銷售成本		(544,619)	(398,919)
Gross profit	毛利		15,166	31,265
Other income, other gains and losses	其他收入、其他收益及虧損	6	1,412	32,809
Operating expenses	經營開支		(36,419)	(24,667)
Administrative expenses	行政費用		(11,980)	(13,883)
Provision for impairment loss on goodwill	商譽減值虧損撥備		(5,803)	—
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備		(5,217)	—
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		(64,422)	(285)
Written off of bad debts	壞賬撇賬		(154)	(3,009)
Written off of inventories	存貨撇賬		(31)	(137)
(Loss)/profit from operations	經營業務之(虧損)/溢利		(107,448)	21,093
Finance costs	融資成本	7	(12,256)	(21,183)
LOSS BEFORE TAX	除稅前虧損	8	(119,704)	(90)
Income tax	所得稅	11	—	(3,242)
LOSS FOR THE YEAR	本年度虧損		(119,704)	(3,332)
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		(92,051)	(6,725)
Non-controlling interests	非控股權益		(27,653)	3,393
			(119,704)	(3,332)
LOSS PER SHARE	每股虧損			
Basic and diluted	基本及攤薄	13	(HK\$ 港元0.042)	(HK\$ 港元0.003)

The notes on pages 73 to 161 form part of these financial statements.

第73至161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

綜合損益表及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
LOSS FOR THE YEAR	本年度虧損	(119,704)	(3,332)
Other comprehensive (loss)/income: <i>Items that may be reclassified subsequently to profit or loss:</i>	其他全面(虧損)/收入: 其後可能重新分類入損益之 項目:		
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	(9,855)	15,328
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	本年度全面總(虧損)/收入	(129,559)	11,996
Total comprehensive (loss)/income attributable to:	應佔全面總(虧損)/收入:		
Owners of the Company	本公司股權擁有人	(97,880)	2,437
Non-controlling interests	非控股權益	(31,679)	9,559
		(129,559)	11,996

Consolidated Statement of Financial Position

綜合財務狀況報表

As at 31 December 2018 於二零一八年十二月三十一日

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS			
Non-current assets			
Property, plant and equipment	14	2,682	4,011
Statutory deposit		510	510
Goodwill	16	—	5,803
Intangible assets	15	5,705	5,705
Available-for-sale investments	17	—	1,475
Finance lease receivables	21	5,283	240,366
Total non-current assets		14,180	257,870
Current assets			
Inventories	19	1,010	1,292
Trade receivables	20	2,460	8,202
Loan receivables	22	—	1,080
Prepayments, deposits and other receivables	23	112,731	75,715
Finance lease receivables	21	547,941	1,837,309
Held-for-trade investments		428	534
Bank balances — Trust accounts	24	6,543	5,759
Bank balances and cash — general accounts	24	12,255	36,490
Total current assets		683,368	1,966,381
Total assets		697,548	2,224,251
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	25	2,040	2,040
Reserves	26	(60,351)	38,074
		(58,311)	40,114
Non-controlling interests		69,070	101,046
Total equity		10,759	141,160
Non-current liabilities			
Deferred tax liabilities	27	941	941
Convertible bonds	28	105,651	95,940
Finance lease obligation due more than one year	30	—	199
Bank borrowings due more than one year	31	—	72,060
Total non-current liabilities		106,592	169,140

Consolidated Statement of Financial Position

綜合財務狀況報表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	31	415,788	1,752,555
Finance lease obligation due within one year	於一年內到期之融資租賃承擔	30	—	827
Promissory notes	承兌票據	29	—	27,622
Trade payables	貿易應付款項	32	13,652	47,683
Other payables and accruals	其他應付款項及應計款項	33	149,709	83,035
Tax payables	應付稅項		1,048	2,229
Total current liabilities	流動負債總值		580,197	1,913,951
Total liabilities	負債總值		686,789	2,083,091
Total equity and liabilities	股東權益及負債總值		697,548	2,224,251
Net current assets	流動資產淨值		103,171	52,430
Net assets	資產淨值		10,759	141,160

Approved and authorised for issue by the board of directors on 26 March 2019.

經董事會於二零一九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 2018 截至二零一八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 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 and 1 January 2018, as original presented	於二零一七年十二月三十一日及二零一八年一月一日，按之前呈列	2,040	957,059	66,710	53,115	27,328	163,191	(3,542)	(1,225,787)	40,114	101,046	141,160
Effect on adoption of HKFRS 9	採納香港財務報告準則第9號之影響	—	—	—	—	—	—	—	(545)	(545)	(297)	(842)
As at 31 December 2017 and 1 January 2018, as restated	於二零一七年十二月三十一日及二零一八年一月一日，經重列	2,040	957,059	66,710	53,115	27,328	163,191	(3,542)	(1,226,332)	39,569	100,749	140,318
Changes in equity for 2018	二零一八年之權益變動											
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(92,051)	(92,051)	(27,653)	(119,704)
Other comprehensive loss	其他全面虧損	—	—	—	—	—	—	(5,641)	(188)	(5,829)	(4,026)	(9,855)
Total comprehensive loss	全面總虧損	—	—	—	—	—	—	(5,641)	(92,239)	(97,880)	(31,679)	(129,559)
As at 31 December 2018	於二零一八年十二月三十一日	2,040	957,059	66,710	53,115	27,328	163,191	(9,183)	(1,318,571)	(58,311)	69,070	10,759

* These reserve accounts comprise the consolidated reserves of approximately HK\$nil (2017: HK\$38,074,000) 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為零港元(二零一七年: 38,074,000港元)。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	(119,704)	(90)
Adjustments for:	調整：		
Finance costs	融資成本	12,256	21,183
Interest income	利息收入	(57)	(60)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,832	3,785
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(545)	16
Gain on sale of held-for-trade investments	出售可供買賣投資之收益	(77)	—
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 loss/(gain) on held-for-trade investments	可供買賣投資未變現虧損/(收益)	98	(12)
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備	5,217	—
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	64,422	285
Provision for impairment loss on goodwill	商譽減值虧損撥備	5,803	—
Write off of bad debts	壞賬撇銷	154	—
Written off of inventories	存貨撇銷	31	137
Written off of the liabilities of a dissolved subsidiary	撇銷已解散附屬公司之負債	(961)	—
		(31,531)	(4,922)
Decrease in inventories	存貨減少	239	1,309
Decrease/(increase) in trade receivables	貿易應收款項減少/(增加)	523	(961)
Decrease in loan receivables	應收貸款減少	400	1,220
Decrease/(increase) in finance lease receivables	融資租賃應收款項減少/(增加)	1,476,292	(31,351)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(107,738)	(5,986)
Increase in bank balances — trust account	銀行結餘 — 信託賬戶增加	(784)	(553)
(Decrease)/increase in trade payables	貿易應付款項(減少)/增加	(32,660)	4,671
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加/(減少)	41,859	(5,506)
Net cash generated from/(used in) operations	經營活動產生/(所用)之現金淨額	1,346,600	(42,079)
Income taxes paid	已付所得稅	(1,110)	(4,292)
Interest paid	已付利息	(881)	(4,099)
Net cash generated from/(used in) operating activities	經營業務產生/(所用)之現金淨額	1,344,609	(50,470)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Interest received	已收利息	57	60
Purchases of property, plant and equipment	購置物業、廠房及設備	(2,185)	(3,044)
Proceeds from disposal of held-for-trade investments	出售可供買賣投資所得款項	85	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,579	—
Net cash inflow from disposal of subsidiaries	出售附屬公司之現金流入淨額	2,821	—
Net cash inflow from acquisition of a subsidiary	收購一間附屬公司之現金流入淨額	—	647
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額	2,357	(2,337)
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	(392)	(420)
Proceeds from placing of shares	配售股份所得款項	—	25,376
New bank borrowings raised	新增銀行借款	—	1,064
Repayments of bank borrowings	償還銀行借款	(1,369,564)	—
Repayments of finance lease obligation	償還融資租賃承擔	(962)	(942)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(1,370,918)	25,078
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(23,952)	(27,729)
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	36,490	63,347
Effect of foreign exchange rate changes, net	外幣匯率淨變動之影響，淨額	(283)	872
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	12,255	36,490

The notes on pages 73 to 161 form part of these financial statements.

第73至161頁之附註組成該等財務報表之一部分。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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 1108, 11F, Wing On Centre, 111 Connaught Road Central, Central, 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 2018, 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 HKFRSs, 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 GEM Listing Rules. The adoption of new and revised HKFRSs and the impacts on the Group's consolidated financial statements, if any, 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中環干諾道中111號永安中心11樓1108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。

截至二零一八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

該等綜合財務報告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。該等綜合財務報告亦遵守 GEM 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告造成的影響（如有）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 2018 截至二零一八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 2018 截至二零一八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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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 HKFRS 9 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財務報告準則第9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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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內扣除。

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出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內確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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內確認。

(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。所有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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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 consolidated 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)乃按各項租賃之年期，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 2018 截至二零一八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. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 during the Track Record Period. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

金融資產及金融負債乃於集團實體成為工具合同條文之訂約方時確認。所有以正規途徑購入或銷售之金融資產乃按交易日期基準確認及取消確認。正規途徑購入或銷售乃按市場法規或慣例所確定的時間框架內交付資產的金融資產購入或銷售。

金融資產及金融負債初始按公平價值計量,惟產生自客戶合同之貿易應收款項除外,其中該等應收款項於往績期間初步按香港財務報告準則第15號計量。收購或發行金融資產及金融負債(以公平價值計入損益之金融資產或金融負債除外)之直接應佔交易成本,於初始確認時加入金融資產或金融負債的公平價值或從中扣減(如適用)。直接歸屬於以公平價值計入損益之金融資產或金融負債的交易成本可於損益中即時確認。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

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

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

the financial asset is held within a business model whose objective is to collect contractual cash flows; and

the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVOCI"):

the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVPL"), except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

2. 主要會計政策概要(續)

(i) 金融工具(續)

實際利息法乃計算金融資產或金融負債的攤銷成本及分配有關期間利息收入及利息開支的方法。實際利率乃初始確認時按金融資產或金融負債的預計年期或適用的較短期間準確貼現估計未來現金收入及付款(包括構成實際利率不可或缺部分的一切已付或已收費用及分數、交易成本及其他溢價或折扣)至該資產或負債的賬面淨值的利率。

金融資產

金融資產的分類及後續計量

符合下列條件的金融資產其後按攤銷成本計量：

於一個商業模式內持有的金融資產，其目的是為收取合同現金流量；及

合同條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

符合下列條件的金融資產其後以按公平價值計入其他全面收益(「按公平價值計入其他全面收益」)的方式計量：

於目的為同時收回合同現金流量及出售的業務模式中持有的金融資產；及

合同條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他金融資產其後以按公平價值計入損益(「按公平價值計入損益」)的方式計量，惟於初始確認金融資產之日，倘股本投資既非持作買賣，亦非香港財務報告準則第3號「業務合併」所適用的業務合併收購方確認的或然代價，本集團可能不可撤回地選擇於其他全面收益呈列股本投資公平價值的其後變動則除外。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI are measured at FVPL.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial asset and is included in the "other gains and losses" line item.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產(續)

金融資產的分類及後續計量(續)

(i) 攤銷成本及利息收入

利息收入就其後按攤銷成本計量的金融資產而以實際利息法確認並透過將實際利率應用於金融資產賬面總值計算，惟其後已變為信貸減值(見下文)的金融資產則除外。就其後已變為信貸減值的金融資產而言，利息收入透過將實際利率應用於自下個報告期起計的金融資產攤銷成本確認。倘信貸減值金融工具的信貸風險升高，以使金融資產不再維持信貸減值，則利息收入在釐定資產不再維持信貸減值後，透過將實際利率應用於自報告期開始時起計的金融資產賬面總值確認。

(ii) 按公平價值計入損益之金融資產

不符合按攤銷成本或按公平價值計入其他全面收益計量或指定為按公平價值計入其他全面收益計量標準之金融資產按公平價值計入損益計量。

按公平價值計入損益計量之金融資產於各報告期末以公平價值計量，於損益中確認任何公平價值之收益或虧損。於損益中確認的淨溢利或虧損不包括該金融資產所產生的任何股息，並計入「其他收益及虧損」項目中。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, other financial assets measured at amortised cost and bank balances). The amount of ECL is updated at each reporting dates to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after each reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime EGL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime EGL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產(續)

金融資產減值

本集團就根據香港財務報告準則第9號須予減值之金融資產(包括貿易及其他應收款項、按攤銷成本計量之其他金融資產及銀行結餘)的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初始確認以來信貸風險之變化。

全期預期信貸虧損指相關工具的預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於各報告日期後12個月內可能發生的違約事件導致的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗進行，並就債務人特有的因素、一般經濟狀況以及對報告日期的當前狀況及未來狀況預測之評估作出調整。

本集團始終就應收貿易款項確認全期預期信貸虧損。該等資產的預期信貸虧損乃就有重大結餘之債務人進行個別評估。

對於所有其他工具，本集團計量等於12個月預期信貸虧損的虧損撥備，除非自初始確認以來信貸風險大幅增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初始確認以來發生違約的可能性或風險是否大幅增加。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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)*Impairment of financial assets* (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

an actual or expected significant deterioration in the operating results of the debtor;

an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產(續)*金融資產減值(續)*

(i) 信貸風險大幅增加

於評估自初始確認以來信貸風險是否大幅增加時，本集團將金融工具於各報告日期發生的違約風險與該金融工具於初始確認日期發生的違約風險進行比較。於進行此評估時，本集團會考慮合理且有理據的定量及定性資料，包括過往經驗及無需付出不必要的成本或努力而可獲得的前瞻性資料。

特別是，在評估信貸風險是否大幅增加時會考慮以下資料：

金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；

信貸風險外部市場指標顯著惡化，例如信貸價差顯著增加，債務人的信貸違約掉期價格；

預計將導致債務人償還其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；

債務人經營業績的實際或預期顯著惡化；

導致債務人償還其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險大幅增加(續)

不論上述評估的結果如何，本集團認為，倘合同付款逾期超過30天，則自初始確認以來信貸風險已大幅增加，除非本集團有合理且有理據的資料可予證明則作別論。

本集團定期監控用以識別信貸風險有否大幅增加的標準之有效性，並修訂有關標準(如適用)以確保其能夠在金額逾期前識別信貸風險大幅增加。

(ii) 違約定義

就內部信貸風險管理而言，當內部開發或自外部獲得之資料表明債務人不太可能全額償付其債權人(包括本集團)時，本集團認為會發生違約事件(不計及本集團持有之任何抵押品)。

不論上述情況如何，本集團認為，當金融資產逾期超過90天時，違約已經發生，除非本集團具有合理且可證實的信息，用於證明更寬鬆的違約標準更合適則作別論。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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)*Impairment of financial assets* (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a de recognition event. Any subsequent recoveries 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(續)*金融資產減值*(續)

(iii) 信貸減值金融資產

倘發生一項或多項對金融資產估計未來現金流量有不利影響的違約事件，金融資產出現信貸減值。金融資產信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現嚴重財務困難；
- (b) 違反合同，如違約或逾期事件；
- (c) 借款人的放款人因與借款人出現財務困難有關的經濟或合同理由而給予借款人在一般情況下放款人不予考慮的優惠條件；
- (d) 借款人可能破產或進行其他財務重組；或
- (e) 因出現財務困難而導致金融資產在市場上交易不活躍。

(iv) 撇銷政策

倘有資料顯示交易對方處於嚴重財務困難時，且並無實際收回可能(例如交易對方已被清盤或已進入破產程序)，以較早發生者為準，本集團會撇銷金融資產。在考慮法律意見(如適當)後，已撇銷的金融資產仍可根據本集團的收回程序實施強制執行。撇銷構成取消確認事件。其後收回的任何金融資產會於損益內確認。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);

Past-due status;

Nature, size and industry of debtors; and

External credit ratings where available.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約損失率(即倘發生違約的損失程度)及違約風險之函數。違約概率及違約損失率之評估乃基於經前瞻性資料調整之歷史數據作出。預期信貸虧損的估計乃無偏概率加權平均金額，以各自發生違約的風險為權重釐定。

一般而言，預期信貸虧損乃根據合同應付本集團之所有合同現金流量與本集團預期收取之現金流量之間的差額，並按初始確認時釐定之實際利率貼現。

倘預期信貸虧損以集體計量或針對個別工具級別的證據可能尚不可用的情況，則金融工具按以下基礎分組：

金融工具(即本集團的貿易及其他應收款項、融資租賃應收款項及應收客戶款項均分別作獨立組評估。自關聯方之貸款按個別基準評估預期信貸虧損)之性質；

逾期狀態；

債務人的性質、規模和行業；及

外部信用評級(如可用)。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and other financial assets measured at amortised cost, where the corresponding adjustment is recognised through a loss allowance account.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition 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 group entities are recognised at the proceeds received, net of direct issue costs.

2. 主要會計政策概要(續)

(i) 金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損之計量及確認(續)

利息收入按金融資產的賬面總值計算，除非該金融資產信貸減值，於該情況下，利息收入按金融資產的攤銷成本計算。

管理層定期檢討分組以確保各個分組之組成部分繼續享有類似之信貸風險特徵。

本集團透過調整賬面值於損益確認所有金融工具的減值收益或虧損，惟貿易及其他應收款項及其他按攤銷成本計量之金融資產除外，其相關調整乃透過虧損撥備賬予以確認。

金融負債及股本工具

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同。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。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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 (Continued)

Financial liabilities at amortised cost

All financial liabilities including trade and other payables and amounts due to the Controlling Equity Holders are subsequently measured at amortised cost using the 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 through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

De recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in profit or loss.

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.

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)

按攤銷成本計量之金融負債

所有金融負債(包括貿易及其他應付款項及應付控股權益持有人之款項)其後使用實際利息法按攤銷成本計量。

實際利息法乃計算金融負債的攤銷成本以及分配相關期間利息開支的方法。實際利率乃於初始確認時按金融負債的預計年期或適用的較短期間內準確貼現估計未來現金付款至賬面淨值的利率。

取消確認金融負債

本集團在且僅在其責任獲解除、取消或屆滿時取消確認金融負債。已取消確認金融負債的賬面值與已付及應付代價的差額於損益內確認。

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。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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)

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(續)

於發行日期，負債成份之公平價值按類似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，並於可換股債券年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 2018 截至二零一八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 2018 截至二零一八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 2018 截至二零一八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，不超過本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。

即期稅項結餘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 2018 截至二零一八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收購當日之現有責任，初步須按公平價值確認(倘公平價值可被可靠計量)。初始確認公平價值後，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，或在收購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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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) 倘任何下列情況適用，該實體即被視為與本集團有關連：
 - i) 該實體與本集團屬同一集團的成員公司(即母公司、附屬公司、同系附屬公司各自互有關連)。
 - ii) 一實體為另一實體(或另一實體所屬集團旗下某成員公司的聯營公司或合營公司)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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八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 recognised in profit or loss when the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset. Revenue may be over time or at a particular point in time. Revenue is recognised over time when one of the following criteria is satisfied:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue is recognised at a particular point in time (i.e. when the customer obtains control of the promised goods or service) when none of the abovementioned criteria are satisfied.

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

當本集團通過將承諾之貨品或服務(即資產)轉移給客戶來履行履約責任時，於損益中確認收入。客戶獲得該資產控制權時，將資產轉移。收入可隨時或於某個時間點確認。當滿足以下標準之一時，收入會隨時確認：

- (a) 客戶同時獲得及消費本集團履約所提供的利益；
- (b) 本集團履約會創造或加強客戶隨著創造或加強資產而控制的資產；或
- (c) 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

倘上述標準均不符合，則於特定時間點(即於客戶獲得承諾貨品或服務的控制權時)確認收入。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Revenue recognition (Continued)

i) Sale of goods

Revenue (net of value added tax or other sales taxes) is recognised at a particular point in time when customers have control over the promised goods, which is generally the time when goods are delivered to customers and customers have accepted the goods.

ii) Rendering of services

Revenue is recognised at a particular point in time when the services are rendered.

(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.

2. 主要會計政策概要(續)

(o) 收入確認(續)

i) 銷售貨品

收入(扣除增值稅或其他銷售稅)於客戶獲得承諾貨品控制權時於特定時間點確認，通常為貨品交付客戶且客戶已接受貨物之時間。

ii) 提供服務

收入乃於服務獲提供時之某個特定時間點確認。

(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。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits (Continued)

ii) Share-based payments

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.

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).

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

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。

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(直接於保留溢利中解除)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits (Continued)

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.

(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.

2. 主要會計政策概要(續)

(p) 僱員福利(續)

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。

(q) 外幣換算

該等財務報表乃以港元列示，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為港元以外之貨幣。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。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

3. NEW AND REVISED HKFRSs APPLIED

In the current year, the Group has applied a number of new standards and interpretation issued by the HKICPA for the first time of which the followings are relevant to the Group's consolidated financial statements:

- HKFRS 9 *Financial Instruments*;
- HKFRS 15 *Revenue from Contracts with Customers* and amendments to HKFRS 15; and
- HK(IFRIC) Interpretation 22 *Foreign Currency Transactions and Advance Consideration*.

Except for the effect stated below, the adoption of the new and revised HKFRSs has no material impact on the Group's consolidated financial statements.

2. 主要會計政策概要(續)

(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。

3. 已應用新訂及經修訂香港財務報告準則

本集團已於本年度首次應用香港會計師公會頒佈的若干新準則及詮釋，其中以下各項與本集團的綜合財務報表有關：

- 香港財務報告準則第9號*金融工具*；
- 香港財務報告準則第15號*客戶合約收益*及香港財務報告準則第15號(修訂本)；及
- 香港(國際財務報告詮釋委員會)詮釋第22號*外幣交易及預付代價*。

除下文所述影響外，採納該等新訂及經修訂香港財務報告準則對本集團之綜合財務報表並無重大影響。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. NEW AND REVISED HKFRSs APPLIED (Continued)**(A) Application of HKFRS 9**

HKFRS 9 Financial Instruments replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has applied HKFRS 9 retrospectively, with the initial application date of 1 January 2018.

(a) Classification and measurement

HKFRS 9 basically retains the exiting requirements in HKAS 39 for the classification and measurements of financial liabilities. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities. Under HKFRS 9, financial assets are measured at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction cost at initial recognition and subsequently measured at FVPL, amortised cost, or FVOCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instrument's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the "SPPI" criterion).

The new classification and measurement of the Group's financial assets are as follows:

- Debt instruments at amortised cost that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's bank balances and cash, loan receivable, trade receivables, finance lease receivables and financial assets included in other receivables and deposits.

3. 已應用新訂及經修訂香港財務報告準則 (續)**(A) 應用香港財務報告準則第9號**

香港財務報告準則第9號金融工具於二零一八年一月一日或之後開始之年度期間取代香港會計準則第39號金融工具：確認及計量，合併金融工具會計處理之三個方面：分類及計量；減值；及對沖會計。自首次應用日期二零一八年一月一日起，本集團已追溯應用香港財務報告準則第9號。

(a) 分類及計量

香港財務報告準則第9號基本上保留香港會計準則第39號有關金融負債分類及計量之現有規定。採納香港財務報告準則第9號對本集團有關金融負債之會計政策並無重大影響。根據香港財務報告準則第9號，金融資產於初步確認時按公平價值加(如為並非按公平價值計入損益之金融資產)交易成本計量，其後按公平價值計入損益、攤銷成本或按公平價值計入其他全面收益計量。有關分類基於兩個準則：本集團管理有關資產之業務模式；及有關工具之合約現金流量是否純粹支付本金及未償還本金金額之利息(「純粹支付本金及利息準則」)。

本集團金融資產之新分類及計量如下：

- 就於旨在持有金融資產以收回符合純粹支付本金及利息準則之合約現金流量之業務模式內持有而按攤銷成本計量之債務工具。此分類包括本集團之銀行結餘及現金、應收貸款、貿易應收賬項、融資租賃應收款項以及計入其他應收款項及按金之金融資產。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. NEW AND REVISED HKFRSs APPLIED (Continued)

(A) Application of HKFRS 9 (Continued)

(a) Classification and measurement (Continued)

(i) Classification and measurement of financial assets (Continued)

- Financial assets at FVPL include debt instruments whose cashflow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under HKAS 39, those debt instruments were classified as financial assets at FVPL.

The assessment of the Group's business model was made as of initial application, i.e. 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

3. 已應用新訂及經修訂香港財務報告準則(續)

(A) 應用香港財務報告準則第9號(續)

(a) 分類及計量(續)

(i) 金融資產之分類及計量(續)

- 按公平價值計入損益之金融資產包括合約現金流量特徵不符合純粹支付本金及利息準則或並非按旨在收回合約現金流或同時收回合約現金流及出售之業務模式持有之債務工具。根據香港會計準則第39號，該等債務工具分類為按公平價值計入損益之金融資產。

本集團於首次應用時(即二零一八年一月一日)評估其業務模式，其後追溯應用於並無於二零一八年一月一日前終止確認之該等金融資產。債務工具之合約現金流是否僅包括本金及利息，乃基於初步確認有關資產時之事實及情況進行評估。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. NEW AND REVISED HKFRSs APPLIED (Continued)

(A) Application of HKFRS 9 (Continued)

(a) Classification and measurement (Continued)

(ii) Impairment

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "expected credit losses ("ECLs") model". HKFRS 9 requires the Group to recognise ECL for other receivables and deposits earlier than HKAS 39. Loan receivables, trade receivables, finance lease receivables and bank balances and cash are subject to ECL model but the Group considered the effect of impairment is insignificant for the current year.

Under HKFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Other receivables and deposits

Other receivables and deposits are measured at amortised cost. Upon the implementation of HKFRS 9, expected credit loss allowances of approximately HK\$842,000 has been recognised against accumulated losses as at 1 January 2018.

3. 已應用新訂及經修訂香港財務報告準則 (續)

(A) 應用香港財務報告準則第9號 (續)

(a) 分類及計量 (續)

(ii) 減值

採納香港財務報告準則第9號改變本集團之減值模式，以「預期信貸虧損(「預期信貸虧損」)模式」取代香港會計準則第39號之「已產生虧損」模式。香港財務報告準則第9號要求本集團確認其他應收款項及按金之預期信貸虧損，較香港會計準則第39號為早。應收貸款、貿易應收賬款、融資租賃應收款項以及銀行結餘及現金亦受限於預期信貸虧損模式，惟本集團認為有關減值影響於本年並不重大。

根據香港財務報告準則第9號，虧損撥備以下列任一基準計量：(1)12個月預期信貸虧損：即報告日期後12個月內之可能違約事件所產生預期信貸虧損；及(2)全期預期信貸虧損：即金融工具預期年期內所有可能違約事件所產生預期信貸虧損。

其他應收款項及按金

其他應收款項及按金乃按攤銷成本計量。於採納香港財務報告準則第9號後，已就於二零一八年一月一日之累計虧損確認預期信貸虧損撥備約842,000港元。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. NEW AND REVISED HKFRSs APPLIED (Continued)

(A) Application of HKFRS 9 (Continued)

(a) Classification and measurement (Continued)

(III) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the consolidated statement of financial position as at 31 December 2017, but are recognised in the consolidated statement of financial position on 1 January 2018. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in accumulated losses and reserves as at 1 January 2018. Accordingly, the information presented for 31 December 2017 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of HKFRS 9:

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVPL; and
- The designation of certain investments in equity investments not held for trading as at FVOCI.

If an investment in a debt investment had low credit risk at the date of initial application of HKFRS 9, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

3. 已應用新訂及經修訂香港財務報告準則(續)

(A) 應用香港財務報告準則第9號(續)

(a) 分類及計量(續)

(III) 過渡

本集團已應用香港財務報告準則第9號之過渡性條文，以使香港財務報告準則第9號獲全面採納而毋須重列比較資料。因此，新預期信貸虧損規則所產生重新分類及調整並無反映於二零一七年十二月三十一日之綜合財務狀況表，惟於二零一八年一月一日的綜合財務狀況表中確認。其指於二零一八年一月一日採納香港財務報告準則第9號所產生金融資產與金融負債之賬面值差異乃於累計虧損及儲備確認。因此，二零一七年十二月三十一日之呈列資料並未反映香港財務報告準則第9號之規定，而反映香港會計準則第39號之規定。

以下評估乃根據香港財務報告準則第9號首次應用日期存在之事實及情況而作出：

- 釐定持有金融資產之業務模式；
- 指定及撤銷將若干金融資產及金融負債指定為按公平價值計入損益計量之原先指定；及
- 指定並非持作買賣之股本投資之若干投資為按公平價值計入其他全面收益。

倘於債務投資之投資於香港財務報告準則第9號首次應用日期具有較低信貸風險，則本集團假設該資產之信貸風險自其初步確認以來並無大幅增加。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. NEW AND REVISED HKFRSs APPLIED (Continued)

(A) Application of HKFRS 9 (Continued)

(a) Classification and measurement (Continued)

(IV) Classification and measurement of financial liabilities

Under HKFRS 9, for a financial liability designated as at FVPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is required to be presented in other comprehensive income, with the remaining amount of change in the fair value of the liability being presented in profit or loss (unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit or loss and in which case all gains or loss on that liability are presented in profit or loss).

Other than the abovementioned, the application of HKFRS 9 in respect of financial liabilities' classification and measurement requirements has had no impact on the consolidated financial statements.

(V) Hedge accounting

The Group has not applied any hedge accounting and hence the new general hedge accounting model set out in HKFRS 9 has not had any impact 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 (續)

(A) 應用香港財務報告準則第9號 (續)

(a) 分類及計量 (續)

(IV) 金融負債的分類及計量

根據香港財務報告準則第9號，對於指定按公平價值計入損益的金融負債而言，由於該金融負債信貸風險產生變化而導致該負債公平價值變動的金額須於其他全面收益內呈列，金融負債公平價值變動剩餘金額於損益呈列（除非對該負債信貸風險轉變所產生的影響的處理會對損益構成或擴大會計錯配，在此情況下該負債的所有收益或虧損須於損益內呈列）。

除上文所述外，應用香港財務報告準則第9號有關金融負債的分類及計量規定對綜合財務報表並無造成任何影響。

(V) 對沖會計

本集團並無應用任何對沖會計處理，因此香港財務報告準則第9號所載新的全面對沖會計模式對本集團綜合財務報表並無造成任何影響。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. NEW AND REVISED HKFRSs APPLIED (Continued)

(B) Application of HKFRS 15

HKFRS 15 has replaced HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and other revenue-related interpretations. Under HKAS 11 and HKAS 18, revenue arising from construction contracts and provision of services was recognised over time whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods was passed to the customers. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 has introduced additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Management has assessed the impact and concluded that the application of HKFRS 15 has not had any material impact on the Group's consolidated financial statements.

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.

3. 已應用新訂及經修訂香港財務報告準則(續)

(B) 應用香港財務報告準則第15號

香港財務報告準則第15號取代香港會計準則第11號*建造合約*、香港會計準則第18號*收益*及其他收益相關詮釋。根據香港會計準則第11號及香港會計準則第18號，建造合約及提供服務所產生之收益隨時間確認，而銷售貨品所得收益通常於貨品所有權風險及回報轉移予客戶的時間點確認。根據香港財務報告準則第15號，收益於客戶取得合約中承諾的貨品或服務的控制權時確認。這可能是單一的時間點或隨時間推移。香港財務報告準則第15號引入其他定性及定量披露規定，旨在令財務報表使用者理解自客戶合約產生的收益及現金流量的性質、金額、時間及不確定因素。

管理層已評估影響，並認為應用香港財務報告準則第15號對本集團綜合財務報表並無任何重大影響。

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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)**Key sources of estimation uncertainty (Continued)****(ii) Impairment of finance lease receivables**

The Group's finance lease receivables are assessed for impairment based on the expected credit loss model required by HKFRS 9, taking into account: (i) whether the finance lease receivables have been past due; and (ii) whether the repayments are in accordance with repayment schedules together with forward looking information and other assessment indications. Changing the assumptions selected by management to determine the level of impairment, could materially affect the amount of impairment.

(iii) Impairment on trade receivable and other receivables and deposits

The Group's trade receivables and other receivables and deposits are assessed for impairment based on the expected loss model required by HKFRS 9. The assessment made by management has taken into account relevant historical information adjusted for forward looking information available to management at the date of assessment (to the extent that such information is reasonable and supportable without undue cost or effort). Impairment losses are also recognised for the current year (please see Notes 20 and 23). Management has exercised judgment in estimating the amount of expected credit loss. If the actual outcome is different from management's estimate, an additional impairment loss or reversal of impairment loss may arise.

(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 cash-generating 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(續)**估計不確定性之主要來源(續)****(ii) 融資租賃應收款項減值**

本集團的融資租賃應收款項乃根據香港財務報告準則第9號所規定的預期虧損模型進行減值評估，當中經考慮：(i) 融資租賃應收款項是否已逾期；及(ii) 是否按還款時間表還款連同前瞻性資料及其他評估指標。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) 貿易應收款項及其他應收款項及按金之減值

本集團的貿易應收款項及其他應收款項及按金乃根據香港財務報告準則第9號所規定的預期虧損模型進行減值評估。管理層作出之評估已考慮就評估日期管理層可獲得的前瞻性資料而調整的相關歷史資料(該等資料乃合理及具支持性且無需花費不必要的成本或精力)。本年度減值虧損亦已獲確認(請參閱附註20及附註23)。管理層已於估計預期信貸虧損金額時作出判斷。倘實際結果與管理層之估計不同，則會產生額外的減值虧損或撥回減值虧損。

(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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財務報表附註

For the year ended 31 December 2018 截至二零一八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:

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

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：

- (a) 買賣貨品、零件及配件之貿易業務分部；
- (b) 從事提供融資租賃服務、提供放債服務及提供證券服務分部之金融服務業務分部；
- (c) 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
- (d) 從事服務業務(如提供培訓課程)之其他業務分部。

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 2018 截至二零一八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 2018

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。

截至二零一八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	485,469	73,812	504	—	559,785	—	559,785
Segment loss	分部虧損	(3,532)	(88,097)	(3,511)	—	(95,140)	—	(95,140)
Interest income	利息收入	43	13	1	—	57	—	57
Finance costs	融資成本	(369)	—	—	—	(369)	(11,887)	(12,256)
Other expenses	其他開支	—	—	—	—	—	(12,365)	(12,365)
Loss before tax	除稅前虧損	(3,858)	(88,084)	(3,510)	—	(95,452)	(24,252)	(119,704)
Additions to non-current assets	添置非流動資產	—	104	—	—	104	2,081	2,185
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備	(2,163)	—	(3,054)	—	(5,217)	—	(5,217)
Provision for impairment loss on goodwill	商譽減值虧損撥備	—	(5,803)	—	—	(5,803)	—	(5,803)
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	—	(64,422)	—	—	(64,422)	—	(64,422)
Written off of inventories	存貨撇賬	(31)	—	—	—	(31)	—	(31)
Written off of bad debts	壞賬撇賬	—	—	—	—	—	(154)	(154)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(5)	(485)	(5)	—	(495)	(1,337)	(1,832)

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT REPORTING (Continued)

5. 分部報告(續)

For the 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	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	註銷可換股債券債股部分收益	—	—	—	—	—	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	壞賬撇賬	—	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 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT REPORTING (Continued)

5. 分部報告(續)

As at 31 December 2018

於二零一八年十二月三十一日

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 assets	分部資產	12,597	673,685	1,336	—	687,618	—	687,618
Bank balances and cash	銀行結餘及現金							
— general accounts	— 一般賬戶	—	—	—	—	—	262	262
Other assets	其他資產	—	—	—	—	—	9,668	9,668
Total assets	資產總額	12,597	673,685	1,336	—	687,618	9,930	697,548
Segment liabilities	分部負債	(6,300)	(496,849)	(1,827)	—	(504,976)	—	(504,976)
Convertible bonds	可換股債券	—	—	—	—	—	(105,651)	(105,651)
Other liabilities	其他負債	—	—	—	—	—	(76,162)	(76,162)
Total liabilities	負債總額	(6,300)	(496,849)	(1,827)	—	(504,976)	(181,813)	(686,789)

As at 31 December 2017

於二零一七年十二月三十一日

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 assets	分部資產	15,533	2,194,586	4,614	51	2,214,784	—	2,214,784
Bank balances and cash	銀行結餘及現金							
— general accounts	— 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)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	486,799	328,371
Mainland China	中國大陸	72,986	101,813
		559,785	430,184

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	1,969	2,908
Mainland China	中國大陸	713	1,103
		2,682	4,011

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	486,799	328,371
Mainland China	中國大陸	72,986	101,813
		559,785	430,184

收入資料乃以客戶所在地為依據。

(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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	1,969	2,908
Mainland China	中國大陸	713	1,103
		2,682	4,011

上述非流動資產資料乃以資產所在地為依據。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A — revenue from trading business — Hong Kong	客戶A — 來自貿易業務之收入 — 香港	422,450	255,255
Customer B — revenue from financial services business — PRC	客戶B — 來自金融服務業務之收入 — 中國	—	51,505
		422,450	306,760

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue:	收入:		
Revenue from trading business	貿易業務之收入	485,469	325,217
Revenue from financial services business	金融服務業務之收入	73,812	104,155
Revenue from information technology business	資訊科技業務之收入	504	812
		559,785	430,184
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	57	60
Investment income	投資收入	77	—
Gain on extinguishment of convertible bonds liability component	註銷可換股債券負債部分收益	—	31,162
Sundry income	雜項收入	1,278	1,587
		1,412	32,809

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 2018 截至二零一八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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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)	9,711	12,702
Imputed interest charge on promissory notes	承兌票據之估算利息開支	1,272	3,839
Coupon interest charge on promissory notes	承兌票據之息票開支	—	123
Interest charge on bank borrowings	銀行借款利息開支	62,717	77,922
Interest charge on other borrowings	其他借款利息開支	881	4,099
Interest charge on finance lease obligation (note 2)	融資租賃承擔之利息開支(附註2)	23	69
		74,604	98,754
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	(62,348)	(77,571)
		12,256	21,183

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 2018 截至二零一八年十二月三十一日止年度

8. LOSS BEFORE TAX

8. 除稅前虧損

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

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	14,465	19,431
Pension scheme contributions	退休金計劃供款	260	242
		14,725	19,673
(b) Other items:	(b) 其他項目：		
Auditors' remuneration — audit services	核數師酬金 — 核數服務	816	800
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,832	3,785
Operating lease payments in respect of office premises	辦公室物業之經營租賃付款	3,786	2,849
Provision for impairment loss on goodwill	商譽減值虧損撥備	5,803	—
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備	5,217	—
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	64,422	285
Written off of inventories	存貨撇賬	31	137
Written off of bad debts	壞賬撇賬	154	3,009

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

9. DIRECTORS' EMOLUMENTS

The remuneration of directors during the year were as follow:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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
Independent non-executive directors:	獨立非執行董事：		
Fees	袍金	360	350
		5,076	5,066

9. 董事酬金

年內董事酬金如下：

During the years ended 31 December 2018 and 2017, no share option was granted.

截至二零一八年及二零一七年十二月三十一日止年度，並無授出任何優先購股權。

(a) Independent non-executive directors

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

(a) 獨立非執行董事

年內已付獨立非執行董事之袍金如下：

		Fees 袍金 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
2018:	二零一八年：			
Ng Kay Kwok	吳祺國	120	—	120
Yeung Mo Sheung, Ann	楊慕嫦	120	—	120
Au-Yeung Sei Kwok	歐陽士國	120	—	120
		360	—	360
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

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

9. DIRECTORS' EMOLUMENTS (Continued)

9. 董事酬金(續)

(b) Executive directors

(b) 執行董事

		Salaries, housing allowances, other allowances and Fees	benefits in kind	Pension scheme contributions	Equity-settled share option expenses	Total emoluments
		袍金	薪金、房屋津貼、其他津貼及實物利益	退休金計劃供款	以股權結算的優先購股權開支	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
2018:	二零一八年:					
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
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

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2018 and 2017.

During the years ended 31 December 2018 and 2017, 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.

截至二零一八年及二零一七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。

截至二零一八年及二零一七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。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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 (2017: 2) directors. Details of the emoluments of the remaining 3 (2017: 3) non-director, highest paid employee for the year ended 31 December 2018 are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,993	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	—	—
		3,047	2,979

The emoluments of the three (2017: three) individuals with the highest emoluments are within the following bands:

		2018 二零一八年 Number of individuals 人數	2017 二零一七年 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

10. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括兩名(二零一七年：兩名)董事。截至二零一八年十二月三十一日止年度，其餘三名(二零一七年：三名)最高薪酬的非董事僱員之酬金詳情如下：

該三名(二零一七年：三名)最高薪人士之薪酬介乎以下範圍：

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

11. INCOME TAX

Hong Kong profits tax was provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong for both years ended 31 December 2018 and 2017. The PRC enterprise income tax has been provided at the rate of 25% (2017: 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

截至二零一八年及二零一七年十二月三十一日止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% (二零一七年：16.5%)計算。中國企業所得稅按25% (二零一七年：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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong profits tax:	香港利得稅：		
— current year	— 本年度	—	—
— under provision in prior years	— 過往年度撥備不足	—	459
PRC enterprise income tax:	中國企業所得稅：		
— current year	— 本年度	—	2,550
— under provision in prior years	— 過往年度撥備不足	—	233
		—	3,242

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(119,704)	(90)
Tax at the applicable tax rate	按適用稅率計算的稅項	(19,751)	(15)
Effect of different taxation rates of other countries	其他國家不同稅率之影響	(5,958)	1,018
Income not subject to tax	毋須課稅收入	(31,810)	(6,057)
Expenses not deductible for tax purpose	不可扣稅開支	31,840	600
Tax losses not recognised	未確認稅項虧損	25,679	7,004
Tax under provided	稅項撥備不足	—	692
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

As at 31 December 2018, the Group has unused tax losses of approximately HK\$378,347,000 (2017: HK\$222,716,000) 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.

於二零一八年十二月三十一日，本集團未動用稅項虧損約為378,347,000港元(二零一七年：222,716,000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。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八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 (2017: 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(二零一七年：無)。

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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 公司股權擁有人應佔虧損	(92,051)	(6,725)
		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	2,040,094	1,803,053
Effect of 2015 CB	二零一五年可換股債券之 影響	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	2,214,007	1,976,966

No diluted loss per share information presented for the years ended 31 December 2018 and 2017 as the impact of the convertible bonds and share options outstanding had anti-dilutive effect on the basic loss per share.

截至二零一八年及二零一七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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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 2017	於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 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	3,432	2,262	6,842	12,536
Addition	購置	2,040	145	—	2,185
Disposal of subsidiaries	出售附屬公司	—	(748)	(2,557)	(3,305)
Disposal and written off	出售及撇賬	(2,498)	(316)	(3,101)	(5,915)
Exchange realignment	匯兌調整	(49)	(38)	(62)	(149)
As at 31 December 2018	於二零一八年十二月三十一日	2,925	1,305	1,122	5,352
Accumulated depreciation and impairment:	累計折舊及減值：				
As at 1 January 2017	於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	出售時撇銷	(765)	(2)	—	(767)
Exchange realignment	匯兌調整	52	10	31	93
As at 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	2,718	1,715	4,092	8,525
Provided for the year	年度撥備	860	186	786	1,832
Disposal of subsidiaries	出售附屬公司	—	(748)	(1,953)	(2,701)
Written back on disposal	出售時撇銷	(2,498)	(316)	(2,067)	(4,881)
Exchange realignment	匯兌調整	(50)	(14)	(41)	(105)
As at 31 December 2018	於二零一八年十二月三十一日	1,030	823	817	2,670
Net Book Value	賬面淨值：				
As at 31 December 2018	於二零一八年十二月三十一日	1,895	482	305	2,682
As at 31 December 2017	於二零一七年十二月三十一日	714	547	2,750	4,011

The net book value of the Group's motor vehicle includes an amount approximately HK\$nil (2017: HK\$2,134,000) 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約為零港元(二零一七年：2,134,000港元)。

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15. INTANGIBLE ASSETS

Trading right

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	5,705	2,805
Acquisition of a subsidiary (Note 38)	收購一間附屬公司(附註38)	—	2,900
As at 31 December	於十二月三十一日	5,705	5,705

Trading right have indefinite useful life and therefore no amortisation has been provided. No impairment was provided during the years ended 31 December 2018 and 2017.

16. GOODWILL

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	5,803	—
Acquisition of a subsidiary (Note 38)	收購一間附屬公司(附註38)	—	5,803
Less: provision for impairment loss	減: 減值虧損撥備	(5,803)	—
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.

In 2018, 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 2018 was 15.0% (2017: 14.7%) reflects specific risks related to the segment. At the end of the year 2018, management considered to recognise full impairment of goodwill (2017: nil).

15. 無形資產

交易權

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	5,705	2,805
Acquisition of a subsidiary (Note 38)	收購一間附屬公司(附註38)	—	2,900
As at 31 December	於十二月三十一日	5,705	5,705

交易權無固定使用期限因此概無攤銷已計提撥備。截至二零一八年及二零一七年十二月三十一日止年度，概無減值需計提撥備。

16. 商譽

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	5,803	—
Acquisition of a subsidiary (Note 38)	收購一間附屬公司(附註38)	—	5,803
Less: provision for impairment loss	減: 減值虧損撥備	(5,803)	—
As at 31 December	於十二月三十一日	—	5,803

透過業務合併收購之商譽已分配至金融服務業務分部。

於二零一八年，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。截至二零一八年十二月三十一日止年度所採用的15.0% (二零一七年: 14.7%) 貼現率反映與該分部相關的特定風險。於二零一八年年終，管理層決定就商譽作出全額減值(二零一七年: 無)。

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17. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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)		
As at 1 January	於一月一日	1,475	1,475
Disposal of subsidiaries (Note 39)	出售附屬公司(附註39)	(1,475)	—
As at 31 December	於十二月三十一日	—	1,475

Note 1: The debenture securities with a carrying amount of HK\$1,475,000 as at 31 December 2017 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong dollar	港元	—	1,475
Renminbi	人民幣	—	—
		—	1,475

17. 可供出售投資

可供出售投資之組成部分如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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)		
As at 1 January	於一月一日	1,475	1,475
Disposal of subsidiaries (Note 39)	出售附屬公司(附註39)	(1,475)	—
As at 31 December	於十二月三十一日	—	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，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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18. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries are as follows:

Name 名稱	Place of establishment/ 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		Principal activities 主要業務
			應佔股本權益百分比		
			2018 二零一八年 %	2017 二零一七年 %	
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 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 裕驊國際有限公司	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
Merdeka Corporate Finance Limited 萬德企業融資有限公司	Hong Kong 香港	1 ordinary shares of HK\$1 1股每股面值1港元之普通股	100	—	Investment holding 投資控股
Merdeka General Partnership Limited	Cayman Islands 開曼群島	50,000 ordinary shares of HK\$1 each 50,000股每股面值1港元之普通股	100	—	Investment holding 投資控股
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

18. 於附屬公司權益

有關主要附屬公司之詳情如下：

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18. INTERESTS IN SUBSIDIARIES (Continued)

18. 於附屬公司權益(續)

Name 名稱	Place of establishment/ incorporation 成立/註冊 成立及經營地點	Nominal value of issued ordinary/ and operations 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
			2018 二零一八年 %	2017 二零一七年 %	
Heng 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
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	Inactive 不活躍
Heng Asset Management Limited 衡資產管理有限公司	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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18. INTERESTS IN SUBSIDIARIES (Continued)

Heng Asset Management Limited

18. 於附屬公司權益(續)

衡資產管理有限公司

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	9	14
Current assets	流動資產	5,030	5,210
Current liabilities	流動負債	(33)	(29)
Net assets	資產淨值	5,006	5,195
Carrying amount of NCI	非控股權益賬面值	2,453	2,546
Year ended 31 December	截至十二月三十一日止年度		
Revenue	收入	982	1,000
Expenses	開支	(1,171)	(421)
(Loss)/profit for the year	年內(虧損)/溢利	(189)	579
(Loss)/profit attributable to NCI for the year	年內非控股權益應佔(虧損)/溢利	(93)	284
Net cash flow (used in)/from	(所用)/產生淨現金		
Operating activities	經營活動	(100)	878
Investing activities	投資活動	5	—
Financing activities	融資活動	—	—

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18. INTERESTS IN SUBSIDIARIES (Continued)

18. 於附屬公司權益(續)

Heng He Financial Lease (Shanghai) Company Limited

恒河融資租賃(上海)有限公司

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	5,995	241,464
Current assets	流動資產	652,362	1,922,004
Non-current liabilities	非流動負債	—	(72,060)
Current liabilities	流動負債	(494,770)	(1,847,076)
Net assets	資產淨值	163,587	244,332
Carrying amount of NCI	非控股權益賬面值	57,730	86,225
Year ended 31 December	截至十二月三十一日止年度		
Revenue	收入	73,450	102,553
Expenses	開支	(151,821)	(92,653)
(Loss)/profit for the year	年內(虧損)/溢利	(78,371)	9,900
(Loss)/profit attributable to NCI for the year	年內非控股權益應佔 (虧損)/溢利	(27,657)	3,494
Net cash flow (used in)/generated from	以下活動(所用)/產生淨現金		
Operating activities	經營活動	1,349,693	(29,830)
Investing activities	投資活動	(101)	(459)
Financing activities	融資活動	(1,369,644)	—

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

19. INVENTORIES

19. 存貨

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Finished goods	製成品	1,010	1,292

The cost of inventories recognised as an expense during the year was approximately HK\$482.0 million (2017: HK\$321.8 million), in respect of which approximately HK\$Nil (2017: nil) represents write down of inventories to net realisable value.

年內確認為開支的存貨成本約為482,000,000港元(二零一七年: 321,800,000港元)，其中約零港元(二零一七年: 無)指存貨撇減至可變現淨值。

20. TRADE RECEIVABLES

20. 貿易應收款項

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收款項	7,677	8,202
Less: provision for impairment loss	減: 減值虧損撥備	(5,217)	—
		2,460	8,202

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	30日內	283	865
31 to 60 days	31至60日	24	532
61 to 120 days	61至120日	24	3,377
Over 120 days	120日以上	2,129	3,428
		2,460	8,202

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

20. TRADE RECEIVABLES (Continued)

Reconciliation of the impairment loss of trade receivables:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	於年初	—	—
Allowance for the year	本年度撥備	5,217	—
At end of year	於年末	5,217	—

20. 貿易應收款項(續)

貿易應收款項之減值虧損之對賬：

21. FINANCE LEASE RECEIVABLES

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current finance lease receivables	即期融資租賃應收款項	547,941	1,837,309
Non-current finance lease receivables	非即期融資租賃應收款項	5,283	240,366
		553,224	2,077,675

21. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	565,846	1,898,555	547,941	1,837,309
In more than one year but not more than two years	多於一年，少於兩年	4,554	248,375	3,388	240,310
In more than two years but not more than five years	多於兩年，少於五年	2,281	57	1,895	56
		572,681	2,146,987	553,224	2,077,675
Unearned finance income	未賺取融資收入	(19,457)	(69,312)	N/A 不適用	N/A 不適用
Present value of minimum lease payment	最低租賃付款現值	553,224	2,077,675	553,224	2,077,675

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21. 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 4.05% to 9.40% per annum (2017: 4.37% 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 2018 and 2017 are neither past due nor impaired.

The terms of finance leases entered into ranged from 1 to 5 years (2017: 2 to 5 years).

22. 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.

21. 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4.05%至9.40% (二零一七年: 4.37%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。

於二零一八年及二零一七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1至5年 (二零一七年: 2至5年)。

22. 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。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	1,080	3,300
Repayment	還款	(400)	(1,220)
less: provision for impairment loss	減: 減值虧損撥備	—	(1,000)
Disposal of subsidiaries	出售附屬公司	(680)	—
As at 31 December	於十二月三十一日	—	1,080

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loan receivables	應收貸款	—	2,080
Less: provision for impairment loss	減: 減值虧損撥備	—	(1,000)
		—	1,080

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22. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Repayable:	償還：		
Within 3 months	三個月內	—	1,080
3 months to 1 year	三個月至一年	—	—
		—	1,080

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期及未減值	—	80
1 to 3 months past due	逾期一至三個月	—	—
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

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.

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.

22. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Repayable:	償還：		
Within 3 months	三個月內	—	1,080
3 months to 1 year	三個月至一年	—	—
		—	1,080

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期及未減值	—	80
1 to 3 months past due	逾期一至三個月	—	—
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

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，平均每月利率為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。

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 23. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Prepayments	預付款項	64	6,062
Trade deposit	貿易按金	6,416	4,774
Deposits and other receivables	按金及其他應收款項	171,515	70,879
		177,995	81,715
Less: provision for impairment loss	減：減值虧損撥備	(65,264)	(6,000)
		112,731	75,715

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。

24. BANK BALANCES AND CASH

24. 銀行結餘及現金

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank balances — trust accounts (note)	銀行結餘 — 信託賬戶(附註)	6,543	5,759
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	12,255	36,490
		18,798	42,249

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 32).

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32)。

As at 31 December 2018, the Group's bank balances and cash — general accounts amounted to approximately HK\$12.3 million (2017: HK\$36.5 million), approximately HK\$1.0 million was denominated in RMB and approximately HK\$11.2 million was denominated in Hong Kong Dollars. Therein, approximately HK\$10.8 million, about 87.9% (2017: HK\$14.1 million, about 38.8%) were bank balances deposited with credit worthy banks of high credit ratings in Hong Kong, in which approximately HK\$10.7 million (2017: HK\$14.0 million) was denominated in Hong Kong dollars. Included in bank balances and cash — general accounts, there is a pledged deposit of approximately HK\$4.0 million to secure a general banking facility (note 31).

於二零一八年十二月三十一日，本集團之銀行結餘及現金 — 一般賬戶約為12,300,000港元(二零一七年：36,500,000港元)，約1,000,000港元以人民幣計值及約11,200,000港元以港元計值。其中，約10,800,000港元即約87.9%(二零一七年：14,100,000港元，約38.8%)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，其中約10,700,000港元(二零一七年：14,000,000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31)。

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25. SHARE CAPITAL

25. 股本

		Company 本公司	Number of shares 股份數目 in '000 千股	Nominal values 面值 HK\$'000 千港元
	Notes 附註			
Authorised:				
As at 31 December 2017, 1 January and 31 December 2018		法定： 於二零一七年十二月三十一日、 二零一八年一月一日及十二月 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 2017		於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	a	按一般授權發行股份	320,000	320
Issue of consideration shares	b	發行代價股份	100,000	100
As at 31 December 2017, 1 January and 31 December 2018		於二零一七年十二月三十一日、 二零一八年一月一日及十二月 三十一日		
Ordinary shares of HK\$0.001 each		每股面值0.001港元之普通股	2,040,094	2,040

Notes:

- (a) On 19 June 2017, the Company entered into a general mandate 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 notes, expansion of the securities business and general working capital.
- (b) 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.

附註：

- (a) 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。
- (b) 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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26. 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 nil as at 31 December 2018 (2017: HK\$37,288,000).

26. 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表產生之所有匯兌差額。

可供分派儲備

於二零一八年十二月三十一日，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為零(二零一七年：37,288,000 港元)。

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27. DEFERRED TAX LIABILITIES

27. 遞延稅項負債

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	941	463
Acquisition of a subsidiary (note 38)	收購一間附屬公司(附註38)	—	478
As at 31 December	於十二月三十一日	941	941

28. CONVERTIBLE BONDS

28. 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 an initial maturity date at 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GEM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、免息及初始到期日為二零一一年八月十二日。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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28. 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 was accordingly extended from 12 August 2011 to 12 August 2014. Upon becoming effective of the first supplemental deed, the Company might 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 was accordingly extended from 12 August 2014 to 12 August 2017. Upon becoming effective of the second supplemental deed, the Company might 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 was accordingly extended from 12 August 2017 to 12 August 2020 (new maturity date). Upon becoming effective of the third supplemental deed, the Company might 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. The current conversion price is HK\$0.095 per share.

28. 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。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。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。當前的兌換價為每股0.095港元。

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28. 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 2018 was HK\$124,068,000 (2017: HK\$124,068,000) conferring rights to convert into a total of 1,305,978,947 ordinary shares (2017: 1,305,978,947).

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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	95,940	114,400
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	9,711	12,702
As at 31 December	於十二月三十一日	105,651	95,940

28. 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。

於二零一八年十二月三十一日，二零零八年可換股債券尚未兌換本金額為124,068,000港元(二零一七年：124,068,000港元)，附帶權利可兌換為合共1,305,978,947股普通股(二零一七年：1,305,978,947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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28. 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 2018 was HK\$40,000,000 (2017: HK\$40,000,000) conferring rights to convert into a total of 173,913,043 (2017: 173,913,043) ordinary shares of the Company.

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.

28. 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。

於二零一八年十二月三十一日，二零一五年可換股債券尚未兌換本金額為40,000,000港元(二零一七年：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(二零一七年：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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29. 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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	27,622	50,402
Coupon interest charged	票面利息費用	—	123
Imputed interest charged	估算利息費用	1,272	3,839
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	(28,894)	(26,636)
As at 31 December	於十二月三十一日	—	27,622

(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.

29. 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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29. PROMISSORY NOTES (Continued)

(i) (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.

(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.

The audited consolidated net profit after taxation and any extraordinary and exceptional items for the year ended 31 December 2017 of the Blossom Group was less than the guaranteed profit HK\$10.0 million, therefore the carrying principal amount of the 2015 PN was reduced by approximately HK\$0.1 million as at 31 December 2017.

The 2015 PN matured and was transferred to other payable during the year ended 31 December 2018.

As at 31 December 2018 and 2017, the carrying amount of the 2015 PN was nil and approximately HK\$27.7 million respectively.

29. 承兌票據(續)

(i) (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。

(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。

Blossom集團於截至二零一七年十二月三十一日止年度之經審核綜合除稅及任何非經常及特殊之項目後純利低於保證溢利10,000,000港元，故二零一五年承兌票據於二零一七年十二月三十一日的賬面本金金額將減少約100,000港元。

於截至二零一八年十二月三十一日止年度，二零一五年承兌票據已到期且轉至其他應付款項。

於二零一八年及二零一七年十二月三十一日，二零一五年承兌票據賬面值分別為零及約27,700,000港元。

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30. OBLIGATIONS UNDER FINANCE LEASES

30. 融資租賃承擔

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	1,026	1,968
Repayment	還款	(962)	(942)
Disposal of subsidiaries (Note 39)	出售附屬公司(附註39)	(64)	—
As at 31 December	於十二月三十一日	—	1,026

		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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amount payable	應付金額				
Within one year	一年內	—	854	—	827
In the second to fifth years inclusive	第二至第五年(包括首尾 兩年)	—	202	—	199
Future finance charges	未來融資費用	—	1,056 (30)	—	1,026 N/A 不適用
Present value of lease obligations	租賃承擔現值	—	1,026		
Less: Amount due for settlement within 12 months	減：十二個月內到期之 應償清金額			—	827
Amount due for settlement after 12 months	十二個月之後到期之 應償清金額			—	189

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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31. BANK BORROWINGS

31. 銀行借款

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	1,752,349
			415,788
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	72,060
			415,788
			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, which was dissolved in 2018. 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 lessee with the carrying value of approximately RMB554.1 million (equivalent to approximately HK\$630.8 million), as at 31 December 2018 (2017: RMB1,858.1 million (equivalent to approximately HK\$2,231.5 million)). The interest rate of the bank loans was 4.0% per annum (2017: 3.8% to 5.7% per annum).

Included therein, a general banking facility amounted to HK\$7.0 million was secured by a deposit of HK\$4.0 million (31 December 2017: HK\$4.0 million). The facility was utilised to the extent of approximately HK\$5.0 million as at 31 December 2018 (31 December 2017: HK\$4.9 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於二零一八年解散的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 銀行借款以二零一八年十二月三十一日賬面值約為人民幣554,100,000元(相等於約630,800,000港元)(二零一七年：人民幣1,858,100,000元(相等於約2,231,500,000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為4.0%(二零一七年：每年介乎3.8%至5.7%)。

其中，一般銀行融資7,000,000港元以存款4,000,000港元作抵押(二零一七年十二月三十一日：4,000,000港元)。於二零一八年十二月三十一日，已動用該融資約5,000,000港元(二零一七年十二月三十一日：4,900,000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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32. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payable from trading business	貿易業務的貿易應付款項	1,285	1,082
Trade payable from information technology business	資訊科技業務的貿易應付款項	1,310	2,023
Trade payable from financial services business	金融服務業務的貿易應付款項	4,503	38,367
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	6,554	5,986
— HKSCC	— 香港結算	—	225
		13,652	47,683

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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	30日內	4,490	38,454
31 to 60 days	31至60日	22	749
61 to 120 days	61至120日	202	2
Over 120 days	120日以上	2,384	2,267
		7,098	41,472

32. 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：

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：

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33. OTHER PAYABLES AND ACCRUALS

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables (note)	其他應付款項(附註)	145,189	82,070
Accruals	應計款項	4,520	965
		149,709	83,035

Note:

Other payables are non-interest-bearing and have an average term of three months.

As at 31 December 2018, included in other payables an amount of approximately HK\$63.9 million due to a non-controlling shareholder of a subsidiary of the Company. The amount is unsecured, interest-free and repayable on demand.

34. 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.

33. 其他應付款項及應計款項

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables (note)	其他應付款項(附註)	145,189	82,070
Accruals	應計款項	4,520	965
		149,709	83,035

附註:

其他應付款項為免息，平均期限為三個月。

於二零一八年十二月三十一日，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63,900,000港元。該金額為無抵押、免息及須應要求償還。

34. 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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34. 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.

34. 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，最高不得超逾於授出優先購股權日期已發行股份1%。任何授出超逾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GEM上市規則)不得參與投票。

倘向關連人士(定義見GEM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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34. 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:

34. 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：

		2018 二零一八年		2017 二零一七年	
		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	233,390
Lapsed/issued during the year	於年內失效/授出	—	—	—	—
At end of the year	於年終	0.153	233,390	0.153	233,390

* For identification purpose only

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34. SHARE OPTION SCHEME (Continued)

Details of the movements of the share options under the Share Option Scheme for the years ended 31 December 2018 and 2017 were as follows:

Name	姓名	Number of share options 優先購股權份數				Outstanding as at 31 December 2018 於二零一八年 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 授出日期前 之股價 (Note 2) (附註2) per share 每股	Original exercise price of the share options 優先購股權之原有 行使價 (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 Directors	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 Directors	獨立非執行董事									
Yeung Mo Sheung, Ann	楊慕嫻	16,483	—	—	16,483	17/1/2013	17/1/2013 – 16/1/2023	0.010	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	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	3.600	
		14,128	—	—	14,128	17/1/2013	17/1/2013 – 16/1/2023	0.010	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					

Notes:

- 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.
- 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.

The share options were vested at the date of grant. No share option has been granted during the years ended 31 December 2018 and 2017.

34. 優先購股權計劃(續)

截至二零一八年及二零一七年十二月三十一日止年度，優先購股權計劃項下之優先購股權變動詳情如下：

附註：

- 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。
- 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。

優先購股權於授出當日歸屬。截至二零一八年及二零一七年十二月三十一日止年度，概無授出優先購股權。

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35. 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:

35. 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：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	4,574	1,673
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	6,805	657
		11,379	2,330

36. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere to the consolidated financial statements, the Group have the following related party transactions.

36. 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。

			Year ended 31 December 截至十二月三十一日止年度	
			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Name of related party 關聯方名稱	Relationship 關係	Nature of transaction 交易性質		
Cheung Wai Yin Wilson 張偉賢	Director of the Company 本公司董事	Loan payable 應付貸款	13,600	—
Wong Hin Shek 王顯碩	Shareholder of the Company 本公司股東	Loan interest payable 應付貸款利息	58	—
		Loan payable 應付貸款	8,880	—

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36. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel of the Group

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	6,600	6,590
Post-employment benefits	僱用後福利	54	54
Total compensation paid to key management personnel	付予主要管理人員 之薪酬總額	6,654	6,644

On 28 September 2018, the Group entered into sale and purchase agreements to dispose 100% equity interest of each of Mega Wealth Investments Limited, Merdeka Finance Limited and Prestige Gold Limited to a company held by a director, at a total consideration of approximately HK\$2.9 million. The consideration was in arm-length basis. Detail about the disposal of subsidiaries are disclosed in Notes 39.

37. 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.

36. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	6,600	6,590
Post-employment benefits	僱用後福利	54	54
Total compensation paid to key management personnel	付予主要管理人員 之薪酬總額	6,654	6,644

於二零一八年九月二十八日，本集團訂立買賣協議，出售美衛投資有限公司、萬德金融有限公司及金旺泰有限公司之全部權益予一間公司(該公司為一名董事持有)，總代價約2,900,000港元。該代價乃按公平原則磋商後釐定。有關出售附屬公司之詳情載於附註39。

37. 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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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) 37. 財務風險管理目標及政策(續)

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	Increase/ (decrease) in loss before tax and accumulated loss
		匯率上升/ (下跌)	除稅前虧損及 累計虧損 增加/(減少)
		%	HK\$'000
		%	千港元
2018	二零一八年		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	10	—
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(10)	—
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)

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.

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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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) 37. 財務風險管理目標及政策(續)

Liquidity risk (Continued)

流動資金風險(續)

As at 31 December 2018

於二零一八年十二月三十一日

		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	418,740	—	418,740	415,788
Trade payables	貿易應付款項	13,652	—	13,652	13,652
Other payables and accruals	其他應付款項及應計款項	149,709	—	149,709	149,709
Convertible bonds	可換股債券	—	124,068	124,068	105,651
		582,101	124,068	706,169	684,800

As at 31 December 2017

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

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

37. 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 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 on 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).

37. 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。

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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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

37. 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 years ended 31 December 2018 and 2017.

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.

37. 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、政策或程序於截至二零一八年及二零一七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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank borrowings	銀行借款	415,788	1,824,615
Convertible bonds	可換股債券	105,651	95,940
Finance lease obligation	融資租賃承擔	—	1,026
Promissory notes	承兌票據	—	27,622
Total borrowings	借款總額	521,439	1,949,203
Equity attributable to owners of the Company	本公司股權擁有人應佔股東權益	(58,311)	40,114
Total capital and borrowings	資本及借款總額	463,128	1,989,317
Gearing ratio	資本負債比率	112.59%	97.98%

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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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. 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.

38. 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51%的已發行股本，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	貿易應收款項	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	(92)
Deferred tax liability — non-current	遞延稅項負債 — 非流動	(478)
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 ended 31 December 2017, 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.

倘合併於截至二零一七年十二月三十一日止年度之年初進行，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 2018 截至二零一八年十二月三十一日止年度

39. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2018, the Group entered into agreements with a director under normal commercial terms to dispose of its entire equity interests in three indirect-wholly-owned subsidiaries, namely Mega Wealth Investments Limited, Merdeka Finance Limited and Prestige Gold Limited, for a total consideration of approximately HK\$2.9 million. The disposal was completed on 28 September 2018.

39. 出售附屬公司

截至二零一八年十二月三十一日止年度，本集團根據一般商業條款與董事訂立協議，以出售其於三家間接全資附屬公司（即美衛投資有限公司、萬德金融有限公司及金旺泰有限公司）之全部權益，總代價約2,900,000港元。出售事項已於二零一八年九月二十八日完成。

		HK\$'000 千港元
Analysis of assets and liabilities over which control was lost:	喪失控制權之資產及負債分析：	
Property, plant and equipment	物業、廠房及設備	604
Available-for-sale investments	持作出售投資	1,475
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	126
Bank balances and cash	銀行結餘及現金	108
Loan receivables	應收貸款	680
Finance lease obligation	融資租賃承擔	(64)
Net assets disposed of	已出售資產淨值	2,929
Cash consideration received or to be received	已收或將收現金代價	(2,929)
Disposal of subsidiaries	出售附屬公司	—
Analysis of cash and cash equivalents in respect of the disposal	就出售事項分析現金及現金等值項目	
Cash consideration received or to be received	已收或將收現金代價	2,929
Cash and bank balances disposed	已出售的銀行結餘及現金	(108)
Net cash inflow of cash and cash equivalents	現金及現金等值項目的現金流入淨額	2,821

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

40. 本公司財務狀況報表

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,950	—
Interests in subsidiaries	於附屬公司之權益	129,794	294,678
		131,744	294,678
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	408	2,289
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	262	3,480
Total current assets	流動資產總值	670	5,769
Total assets	資產總值	132,414	300,447
EQUITY AND LIABILITIES	股東權益及負債		
Issued capital	已發行股本	2,040	2,040
Reserves	儲備	(59,879)	135,934
Total equity	權益總額	(57,839)	137,974
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	105,651	95,940
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計款項	74,846	29,111
Due to subsidiaries	應付附屬公司款項	9,756	9,800
Promissory notes	承兌票據	—	27,622
Total current liabilities	流動負債總值	84,602	66,533
Total liabilities	負債總值	190,253	162,473
Total equity and liabilities	股東權益及負債總值	132,414	300,447
Net current liabilities	流動負債淨值	(83,932)	(60,764)
Net (liabilities)/assets	(負債)/資產淨值	(57,839)	137,974

Approved and authorised for issue by the board of directors on 26 March 2019.

經董事會於二零一九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

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

40. 本公司財務狀況報表(續)

		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 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 2017:	二零一七年之權益變動:							
Loss and total comprehensive income for the year	本年度虧損及全面收入總額	—	—	—	—	—	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
Changes in equity for 2018:	二零一八年之權益變動:							
Loss and total comprehensive loss for the year	本年度虧損及全面虧損總額	—	—	—	—	—	(195,813)	(195,813)
As at 31 December 2018	於二零一八年十二月三十一日	957,059	18,203	53,115	27,328	163,191	(1,278,775)	(59,879)

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41. 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 (the "High Court") by Mr. Au Kai To Karel, as the plaintiff claiming against (i) End User Technology Limited ("End User"), 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 (the "Judgement") ordering, among others, that the Company and End User, 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 dated 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.

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 Judgment 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").

41. 訴訟

於二零一五年一月二十二日，本公司宣佈，區君宇先生(原告)於香港高等法院(「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 (「End User」)(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)；(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高等法院頒佈的判決(「判決」)命令(其中包括)本公司及End User向區君宇先生共同及分別支付損害金額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就判決提出上訴。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。

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《公司(清盤及雜項條文)條例》第32章(「該條例」)之呈請(「該呈請」)，指稱本公司因被視作未能償還上述判決中所述的合共4,400,000港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。

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財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

41. LITIGATION (Continued)

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 7 May 2018, upon the Company having paid into court the judgement sum of HK\$4.4 million pursuant to a court order dated 16 April 2018, the Petition was adjourned until the determination of the Appeal.

On 4 January 2019, the Court of Appeal allowed the Company's appeal despite dismissing End User's appeal. Reasons for judgment was handed down on 18 January 2019. The Group will seek further legal advice on the reasons for judgment and other appropriate actions will be taken thereon if so advised. The Group 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.

The Group will keep its shareholders and the public informed of any further significant developments by making further announcements as and when appropriate.

41. 訴訟(續)

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。

於二零一八年五月七日，本公司根據日期為二零一八年四月十六日的法院頒令向法院支付判決金額4,400,000港元後，該呈請押後至確定上訴為止。

於二零一九年一月四日，儘管駁回了End User的上訴，但上訴法庭允許本公司提出上訴。判決理由已於二零一九年一月十八日作出。本集團將就判決理由尋求進一步法律意見，如有建議，將採取其他適當行動。本集團將採取一切可能措施保護本集團的利益及資產，以及保護本公司股東及投資者的利益。

本集團將於適當時候刊發進一步公佈，向股東及公眾通報任何進一步重大發展。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

42. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied any of the following new and revised HKFRSs that are relevant to the Group that have been issued but are not yet mandatorily effective:

HKFRS 16
香港財務報告準則第16號
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 28
香港會計準則第28號(修訂本)
Amendments to HKFRSs
香港財務報告準則(修訂本)
HK(IFRIC) Interpretation 23
香港(國際財務報告詮釋委員會)詮釋第23號

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after a date to be determined

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.

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 26 March 2019.

42. 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。

Leases¹
租賃¹
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²
投資者與其聯營或合營企業之間的資產出售或投入²
Long-term Interest in Associates and Joint Ventures¹
於聯營公司及合營企業之長期權益¹
Annual Improvements to HKFRS Standards 2015–2017 Cycle
香港財務報告準則二零一五年至二零一七年週期之年度改進
Uncertainty over Income Tax Treatments¹
所得稅處理的不確定性

- 1 對二零一九年一月一日或之後開始之年度期間生效
- 2 對有待釐定日期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。

43. 財務報告之批准

本財務報告已經董事會於二零一九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 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	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收入	69,877	131,398	256,232	430,184	559,785
LOSS BEFORE TAX	除稅前虧損	(180,099)	(119,388)	(36,210)	(90)	(119,704)
Income tax	所得稅	(640)	(4,004)	(3,938)	(3,242)	—
LOSS FOR THE YEAR	年內虧損	(180,739)	(123,392)	(40,148)	(3,332)	(119,704)
Attributable to:	應佔：					
Owners of the Company	本公司股權擁有人	(172,225)	(124,944)	(42,617)	(6,725)	(92,051)
Non-controlling interests	非控股權益	(8,514)	1,552	2,469	3,393	(27,653)
LOSS FOR THE YEAR	年內虧損	(180,739)	(123,392)	(40,148)	(3,332)	(119,704)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS 資產、負債及非控股權益

		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	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
TOTAL ASSETS	總資產	142,899	1,117,360	2,055,071	2,224,251	697,548
TOTAL LIABILITIES	總負債	(139,437)	(1,033,666)	(1,963,731)	(2,083,091)	(686,789)
		3,462	83,694	91,340	141,160	10,759
EQUITY attributable to:	應佔權益：					
Owners of the Company	本公司股權擁有人	12,934	15,679	3,301	40,114	(58,311)
Non-controlling interests	非控股權益	(9,472)	68,015	88,039	101,046	69,070
		3,462	83,694	91,340	141,160	10,759

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 2020, are interest-free and convertible into the Shares at the conversion price of HK\$0.095 per Share (subject to adjustment according to the terms of the convertible bonds)
2008年可換股債券	指	由本公司於2008年8月12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2011年8月12日到期並延至2020年8月12日)為免息，並可按換股價每股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)
2015年可換股債券	指	由本公司於2015年4月21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2018年4月21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) of the Company 本公司股東週年大會
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
CG Code 企業管治守則	指	The Corporate Governance Code under the GEM Listing Rules GEM上市規則項下企業管治守則
Chairman 主席	指	The chairman of the Company 本公司主席
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 GEM	指	The GEM of the Stock Exchange 聯交所GEM

* for identification purpose only

* 僅供識別

Glossary of Terms

專用詞語

GEM Listing Rules GEM上市規則	指	The Rules Governing the Listing of Securities on the GEM GEM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
Hong Kong 香港	指	The Hong Kong Special Administrative Region of PRC 中國香港特別行政區
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) of the Company 本公司的獨立非執行董事
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
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

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