



盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 851

年報
**ANNUAL
REPORT
2017**

CONTENTS

目錄

- 2 Corporate Information**
公司資料
- 4 Management Discussion and Analysis**
管理層討論及分析
- 10 Biographical Details of Directors**
董事履歷詳情
- 13 Corporate Governance Report**
企業管治報告
- 25 Environmental, Social and Governance Report**
環境、社會及管治報告
- 53 Directors' Report**
董事會報告書
- 66 Independent Auditor's Report**
獨立核數師報告
- 78 Consolidated Statement of Profit or Loss and
Other Comprehensive Income**
綜合損益及其他全面收益表
- 80 Consolidated Statement of Financial Position**
綜合財務狀況表
- 82 Consolidated Statement of Changes in Equity**
綜合權益變動表
- 83 Consolidated Statement of Cash Flows**
綜合現金流量表
- 85 Notes to the Consolidated Financial Statements**
綜合財務報表附註
- 200 Financial Summary**
財務概要

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wu Siu Lam, William
Ms. Cheng Kit Sum, Clara
Mr. Qiu Bin

NON-EXECUTIVE DIRECTOR

Mr. Chen Zhong Min

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Huan Guocang
Mr. Lo Ka Wai
Mr. Wu Fred Fong

AUDIT COMMITTEE

Mr. Lo Ka Wai (*Chairman*)
Dr. Huan Guocang
Mr. Wu Fred Fong

REMUNERATION COMMITTEE

Mr. Wu Fred Fong (*Chairman*)
Dr. Huan Guocang
Mr. Lo Ka Wai

NOMINATION COMMITTEE

Dr. Huan Guocang (*Chairman*)
Mr. Lo Ka Wai
Mr. Wu Fred Fong

COMPANY SECRETARY

Mr. Or Wing Keung

STOCK CODE

851

WEBSITE

www.shengyuan.hk

董事會

執行董事

胡少霖先生
鄭潔心女士
邱斌先生

非執行董事

陳重民先生

獨立非執行董事

宦國蒼博士
羅嘉偉先生
胡晃先生

審核委員會

羅嘉偉先生 (*主席*)
宦國蒼博士
胡晃先生

薪酬委員會

胡晃先生 (*主席*)
宦國蒼博士
羅嘉偉先生

提名委員會

宦國蒼博士 (*主席*)
羅嘉偉先生
胡晃先生

公司秘書

柯永強先生

股份代號

851

網址

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CORPORATE INFORMATION

公司資料

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Tricor Tengis Limited
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Hong Kong

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Hamilton HM11
Bermuda

PRINCIPAL OFFICE IN HONG KONG

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AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

SOLICITORS

Troutman Sanders
34th Floor, Two Exchange Square
8 Connaught Place Central, Hong Kong

PRINCIPAL BANKERS

The Hong Kong & Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited

股份過戶登記處

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香港
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註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
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香港主要辦事處

香港
銅鑼灣勿地臣街1號
時代廣場1座43樓4301-5室

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
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永安中心25樓

律師

長盛律師事務所
香港中環康樂廣場8號
交易廣場2座34樓

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司
中國建設銀行(亞洲)股份有限公司

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

For the year ended 31 December 2017, the revenue of the Group amounted to approximately HK\$63.2 million, representing approximately 9.1% decrease as compared with approximately HK\$69.5 million for the year ended 31 December 2016. Loss for the year ended 31 December 2017 was approximately HK\$184.5 million, as compared with loss of approximately HK\$16.9 million for the year ended 31 December 2016. Such increase in loss is primarily attributable to the impairment loss on interest in an associate, Xinhua (Daqing) Merchandise Exchange Company Limited (“XHME”), loss incurred by the proprietary trading segment and provision for settlement of convertible bonds.

The Group shared the associate's losses of approximately HK\$31.9 million and recognized impairment loss of approximately HK\$40.8 million on its interests in the associate. In December 2016, the board of directors of XHME had resolved to restructure its business lines for local compliance purpose which involved the suspension of a material line of business. During the year ended 31 December 2017 and up to the date of approval of the financial statements of the Company, the business operation of XHME was still under suspension and there was no information on the restoration of the operation of the business lines. The Group has carried out an impairment assessment of its interest in XHME as of 31 December 2017 with the assistance of an independent valuer. Based on the valuation, the recoverable amount of the Group's interests in XHME was determined to be approximately HK\$1.9 million and accordingly, an impairment loss of approximately HK\$40.8 million was recognized and included in the consolidated statement of profit or loss and other comprehensive income. The Directors believed that such non-cash impairment provision would be in the interest of the Company.

In 2017, the improved economy both in the US and the world brought about benefits and growth to companies. In line with the rising trend of the US and global stock markets, the Hong Kong stock market achieved successive highest records with Hang Seng Index (HSI) rising by over 36.0%. However, with the rising HSI in 2017, many investors turned to be cautious.

業務及財務回顧

截至二零一七年十二月三十一日止年度，本集團之收益為約63,200,000港元，較截至二零一六年十二月三十一日止年度之約69,500,000港元減少約9.1%。截至二零一七年十二月三十一日止年度之虧損約為184,500,000港元，而截至二零一六年十二月三十一日止年度之虧損約為16,900,000港元。有關虧損增加主要由於於一間聯營公司新華(大慶)商品交易所有限公司(「新商所」)之權益之減值虧損、自營買賣分部產生虧損及結算可換股債券之撥備所致。

本集團分佔聯營公司之虧損約31,900,000港元，並就其於該聯營公司之權益確認減值虧損約40,800,000港元。於二零一六年十二月，新商所董事會議決進行業務重組(當中涉及暫停主要業務營運)以符合當地規定。於截至二零一七年十二月三十一日止年度及直至本公司財務報表批准日期，新商所之業務營運依舊暫停及並無有關恢復業務營運之任何資料。本集團已在獨立估值師協助下對其截至二零一七年十二月三十一日於新商所之權益進行減值評估。根據評估，本集團於新商所之權益之可收回金額釐定為約1,900,000港元，相應確認減值虧損約40,800,000港元並計入綜合損益及其他全面收益表。董事認為，有關非現金減值撥備符合本公司之利益。

二零一七年，美國和世界經濟好轉，帶動企業獲利成長，在美股及全球股市漲勢下，港股屢創新高，恒指升幅逾36.0%。但隨著恒指不斷上試2017年高位之際，令不少投資者轉趨審慎。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year ended 31 December 2017, the total revenue of Sheng Yuan Financial Services Group Limited and its subsidiaries (the “SYFS Group”) decreased by nearly 13.0% to approximately HK\$60.5 million (2016: approximately HK\$69.5 million).

For securities business, the revenue from securities brokerage and financial services during the year ended 31 December 2017 decreased by 27.0% to approximately HK\$17.8 million (2016: approximately HK\$24.4 million); segment profit decreased by approximately 36.7% to approximately HK\$1.9 million (2016: approximately HK\$3.0 million). Such decrease in revenue was mainly due to the inactive trading in placing market in light of the less increase of the small and medium-sized stocks than blue chips.

For asset management business, Sheng Yuan Asset Management Limited (“SYAM”) acts as the fund manager or investment adviser for 11 funds and 4 discretionary accounts. The total assets under management of SYAM have increased by nearly 16.9% to more than approximately HK\$10.4 billion (2016: approximately HK\$8.9 billion) as of 31 December 2017. During the year ended 31 December 2017, SYAM recorded segment revenue of approximately HK\$45.7 million (2016: approximately HK\$47.6 million), representing a slightly decrease of approximately 4.0%; it recorded segment profit of approximately HK\$8.2 million (2016: approximately HK\$6.5 million), representing an increase of approximately 26.2%.

For proprietary trading business, the SYFS Group mainly invests in the listed shares and private funds in Hong Kong market. During the year ended 31 December 2017, the segment loss from proprietary trading business was approximately HK\$30.8 million (2016: segment profit of HK\$ 25.7 million). Such loss was mainly derived from the decreased value of some shares held caused by a slump in prices of penny stocks.

As the recovery of the commodity market remains slow, the Group has continued to suspend its trading business for the year ended 31 December 2017. The segment loss for trading business for the year ended 31 December 2017 was approximately HK\$2.3 million (2016: segment loss of HK\$3.3 million).

Sheng Yuan Financial Services Group Limited 及其附屬公司(「SYFS集團」)在截至二零一七年十二月三十一日止年度之總收入下跌近13.0%至約60,500,000港元(二零一六年：約69,500,000港元)。

證券業務方面，於截至二零一七年十二月三十一日止年度，來自證券經紀及金融服務之收益減少27.0%至約17,800,000港元(二零一六年：約24,400,000港元);分部溢利減少約36.7%至約1,900,000港元(二零一六年：約3,000,000港元)。有關收益減少主要是由於中小型的股票升幅遜色於藍籌股，令配售市場不活躍所致。

資產管理業務方面，盛源資產管理有限公司(「盛源資產管理」)作為基金管理人或投資顧問管理的基金已達11隻，管理的專戶達4個。截至二零一七年十二月三十一日，盛源資產管理所管理之資產總額增長近16.9%至逾約104億港元(二零一六年：約89億港元)。於截至二零一七年十二月三十一日止年度，盛源資產管理分部收益輕微減少約4.0%至約45,700,000港元(二零一六年：約47,600,000港元);分部溢利為增長約26.2%至約8,200,000港元(二零一六年：約6,500,000港元)。

自營買賣業務方面，SYFS集團主要投資香港市場之上市股份及私募基金。於截至二零一七年十二月三十一日止年度，自營買賣業務帶來之分部虧損約30,800,000港元(二零一六年：分部溢利25,700,000港元)。其虧損主要來自2017年中的細價股暴跌後而拖累部分所持有股票的價值。

由於商品市場復甦依然緩慢，本集團於截至二零一七年十二月三十一日止年度繼續暫停其貿易業務。截至二零一七年十二月三十一日止年度，貿易業務之分部虧損約為2,300,000港元(二零一六年：分部虧損3,300,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 9 April 2014, Sheng Yuan Financial Services Group Limited (“SYFS”), a direct wholly-owned subsidiary of the Company, entered into a subscription agreement (the “Subscription Agreement”) with several subscribers, pursuant to which the subscribers conditionally agreed to subscribe for and SYFS conditionally agreed to issue the convertible bonds at an aggregate consideration of HK\$45 million (the “SYFS CBs”). Details of the Subscription Agreement and the SYFS CBs have been set out in the announcement and circular of the Company dated 9 April 2014 and 16 May 2014 respectively.

On 15 June 2017, the Company received conversion notices from Team Effort Investments Limited (“Team Effort”) in respect of the exercise of the conversion rights attached to the SYFS CBs in the aggregate amount of HK\$45,000,000 held by Team Effort at the conversion price of HK\$10,000 per conversion share. Subsequent to the issue and allotment of 4,500 conversion shares upon full conversion of the SYFS CBs at the conversion price, a total of 4,500 conversion shares will be issued, representing 45% of the issued share capital of SYFS as enlarged by the issue and allotment of the conversion shares. The Company’s equity interest in SYFS will be reduced to approximately 55% and SYFS will become a non-wholly owned subsidiary of the Company.

As no new SYFS Share has been issued by SYFS to Team Effort in accordance with the terms and conditions of SYFS CBs and none of the SYFS CBs has been redeemed by SYFS, on 29 December 2017, the Company, SYFS and Team Effort entered into a deed of settlement, pursuant to which the Company will issue convertible bonds of a principal amount of HK\$90,000,000 (the “Convertible Bonds”) to Team Effort for the settlement and release of SYFS’ obligations under the SYFS CBs.

The Convertible Bonds will bear the rate of interest of 8% per annum and will be due on the second anniversary of the initial issue date. Assuming the exercise in full of the conversion right at the initial conversion price of HK\$0.35 per share and the aggregate principal amount of HK\$90,000,000 of the Convertible Bonds is issued, a total of 257,142,857 conversion shares will be issued. Up to the reporting date, the issue of the Convertible Bonds was yet to be completed.

於二零一四年四月九日，本公司之直接全資附屬公司 Sheng Yuan Financial Services Group Limited (「SYFS」) 與數名認購人訂立認購協議(「認購協議」)。據此，有關認購人有條件同意認購，而 SYFS 有條件同意發行可換股債券，總代價為 45,000,000 港元(「SYFS 可換股債券」)。認購協議及 SYFS 可換股債券之詳情已分別載於本公司日期為二零一四年四月九日及二零一四年五月十六日之公告及通函。

於二零一七年六月十五日，本公司接獲 Team Effort Investments Limited (「Team Effort」) 之轉換通知，內容有關按換股價每股換股股份 10,000 港元行使 Team Effort 所持總額為 45,000,000 港元之 SYFS 可換股債券所附帶之轉換權。按換股價悉數轉換 SYFS 可換股債券而發行及配發 4,500 股換股股份後，將發行合共 4,500 股換股股份，佔 SYFS 經發行及配發換股股份擴大後之已發行股本之 45%。本公司於 SYFS 之股本權益將消減至約 55%，而 SYFS 將成為本公司之非全資附屬公司。

由於 SYFS 並無根據 SYFS 可換股債券的條款及條件向 Team Effort 發行新 SYFS 股份，且 SYFS 並無贖回 SYFS 可換股債券，故於二零一七年十二月二十九日，本公司、SYFS 及 Team Effort 訂立結算契據，據此，本公司將向 Team Effort 發行本金額為 90,000,000 港元之可換股債券(「可換股債券」)，以結算及解除 SYFS 可換股債券項下之 SYFS 債務。

可換股債券之年利率將為 8 厘，並將於首個發行日期後第二週年滿時到期。假設按初步兌換價悉數行使兌換權及已發行本金總額為 90,000,000 港元之可換股債券，本公司將按初步兌換價每股股份 0.35 港元發行合共 257,142,857 股兌換股份。截至報告日期，發行可換股債券尚待完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECTS

The SYFS Group will establish a more complete service platform of financial management. Apart from its traditional brokerage business, Sheng Yuan Securities Limited will further develop the intermediary businesses such as underwriting of IPO, placement of private notes, bonds and funds, as well as shares to deliver steady profit growth. SYAM will continue to step up its efforts in funds management and discretionary accounts management services to expand its customer base, at the same time keeping abreast of the market trends. Sheng Yuan Capital (Hong Kong) Limited will expand its financial consultancy businesses including IPO financing arrangement, merger and acquisition.

We expect that the continuous complex and fluctuating global market, such as the tax reform and protective trade policy in the US and the incorporation of China A-shares into MSCI Emerging Markets Index and MSCI ACWI Global Index in 2018, will affect the capital allocation all over the world. However, Hong Kong, as an international hub, will play an important linking role in the development of China's "The Belt and Road" Initiative and Guangdong-Hong Kong-Macau Greater Bay Area. The newly appointed management of the SYFS Group will facilitate to get hold of development opportunities and expand businesses on conditions of enhancing financial risks prevention, prudential management and compliance, striving for break even and sound growth in 2018.

ACQUISITION AND DISPOSAL

There was no material acquisition or disposal during the year ended 31 December 2017.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, cash and bank balances in general accounts maintained by the Group were approximately HK\$87.6 million, representing a decrease of approximately 30.8% from approximately HK\$126.5 million as at 31 December 2016. Balances in trust and segregated accounts were approximately HK\$221.6 million (2016: HK\$301.1 million). Trade and other receivables and prepayments were approximately HK\$69.5 million as at 31 December 2017 (2016: HK\$32.0 million), which mainly represented increased receivables from money lending business and increased trade volume arising from business of securities brokerage. Trade and other payables and

前景

SYFS集團將更全面地建立金融理財服務平台，盛源證券有限公司除傳統的經紀業務之外，將進一步發展中間業務，如：IPO承銷，私人票據、債券、基金及股份配售等中間業務，以獲得穩健的盈利增長；盛源資產管理將繼續大力發展基金管理和專戶管理服務，開拓更多客戶，把握市場脈搏；盛源資本(香港)有限公司則開拓IPO融資安排諮詢，兼併與收購等財務諮詢業務。

我們預期全球市場的複雜性及波動性會持續，如美國的稅務改革、貿易保護政策及在2018年中國A股納入MSCI新興市場指數和MSCI ACWI全球指數等，將會影響全球資金配置。然而，中國的「一帶一路」建設及粵港澳大灣區發展，香港作為國際樞紐，會發揮重要的聯繫角色。SYFS集團新管理人員的加入，將更為把握發展時機，在提升防範金融風險、審慎管理及合規性等前提下開拓業務，力爭2018年實現盈虧平衡穩健增長。

收購及出售

於截至二零一七年十二月三十一日止年度，概無任何重大收購或出售。

流動資金及財務資源

於二零一七年十二月三十一日，本集團維持現金及銀行結餘(屬一般賬戶)約87,600,000港元，較二零一六年十二月三十一日之約126,500,000港元減少約30.8%。信託及獨立賬戶之結餘約為221,600,000港元(二零一六年：301,100,000港元)。於二零一七年十二月三十一日，貿易及其他應收賬款以及預付款項約為69,500,000港元(二零一六年：32,000,000港元)，主要源於來自貸款業務之應收賬款增加及證券經紀業務交易量增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

accruals were approximately HK\$242.5 million as at 31 December 2017 (2016: HK\$419.5 million), which was due to decrease in other payable from asset management business and decrease in trade payable from securities brokerage.

The Group's current assets and current liabilities as at 31 December 2017 were approximately HK\$418.2 million (2016: HK\$693.1 million) and approximately HK\$420.3 million (2016: HK\$611.8 million) respectively. No borrowings as at 31 December 2017 (2016: HK\$26.4 million). The gearing of the Group, measured as total debts to total assets, remained healthy at approximately 33.2% as at 31 December 2017 (2016: 24.7%). As at 31 December 2017, the Group recorded net assets of approximately HK\$12.5 million (2016: HK\$166.4 million), which was decrease mainly due to the loss recorded during the year ended 31 December 2017. During the year ended 31 December 2017, the Group financed its operations with internally generated cash flow and funds from convertible bonds issued.

CAPITAL RAISING AND USE OF PROCEEDS

ISSUE OF CONVERTIBLE BONDS

Pursuant to subscription agreements entered into by the Company on 17 November 2017, the Company issued convertible bonds with aggregate principal amount of HK\$110,000,000 ("SYHL Bonds"), to two individual subscribers on 23 November 2017. The SYHL Bonds entitled the holders to convert them into ordinary shares of the Company at an initial conversion price of HK\$0.35 per share of the Company at any time before the first anniversary date of the initial issue date. The SYHL Bonds bear interests at 8% per annum. The net proceeds of the SYHL Bonds issue, after deduction of expenses, were approximately HK\$109.9 million. The net proceeds arising from the issuance of SYHL Bonds were applied to repay debts of the Company.

於二零一七年十二月三十一日，貿易及其他應付賬款以及應計費用約為242,500,000港元(二零一六年：419,500,000港元)，乃由於資產管理業務之其他應付賬款減少以及證券經紀之貿易應付賬款減少所致。

本集團於二零一七年十二月三十一日之流動資產及流動負債分別約為418,200,000港元(二零一六年：693,100,000港元)及約420,300,000港元(二零一六年：611,800,000港元)。於二零一七年十二月三十一日，並無借貸(二零一六年：26,400,000港元)。於二零一七年十二月三十一日，本集團之資產負債比率(按總債務對總資產計算)約為33.2%(二零一六年：24.7%)，維持於穩健水平。於二零一七年十二月三十一日，本集團錄得資產淨值約12,500,000港元(二零一六年：166,400,000港元)，其減少主要是由於截至二零一七年十二月三十一日止年度錄得虧損所致。於截至二零一七年十二月三十一日止年度，本集團以內部現金流量及已發行可換股債券之資金為其業務提供資金。

籌資及所得款項用途

發行可換股債券

根據本公司於二零一七年十一月十七日訂立之認購協議，本公司於二零一七年十一月二十三日向兩名個人認購人發行本金總額為110,000,000港元之可換股債券(「盛源控股債券」)。盛源控股債券賦予持有人權利，可於首個發行日期之第一週年當日前任何時間將之按初始兌換價每股本公司股份0.35港元兌換為本公司普通股。盛源控股債券以年利率8厘計息。發行盛源控股債券之所得款項淨額(扣除開支後)約109,900,000港元。發行盛源控股債券之所得款項淨額已用於償還本公司債務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's transactions are mainly denominated in Hong Kong dollars, United States dollars ("USD"), and Renminbi ("RMB"). The Group has not implemented any foreign currencies hedging policies. However, the Group's management will closely monitor exchange rate movement and will take appropriate actions to reduce the risks.

CAPITAL STRUCTURE

During the year ended 31 December 2017, 20,000,000 shares of the Company were issued upon exercise of share options.

SIGNIFICANT SECURITIES INVESTMENTS

During the year ended 31 December 2017, the Company acquired an aggregate of 377,894,903 shares of Hong Kong Life Sciences and Technologies Group Limited, a company listed on the GEM of the Stock Exchange (stock code: 8085) at an average cost of HK\$0.144 each for a consideration of approximately HK\$54.5 million. As at 31 December 2017, such securities investment was at fair value of approximately HK\$37.8 million, accounting for approximately 8.7% of the Group's total assets and the loss on the change in fair value for the year ended 31 December 2017 was approximately HK\$16.7 million.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2017, Group did not have any pledged assets.

HUMAN RESOURCES

As at 31 December 2017, the Group employed 49 employees. The remuneration policy and package of the Group's employees are maintained at market level and are reviewed annually by management. In addition to basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

外匯風險管理

本集團之交易主要以港元、美元(「美元」)及人民幣(「人民幣」)列值。本集團並無實行任何外幣對沖政策。然而，本集團管理層將密切監控匯率變動，並將採取適當行動減低風險。

資本架構

於截至二零一七年十二月三十一日止年度，因行使購股權而已發行20,000,000股本公司股份。

重大證券投資

截至二零一七年十二月三十一日止年度，本公司購入香港生命科學技術集團有限公司(一間於聯交所GEM上市之公司(股份代號：8085))合共377,894,903股股份，平均成本為每股0.144港元，代價約為54,500,000港元。於二零一七年十二月三十一日，有關證券投資公平值約為37,800,000港元，佔本集團資產總值之約8.7%及截至二零一七年十二月三十一日止年度之公平值變動虧損約為16,700,000港元。

或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債。

抵押資產

於二零一七年十二月三十一日，本集團並無任何抵押資產。

人力資源

於二零一七年十二月三十一日，本集團聘用49名僱員。本集團僱員之薪酬政策及待遇維持在市場水平，並由管理層每年檢討。除基本薪金、酌情花紅、強制性公積金及醫療保險計劃外，董事會亦會根據個別僱員表現及本集團業績，酌情向合資格僱員授出購股權。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTOR

Mr. Wu Siu Lam, William, aged 54, was appointed as an executive Director in December 2012 and was further appointed as the chief executive officer of the Company in September 2013. Mr. Wu is responsible for the overall business operations and management of the Group. Mr. Wu obtained his bachelor's degree in education, postgraduate certificate in education management and postgraduate diploma in education management from The University of Wolverhampton, United Kingdom. Mr. Wu is also certified as a 高級理財規劃師 (Senior China Certified Financial Planner (ChFP)) by Ministry of Labour and Social Security of the People's Republic of China (the "PRC"). He was appointed as the Advisor in Economic Growth of Hebei Chengde Hi-Rank & Hi-Tech Industries Development Zone (承德市高新技術產業開發區經濟發展顧問) in 2006. The private company previously held by him was engaged by entities to provide financial solutions, business feasibilities and fund raising liaison in the PRC.

Ms. Cheng Kit Sum, Clara, aged 46, was appointed as an executive Director in June 2014 and the chief financial officer of the Company in August 2014. Ms. Cheng is responsible for the overall financial and administrative functions and corporate governance of the Group. Ms. Cheng has over 20 years of professional and senior managerial experiences in legal compliance, corporate financial planning and management. Ms. Cheng has been holding senior positions in listed companies in Hong Kong since 2000. She also worked for First Shanghai Capital Limited and PricewaterhouseCoopers. Ms. Cheng holds a bachelor's degree in accountancy from the Hong Kong Polytechnic University. She is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Qiu Bin, aged 50, was appointed as an executive Director and the chief operating officer of the Company in July 2017. Mr. Qiu holds a Master of Business Administration Degree from the City University of Macau. He had worked with various large corporations in mainland China and been responsible for project investment, assets restructuring, property development and property leasing and management. Mr. Qiu has over 15 years of experience in investment management. Mr. Qiu was the general manager of China Technology Education Trust Association during the period from January 2009 to October 2011. Mr. Qiu was the executive director of Suncity Group Holdings Limited (formerly known as Sun Century Group Limited), the shares of which are listed on the main board of the Stock Exchange, during the period from June 2012 to May 2015.

執行董事

胡少霖先生，54歲，於二零一二年十二月獲委任為執行董事，其後於二零一三年九月再獲委任為本公司行政總裁。胡先生負責本集團之整體業務運作管理。胡先生持有由英國伍爾弗漢普頓大學(The University of Wolverhampton)頒授之教育學士學位、教育管理深造證書及教育管理深造文憑。胡先生亦為獲中華人民共和國(「中國」)勞動和社會保障部認證之高級理財規劃師(ChFP)。彼於二零零六年獲委任為河北省承德市高新技術產業開發區經濟發展顧問。彼先前持有之私營公司曾獲不同實體委聘於中國提供財務解決方案、業務可行性研究及集資聯繫工作。

鄭潔心女士，46歲，於二零一四年六月獲委任為執行董事，於二零一四年八月獲委任為本公司財務總裁。鄭女士負責本集團整體財務及行政職能以及企業管治。鄭女士於法律規章、企業融資規劃及管理方面擁有逾二十年專業及高級管理經驗。鄭女士自二零零零年起一直擔任香港上市公司之高級職務。彼亦曾任職於第一上海融資有限公司及羅兵咸永道會計師事務所。鄭女士持有香港理工大學之會計文學士學位，並為香港會計師公會會員及英國特許公認會計師公會資深會員。

邱斌先生，50歲，於二零一七年七月獲委任為本公司之執行董事及營運總裁。邱先生持有澳門城市大學工商管理碩士學位。彼曾於國內多間大型公司工作，負責專案投資、資產重組及房地產開發、物業租賃及管理，在投資管理方面具有超過15年的經驗。於二零零九年一月至二零一一年十月期間，邱先生出任中國科技教育基金會總經理。於二零一二年六月至二零一五年五月期間，邱先生曾擔任太陽城集團控股有限公司(前稱為太陽世紀集團有限公司)之執行董事，該公司股份於聯交所主板上市。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

NON-EXECUTIVE DIRECTOR

Mr. Chen Zhong Min, aged 53, was appointed as a non-executive Director in January 2018. Mr. Chen obtained a Bachelor's degree in Laws from Dr. Sun Yat Sen University and a Master's degree in International Banking Law Studies from Boston University School of Law. From June 1992 to September 1995, Mr. Chen was the deputy director of the President Office of the People's Bank of China, Shenzhen Branch. Mr. Chen was also the executive director of several companies in Sydney, Australia from January 1996 to August 2004. Mr. Chen has extensive experience in equity investment in Greater China region and is familiar with the international rules/laws and operations of worldwide capital market.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Huan Guocang, aged 68, was appointed as an independent non-executive Director in June 2015. Dr. Huan is currently the chief executive officer of Primus Pacific Partners Limited ("Primus"). Dr. Huan holds master degrees in arts from the Graduate School of International Studies of the University of Denver in 1982 and Columbia University in 1983, a PhD degree from Princeton University in 1987 and John Olin post doctoral fellow from the Centre for International and Strategic Studies of Harvard University in 1987. Before the set-up of Primus in 2005, Dr. Huan has been the Head of Investment Banking (Asia Pacific) of HSBC, the co-Head of Investment Banking (Asia Pacific) of Citigroup, the managing director and Head of China of BZW Asia Limited, a senior economist and vice president of J.P. Morgan, an assistant professor of Columbia University and an economist of Deutsche Bank. Dr. Huan is currently the independent non-executive director of Beijing Development (Hong Kong) Limited, the shares of which are listed on the Stock Exchange.

非執行董事

陳重民先生，53歲，於二零一八年一月獲委任為非執行董事。陳先生持有中國廣州中山大學法律學士學位及美國波士頓大學法學院國際銀行法碩士學位。於一九九二年六月至一九九五年九月期間，陳先生於中國人民銀行深圳分行行長辦公室擔任副主任。由一九九六年一月至二零零四年八月期間，陳先生亦於澳洲悉尼擔任多家公司之執行董事。陳先生擁有豐富的大中華區股權投資經驗，亦熟悉國際資本市場之國際規則／法律及營運。

獨立非執行董事

宦國蒼博士，68歲，於二零一五年六月獲委任為獨立非執行董事。宦博士現任博智資本有限公司（「博智資本」）之行政總裁。宦博士分別於一九八二年及一九八三年在美國丹佛大學國際學研究生院及美國哥倫比亞大學獲得文學碩士學位，於一九八七年在美國普林斯頓大學獲得哲學博士學位，並於同年在美國哈佛大學歐林國際戰略研究中心作博士後研究員。宦博士於二零零五年成立博智資本之前，歷任滙豐銀行亞太區投資銀行主管、花旗集團亞太區投資銀行聯席主管、巴克萊德勝亞洲有限公司董事總經理兼中國業務主管、摩根大通高級經濟師兼副總裁、美國哥倫比亞大學助理教授，以及德意志銀行經濟分析師。宦博士現為北京發展（香港）有限公司（其股份於聯交所上市）之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Mr. Lo Ka Wai, aged 49, was appointed as an independent non-executive Director in March 2014. Mr. Lo has over 20 years experience in financial management and corporate finance gained from working as a chief financial officer and/or a company secretary for various listed companies in Hong Kong. Currently, Mr. Lo is an independent non-executive director of Yusei Holdings Limited, the shares of which are listed on the main board of the Stock Exchange. Mr. Lo had been an executive director of Han Tang International Holdings Limited and National United Resources Holdings Limited, the shares of both of which are listed on the main board. Mr. Lo had also been a chief financial officer of a company, the shares of which are listed on the GEM of the Stock Exchange. Mr. Lo graduated from the University of Wollongong, Australia with a bachelor degree in commerce. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.

Mr. Wu Fred Fong, aged 70, was appointed an independent non-executive Director in March 2014. Mr. Wu has considerable experience in auditing, corporate planning, investment, consulting and finance with public companies in Canada and Hong Kong. Mr. Wu holds a master of business administration degree from The Schulich School of Business, York University in Canada. Mr. Wu is a chartered accountant qualified in Canada and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Wu has substantial directorship and corporate governance experience. Currently, Mr. Wu is the independent non-executive director of Minth Group Limited, the shares of which are listed on the Stock Exchange.

羅嘉偉先生，49歲，於二零一四年三月獲委任為獨立非執行董事。羅先生曾於多間香港上市公司任職財務總裁及／或公司秘書，於金融管理及企業融資方面擁有逾二十年經驗。羅先生現時擔任友成控股有限公司之獨立非執行董事（該公司股份於聯交所主板上市）。羅先生曾擔任漢唐國際控股有限公司及國家聯合資源控股有限公司之執行董事（該等公司股份均於主板上市）。羅先生亦曾擔任一間公司之財務總裁（該公司股份於聯交所GEM上市）。羅先生畢業於澳洲臥龍崗大學（University of Wollongong），獲頒商學士學位。羅先生為香港會計師公會及澳洲會計師公會會員。

胡晃先生，70歲，於二零一四年三月獲委任為獨立非執行董事。胡先生在加拿大及香港公眾公司之審計、公司籌劃、投資、諮詢及融資等方面積累多年經驗。胡先生持有加拿大約克大學舒力克商學院（The Schulich School of Business, York University）工商管理碩士學位，並為加拿大特許註冊會計師及香港會計師公會資深會員。胡先生擁有豐富的董事及企業管治經驗。胡先生現為敏實集團有限公司之獨立非執行董事，該公司之股份於聯交所上市。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code on corporate governance practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the year ended 31 December 2017 except the following deviations:

The Code provision A.2.1 stipulates that the role of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. Although the Company does not have a Chairman, all major decisions are made in consultation with the Board members and the senior management of the Company. There are three independent non-executive Directors in the Board. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

Under the Code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings. Dr. Huan Guocang, Mr. Lo Ka Wai and Mr. Wu Fred Fong, all are independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 26 May 2017 as they had other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules as a code of conduct of the Company for directors’ securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company’s code of conduct regarding directors’ securities transactions throughout the year ended 31 December 2017.

企業管治常規

本公司致力維持高水平之企業管治標準及程序，以保障全體股東之利益，以及加強公司問責性及提高透明度。本公司於截至二零一七年十二月三十一日止年度一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之《企業管治常規守則》（「守則」），惟下列偏離情況除外：

守則條文第A.2.1條訂明主席及行政總裁之職能應有所區分及不應由同一人擔任。儘管本公司並無設主席職位，但所有重大決策均經諮詢本公司董事會成員及高級管理層後作出。董事會有三名獨立非執行董事。董事會認為已有足夠之權力平衡，且現有之安排可維持本公司管理層之強勢地位。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會。獨立非執行董事宦國蒼博士、羅嘉偉先生及胡晃先生因有其他事務需要處理而均未能出席本公司於二零一七年五月二十六日舉行之股東週年大會。

董事進行證券交易的標準守則

本公司已採納上市規則所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易之操守準則。本公司已向全體董事作出具體查詢，各董事於截至二零一七年十二月三十一日止整個年度一直遵守標準守則所載規定標準，以及本公司有關董事進行證券交易之操守準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

As at 31 December 2017, the Board comprised three executive Directors and three independent non-executive Directors.

The composition of the Board's members during the year ended 31 December 2017 and up to the date of this report is as follows:

EXECUTIVE DIRECTORS

Mr. Wu Siu Lam, William (*Chief Executive Officer*)
Ms. Cheng Kit Sum, Clara (*Chief Financial Officer*)
Mr. Qiu Bin (*Chief Operating Officer*) (appointed on 27 July 2017)

NON-EXECUTIVE DIRECTOR

Mr. Chen Zhong Min (appointed on 2 January 2018)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Huan Guocang
Mr. Lo Ka Wai
Mr. Wu Fred Fong

During the year ended 31 December 2017, 7 Board meetings were held. Detail of the Directors' attendance records was as follows:-

Name		Meetings attended/ Eligible to attend
姓名		出席會議次數/ 合資格出席會議次數
Executive Directors	執行董事	
Mr. Wu Siu Lam, William	胡少霖先生	7/7
Ms. Cheng Kit Sum, Clara	鄭潔心女士	7/7
Mr. Qiu Bin	邱斌先生	4/4
Independent Non-executive Directors	獨立非執行董事	
Dr. Huan Guocang	宦國蒼博士	7/7
Mr. Lo Ka Wai	羅嘉偉先生	7/7
Mr. Wu Fred Fong	胡晃先生	7/7

董事會

於二零一七年十二月三十一日，董事會由三名執行董事及三名獨立非執行董事組成。

於截至二零一七年十二月三十一日止年度及截至本報告刊發日期，董事會之組成成員如下：

執行董事

胡少霖先生 (*行政總裁*)
鄭潔心女士 (*財務總裁*)
邱斌先生 (*營運總裁*)
(二零一七年七月二十七日獲委任)

非執行董事

陳重民先生 (二零一八年一月二日獲委任)

獨立非執行董事

宦國蒼博士
羅嘉偉先生
胡晃先生

於截至二零一七年十二月三十一日止年度，共舉行七次董事會會議。有關董事出席詳情載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2017, one general meeting was held. Detail of the Directors' attendance records was as follows:-

於截至二零一七年十二月三十一日止年度，共舉行一次股東大會。有關董事出席詳情載列如下：

Name		Meetings attended/ Eligible to attend
姓名		出席會議次數/ 合資格出席會議次數
Executive Directors		
	執行董事	
Mr. Wu Siu Lam, William	胡少霖先生	1/1
Ms. Cheng Kit Sum, Clara	鄭潔心女士	1/1
Mr. Qiu Bin	邱斌先生	0/0
Independent Non-executive Directors		
	獨立非執行董事	
Dr. Huan Guocang	宦國蒼博士	0/1
Mr. Lo Ka Wai	羅嘉偉先生	0/1
Mr. Wu Fred Fong	胡晃先生	0/1

The Board is responsible for the formulation of the Group's strategies and policies, approval of annual budget and business plan, and supervising the management of day-to-day operation of the Group to ensure the business objectives are met. In addition, the Board has also delegated various responsibilities to the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") and the audit committee (the "Audit Committee") of the Company. Further details of these committees are set out in this report.

董事會負責制定本集團之策略及政策、審批年度預算及業務計劃，以及監督本集團之日常營運管理，致力確保業務目標得以實現。此外，董事會亦已向本公司薪酬委員會（「薪酬委員會」）、提名委員會（「提名委員會」）及審核委員會（「審核委員會」）轉授多項職責。該等委員會之進一步詳情載於本報告內。

During the year ended 31 December 2017, the Board has reserved for its decisions over all major matters of the Group including:-

於截至二零一七年十二月三十一日止年度，董事會保留其對本集團所有重要事項之決定權，包括：

- | | |
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| <ol style="list-style-type: none"> 1. discussion on the Group's strategies and future development; 2. reviewed the term of employment of Directors; 3. discussion on and approval of the financial results of the Group and the recommendation of any dividend; 4. approval on the appointment of directors; 5. approval on issuance of convertible bonds; | <ol style="list-style-type: none"> 1. 討論本集團之策略及未來發展； 2. 檢討董事任期； 3. 討論及批准本集團財務業績及建議任何股息； 4. 批准委任董事； 5. 批准發行可換股債券； |
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CORPORATE GOVERNANCE REPORT

企業管治報告

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| 6. reviewed the interim results of the Group for the period ended 30 June 2017; | 6. 審閱本集團截至二零一七年六月三十日止期間之中期業績； |
| 7. reviewed the internal control system and risk management of the Group; | 7. 檢討本集團內部監控制度及風險管理； |
| 8. approval on exercise and grant of share options; | 8. 批准行使及授出購股權； |
| 9. approval on the renewal of tenancy agreement; and | 9. 批准重續租賃協議；及 |
| 10. matters as required by laws and ordinance. | 10. 法例及條例規定之事宜。 |

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged at the expenses of the Company whenever necessary.

The Directors are committed to complying with the Code provision A.6.5 on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and confirmed to comply with the code on director's training for the financial year ended 31 December 2017.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has not adopted A.2.1 of the Code by appointing separate individual to take up the roles of the chairman and chief executive officer. In the absence of a chairman, the executive Directors will be responsible for the management of the Board and ensure good corporate governance practices will be implemented.

NON-EXECUTIVE DIRECTORS

Under the Code provision A.4.1, all the non-executive Directors should be appointed for a specific term, subject to re-election. Each of the non-executive Director and independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election as required by the bye-law of the Company (the "Bye-Law").

董事之持續專業發展

董事持續獲得有關法例及監管制度發展以及業務環境變動之最新資料，以便彼等履行職責。此外，如有需要，本公司亦會為董事安排持續簡報及專業發展培訓，費用由本公司承擔。

董事承諾遵守守則條文第A.6.5條有關董事培訓之規定。全體董事均曾參與持續專業發展，以發展並更新其知識及技能，並已確認彼等於截至二零一七年十二月三十一日止財政年度遵守董事培訓守則。

主席及行政總裁

本公司並無採納守則第A.2.1條，委任單獨個人為主席及行政總裁。本公司並無設立主席職位，執行董事將負責董事會管理事務，並確保實施良好企業管治常規。

非執行董事

根據守則條文第A.4.1條，全體非執行董事均須按特定任期委任，並接受重選。各非執行董事及獨立非執行董事按特定任期獲委任，並須根據本公司之公司細則（「公司細則」）規定輪值告退及接受重選。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with specific written terms of reference which deals clearly with its authority and duties. The principal duties of the Remuneration Committee include:-

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management;
2. to determine the specific remuneration packages of all executive Directors and senior management and make recommendations to the Board of the remuneration of non-executive Directors;
3. to review and approve performance-based remuneration from time to time;
4. to review and approve the compensation payable to executive Directors and senior management and compensation arrangements relating to dismissal or removal of Directors for misconduct; and
5. to ensure that no Director or any of his associates is involved in deciding his own remuneration.

Currently, the members of the Remuneration Committee are Mr. Wu Fred Fong (Chairman), Dr. Huan Guocang, and Mr. Lo Ka Wai. During the year ended 31 December 2017, the Remuneration Committee held two meetings. The attendance of individual members was set out in the following table.

薪酬委員會

本公司已成立薪酬委員會，並書面訂明其具體職權範圍，清楚說明其職權及職責。薪酬委員會之主要職責包括：

1. 就本公司所有董事及高級管理層之薪酬政策及架構向董事會提出推薦意見；
2. 釐定全體執行董事及高級管理層之特定薪酬方案，並就非執行董事之薪酬向董事會提出推薦意見；
3. 不時檢討及審批與表現掛鈎之薪酬；
4. 檢討及審批應付執行董事及高級管理層之賠償以及由於行為不當而解僱或罷免董事之賠償安排；及
5. 確保概無董事或其任何聯繫人士參與訂定其本身之薪酬。

現時，薪酬委員會成員為胡晃先生（主席）、宦國蒼博士及羅嘉偉先生。於截至二零一七年十二月三十一日止年度，薪酬委員會曾舉行兩次會議。下表載列各成員出席會議之情況。

Name		Meetings attended/ Eligible to attend
姓名		出席會議次數/ 合資格出席會議次數
Mr. Wu Fred Fong	胡晃先生	2/2
Dr. Huan Guocang	宦國蒼博士	2/2
Mr. Lo Ka Wai	羅嘉偉先生	2/2

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

The Nomination Committee was established with specific written terms of reference which deals clearly with its authority and duties. The principal duties of the Nomination Committee include:

- 1) to review the structure, size and composition of the Board and make recommendations for changes as necessary, 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, to assess the independence of independent non-executive Directors, and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the CEO. The Nomination Committee should meet at least once a year and when the need arises.
- 2) responsible for identifying, recruiting and evaluating new nominees to the Board and the assessment of the qualifications of the directors. The criteria adopted to select and recommend candidates for directorship includes the candidate's experience, professional knowledge, integrity, time commitment and other statutory or regulatory requirements.

The Board has adopted a Board Diversity Policy (the "Policy") to comply with the Code Provision on board diversity. The Policy aims to set out the approach to achieve diversity in the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates on merit and against the objective criteria with due regard for the benefits of diversity on the Board.

提名委員會

本公司已成立提名委員會，並書面訂明其具體職權範圍，清楚說明其職權及職責。提名委員會之主要職責包括：

- 1) 檢討董事會之架構、規模及組成，並於必要時就任何變動提出推薦意見，物色具備合適資格可擔任董事會成員之人士，並甄選提名有關人士出任董事或就此向董事會提出推薦意見，評核獨立非執行董事之獨立性，以及就有關董事委任或重新委任及董事(尤其是主席及行政總裁)繼任計劃之相關事宜向董事會提出推薦意見。提名委員會須每年最少舉行一次會議以及於有需要時舉行會議。
- 2) 負責為董事會物色、招聘及評估新獲提名人士，以及評估董事之資歷。提名委員會已採納用以甄選及建議董事會候選人之準則，包括有關候選人之經驗、專業知識、誠信、付出之時間及其他法定或監管規定。

董事會已採納一項董事會多元化政策(「該政策」)以遵守就董事會多元化之守則條文。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，包括(但不限於)性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee currently consists of three independent non-executive Directors namely Dr. Huan Guocang (Chairman), Mr. Lo Ka Wai and Mr. Wu Fred Fong. During the year ended 31 December 2017, the Nomination Committee held two meetings. The attendance of individual members was set out in the following table.

提名委員會現時由三名獨立非執行董事(即宦國蒼博士(主席)、羅嘉偉先生及胡晃先生)組成。於截至二零一七年十二月三十一日止年度，提名委員會曾舉行兩次會議。下表載列各成員出席會議之情況。

Name		Meetings attended/ Eligible to attend 出席會議次數/ 合資格出席會議次數
Dr. Huan Guocang	宦國蒼博士	2/2
Mr. Lo Ka Wai	羅嘉偉先生	2/2
Mr. Wu Fred Fong	胡晃先生	2/2

During the meetings, the Nomination Committee reviewed the composition of the Board.

會上，提名委員會檢討董事會之組成。

AUDITORS' REMUNERATION

During the year ended 31 December 2017, the remunerations payable to the auditor of the Company, BDO Limited, are set out as follows:

核數師酬金

於截至二零一七年十二月三十一日止年度，應付本公司核數師香港立信德豪會計師事務所有限公司之酬金載列如下：

Services rendered	提供服務	Fee payable 應付費用 HK\$'000 千港元
Audit services	審核服務	1,400
Non-audit services	非審核服務	537

AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference which deals clearly with its authority and duties. The principal duties of the Audit Committee include:

審核委員會

本公司已成立審核委員會，並書面訂明其具體職權範圍，清楚說明其職權及職責。審核委員會之主要職責包括：

1. to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and review and monitor their independence and objectivity as well as the effectiveness of the audit process;

1. 就外聘核數師之委任、重新委任及罷免向董事會提出推薦意見，並檢討及監察外聘核數師是否獨立客觀，以及審核程序是否有效；

CORPORATE GOVERNANCE REPORT

企業管治報告

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| <p>2. to approve the remuneration and terms of engagement of external auditors, maintain appropriate relationship between the Group and the external auditors and develop policy on the engagement of the external auditors to supply non-audit services;</p> <p>3. to ensure the integrity of the interim and annual consolidated financial statements and any significant financial reporting judgments contained in them; and review the external auditor's work, including management letter and management's response; and</p> <p>4. to review the Company's internal control and risk management systems.</p> | <p>2. 批准外聘核數師之酬金及聘用條款、維持本集團與外聘核數師之適當關係及制定委聘外聘核數師提供非審核服務之政策；</p> <p>3. 確保中期及年度綜合財務報表及當中所載有關任何財務申報之重大意見之完整性；以及審閱外聘核數師之工作，包括管理層函件及管理層之回應；及</p> <p>4. 檢討本公司之內部監控及風險管理制度。</p> |
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Currently, the members of the Audit Committee are Mr. Lo Ka Wai (Chairman), Dr. Huan Guocang and Mr. Wu Fred Fong. During the year ended 31 December 2017, the Audit Committee held two meetings and the attendance of individual members was set out in the following table.

現時，審核委員會成員為羅嘉偉先生(主席)、宦國蒼博士及胡晃先生。於截至二零一七年十二月三十一日止年度，審核委員會曾舉行兩次會議，下表載列各成員出席會議之情況。

Name	Meetings attended/ Eligible to attend
姓名	出席會議次數/ 合資格出席會議次數
Mr. Lo Ka Wai	羅嘉偉先生 2/2
Dr. Huan Guocang	宦國蒼博士 2/2
Mr. Wu Fred Fong	胡晃先生 2/2

During the year ended 31 December 2017, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditor.

於截至二零一七年十二月三十一日止年度，董事會與審核委員會在外聘核數師之甄選、委任、辭任或罷免等事宜上，並無任何意見分歧。

COMPANY SECRETARY

Mr. Or Wing Keung, the Company Secretary of the Company, is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chief Executive Officer and is responsible for advising the Board on corporate governance matters. During the year ended 31 December 2017, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

公司秘書

本公司之公司秘書柯永強先生為本集團全職僱員，彼對本公司日常事務瞭如指掌。公司秘書向行政總裁匯報並負責就企業管治事宜向董事會提供意見。於截至二零一七年十二月三十一日止年度，公司秘書一直妥為遵守上市規則第3.29條項下有關相關專業培訓之規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is directly responsible for internal control and risk management of the Group and for reviewing their effectiveness. The Board conducts a review on the internal control system of the Group on an annual basis and has the responsibility to maintain an effective internal control system. The Board also reviews and monitors the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate.

The Group's internal control system is comprised of a system of controlled management wherein various authoritative limits are placed to ensure that the Group is able to supervise, control and assess various functions within Group. The system further permits the Group to safeguard its accounting records to minimize material errors in order to provide as accurate as possible financial information.

During the year under review, the Company engaged an external independent consultant to conduct a review on the internal control and risk management systems of the Group in order to maintain high standards of corporate governance. The Board has also reviewed the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function. Based on the above, the Board is of the view that the Company has established a proper internal control and risk management systems which are effective and adequate.

The Company have formulated an inside information policy providing guideline on handling inside information. The Company regularly reminds the directors and employees about compliance with all policies adopted by the Company regarding inside information including the Model Code set out in Appendix 10 of the Listing Rules in relation to dealings in securities of the Company.

內部監控及風險管理

董事會直接負責本集團的內部監控及風險管理並檢討其成效。董事會每年檢討本集團的內部監控系統，負責維持內部監控系統的有效性。董事會亦定期檢討並監察內部監控及風險管理系統的成效，以確保現行系統充分有效。

本集團的內部監控系統由管理控制系統組成，在該系統中會設立各種權限，以確保本集團能監察、控制及評估本集團內部的各種職能。此系統能進一步令本集團保障其會計記錄，盡量減少重大錯誤，從而提供盡可能準確的財務資料。

於回顧年度，本公司委聘一名外部獨立顧問就本集團內部監控及風險管理系統進行檢討，以維持高水平的企業管治。董事會亦對本公司會計及財務申報職能的資源充裕性、員工資質及經驗、培訓計劃及預算作出檢討。綜上所述，董事會認為本公司已建立一套適宜的內部監控及風險管理系統，有效且充分。

本公司已制定內幕消息政策，就處理內幕消息提供指引。本公司定期提醒董事及僱員，買賣本公司證券時遵守本公司採用的所有內幕消息相關政策，包括上市規則附錄十所載之標準守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The statement of the auditor of the Company, BDO Limited, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 66 to 77 of this annual report. Save as disclosed in the independent auditor's report under the heading "Material Uncertainty Related to Going Concern", the Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern as at 31 December 2017.

The Directors wish to make the following statement with regard to the Material Uncertainty Related to Going Concern in the Independent Auditor's Report.

The Group had incurred significant losses for the year and had net current liabilities of approximately HK\$2 million as at 31 December 2017. The Directors consider that the losses incurred for the year were mainly non-cash items and the current liabilities include a provision for settlement of convertible bonds of approximately HK\$33.7 million. Notwithstanding these conditions, the financial statements have been prepared on a going concern basis on the following assumptions:

- the business of the Group will generate sufficient cash flows to cover operating costs and interest payments; and
- the Group will obtain loan financing or other alternative financial arrangements to settle its debts if necessary.

The Directors are of the view that the Group and the Company will be able to continue as going concern and that the financial statements have been prepared on that basis.

就綜合財務報表須承擔之責任

董事確認彼等須負責根據法定規定及適用會計準則編製本集團綜合財務報表。本公司核數師香港立信德豪會計師事務所有限公司就其對本集團綜合財務報表須承擔之申報責任而發出之聲明，載於本年報第66頁至77頁之「獨立核數師報告」。除獨立核數師報告內「與持續經營相關之重大不確定因素」所披露者外，於二零一七年十二月三十一日，董事並不知悉有任何重大不明朗事件或情況可能會嚴重影響本集團持續經營之能力。

董事謹此就獨立核數師報告中與持續經營相關之重大不確定因素作出以下聲明。

本集團年內產生重大虧損，於二零一七年十二月三十一日之流動負債淨額約為2,000,000港元。董事認為年內產生之虧損主要為非現金項目，而流動負債包括結算可換股債券之撥備約33,700,000港元。儘管存在該等條件，財務報表已按持續經營基準基於以下假設編製：

- 本集團之業務將產生充足現金流量以支付經營成本及利息付款；及
- 本集團將於需要時取得貸款融資或其他財務安排以償還其債務。

董事認為，本集團及本公司將可繼續持續經營，而財務報表已按此基準編製。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board is committed to provide clear and full performance information of the Group to shareholders through the publication of interim and annual reports. In addition to dispatching circulars, notices, financial reports to shareholders, addition information is also available to shareholders from the Group's website. Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The chairman and Directors are available to answer question on the Group's businesses at the meeting.

Pursuant to the Bye-laws, 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 a special 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 months after the deposit of such requisition.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions put to vote at the annual general meeting will be taken by way of poll. The chairman of the annual general meeting will explain the detailed procedure for conducting a poll at the commencement of the annual general meeting.

Shareholders who have enquiries to put to the Board may write to the company secretary of the Company at the principal place of business in Hong Kong at Suites 4301-5, 43/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company will not normally deal with verbal or anonymous enquiries. For the avoidance of doubt, the shareholder(s) must provide their full name, contact details and identification in order that the Company can give them a reply.

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

投資者關係及股東權利

董事會透過刊發中期報告及年度報告，致力為股東提供清晰而全面之本集團表現資料。除了寄發通函、通告及財務報告予股東外，本集團亦會於網站登載其他資料，以供股東瀏覽。本公司鼓勵股東出席股東週年大會，而本公司會就股東週年大會發出最少二十個完整營業日之通知。主席及董事均會出席大會，以解答有關本集團業務之提問。

根據公司細則，於遞呈要求日期持有不少於本公司繳足股本(附有可於本公司股東大會上投票之權利)十分之一的股東，於任何時候均有權向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理相關要求中列明的任何事宜，而有關大會必須於相關要求遞呈後兩個月內舉行。

根據上市規則第13.39(4)條，於股東大會上，股東所作之任何表決必須以投票方式進行。因此，於股東週年大會提呈表決之所有決議案，將以投票方式表決。股東週年大會主席將於股東週年大會開始時，講解有關以投票方式表決之詳細程序。

股東如欲向董事會作出查詢，可致函本公司之公司秘書安排處理，有關函件須寄往本公司之香港主要辦事處，地址為香港銅鑼灣勿地臣街1號時代廣場1座43樓4301-5室。本公司一般不會處理口頭或匿名查詢。為免生疑問，股東必須提供全名、聯絡資料及身份證明，以便本公司作出回覆。

本集團致力提高公司透明度及促進投資者關係，並且十分重視其股東之回饋意見。本公司歡迎股東隨時發表意見及提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONSTITUTIONAL DOCUMENTS OF THE COMPANY

During the year ended 31 December 2017, the Company has not made any changes to the Bye-Laws. An updated version of the Bye-Laws is available on the website of the Company and the Stock Exchange.

本公司組織章程文件

截至二零一七年十二月三十一日止年度，本公司並未對公司細則作出任何變更。公司細則最新版本刊載於本公司及聯交所網站，可供查閱。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION AND APPROACH TO ESG AND REPORTING

This Environmental, Social and Governance Report (the “ESG Report”) summarises the initiatives, programmes and performance of the Group as well as demonstrates its commitment to sustainability.

The core businesses of the Group are principally engaged in securities brokerage, financial services, asset management services and proprietary trading services in Hong Kong.

The Group believes that environmental protection, low carbon footprint, resource conservation and sustainable development are the key trends in society. In order to follow the key trends and pursue a successful and sustainable business model, the Group recognises the importance of integrating ESG aspects into its risk management system and has taken corresponding measures in its daily operation and governance perspective.

REPORTING SCOPE

Unless stated otherwise, this report covers the Group’s business activities in Hong Kong, which represent the Group’s major sources of revenue. The ESG key performance indicator (“KPI”) data is gathered and included under the Group’s direct operational control companies and subsidiaries. The following core businesses are reported:

- securities brokerage and financial services;
- asset management services; and
- proprietary trading.

The Group will continue to assess the major environmental, social and governance aspects of different businesses to determine whether it needs to be included in the environmental, social and governance reporting.

緒言以及環境、社會及管治方針與報告

本環境、社會及管治報告(「環境、社會及管治報告」)總結本集團在環境、社會及管治上的倡議、計劃及表現，並展示其在可持續發展方面的承諾。

本集團核心業務為主要於香港從事證券經紀、金融服務、資產管理服務及自營買賣服務。

本集團認為環保、低碳足跡、節約資源及可持續發展乃社會大趨勢。為順應大趨勢及追求成功及可持續的商業模式，本集團認同將環境、社會及管治理念融入其風險管理制度的重要性，並已在其日常營運及管治方面採取相應措施。

報告範圍

除非另有說明，本報告涵蓋本集團於香港的業務活動，此乃本集團收益的主要來源。環境、社會及管治關鍵績效指標(「關鍵績效指標」)資料乃基於本集團直接營運控制公司及附屬公司蒐集並記錄。本集團已報告以下核心業務：

- 證券經紀及金融服務；
- 資產管理服務；及
- 自營買賣。

本集團將繼續評估不同業務的重大環境、社會及管治範疇，以釐定是否需納入環境、社會及管治報告範圍內。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

REPORTING FRAMEWORK

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in the Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “ESG Reporting Guide”).

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on pages 13 to 24 of this report.

REPORTING PERIOD

ESG Report specifics the environmental, social and governance activities, challenges and measures being taken during the year ended 31 December 2017.

STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback regarding our businesses and ESG aspects. In order to understand and address their concerns, we have maintained close communication with our key stakeholders, including but not limited to customers, employees, suppliers, government and regulatory bodies, shareholders and investors as well as community, since our listing.

報告框架

本環境、社會及管治報告乃根據香港聯合交易所有限公司證券上市規則附錄二十七所載《環境、社會及管治報告指引》（「環境、社會及管治報告指引」）編製。

與本集團企業管治常規有關的資料載於本報告第13至24頁的企業管治報告。

報告期

環境、社會及管治報告詳述本集團於截至二零一七年十二月三十一日止年度於環境、社會及管治方面開展的活動、面臨的挑戰及採取的措施。

持份者參與

我們重視持份者及其對本集團業務及環境、社會及管治事宜的反饋。為瞭解及回應彼等的關注事項，自本公司上市以來，我們一直與主要持份者（包括但不限於客戶、僱員、供應商、政府及監管機構、股東及投資者以及社區等）維持密切溝通。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In formulating operational strategies and environmental, social and governance measures, we take into account the stakeholders' expectations and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community by utilising diversified engagement methods and communication channels, shown as below.

在制訂營運策略及環境、社會及管治措施時，我們會考慮持份者的期望，致力於透過利用多元化的參與方式及溝通渠道，彼此合作使本集團不斷改善其表現，為社區締造更大價值。有關方式及渠道如下：

Stakeholders 持份者	Communication Channel and feedback Approach 溝通渠道及反饋方式	Frequency 頻率
Customers 客戶	<ul style="list-style-type: none"> • Emails and customer service hotline • 電郵及客戶服務熱線 • Meetings • 會議 • Website, annual and interim reports • 網站、年報及中期報告 	<ul style="list-style-type: none"> • Day-to-day and/or irregular • 每日及/或不定期
Employees 僱員	<ul style="list-style-type: none"> • Training, seminars and briefing sessions • 培訓、研討會及簡報會 • Conference • 會議 • Emails • 電郵 	<ul style="list-style-type: none"> • Irregular • 不定期
Suppliers 供應商	<ul style="list-style-type: none"> • Supplier assessment exercise • 供應商評估機制 • Business cooperation • 業務合作 	<ul style="list-style-type: none"> • Irregular • 不定期
Government and regulatory bodies 政府及監管機構	<ul style="list-style-type: none"> • Consultations • 磋商 • Meetings • 會議 • Mails and website • 電郵及網站 	<ul style="list-style-type: none"> • Irregular • 不定期
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> • Annual general meeting • 股東週年大會 • Investor meetings • 投資者會議 • Press releases • 新聞稿 • Annual and interim reports, announcements and circulars • 年報及中期報告、公告及通函 	<ul style="list-style-type: none"> • Annual and/or if necessary • 每年及/或倘需要
Community 社區	<ul style="list-style-type: none"> • Community services and activities • 社區服務及活動 	<ul style="list-style-type: none"> • Irregular • 不定期

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community on a continuous basis.

MATERIALITY ASSESSMENT

The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG report, assisted the Group in reviewing its operation, identifying key environmental, social and governance issues and assessing the importance of these issues to our businesses and stakeholders. We compiled a questionnaire in reference to the identified material environmental, social and governance issues to collect the information from relevant departments and business units of the Group.

We have considered feedback from the relevant stakeholders in determining the Group's material ESG aspects to be covered in this report. These are shown in the table below, together with the aspects of the ESG Guide to which they relate:

我們旨在與持份者共同努力提升我們的環境、社會及管治表現，不斷為更廣泛的社區創造更大的價值。

重大評估

負責本集團各主要職能的管理層及僱員均有參與編製環境、社會及管治報告，協助本集團檢討其營運、甄別關鍵環境、社會及管治事宜以及評估相關事宜對我們的業務及持份者的重要性。我們已根據經甄別的重大環境、社會及管治事宜編製調查問卷，向本集團相關部門及業務單位收集資料。

我們於釐定本報告將涵蓋的重大環境、社會及管治事宜時已考慮相關持份者的反饋。有關重大事宜連同其相關的環境、社會及管治報告指引範疇於下表列示：

The Reporting Guide 報告指引	Material environmental, social and governance aspects 重大環境、社會及管治事宜	
A. Environment		
A. 環境		
A1. Emissions	Emissions	P. 30
A1. 排放物	排放物	
	Discharges into Water	P. 33
	向水排污	
	Waste Management	P. 33
	廢棄物管理	
A2. Use of Resources	Energy Consumption	P. 37
A2. 資源使用	能源消耗	
	Water Consumption and use of Packing Material	P. 38
	水源消耗及包裝材料使用	
A3. The Environment	Indoor Air Quality	P. 40
and Natural Resources	室內空氣質素	
A3. 環境及天然資源	Office Repair and Maintenance	P. 40
	辦公室維修及保養	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Reporting Guide

報告指引

Material environmental, social and governance aspects

重大環境、社會及管治事宜

B. Social

B. 社會

B1. Employment	Recruitment and Remuneration	P. 41
B1. 僱傭	招聘及薪酬	
	Work-life Balance	P. 42
	工作與生活平衡	
	Promotion and Career Development	P. 42
	晉升及職業發展	
	Communication Channels	P. 43
	溝通渠道	
	Equal Opportunities and Anti-Discrimination	P. 43
	平等機會及反歧視	
B2. Health and Safety	Safety Training	P. 44
B2. 健康與安全	安全培訓	
	Employee Health Management	P. 44
	僱員健康管理	
B3. Development and Training	Training and Development Policies and Management	P. 45
B3. 發展及培訓	培訓及發展政策以及管理	
B4. Labor Standards	Prevention of Child Labor or Forced Labor	P. 46
B4. 勞工準則	防止童工或強制勞工	
B5. Supply Chain Management	Environmental and Social Responsibility of Suppliers	P. 46
B5. 供應鏈管理	供應商環境及社會責任	
B6. Product Responsibility	Customer Service Policy	P. 47
B6. 產品責任	客戶服務政策	
	Safeguarding Customer's Assets	P. 47
	保障客戶資產	
	Data Privacy and Protection	P. 48
	資料私隱及保護	
	Investor Protection and Education	P. 49
	投資者保護及教育	
B7. Anti-Corruption	Anti-Corruption	P. 50
B7. 反貪污	反貪污	
	Prevention of Money-Laundering	P. 51
	防止洗黑錢	
	Compliance	P. 52
	合規	
B8. Community Investment	Community Investment	P. 52
B8. 社區投資	社區投資	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The recognition of sustainable development, employee benefits and development as well as environmental protection are the most fundamental elements to the operation of the Group.

During the year ended 31 December 2017, the Group confirmed that appropriate and effective management policies and internal control systems for environmental, social and governance issues are in place and confirmed the information disclosed in this report meets the Reporting Guide.

CONTACT US

Comments and suggestions are welcome from our stakeholders. Stakeholders may provide comments on ESG report or towards our performance in respect of sustainable development.

A. ENVIRONMENT

A1. EMISSIONS

General Disclosure and Key Performance Indicators (“KPI”)

The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. We are committed to promoting a green environment by introducing environmentally friendly business practices, educating our employees to raise their awareness on environmental protection and complying with the relevant environmental laws and regulations.

In order to enhance our environmental governance practice and mitigate the environmental impact produced by the Group’s operations, we have adopted and implemented relevant environmental policies and have communicated such policies to our employees. These policies apply the waste management principles of “reduce”, “reuse”, “recycle” and “replace” as well as emission mitigation principle, with an objective of minimising the adverse environmental impacts. These policies also ensure the waste disposal or emission generated is conducted in an environmentally responsible manner.

Within our policy framework, we continually look for different opportunities to pursue environmental friendly initiatives, enhance our environmental performance by reducing energy and use of other resources.

可持續發展、僱員福利及發展以及環境保護實屬本集團營運的最基本要素。

於截至二零一七年十二月三十一日止年度，本集團確認已就環境、社會及管治事宜設立合適及有效的管理政策及內部監控制度，並確認本報告所披露資料符合報告指引的要求。

聯絡我們

我們歡迎持份者提供意見及建議。持份者可就環境、社會及管治報告或我們在可持續發展方面的表現提供寶貴意見。

A. 環境

A1. 排放物

一般披露和關鍵績效指標（「關鍵績效指標」）

本集團通過就其業務活動及工作場所實施控制活動及監控措施，致力保護環境。我們致力推廣綠色環境，引入環保商業慣例，教導僱員提升環保意識並遵守相關環保法律法規。

為提高環境管理實踐及減輕本集團營運活動對環境的影響，我們已採納並實施相關環保政策及已將有關政策傳達致僱員。該等政策應用「減少使用」、「廢物重用」、「循環再造」及「替代使用」的廢物管理原則以及減排原則，旨在減少負面環境影響。該等政策亦確保所產生廢物或排放物處置方式符合環保原則。

在我們的政策框架內，我們不斷尋求各種機會實行環保措施，通過減少能源及其他資源使用，從而提升本集團的環保表現。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the year ended 31 December 2017, the Group was not aware of any material non-compliance with laws and regulations relating to environmental laws and regulations in Hong Kong that would have a significant impact on the Group.

Emissions

Since the Group's major business is securities trading and asset management in Hong Kong, the Group has no industrial production or any factory facilities. Therefore, the Group did not generate notable level of air or water pollutants during the year ended 31 December 2017.

On the other hand, the Group only generated limited greenhouse gas emissions mainly arising from the petrol consumed in business vehicles and electricity usage of the workplace. During the year ended 31 December 2017, the Group's total GHG emissions amounted to approximately 139.59 tonnes and the total GHG emission per employee was 2.85 tonnes/employee. The detailed summary of the GHG emission is shown as below:

GHG Performance Summary

GHG Scope ¹ 溫室氣體範圍 ¹	Intensity – Tonnes	
	Tonnes 噸	per employee 密度 – 噸 每僱員
Direct GHG emission (Scope 1) – petrol consumption 直接溫室氣體排放量(範圍1) – 油耗	22.89	0.47
Indirect GHG emission (Scope 2) – electricity consumption 間接溫室氣體排放量(範圍2) – 電耗	116.70	2.38
Total GHG emission (Scope 1 and Scope 2) 溫室氣體排放總量(範圍1及範圍2)	139.59	2.85

截至二零一七年十二月三十一日止年度，本集團並未發現香港有關環保法律法規的任何重大不合規並對本集團造成重大影響。

排放物

由於本集團主要於香港從事證券買賣及資產管理業務，本集團並無工業生產或任何工廠設施。因此，截至二零一七年十二月三十一日止年度本集團並未產生明顯的空氣或水污染物。

另一方面，本集團僅產生有限溫室氣體排放乃主要由於商務車用油及工作場所用電所致。截至二零一七年十二月三十一日止年度，本集團溫室氣體排放總量約139.59噸，每名僱員溫室氣體排放總量為2.85噸／僱員。溫室氣體排放量詳細概要如下所示：

溫室氣體表現概要

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Note:

1. GHG emissions data is presented in carbon dioxide equivalent and was in reference to, including but not limited to, the reporting requirements of the “GHG Protocol Corporate Accounting and Reporting Standard” issued by the World Resources Institute and the World Business Council for Sustainable Development, the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes)” and the Sustainability Report 2016 published by the Hongkong Electric Company.

Electricity consumption accounts for a major source of our greenhouse gas emissions. We have adopted various green measures in our offices to improve our operational efficiency and to reduce the greenhouse gas emissions as well as energy consumption of the Group.

During the year ended 31 December 2017, the Group has performed the following measures relating to mitigating emissions:

- Adopted lighting control based on actual needs;
- Replaced energy efficient LED lighting to energy-inefficient light bulbs by phases;
- Utilised higher energy-efficiency office equipment in our workplace;
- Arranged regular examination of the business vehicles on the exhaust gas emission;
- Encouraged our staff to utilise teleconferences and video conferences, to reduce air and carbon emissions related to transportation needed for meetings;
- Regularly publicised environmental protection messages and green tips to our staff on the message board, staff newsletters or emails; and
- Encouraged our staff to participate in activities relating to the promotion of green environment.

Despite the Group's energy efficiency and emission performance being improved in long term, our colleagues' sense of environmental protection and emission mitigation has been continuously fostered and awareness of their responsibility in achieving energy saving in workplace has been strengthened.

附註：

1. 溫室氣體排放數據乃按二氧化碳當量呈列，並參考(包括但不限於)World Resources Institute(世界資源研究所)及World Business Council for Sustainable Development(世界可持續發展工商理事會)刊發的《溫室氣體盤查議定書：企業會計與報告標準》、《建築物(商業、住宅或公共用途)的溫室氣體排放及減除的核算和報告指引》及香港電燈有限公司刊發的二零一六年可持續發展報告的匯報規定計算。

電耗為本集團溫室氣體排放的主要來源。我們已於辦公室採納多項環保措施以改善我們的營運效益及減少溫室氣體排放以及本集團能耗。

截至二零一七年十二月三十一日止年度，本集團已執行下列有關減排措施：

- 根據實際需求採納照明控制；
- 分階段將高能耗的燈泡更換為高效能的LED照明燈；
- 在我們的辦公場所使用更高效能的辦公設備；
- 定期檢查商務車的廢氣排放；
- 鼓勵我們的員工利用電話會議及視頻會議，以減少會議所需交通運輸產生的相關空氣及碳排放；
- 定期於留言板、員工通訊或電子郵件向員工宣傳環保信息及環保提示；及
- 鼓勵員工參與促進環保相關的活動。

儘管長期來看本集團的節能效率及排放表現得以改善，本集團亦將不斷培養同事的環保及減排意識並加強彼等於辦公場所實現節能的責任意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Discharges into water

As aforementioned, we do not consume significant amounts of water through our business activities and therefore our business activities did not generate material portion of discharges into water. The water supply and discharge facilities of the offices are managed by the property management company.

Wastes Management

Due to the business nature, we also did not generate significant amount of hazardous wastes and only generated limited non-hazardous wastes during the year ended 31 December 2017.

The non-hazardous wastes generated by the Group's operations mainly consist of paper. During the year ended 31 December 2017, the consumption volume generated by the Group is shown as below:

Non-hazardous waste category 無害廢棄物種類	Quantity 數量	Unit 單位	Intensity – Unit per employee 密度 – 單位 每僱員
Paper 紙張	182,611	Pages 張	3,726.76

The Group adheres to waste management principle and strives to properly manage and dispose wastes produced by our business activities.

向水排污

如上文所述，我們的業務活動中並未消耗大量的水。因此，我們的業務活動並未產生大量污水排放物。辦公室的供水和排水設施由物業管理公司管理。

廢棄物管理

業務性質使然，截至二零一七年十二月三十一日止年度，我們亦未產生大量有害廢棄物僅產生有限無害廢棄物。

本集團營運產生的無害廢棄物主要為紙張。截至二零一七年十二月三十一日止年度，本集團用紙量如下所示：

本集團堅守廢物管理原則，致力適當處理及處置我們的業務活動產生的所有廢物。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Non-hazardous waste handling method

Our staff and the assigned administrative staff in the workplace collectively take the responsibilities for the waste management, in reference to the established environmental policies, including but not limited to the following measures:

- Organised, maintained and cleaned the garbage and waste recycling areas;
- Sorted recycled wastes into appropriate containers;
- Placed appropriate signage on walls and bins, indicating the types of wastes to be recycled; and
- Ensured that no garbage is to be placed on building colonnade areas.

Under the waste management principles of “reduce”, “reuse”, “recycle” and “replace” established in the relevant guidelines, the Group has taken the above measures.

Usage of paper

During the year ended 31 December 2017, the Group has performed the following measures relating to efficient usage of paper:

- Minimised the paper usage at our workplace by recycling used papers regularly and using double-sided printing;
- Encouraged our staff to use electronic communications for directories, forms, reports and storage when possible;
- Recycled and reused papers, carton boxes, envelopes and folders which have been used, including all non-confidential documents from the Group; and
- Explored the opportunity of using Forest Stewardship Council certified paper.

With the aim of minimizing the environmental impact of generating non-hazardous wastes from its business operation, the Group recycled approximately 671kg papers, which are equivalent to reduce the greenhouse emissions amounted to around 3.22 tonnes.

無害廢棄物處理方法

我們的員工及工作場所指定管理人員共同負責廢棄物管理，參考已制定的環保政策(包括但不限於)下列措施：

- 整理、維持及清理垃圾及廢棄物回收區；
- 將回收廢棄物分類至合適收集箱；
- 於牆壁及垃圾箱上張貼合適標示，註明可回收廢棄物類別；及
- 確保樓宇柱廊區域未傾倒垃圾。

根據相關指引制定的「減少使用」、「廢物重用」、「循環再造」及「替代使用」的廢物管理原則，本集團已採納上述措施。

紙張的使用

截至二零一七年十二月三十一日止年度，本集團已採納下列有關有效使用紙張措施：

- 通過定期回收使用紙張及雙面打印減少工作場所紙張使用量；
- 鼓勵員工盡可能就名錄、表格、報告及儲存採用電子通訊方式；
- 循環使用曾用過的紙張、紙箱、信封及文件夾，包括本集團所有非機密文件；及
- 尋求機會使用森林管理委員會認可的紙張。

為盡量減低本集團業務營運產生的無害廢棄物對環境的影響，本集團已回收約671 千克紙張，相當於減少溫室氣體排放約3.22 噸。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Maximising the lifespan of office stationary

The procurement and disposal of office stationary serves another focus of our operational sustainability efforts. The office stationary has a great hidden environmental and social impact across its product life. The impacts arise from its production and use to eventual disposal. We have launched the following measures:

- Maximised every stationary lifespan (such as plastic binding ring, paper clip, etc.) by searching opportunities to reuse and refurbish them internally whenever feasible;
- Purchased reusable stationary whenever it is possible, such as Refillable Rollerball Pens and correction tape;
- Avoided single-use disposable items; and
- Used rechargeable batteries where applicable

Increase awareness

The Group has enhanced general awareness of importance of reducing waste generation and disposal through green procurement practices and by training and promotion to our staff, suppliers and customers.

Despite the Group's waste disposal being reduced in long run, our staff's awareness of their responsibility in reducing the wastes in workplace has been strengthened.

On top of complying with the general disclosure requirement of Aspect A1, we have complied with the KPI requirement which is summarised below:

盡量延長辦公用品的使用壽命

辦公用品的採購及處理是我們努力實現營運可持續性的另一重要方面。辦公用品在其產品壽命中隱藏著巨大的環境及社會影響。這種影響來自於其生產、使用乃至最終處理。我們已推出以下措施：

- 我們透過發掘辦公用品在可行情況下再次使用及對其內部進行整修的機會，盡量延長每件用品(如塑料圈裝、紙夾等)的使用壽命；
- 只要可能，我們會購買可重複使用的用品，如可換芯簽字筆及改錯帶；
- 避免使用一次性用品；及
- 如適用使用可充電電池

提高環保意識

本集團通過實行綠色採購常規以及對員工、供應商及客戶進行培訓並向其推廣，提高減少廢物產生及處理的重要性認識。

儘管長期來看本集團的廢物處理已減少，本集團員工於辦公場所減少製造廢物的責任意識已得以加強。

除遵守A1層面的一般披露要求外，我們已遵守關鍵績效指標之要求，概述如下：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

“Comply or explain” Provisions

「不遵守就解釋」條文

KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Disclosed 已述
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity 溫室氣體總排放量(以噸計算)及(如適用)密度	Disclosed 已述
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity 所產生有害廢棄物總量(以噸計算)及(如適用)密度	Not applicable 不適用
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity 所產生無害廢棄物總量(以噸計算)及(如適用)密度	Disclosed 已述
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果	Disclosed 已述
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Disclosed 已述

A2. USE OF RESOURCES

General Disclosure and KPI

The Group is committed to optimising the use of resources in all of its business operations. Therefore, we have taken the initiatives to introduce resource efficiency and eco-friendly measures to the Group's operations on a continuous basis.

The Group has established relevant policies and procedures in governing the efficient use of resources, including petrol, electricity and office consumables, in accordance with the objectives of achieving higher energy efficiency and reducing the unnecessary use of materials.

A2. 資源使用

一般披露和關鍵績效指標

本集團致力於在其所有業務營運中優化利用資源。因此，一如既往，本集團將節能及環保概念融入其業務營運中。

本集團已根據達致更高能源效率及減少非必要材料使用的目標，制定相關政策及程序管理有效利用資源，包括汽油、電力及辦公耗材。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Energy Consumption

Due to the business nature of the Group, the volume of petrol consumption and electricity consumption are considered as relatively low.

During the year ended 31 December 2017, the Group's consumption in petrol and electricity were:

Energy Type	Quantity	Unit	Intensity – Unit per employee
能源種類	數量	單位	密度 – 單位每僱員
Petrol 汽油	8,453.21	Litre 升	172.51
Electricity 電力	147,727	kWh 千瓦時	3,041.84

On top of the energy saving measures disclosed in the aspect A1, the Group has also conducted the following actions to improve the energy efficiency performance, including but not limited to:

- Placed reminder stickers next to the power switches and power buttons and reminder posters in order to encourage our staff to take initiatives in energy saving;
- Encouraged employees to turn off idling equipment, computers and lightings, when not in use or after working hours;
- Monitored the energy usage on a monthly basis, along with investigating significant variance noted;
- Utilised natural light where possible;
- Adopted power-saving features for office equipment and computers;
- Performed vehicle and equipment maintenance on a regular basis to prevent inefficient fuel consumption or abnormal operations;
- Supported the Energy Saving Charter in 2017 imposed by the building management, including taking below measures:
 - Maintained an average indoor temperature between 24-26°C during the summer period;
 - Switched off electrical appliances when not in use; and
 - Procured energy efficient appliances only upon replacement of old appliances or due to new business needs.

能源消耗

基於本集團的業務性質，本集團的油耗及用電量相對較低。

截至二零一七年十二月三十一日止年度，本集團汽油消耗量和耗電量為：

除A1層面所述的節能措施外，本集團亦實行下列措施提高能源效率表現，包括但不限於：

- 於電源開關、電源按鈕及提示海報旁張貼提醒標籤，鼓勵我們的員工採取節能措施；
- 在不需要使用或下班後，鼓勵員工關掉閒置設備，如電腦及照明設備；
- 每月監測能源使用情況，並對顯著差異進行調查；
- 盡可能利用自然光；
- 採用辦公設備及電腦的節電功能；
- 定期對車輛及設備進行保養，以防止低效燃料消耗或異常操作；
- 支持屋宇署於二零一七年推行的節能約章，包括採取以下措施：
 - 夏季維持室內平均溫度為24-26°C；
 - 於不用時關閉電器；及
 - 僅於更換舊電器或開展新業務需要時採購節能電器。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

By adopting different energy conservation measures, the Group believes it has set a role model for corporate social responsibility as well as has enhanced its green and low-carbon image. More importantly, the Group strives in cost reduction in terms of less electricity consumption in workplace in the long run.

Water consumption and use of packaging materials

The Group has not consumed significant water in its business activities. During the year ended 31 December 2017, only 8.82 tonnes of drinking water were consumed by the Group and the drinking water consumption per employee was 0.18 tonnes/employee.

The Group recognises the growing concern of the public regarding water conservation and is committed to promoting awareness of water conservation amongst its staff.

Green messages and labels of water conservation are posted to remind staff to avoid unnecessary water consumption, including encouraging them utilise hand dryer instead of paper towel in toilets.

Due to the Group's business nature and operation mainly based in Hong Kong, the issue in sourcing water that is fit for purpose is not relevant to the Group.

In addition, the Group has no industrial production or any factory facilities. Therefore, we did not consume significant amount of package materials during the year ended 31 December 2017.

透過採納各種節能措施，本集團相信其已為企業社會責任樹立榜樣，並已提高其倡導環保與低碳的企業形象。更重要的是，長期而言，本集團致力降低工作場所電力消耗降低成本。

水源消耗及包裝材料使用

本集團在業務活動中不會大量用水。截至二零一七年十二月三十一日止年度，本集團僅用了8.82噸飲用水，每位僱員的飲水量為0.18噸／僱員。

本集團認識到公眾對節約用水的日益關注，並致力提高其員工的節水意識。

張貼節約用水環保信息及標籤提醒員工避免不必要用水，包括鼓勵其如廁後使用烘手機而非紙巾。

基於本集團的業務性質及其主要於香港開展業務，因此，本集團無須考慮求取適用水源問題。

此外，本集團並無工業生產或任何工廠設施。因此，截至二零一七年十二月三十一日止年度本集團並未消耗大量包裝材料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

On top of complying with the general disclosure requirement of Aspect A2, we have complied with the KPI requirement which is summarised below:

除遵守A2層面的一般披露要求外，我們已遵守關鍵績效指標之要求，概述如下：

“Comply or explain” Provisions

「不遵守就解釋」條文

KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type and intensity 按類型劃分的直接及／或間接能源耗量及密度	Disclosed 已述
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity 總耗水量及密度	Disclosed 已述
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Disclosed 已述
KPI A2.4 關鍵績效指標 A2.4	Description on whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Issue in sourcing water – not applicable due to its business nature; 求取水源問題 – 不適用 (因業務性質) ; Remaining – disclosed 其他 – 已述
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products. 製成品所用包裝材料的總量。	Not applicable due to its business nature 不適用 (因業務性質)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A3. ENVIRONMENT AND NATURAL RESOURCES

General Disclosure and KPI

Although the Group has remote impact on the environment and natural resources, as an ongoing commitment to good corporate citizenship, the Group endeavours to minimize negative environmental impact of our business operations and our investment portfolios, in order to achieve a sustainable development for generating long-term values to our stakeholders and community as a whole.

We regularly assess the environmental risks of our businesses, and adopt preventive measures as necessary to reduce the risks and ensure the compliance of relevant laws and regulations.

On top of considering the sustainability element in its investment portfolios, we have also carried out the following measures to mitigate any adverse impact, including but not limited to:

Indoor air quality

Indoor air quality in our workplace is regularly monitored and measured. By adopting air purifying equipment in the workplace as well as conducting regular cleaning of air conditioning system, these measures resulted in maintaining indoor air quality and filtering out pollutants, contaminants and dust particles.

Office repair and maintenance

From time to time, our offices may undergo repair and maintenance work. To lessen the disturbance of these activities on our staff and customers, our suppliers are requested to use materials or equipment with less emissions and noises when performing such repair and maintenance work.

During the year ended 31 December 2017, the Group was not aware of any non-compliance with laws and regulations in respect of the environment and natural resources.

A3. 環境及天然資源

一般披露和關鍵績效指標

儘管本集團對環境及天然資源影響甚微，作為良好企業公民的持續承諾，本集團盡力將業務營運及投資組合對環境的負面影響減至最低，以實現可持續發展，為我們的持份者及社區整體產生長期價值。

我們定期評估我們業務的環境風險，並採納必要的防範措施以減少風險及確保遵守相關法律及規例。

除考慮其投資組合內的可持續性因素外，我們亦已執行下列措施以減輕任何負面影響，包括但不限於：

室內空氣質素

定期監控及測量工作場所的室內空氣質素。本集團通過在工作場所採用空氣淨化設備以及定期清潔空調系統等舉措，以維持室內空氣質素以及過濾污染物及灰塵。

辦公室維修及保養

我們的辦公室可能需不時進行維修及保養工作。為減輕該等活動對我們的員工及客戶的干擾，當進行有關維修及保養工作時，要求我們的供應商使用較少排放及噪音的材料或設備。

截至二零一七年十二月三十一日止年度，本集團並不知悉存在有關環境及天然資源方面的任何不符合法律法規的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

On top of complying with the general disclosure requirement of Aspect A3, we have complied with the KPI requirement which is summarised below:

“Comply or explain” Provisions

「不遵守就解釋」條文

KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Disclosed 已述
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除遵守A3層面的一般披露要求外，我們已遵守關鍵績效指標之要求，概述如下：

B. SOCIAL

B1. EMPLOYMENT

General disclosure

Human resources are the foundation in supporting the development of the Group. Hence, we established Human Resources Management Policy to fulfill our vision on people-oriented management and realising the full potential of employees. The captioned policy and procedures are formally documented in the Staff Handbook, covering resources planning, performance evaluation, training, recruitment, resignation, transfer, compensation and welfare and employee satisfaction survey, etc.

During the year ended 31 December 2017, the Group was not aware of any material non-compliance with employment-related laws and regulations (i.e. Employment Ordinance) in Hong Kong that would have a significant impact on the Group.

Recruitment and Remuneration

The Company hires employees through open recruitment, fair competition and strict appraisals and recruits staff on a selective basis in accordance with the standard of “having both ability and integrity”. Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The promotion and remuneration of the Group’s employees are subject to review regularly. Remuneration packages include holidays, annual leave, medical scheme, dental scheme, group insurance, mandatory provident fund, year end double pay and discretionary bonus.

B. 社會

B1. 僱傭

一般披露

人力資源為支持本集團發展之基礎。因此，我們制定了人力資源管理政策，以實現以人為本之管理願景，發揮僱員之全部潛能。上述政策及程序在員工手冊中有正式記錄，涵蓋資源規劃、表現評估、培訓、招聘、辭職、調職、薪酬與福利及僱員滿意度調查等方面。

截至二零一七年十二月三十一日止年度，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反僱傭相關法律及法規（即僱傭條例）之情況。

招聘及薪酬

本公司錄用僱員採取公開招聘、公平競爭、嚴格考核的辦法，按照「德才兼備」之標準，擇優錄用。本集團向僱員提供具競爭力之薪酬，並會根據其表現及經驗給予獎勵。本集團會定期檢討僱員之晉升及薪酬情況。薪酬待遇包括假期、年假、醫療計劃、牙醫保險計劃、集團保險、強制性公積金、年終雙糧及酌情花紅。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Work-life Balance

We value the importance of maintaining a healthy lifestyle and work-life balance of our employees. The Group actively engages its employees through social, employee bonding, outing, volunteer works and charity activities. We have organised work-life balancing activities for employees:

- Buffet;
- Christmas party;
- Spring tea;
- Longer lunch hour to enhance productivity: 12:30 p.m. - 2:00 p.m. (1.5 hours);
- Birthday celebration for every employee;
- Celebration of festivals; and
- Team building travel for employees (location: Nha Trang, Vietnam)

Promotion and Career Development

The employee promotion is subject to review regularly. The Group has established objective performance indicators for annual performance evaluation. In facilitating an effective two-way communication, every supervisor has to discuss the work performance with their subordinates regularly. Based on the assessment result, we offer rewards to employees in encouraging their continuous improvement.

We strive to develop an efficient human resource management mechanism to serve for the development strategy for the Group. Therefore, we offer chances of learning, training, practice and improvement to our talents according to their ability, quality and personal development with combination to their career path. We also implement track inspection and dynamic management to help our talents to improve their comprehensive ability.

工作與生活平衡

我們重視維護僱員之健康生活方式及工作與生活平衡之價值。本集團積極推動僱員熱誠投入參與社會、僱員聯誼、外遊、志願者工作及慈善活動。我們已為僱員舉辦工作與生活之間平衡相關活動：

- 自助午餐；
- 聖誕聯歡會；
- 春茗；
- 延長午餐時間以提高產能：下午十二時三十分至下午二時(1.5小時)；
- 為每位僱員慶祝生日；
- 共度佳節；及
- 為僱員組織團隊建設旅遊(地點：越南芽莊)

晉升與事業發展

本集團定期檢討僱員之晉升情況。本集團制定了客觀績效指標以評估年度表現。為促進有效之雙向溝通，每名主管定期與其下屬僱員討論績效。我們會根據評估結果獎勵僱員，以鼓勵彼等不斷進步。

我們努力制訂有效之人力資源管理機制，為本集團之發展策略服務。因此，我們根據各類人才之能力、質素情況及個人發展，結合彼等之職業發展路徑，對人才給予相應之學習培訓、實踐提高的機會。我們亦實施追蹤考察及動態管理，幫助僱員提升綜合能力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Communication Channels

To understand the work satisfaction of our employees, we have established various channels to communicate with them, including briefing sessions for new joiners, mailbox for recommendation, and employee satisfaction survey. On semi-annual basis, survey forms are distributed to collect employees' opinions on work responsibility, working environment, organisation and employee relationship, compensation and benefits, etc. The management reviews the result of the survey and implements corresponding improvement actions.

Equal opportunity and Anti-Discrimination

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics, gender or age. The Group has Staff Handbook outlining the terms and conditions of employment, expectation for employees' conducts and behaviours as well as employees' rights and benefits. The Group has also established and implemented policies in order to promote a harmony and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance on sexual harassment or abuse in the workplace in any form.

The proportion of employees by gender:

Male 男性	Percentage 百分比	Female 女性	Percentage 百分比	Total 總計	Percentage 百分比
21	42.86%	28	57.14%	49	100%

溝通渠道

為了解僱員之工作滿意度，我們建立了各種渠道與僱員溝通，包括新入職僱員簡報會、建議郵箱和僱員滿意度調查。每半年派發一次調查表蒐集僱員對工作責任、工作環境、組織及僱員關係、薪酬及福利等方面之意見。管理層審閱調查結果並因應實施改善措施。

平等機會及反歧視

無論個人特徵、性別或年齡，本集團為所有人士提供平等就業機會。本集團之員工手冊概列其僱傭條款及條件、僱員操守及行為預期以及僱員權利及福利等。本集團亦制定及執行政策，以建立充滿和諧與尊重之工作場所。為確保全體僱員受到合理公正之保護，本集團對於工作場所發生之任何形式性騷擾或虐待持零容忍態度。

僱員百分比(按性別)：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B2. HEALTH AND SAFETY

General disclosure

The Group prides itself on providing a safe and effective work environment as we believe that employees are the valuable assets of an enterprise and regards human resources as its corporate wealth. To maintain a safe working environment, the Group has established safety policies on the prevention and remediation of safety accidents, and detection on potential safety hazards in workplace.

The Group follows the occupational health and safety guidelines recommended by Labour Department and Occupational Safety and Health Council, and regularly encourages employees to attend relating workshops or training courses. Human Resources and Administration Department also takes responsibilities for offices' occupational health and safety and relevant promotions and monitoring.

During the year ended 31 December 2017, the Group was not aware of any material non-compliance with the laws and regulations relating to health and safety (i.e. Occupational Safety and Health Ordinance) in Hong Kong that would have a significant impact on the Group.

Safety Training

Employees should attend the trainings organised by the Group, in relation to occupational safety. Emergency and evacuation procedures were established to response timely and orderly in any major safety accidents. Employees are also free to provide feedbacks on improving the workplace safety.

Employee Health Management

The Group offers comprehensive health care coverage for our entire employees, including medical benefits and dental benefits. The Group continuously organises work-life balancing activities for employees and carried out other activities to promote healthy living style. Health and safety information are sent to raise awareness of occupational health and safety issues.

B2. 健康與安全

一般披露

本集團以提供安全及有效之工作環境為傲，因為我們認為僱員是企業的寶貴財產，並視人力資源為其公司財富。為維持安全的工作環境，本集團已制定安全政策以預防及治理安全事故，並檢測工作場所潛在安全隱患。

本集團遵循勞工處及職業安全健康局推薦的職業健康與安全指引，並鼓勵僱員定期參加有關工作坊或培訓課程。人力資源及行政部亦負責確保辦公場所的職業健康與安全以及開展相關宣傳及監控。

截至二零一七年十二月三十一日止年度，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反健康及安全相關法律及法規（即職業安全及健康條例）之情況。

安全培訓

僱員應參加本集團就職業安全組織之培訓。本集團設立緊急與逃生程序以及時有序地應對任何重大安全事故。本集團亦歡迎僱員為提升工作場所安全性提供反饋。

僱員健康管理

本集團為全體僱員提供綜合醫療保障，包括醫療福利及牙齒保健福利。本集團不斷為僱員組織工作與生活之間平衡的活動以及開展其他活動以促進養成健康的生活方式。我們提供健康與安全資訊，以提升職業健康與安全問題意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B3. DEVELOPMENT AND TRAINING

General disclosure

The Group regards our staff as the most important asset as they help to sustain its core values and culture. The Group is committed to providing comprehensive on-the-job trainings, which collectively serve as a platform to encourage staff to develop potential and self-improvement.

Training and Development Policies and Management

The Group has developed relevant training policies and procedures to enhance the training effectiveness. A training plan is developed by respective management based on the requirements from various departments and employees. Employees are granted training for acquiring the related licenses such as license of the Securities and Futures Commission (“SFC”) if necessary. Management examines the effectiveness of training programs, and provides improvement plans.

The Group has also organised workshops, seminars and training programmes for employees covering various aspects to improve their level of skills and knowledge and maximise their potentials. Employees are also encouraged to enroll in external study opportunities and job-related courses to enrich themselves through acquiring higher professional skills and qualifications.

During the year ended 31 December 2017, we organised in-house training classes, and invited external trainers to deliver training classes. Categories of the training classes included language proficiency, operational management, leadership skills, occupational health and safety, Continuous Professional Training of professional qualifications, and professional license examinations preparation, etc., for enhancing employees’ awareness, skills, knowledge and leaderships.

B3. 發展及培訓

一般披露

本集團視員工為最重要的資產，因為彼等幫助本集團維持其核心價值及文化。本集團致力提供全面的在職培訓項目，作為鼓勵員工開發潛力和自我提升之平台。

培訓及發展政策以及管理

本集團已制定有關培訓政策及程序提升培訓成效。各管理層根據多個部門及僱員之要求制定培訓計劃。僱員獲授進行培訓以取得相關執照，如證券及期貨事務監察委員會（「證監會」）之執照（倘必要）。管理層檢測培訓項目之成效並提出改進方案。

本集團亦為僱員舉辦工作坊、研討會及培訓課程，內容涵蓋各個方面，藉以提高其技能及知識水平，並發揮其最大潛能。本集團亦鼓勵僱員報讀外部進修機會及與工作相關之課程，通過獲取更高之專業技能及資格充實自己。

截至二零一七年十二月三十一日止年度，我們舉辦內部培訓班，並邀請外部導師任教，種類包括語言能力、營運管理、領導技能、職業健康及安全、專業資格持續培訓，以及專業執照備試課程等，以提升僱員意識、技能、知識及領導力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B4. LABOUR STANDARDS

General disclosure

Prevention of Child Labor or Forced Labor

Child and forced labour are strictly prohibited during the recruitment process as defined by the laws and regulations. The Group strictly complies with local laws and conducts recruitment based on the Hong Kong Employment Ordinance. Personal data are collected during the process to assist in the selection of suitable candidates. The Human Resources Department also ensures identity documents are carefully checked. If violation is involved, it will be dealt with in the light of the circumstances as clearly stated in the Group's Staff Handbook.

During the year ended 31 December 2017, the Group was not aware of any material non-compliance with the laws and regulations relating to child and forced labour (i.e. Employment Ordinance, etc.) in Hong Kong that would have a significant impact on the Group.

B5. SUPPLY CHAIN MANAGEMENT

General disclosure

The Company recognises the importance of green supply chain management in mitigating the indirect environmental and social risks. In view of green supply chain management, we are aware of the environmental and social practices of the suppliers, and strive to engage suppliers with responsible acts to the society.

Environmental and Social Responsibility of Suppliers

We actively share green practices with our suppliers, and deliver the importance of sustainable operations to them. In the supplier selection process, suppliers' environmental and social performances are considered as a selection criteria for establishing long-term relationship. Suppliers should not violate the relevant environmental and labour laws, and substantial violation may incur the termination of supplier relationship.

On the other hand, we have also formulated rules to ensure our suppliers competing under an open and fair mechanism. We do not differentiate or discriminate certain suppliers and we also strictly monitor and prevent all kinds of business bribery.

B4. 勞工準則

一般披露

防止童工或強制勞工

根據法律法規之規定，在招聘過程中會嚴格禁止童工和強制勞工。本集團嚴格遵守當地法律規定，根據香港僱傭條例開展招聘工作。招聘過程中收集之個人資料乃用於輔助甄選合適人選。人力資源部亦會確保仔細核查身份證明文件。若出現違規情況，將按照本集團員工手冊之明確規定結合具體情況進行處理。

截至二零一七年十二月三十一日止年度，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反有關童工及強制勞工相關法律及法規（即僱傭條例等）之情況。

B5. 供應鏈管理

一般披露

本公司確認綠色供應鏈管理對降低間接環境及社會風險之重要性。就綠色供應鏈管理而言，我們知悉供應商環境及社會實踐並努力促使供應商作出對社會負責之行為。

供應商之環境及社會責任

我們積極與供應商分享環保實踐，向彼等傳遞可持續經營之重要性。於供應商甄選過程中，供應商之環境及社會表現被視作建立長遠關係之甄選標準。供應商不應違反有關環境及勞工法，嚴重違反可能導致供應關係終止。

另一方面，我們亦制訂規則以確保供應商根據公開公平機制進行競爭。我們不會區分對待或歧視供應商，我們亦會嚴格監督及阻止各種商業賄賂。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B6. PRODUCT RESPONSIBILITY

General disclosure

The Group is committed to provide reliable products and services by offering sustainable and responsible platform and services as well as protects the interests of clients.

During the year ended 31 December 2017, the Group was not aware of any material non-compliance with customer services, asset protection and data privacy-related laws and regulations (i.e. Personal Data (Privacy) Ordinance, Securities and Futures (Client Securities) Rules, etc.) in Hong Kong that would have a significant impact on the Group.

Customer Service Policy

The Group strives to provide excellent services in supporting our customers. Customer Service personnel offers the required assistance to customers on the application of services with their professional knowledge.

Customers are free to provide feedback on our service delivery. If customer is dissatisfied on the service quality, they can raise a complaint to the Group, and we have established complaint resolution procedures and logs for settling complaints. Complaints are summarised regularly for the review of management in designing remedial actions for major deficiency. On annual basis, the Group performs a customer satisfaction survey in understanding the customer opinions.

Safeguarding Customer's Assets

Certain subsidiaries of the Group are licensed and regulated under SFC. As a custodian of customers' assets, we strictly comply with the relevant laws and regulations on handling and safeguarding of customers' assets. We implement the necessary controls to ensure customers' assets are accounted for properly and promptly, and adequately safeguarded.

B6 . 產品責任

一般披露

本集團致力於透過提供可持續及負責任的平台及服務以及保護客戶權益的方式提供可靠產品及服務。

截至二零一七年十二月三十一日止年度，本集團並不知悉於香港存在對本集團有重大影響之任何嚴重違反客戶服務、資產保護及資料私隱有關之法律法規（即個人資料（私隱）條例、證券及期貨（財政資源）規則等）之情況。

客戶服務政策

本集團致力於為客戶提供優質服務。客戶服務人員會以彼等專業知識在客戶應用服務時提供所需的幫助。

歡迎客戶提出有關我們所提供服務之反饋。如果客戶不滿意我們的服務質量，可以向本集團提出投訴，我們已建立投訴解決程序及日誌以處理投訴，定期總結投訴，以便在設計重大缺陷之補救措施時供管理層進行審查。本集團每年進行客戶滿意度調查，了解客戶之意見。

保障客戶資產

本集團之若干附屬公司為持牌經營，須受證監會監管。我們身為客戶資產之託管人，會恪守關於處理及保障客戶資產之相關法律法規。我們會採取必要之監控措施，確保客戶資產得到妥善而迅速之處理，提供充分保障。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Segregated accounts are maintained in keeping customers' assets. Transactions should only be executed when customers' consent is received, or customers' obligation is required to be met on agreed contracts. Adequate audit trail is maintained to enable investigation of suspected irregularities. Regular compliance reviews and audits are conducted to detect any non-compliance with regulatory requirements. Any irregularities should be immediately reported to management.

Data Privacy and Protection

The Group strictly complies to regulatory requirements on data privacy, with high level of security and confidentiality of personal data privacy protection. We are committed to maintaining and protecting personal data.

Internal policy has been established to govern the collection and handling of personal data received from a data subject.

Under our data protection principles, a Privacy Policy Statement is acknowledged to enable our clients to understand our general policies and practices in relation to the collection, storage and use of personal data.

Furthermore, in accordance with our data protection principle, whenever there is collection of personally identifiable information from individuals, a Personal Information Collection Statement is acknowledged to notify clients for certain matters in relation to specific collections of personal information from them. The Group will not use or provide personal data to any person for use in direct marketing unless we have obtained the clients' consent in writing. Meanwhile, the Group maintains secure measures to prevent unauthorised use of personal data.

客戶資產以獨立賬戶保管。我們只會在得到客戶同意，或客戶須履行協定合約責任之情況下進行交易。我們備有充足的審計工作記錄，以便遇有懷疑違規個案時進行調查。我們亦定期進行合規審查及審計工作，以監察有否任何違反監管規定的情況。一旦發現任何違規情況，即會向管理層通報。

資料私隱及保護

本集團以高度安全及保密標準保護個人資料私隱，以嚴守有關資料私隱的監管規定。我們致力維護及保護個人資料。

本集團訂有內部政策，規管向資料當事人收集個人資料及處理該等資料的方式。

根據我們的資料保護原則，我們須遵照私隱政策聲明，讓我們的客戶了解有關收集、存儲及使用個人資料之一般政策及做法。

此外，根據我們的資料保護原則，我們向個別人士收集可供辨識個人身份之資料時須遵照收集個人資料聲明，讓客戶知悉有關收集其特定個人資料之若干事宜。除非經客戶書面同意，本集團不會將個人資料用於直銷推廣用途，或將個人資料提供予任何人士作該等用途。同時，本集團維持安全措施，防止個人資料遭未經授權使用。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Investor Protection and Education

The Group has also established procedures relating to the services and products provided. After the “Know Your Clients (KYC)” procedures and assessment processes are performed, the financial services or products provided to clients are thus based on their financial background, trading experience and risk tolerance level to suit their needs.

We are committed to provide clear and balanced information to clients. The Group established a classification system that classifies the capability and intentions of investors. The Company divides clients into professional investors and retail investors based on the standard of financial knowledge of investors. It will especially protect the retail investors, conduct risk evaluation for retail investors, classify and grade the investors according to the results of risk tolerance evaluation.

The Group adopts appropriateness tests for different financial products. We have adopted risk assessment for different financial products to evaluate their risk level according to gained information of them. We have established a matching principle between product and clients' risk tolerance ability to fully reveal the product risks and ensure appropriate products are recommended to appropriate clients.

Moreover, the Group has set standards for advertising and sales literature which require information contained in all advertising and sales literature must be factual and we have also prohibited the use of false, misleading or inaccurate statements in any form of communication.

投資者保護及教育

本集團亦已制定有關提供服務及產品之程序。本集團於執行「認識你的客戶 (KYC)」之程序以及評估機制後，根據客戶之財務狀況、交易經驗及風險承受能力，從而提供合適彼等之金融服務或產品，以迎合客戶的需求。

我們承諾為客戶提供清晰且全面之資訊。本集團設立區分投資者能力及意向之分類制度。本公司根據投資者之財務知識準則，將客戶分為專業投資者及散戶投資者，其將進一步保護散戶投資者、對散戶投資者進行風險測評，根據風險承受能力評估結果對投資者進行分類分級。

本集團對不同金融產品採用適當之測試方法。我們根據了解之金融產品信息，為不同金融產品採取風險評估，評估其風險等級。我們已建立產品與客戶風險承受能力之適配原則，充分揭示產品風險，確保將適當之產品推介給適當之客戶。

此外，本集團已就廣告及銷售材料制定準則，規定所有廣告及銷售材料所載資料真確無誤，我們亦已禁止在任何形式之通訊中使用虛假、誤導或失實陳述。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B7. ANTI-CORRUPTION

General disclosure

The Company strives to achieve high standard of ethics in our business operations. Fraudulent acts such as corruption, bribery, and collusion are strictly prohibited. Employees should comply with the Code of Conduct in performing business activities, and they should consult the management if they suspect any professional misconduct. Employees should also declare any conflict of interest under their job responsibility which may impair the integrity on work.

We have established a whistle-blowing mechanism for reporting any potential fraudulent cases. The management is responsible for the investigation and resolution. To further mitigate business frauds, internal audit function is established for continuous evaluation of the Group's internal control effectiveness, detecting potential deficiency, and identifying areas of improvement. Internal audit report is distributed to the responsible department for the timely remediation.

During the year ended 31 December 2017, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money-laundering that would have a significant impact on the Group. The Group provides clear guidance for its employees and business partners regarding misconduct reporting and investigation regulations, ensuring that its employees can inform their matters of concern through different channels in an absolutely confidential manner. The Group ensures that all reported matters will be investigated and handled as required.

B7. 反貪污

一般披露

本公司傾力秉持業務營運的高標準道德水平，嚴禁發生腐敗、賄賂和勾結等欺詐事件。僱員在執行業務活動時應遵守行為守則，如有懷疑任何專業失當，應諮詢管理層。如僱員發現任何可能因利益衝突損害其工作操守之情況，亦應上報管理層。

我們設立了舉報機制，以供報告任何潛在之欺詐事件，管理層會負責調查及解決該等事件。為進一步減除業務欺詐，已成立內部審計部，持續評估本集團之內部控制成效，檢測潛在缺陷，並鑑定改進領域。我們會分發內部審計報告給負責部門及時進行補救。

截至二零一七年十二月三十一日止年度，本集團並不知悉存在對本集團有重大影響之任何嚴重違反有關賄賂、勒索、欺詐及洗黑錢法律法規之情況。本集團對不當行為舉報及調查規章為僱員及業務伙伴提供清晰指引，確保僱員可在絕對保密的情況下經不同渠道通報彼等關注之事項。本集團確保所有舉報事項均得到所需之調查及處理。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Anti-Corruption

We believe that fairness, honesty and integrity are important business assets of the Group. Our employees must ensure that our corporate reputation would never be compromised by fraud, deceit or corruption. Anti-corruption has its own dedicated section within our Staff Handbook, which defines and outlines the code of conduct of our employees in this regard. Align with the Prevention of Bribery Ordinance (POBO) enforced by the Hong Kong Independent Commission Against Corruption (ICAC), our Group prohibits all employees from receiving any benefits for personal interest. This prevents any negative impact or disruption to our business operations. Any report of suspected behaviors would lead to disciplinary action, dismissal or reported to ICAC or authorities. Employees are also given briefings organised by the Group or seminars on anti-corruption organised by the ICAC.

The Group strives to create a clean culture. Therefore, we launches law and discipline education, compliance and duty competence training and professional ethics education for employees to let them deeply understand the laws and disciplines, and so strictly key the laws, regulations and standard, and quit bad habits consciously.

Prevention of Money-Laundering

The Group has formulated policies and procedures in governing Know Your Clients (“KYC”) and Anti-Money Laundering (“AML”). A robust review program on KYC and AML and compliance department have been put in place to ensure the Group in compliance with all the regulatory rules.

A designated staff as Money Laundering Reporting Officer is appointed to hold responsibility for investigating AML issue and reporting if necessary. Induction training as well as annual training is provided to ensure all the staffs within the Group keep abreast of the knowledge and regulatory update in respect of KYC and AML.

We have also developed Anti-Money Laundering Guidance Note (“AML Manual”) to assist employees in identifying the types of risks and their relevant major characteristics.

反貪污

本集團認為平等、誠實及誠信是本集團重要之業務資產。我們的僱員必須確保我們的企業聲譽不會因欺詐、欺騙或腐敗而受到損害。員工手冊中有關於反貪污的指定部分，其中界定和概述僱員在這方面的行為守則。本集團嚴格遵守香港廉政公署執行之防止賄賂條例，禁止所有僱員為個人利益收取任何收益，防止對我們的業務運營造成任何負面影響或中斷。任何涉嫌行為的報告都有機會導致紀律處分、解職或向廉署或相關機構報送。僱員會參與本集團舉辦之簡介會或廉署舉辦之防止貪污研討會。

本集團加強廉潔文化建設。因此，我們在僱員中開展遵紀守法教育、合規展業培訓及職業道德教育，引導廣大僱員知紀懂法，從而嚴守法律、紀律和準則之底線，自覺抵制不良風氣侵襲。

防止洗黑錢

本集團已就認識你的客戶(「KYC」)及反洗黑錢(「AML」)相關事宜備置管理政策及程序。本集團已針對KYC及AML事宜制定完善之審閱計劃，並成立監察部門以確保本集團遵守所有監管規定。

本集團委任一名指定員工為反洗黑錢報告總監，負責調查涉及AML的問題並於必要時遞交報告。本集團提供入職培訓及年度進修機會，以確保本集團全體員工掌握有KYC及AML的最新知識及監管資料。

我們亦已制定反洗黑錢指引(「反洗黑錢手冊」)，以協助員工確定各類風險類型及其相關主要特徵。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group tried its best to implement the anti-money laundering management policy during the procedure of establishing business relationship with clients or providing the services, including client identification, filing of clients' identity materials and transactional records, carrying out client identification, checking identity certification documents of clients, registering the basic information of clients' identity, getting aware of the clients and transaction nature with reference to "KYC" policy, so as to strengthening the management of clients. We actively strengthened the management control of money laundering risks.

The Group has carried out the monitoring and reporting on large-amount and suspicious transactions strictly. We have designed monitoring model for suspicious transactions actively and independently, made efforts to improve identification capability of suspicious transactions, and positively helped the clients to prevent money laundering risks.

Compliance

Our Group has strictly complied with all applicable laws and regulations, as well as guidance from various regulatory bodies, including the Securities and Futures Commission (SFC).

B8. COMMUNITY INVESTMENT

General disclosure

The Group is committed to embolden and support the community by way of social participation and contribution as part of its strategic development, and to nurture the corporate culture and practices of corporate citizen in the daily work life throughout the Group. To sustain our corporate social responsibility, we focus to inspire our human resources towards the employee relations and social welfare concerns. We encourage our staff to donate to recognized charitable organizations in order to help the under privileged and those in need. Employees are also encouraged to suggest areas of contribution based on their experiences in the community.

本集團在與客戶建立業務關係或提供服務時勤勉盡責落實客戶身份識別、客戶身份資料及交易記錄保存等反洗黑錢管理政策，開展客戶身份識別，核對客戶身份證明文件、登記客戶身份基本信息，參考「KYC」政策了解客戶及其交易目的性質，加強對客戶的管理。我們亦積極加強洗黑錢風險管控。

本集團加強了大額交易及可疑交易之監測和報告。我們從證券行業特徵和本集團實際出發，積極自主設計可疑交易監測模型，努力提高可疑交易的識別能力，積極幫助客戶防範洗黑錢風險。

合規

本集團已嚴格遵守所有適用法例法規，以及包括證券及期貨事務監察委員會（證監會）在內之多個監管機構之指引。

B8. 社區投資

一般披露

本集團致力參與社會活動，貢獻社會，鼓勵及支援社區，作為其戰略發展之一部分，並在本集團整個日常工作生活中培育企業文化及企業公民慣例。為承擔企業社會責任，我們會朝著僱員關係及社會福利事宜之方向啟發本集團之人力資源。我們鼓勵員工向認可慈善機構捐款以幫助弱勢群體及有需要人士。我們亦鼓勵員工根據社區經驗提議貢獻領域。

DIRECTORS' REPORT

董事會報告書

The Directors present their report and audited financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 40 to the audited financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including a discussion of the principal risks and uncertainties facing the group and an indication of likely future developments in the group's business, can be found in the Management Discussion and Analysis set out on pages 4 to 9.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2017 and the state of affairs of the Group at that date are set out in the audited financial statements on pages 78 to 199.

The Directors did not recommend the payment of any dividend for the year ended 31 December 2017.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last four financial years and the year ended 31 December 2017, as extracted from the audited financial statements and restated as appropriate, is set out on page 200. This summary does not form part of the audited financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for approximately 60.7% of the Group's total turnover and the largest customer accounted for approximately 28.2% of the Group's total turnover. The Group is a provider of financial services. In the opinion of the Directors, it is therefore of no value to disclose details of the Group's suppliers.

董事謹此提呈截至二零一七年十二月三十一日止年度之董事會報告書及本集團經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於經審核財務報表附註40。《公司條例》附表5所規定之該等業務之進一步討論及分析(包括主要風險及集團所面臨之不明朗因素以及集團業務未來發展趨向之討論)載於管理層討論及分析第4至9頁。

業績及股息

本集團截至二零一七年十二月三十一日止年度之虧損及本集團於該日之業務狀況載於經審核財務報表第78至199頁。

董事並不建議就截至二零一七年十二月三十一日止年度派付任何股息。

財務資料概要

本集團於過去四個財政年度及截至二零一七年十二月三十一日止年度之已刊發業績以及資產及負債概要載於第200頁，有關資料乃摘錄自經審核財務報表並已作出適當之重列呈報。此概要並非經審核財務報表之組成部分。

主要客戶及供應商

本集團五大客戶佔本集團總營業額約60.7%，而最大客戶則佔本集團總營業額約28.2%。本集團為金融服務提供商。因此，董事認為並無必要披露本集團供應商之詳情。

DIRECTORS' REPORT

董事會報告書

So far as is known to the Directors, other than those disclosed in note 33 to the consolidated financial statements, none of the Directors, their associates or substantial shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the share capital of the Group's five largest suppliers or customers.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 24 September 2004 (the "2004 Scheme"). Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 15 October 2014, the Company adopted a new share option scheme (the "2014 Scheme"), the purpose of which is to enable the Group to grant share options to the eligible participants as incentives or rewards for their contribution to the Group. Particulars of the 2004 Scheme and the 2014 Scheme are set out in note 29 to the consolidated financial statements. No further option shall be granted under the 2004 Scheme but the options granted under the 2004 Scheme prior to its expiry shall remain valid and exercisable in accordance with the terms of the respective grants. The movements of the share options granted under the 2004 Scheme and 2014 Scheme during the year ended 31 December 2017 were as follows:

據董事所知，除綜合財務報表附註33所披露者外，概無董事、彼等之聯繫人士或主要股東（據董事所深知擁有本公司已發行股本逾5%）於本集團五大供應商或客戶之股本中擁有任何權益。

股本

本公司股本詳情載於綜合財務報表附註28。

購股權計劃

於二零零四年九月二十四日，本公司採納一項購股權計劃（「二零零四年計劃」）。根據本公司於二零一四年十月十五日舉行之股東特別大會上通過之一項普通決議案，本公司採納一項新購股權計劃（「二零一四年計劃」），二零一四年計劃旨在使本集團向合資格參與者授出購股權，作為彼等為本集團作出貢獻之獎勵或回報。二零零四年計劃及二零一四年計劃之詳情載於綜合財務報表附註29。概無根據二零零四年計劃進一步授出購股權，惟根據二零零四年計劃於其屆滿前授出之購股權根據相關授出之條款仍將有效及可予行使。於截至二零一七年十二月三十一日止年度，根據二零零四年計劃及二零一四年計劃授出之購股權之變動如下：

DIRECTORS' REPORT

董事會報告書

Grantees	Date of grant	Exercise price (HK\$)	Vesting period	Exercisable period	Outstanding as at 1 January 2017 於二零一七年一月一日尚未行使	Granted during the period 於期內已授出	Exercised during the period 於期內已行使	Cancelled/Lapsed during the period 於期內已取消/失效	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
承授人	授出日期	行使價 (港元)	歸屬期	行使期					
Directors									
董事									
Mr. Wu Siu Lam, William 胡少霖先生	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	12,000,000	-	-	12,000,000
Ms. Cheng Kit Sum, Clara 鄭潔心女士	20/6/2014 二零一四年六月二十日	0.2450	Nil 無	20/6/2014-20/6/2017 二零一四年六月二十日至 二零一七年六月二十日	8,000,000	-	-	(8,000,000)	-
	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	12,000,000	-	-	12,000,000
Mr. Qiu Bin 邱斌先生	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	10,000,000	-	-	10,000,000
Mr. Lo Ka Wai 羅嘉偉先生	20/6/2014 二零一四年六月二十日	0.2450	Nil 無	20/6/2014-20/6/2017 二零一四年六月二十日至 二零一七年六月二十日	2,000,000	-	-	(2,000,000)	-
	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	3,000,000	-	-	3,000,000
Mr. Wu Fred Fong 胡晃先生	20/6/2014 二零一四年六月二十日	0.2450	Nil 無	20/6/2014-20/6/2017 二零一四年六月二十日至 二零一七年六月二十日	2,000,000	-	-	(2,000,000)	-
	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	3,000,000	-	-	3,000,000
Dr Huan Guocang 宦國蒼博士	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	3,000,000	-	-	3,000,000
Employees in aggregate									
僱員合計									
	25/8/2011 二零一一年八月二十五日	0.2800	Nil 無	25/8/2011-25/8/2021 二零一一年八月二十五日至 二零二一年八月二十五日	480,000	-	-	-	480,000
	25/8/2011 二零一一年八月二十五日	0.2800	25/8/2011-24/8/2012 二零一一年八月二十五日至 二零一二年八月二十四日	25/8/2012-25/8/2021 二零一二年八月二十五日至 二零二一年八月二十五日	720,000	-	-	-	720,000
	20/6/2014 二零一四年六月二十日	0.2450	Nil 無	20/6/2014-20/6/2017 二零一四年六月二十日至 二零一七年六月二十日	40,000,000	-	(20,000,000)	(20,000,000)	-
	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	3,000,000	-	-	3,000,000
Other grantees									
其他承授人									
	7/9/2017 二零一七年九月七日	0.2400	Nil 無	7/9/2017-7/9/2020 二零一七年九月七日至 二零二零年九月七日	-	50,000,000	-	-	50,000,000
					53,200,000	96,000,000	(20,000,000)	(32,000,000)	97,200,000
Total number of shares available for issue at period end date 於本期間結算日可發行股份總數					53,200,000				97,200,000
Total number of shares available for issue as a percentage to issued shares 可發行股份總數佔已發行股份百分比					1.50%				2.73%

DIRECTORS' REPORT

董事會報告書

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the audited financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 December 2017, no reserves are available for distribution to shareholders.

DIRECTORS AND DIRECTOR'S SERVICE CONTRACTS

The Directors of the Company during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. Wu Siu Lam, William
Ms. Cheng Kit Sum, Clara
Mr. Qiu Bin (appointed on 27 July 2017)

NON-EXECUTIVE DIRECTOR:

Mr. Chen Zhong Min (appointed on 2 January 2018)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. Huan Guocang
Mr. Lo Ka Wai
Mr. Wu Fred Fong

In accordance with Article 86(2) of the Company's Bye-laws, Mr. Qiu Bin and Mr. Chen Zhong Min were appointed as Directors by the Board to fill the casual vacancies, will hold office until the forthcoming annual general meeting and being eligible, offer themselves for re-election.

物業、廠房及設備及投資物業

本集團物業、廠房及設備於年內之變動詳情載於經審核財務報表附註15。

儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。

本公司之可供分派儲備

於二零一七年十二月三十一日，概無任何可供分派予股東之儲備。

董事及董事服務合約

本公司於年內及直至本報告日期之董事如下：

執行董事：

胡少霖先生
鄭潔心女士
邱斌先生(於二零一七年七月二十七日獲委任)

非執行董事：

陳重民先生(於二零一八年一月二日獲委任)

獨立非執行董事：

宦國蒼博士
羅嘉偉先生
胡晃先生

根據本公司之公司細則第86(2)條，邱斌先生及陳重民先生獲董事會委任為董事以填補臨時空缺，任期直至應屆股東週年大會，而彼等合資格及願意膺選連任。

DIRECTORS' REPORT

董事會報告書

In accordance with Article 87(1) of the Company's Bye-laws, Dr. Huan Guocang and Mr. Lo Ka Wai will retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

The Directors being proposed for re-election at the forthcoming annual general meeting do not have a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of a compensation (other than statutory compensation).

The non-executive Directors have been appointed for a specific term subject to retirement by rotation as required by the Bye-laws.

DIRECTORS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year end 31 December 2017.

DIRECTORS' INTERESTS

At 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the shares capital and underlying shares and convertible bonds of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

根據本公司之公司細則第87(1)條，宦國蒼博士及羅嘉偉先生將會於應屆股東週年大會上告退，而彼等合資格及願意膺選連任。

擬於應屆股東週年大會接受重選之董事概無與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償(法定賠償除外)予以終止之服務合約。

非執行董事獲委任特定任期，並須根據公司細則之規定輪值告退。

董事於重大合約之權益

本公司或其任何附屬公司概無訂立於本年度結算日或截至二零一七年十二月三十一日止年度內任何時間仍然有效，且董事於當中直接或間接擁有重大權益之重大合約。

董事權益

於二零一七年十二月三十一日，董事及本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股本、相關股份及可換股債券中擁有並已記錄於本公司根據證券及期貨條例第352條須予存置之登記冊之權益及淡倉，或根據上市發行人之董事進行證券交易的標準守則須另行知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' REPORT

董事會報告書

LONG POSITION IN ORDINARY SHARES OF HK\$0.05 EACH OF THE COMPANY

於本公司每股面值0.05港元之普通股之好倉

Name of Directors 董事姓名	Capacity 身份	Number of shares held 所持有股份數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Mr. Wu Siu Lam, William 胡少霖先生	Beneficial owner 實益擁有人	9,395,354	0.26%
Mr. Qiu Bin (Note) 邱斌先生(附註)	Interest of corporation controlled 受控法團權益	10,300,000	0.29%

Note: These shares are held by Pacific Assets Alliance Limited which is wholly owned by Mr. Qiu Bin.

附註：該等股份由邱斌先生全資擁有的Pacific Assets Alliance Limited持有。

LONG POSITION – SHARE OPTIONS

好倉 – 購股權

Name of Directors 董事姓名	Capacity 身份	Number of options held 所持有購股權數目	Number of underlying shares 相關股份數目
Mr. Wu Siu Lam, William 胡少霖先生	Beneficial owner 實益擁有人	12,000,000	12,000,000
Ms. Cheng Kit Sum, Clara 鄭潔心女士	Beneficial owner 實益擁有人	12,000,000	12,000,000
Mr. Qiu Bin 邱斌先生	Beneficial owner 實益擁有人	10,000,000	10,000,000
Dr. Huan Guocang 宦國蒼博士	Beneficial owner 實益擁有人	3,000,000	3,000,000
Mr. Lo Ka Wai 羅嘉偉先生	Beneficial owner 實益擁有人	3,000,000	3,000,000
Mr. Wu Fred Fong 胡晃先生	Beneficial owner 實益擁有人	3,000,000	3,000,000

DIRECTORS' REPORT

董事會報告書

Save as disclosed above, as at 31 December 2017, none of the Directors or chief executive had registered an interest or short position in the shares, underlying shares or convertible bonds of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme of the Company, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than interest disclosed above in respect of certain Directors and chief executive, the following shareholders had notified the Company of their relevant interests in the shares, underlying shares and convertible bonds of the Company.

除上文所披露者外，於二零一七年十二月三十一日，概無董事或主要行政人員已作登記，表示其於本公司或其任何相聯法團之股份、相關股份或可換股債券中擁有根據證券及期貨條例第352條之規定須予記錄之權益或淡倉或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

董事收購股份或債券之權利

除本公司購股權計劃外，於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉收購本公司或任何其他法團之股份或債券而獲益，且彼等之配偶或十八歲以下之子女並無擁有可認購本公司證券之任何權利，亦無於年內行使任何有關權利。

主要股東權益

於二零一七年十二月三十一日，根據本公司遵照證券及期貨條例第336條存置之主要股東登記冊所示，除上文所披露有關若干董事及主要行政人員所擁有之權益外，下列股東已知會本公司彼等於本公司股份、相關股份及可換股債券之相關權益。

DIRECTORS' REPORT

董事會報告書

LONG POSITION – ORDINARY SHARES OF HK\$0.05 EACH OF THE COMPANY

好倉 – 本公司每股面值0.05 港元之普通股

Name of shareholders	Capacity	Number of shares held	Percentage of the issued share capital of the Company
股東名稱	身份	所持有股份數目	佔本公司已發行股本百分比
King Lion Group Limited (Note 1) King Lion Group Limited (附註1)	Beneficial owner 實益擁有人	1,011,000,000	28.38%
Mr. Lu Xing (Note 2) 路行先生 (附註2)	Interest of corporation controlled 受控法團權益	420,000,000	11.79%
Redhead Investments Limited (Note 2) Redhead Investments Limited (附註2)	Beneficial owner 實益擁有人	300,000,000	8.42%
Front Riches Investments Limited (Note 3) 拓富投資有限公司(附註3)	Beneficial owner 實益擁有人	370,000,000	10.39%

Notes:

附註：

- | | |
|---|---|
| (1) King Lion Group Limited is wholly owned by Smart Chant Limited which in turn is wholly owned by Mr. Gao Yongzhi. | (1) King Lion Group Limited 由 Smart Chant Limited 全資擁有，而 Smart Chant Limited 則由 Gao Yongzhi 先生全資擁有。 |
| (2) Redhead Investments Limited, Ascher Group Limited and Headwind Holdings Limited, all are wholly-owned by Mr. Lu Xing, beneficially owns 300,000,000 shares, 100,000,000 shares and 20,000,000 shares of the Company respectively. | (2) Redhead Investments Limited、Ascher Group Limited 及 Headwind Holdings Limited 均由路行先生全資擁有，該等公司分別實益擁有本公司300,000,000股、100,000,000股及20,000,000股股份。 |
| (3) Front Riches Investments Limited is a corporation controlled by Mr. Hu Yishi. | (3) 拓富投資有限公司為由胡翼時先生控制之法團。 |

DIRECTORS' REPORT

董事會報告書

LONG POSITION – CONVERTIBLE BONDS

好倉 - 可換股債券

Name of bondholder 債券持有人姓名	Capacity 身份	Description of equity derivatives 權益衍生工具概要	Number of underlying shares 相關股份數目
Mr. Chen Zhong Min (Note 1) 陳重民先生(附註1)	Beneficial owner 實益擁有人	1 year 8% coupon convertible bonds (Note 2) 一年期票息8厘可換股債券 (附註2)	285,714,285

Notes:

附註：

- Mr. Chen Zhong Min, the holder of the 8% coupon convertible bonds at principal amount of HK\$100,000,000, was appointed as a non-executive Director on 2 January 2018.
- The Company issued the 8% coupon convertible bonds at aggregate principal amounts of HK\$110,000,000 on 23 November 2017 with maturity dates of 22 November 2018. The 8% coupon convertible bonds with an outstanding principal amount of HK\$110,000,000 as at 31 December 2017 are convertible into shares of the Company at a conversion price of HK\$0.35 per share.

- 陳重民先生(本金額為100,000,000港元的票息8厘可換股債券的持有人)於二零一八年一月二日獲委任為非執行董事。
- 本公司於二零一七年十一月二十三日發行本金總額為110,000,000港元的票息8厘可換股債券，到期日為二零一八年十一月二十二日。於二零一七年十二月三十一日，該未償還本金額為110,000,000港元的票息8厘可換股債券以每股0.35港元的換股價轉換為本公司股份。

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no other person as having a notifiable interest or short position in the shares, underlying shares and convertible bonds of the Company as at 31 December 2017.

除上文所披露之權益外，根據本公司遵照證券及期貨條例第336條存置之主要股東登記冊所披露，於二零一七年十二月三十一日，概無其他人士於本公司股份、相關股份及可換股債券中擁有須予知會之權益或淡倉。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

關連交易及持續關連交易

Saved as disclosed in note 33 to the consolidated financial statements, the Group has not entered into any other connected transaction or continuing connected transactions for the year ended 31 December 2017 which should be disclosed pursuant to the requirement of Chapter 14A to the Listing Rules.

除綜合財務報表附註33所披露者外，截至二零一七年十二月三十一日止年度，本集團並無訂立根據上市規則第14A章規定須予披露之任何其他關連交易或持續關連交易。

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

購買、贖回或出售本公司上市證券

During the year ended 31 December 2017, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

於截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

DIRECTORS' REPORT

董事會報告書

CORPORATE GOVERNANCE

The Company's corporate governance report is set out in pages 13 to 24 of this report.

KEY RELATIONSHIPS

EMPLOYEES

Employees are one of the valuable assets of the Group and the Group regards the personal development of its employees as highly important. The Group aims to continue to be an attractive employer for committed employees and strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. The Group provides on-the-job training and development opportunities to its employees and considers all valuable feedback from its employees for enhancing workplace productivity and harmony.

The Group offers competitive remuneration packages to its employees.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The Company has adopted a share option scheme as an incentive to Directors and eligible employees. Details of the scheme are set out in note 29 to the consolidated financial statements.

CUSTOMERS AND SUPPLIERS

The customers and suppliers of the Group are independent third parties to the Group. The Group is committed to maintain good relationships with its customers and suppliers in the long run by adopting various means to strengthen communication channels with them. During the year ended 31 December 2017, there were no material and significant dispute between the Group and its customers and suppliers.

企業管治

本公司之企業管治報告載於本報告第13至24頁。

重要關係

僱員

僱員為本集團最寶貴的財富之一，本集團高度重視其僱員的個人發展。本集團有意繼續吸引盡忠職守之僱員加盟，並致力於以明確的職業規劃及提供機會增進及完善技能激勵其僱員。本集團為其僱員提供在職培訓及發展機會，並考慮其僱員有關提升工作效率及和諧工作氛圍之所有寶貴意見。

本集團為其僱員提供具競爭力之薪酬待遇。

董事薪酬乃由薪酬委員會經考慮本公司經營業績、個人表現及可供比較市場統計數據後決定。本集團僱員之薪酬政策乃由薪酬委員會根據本集團僱員之功績、資歷及能力制定。本公司採納了一項購股權計劃，以向董事及合資格僱員提供獎勵。有關計劃之詳情載於綜合財務報表附註29。

客戶及供應商

本集團客戶及供應商為本集團之獨立第三方。本集團致力於透過各種方式加強與其客戶及供應商的溝通，以維持與彼等之長期良好關係。截至二零一七年十二月三十一日止年度，本集團與其客戶及供應商之間並無發生任何重大及主要糾紛。

DIRECTORS' REPORT

董事會報告書

EQUITY-LINKED AGREEMENTS

Other than the share option scheme as disclosed above, the convertible bonds as disclosed in note 26 and share options granted to a consultant as disclosed in note 29 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year ended 31 December 2017 or subsisted at the end of the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the bye-laws of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, damages and expenses which he/she may sustain or incur or about the execution and discharge of his duties or in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the Directors and officers of the Company during the year.

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise its environmental impact by saving electricity and encouraging recycle of office supplies and other materials.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the subsidiaries of the Company in Hong Kong and the PRC while the shares of Company (the "Shares") are listed on the Stock Exchange. The Group's establishment and operations shall comply with relevant laws and regulations in Hong Kong, the PRC and the respective place of incorporation of the Company and its subsidiaries. In addition, the Company is required to comply with the Listing Rules and SFO.

During the year ended 31 December 2017 and up to the date of this report, 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.

權益掛鈎協議

除上文所披露之購股權計劃、綜合財務報表附註26所披露之可換股債券及附註29所披露之授予顧問之購股權外，本公司概無於截至二零一七年十二月三十一日止年度訂立或於本年度結算日存續之任何權益掛鈎協議。

獲准許的彌償條文

根據本公司之公司細則，各董事有權就所有在執行及履行本身職責時或就此蒙受或招致或與之有關之成本、收費、損失、傷害及開支，獲得本公司從本公司之資產中撥付賠償。年內，本公司已就本公司董事及高級人員投購適當的董事及高級人員責任險。

環保政策

本集團致力於成為一間注重保育自然資源之環保公司。本集團透過節電及鼓勵回收辦公室用品及其他材料之方式盡量減少對環境造成之影響。

遵守法律及法規

本集團之業務主要由本公司於香港及中國之附屬公司進行，而本公司之股份（「股份」）於聯交所上市。本集團之設立及經營須遵守香港、中國及本公司及其附屬公司各自註冊成立地之相關法律及法規。此外，本公司須遵守上市規則及證券及期貨條例之規定。

於截至二零一七年十二月三十一日止年度及直至本報告日期，就本公司所知悉，本集團並不存在對本集團業務及營運造成重大影響之適用法律及法規之重大違背或不合規情況。

DIRECTORS' REPORT

董事會報告書

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited. The Company considers all of the independent non-executive Directors are independent.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2017.

CHARITABLE CONTRIBUTIONS

During the year, the Group did not make any charitable contributions.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audited results for the year ended 31 December 2017 have been reviewed by the Audit Committee. The Audit Committee comprises three members namely Mr. Lo Ka Wai (Chairman), Dr. Huan Guocang and Mr. Wu Fred Fong. All of them are independent non-executive Directors.

REMUNERATION COMMITTEE

The Remuneration Committee has been set up with written term of reference in accordance with the requirements of the Listing Rules. The Remuneration Committee comprises three independent non-executive Directors namely, Mr. Wu Fred Fong (Chairman), Dr. Huan Guocang and Mr. Lo Ka Wai.

委任獨立非執行董事

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則第3.13條之規定就其獨立性而發出之年度確認書。本公司認為，全體獨立非執行董事均具獨立身份。

優先購買權

本公司之公司細則或百慕達法例並無有關本公司須按比例向現有股東提呈發售新股之優先購買權條文。

充足公眾持股量

於截至二零一七年十二月三十一日止年度，本公司一直維持充足公眾持股量。

慈善捐款

年內，本集團並無作出任何慈善捐款。

審核委員會

本公司設立了審核委員會，其根據上市規則第3.21條之規定成立，專責審閱及監察本集團之財務申報程序及內部監控。審核委員會已審閱截至二零一七年十二月三十一日止年度之經審核業績。審核委員會由三名成員組成，即羅嘉偉先生(主席)、宦國蒼博士及胡晃先生。彼等均為獨立非執行董事。

薪酬委員會

本公司已根據上市規則之規定成立薪酬委員會，並已制定其書面職權範圍。薪酬委員會由三名獨立非執行董事組成，即胡晃先生(主席)、宦國蒼博士及羅嘉偉先生。

DIRECTORS' REPORT

董事會報告書

NOMINATION COMMITTEE

The Nomination Committee has been set up with written term of reference in accordance with the requirements of the Listing Rules. The Nomination Committee comprises three independent non-executive Directors namely, Dr. Huan Guocang, Mr. Lo Ka Wai and Mr. Wu Fred Fong.

AUDITOR

The consolidated financial statements for the year ended 31 December 2017 were audited by BDO Limited. A resolution will be submitted to the annual general meeting to re-appoint BDO Limited as the auditor of the Company

On behalf of the Board
Wu Siu Lam, William
Director

21 March 2018

提名委員會

本公司已根據上市規則之規定成立提名委員會，並已制定其書面職權範圍。提名委員會由三名獨立非執行董事組成，即宦國蒼博士、羅嘉偉先生及胡晃先生。

核數師

本集團截至二零一七年十二月三十一日止年度之綜合財務報表已由香港立信德豪會計師事務所有限公司審核。本公司將於股東週年大會上提呈一項決議案以重新委任香港立信德豪會計師事務所有限公司為本公司之核數師。

代表董事會
董事
胡少霖

二零一八年三月二十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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TO THE SHAREHOLDERS OF SHENG YUAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

致盛源控股有限公司全體股東

(於百慕達註冊成立之有限公司)

QUALIFIED OPINION

We have audited the consolidated financial statements of Sheng Yuan Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 78 to 199, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

保留意見

本核數師(以下簡稱「吾等」)已審核刊於第78至199頁有關盛源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日之綜合財務狀況表，與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，其包括主要會計政策概要。

吾等認為，除吾等作出之報告之保留意見之基礎一節所述之事宜之可能影響外，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公允地反映了貴集團於二零一七年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，且已根據香港公司條例之披露規定妥為編製。

BDO Limited
香港立信德豪會計師事務所有限公司

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



BASIS FOR QUALIFIED OPINION

During the year ended 31 December 2017, the Group had recognised its share of the associate's loss for the year of HK\$31,937,000 using equity accounting. The Group's share of the loss of the associate of HK\$31,937,000 using equity accounting included effectively a share of the impairment loss of HK\$5,114,000 in respect of the associate's investment in a company of RMB18,000,000. This investment was stated at cost less impairment in the financial statements of the associate.

In accordance with Hong Kong Standard on Auditing 600 ("HKSA 600"), Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors), the associate is considered to be a significant component of the Group, which should therefore be subject to audit as part of our audit of the Group's financial statements. However the auditor of the associate (referred to as "component auditor" under HKSA 600) was unable to obtain financial information of the associate's investee company because the management of the associate was unable to obtain the financial information from the investee company. The management of the Company was also unable to provide us with such information, including up to date financial information of that investee company. The investee company's financial information is necessary for the purpose of our audit work on the carrying amount of the investment and the amount of impairment loss on the investment, if any, in the associate's financial statements which would be included in the Group's consolidated financial statements under the equity method of accounting for the associate.

保留意見之基礎

截至二零一七年十二月三十一日止年度，貴集團使用權益會計法確認其分佔該聯營公司之年內虧損31,937,000港元。貴集團使用權益會計法確認之分佔該聯營公司虧損31,937,000港元包括就該聯營公司於一間公司之投資人民幣18,000,000元實際分佔之減值虧損5,114,000港元。於該聯營公司之財務報表中，該投資乃按成本減減值列賬。

根據香港審計準則第600號（「香港審計準則第600號」）對集團財務報表審核之特殊考慮（包括組成部分核數師之工作），該聯營公司被認為是貴集團之重大組成部分，因此，其應作為貴集團財務報表之審核之一部分進行審核。然而，該聯營公司核數師（根據香港審計準則第600號，稱為「組成部分核數師」）未能獲得該聯營公司之被投資公司之財務資料，原因是該聯營公司管理層未能從被投資公司獲得財務資料。貴公司管理層亦無法向吾等提供有關資料，包括該被投資公司之最新財務資料。就吾等對於該聯營公司財務報表內之投資之賬面值及投資之減值虧損金額（如有）進行審核工作而言，被投資公司之財務資料乃必不可少，而該聯營公司之財務報表將根據該聯營公司之權益會計法納入貴集團之綜合財務報表。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



BASIS FOR QUALIFIED OPINION (Continued)

As the investee company was not a listed entity in the PRC, we were also not able to obtain the relevant financial or other information which we considered necessary and there were no alternative procedures which we could carry out to determine if the associate's investment was impaired and the impairment loss of RMB18,000,000 in the associate's financial information, of which HK\$5,114,000 shared by the Group, was appropriately determined. As such, we were also unable to determine if the carrying amount of the Group's interest in the associate of HK\$1,863,000 as included in the consolidated statement of financial position as of 31 December 2017 was fairly stated. The Group's share of the associate's loss for the year was also qualified due to the matter explained in the paragraph below.

Our audit opinion on the Group's financial statements as of 31 December 2016 was qualified due to certain limitations on our scope of work as set out in our report dated 17 March 2017 which included limitations arising from the fact that the audit of the associate's financial statements as of 31 December 2016 by the component auditor was not completed as of our audit report date and that there were insufficient audit evidence available to us relating to the impairment review of the Group's interest in associate as of 31 December 2016. The matters leading to our qualified audit opinion remained unresolved during the course of our audit of the Group's consolidated financial statements for the year ended 31 December 2017. Our opinion on the consolidated financial statements is qualified because of the possible effect of this matter on the comparability of the Group's interest in the associate as of 31 December 2017 of HK\$1,863,000 and 31 December 2016 of HK\$72,334,000. These matters as mentioned above may have consequential impact on the amount of the Group's impairment loss on interests in the associate of HK\$40,791,000 and the Group's share of the associate's loss of HK\$31,937,000 for the year ended 31 December 2017 and on their comparability with the Group's share of profit of associate and impairment loss on interests in an associate of HK\$3,078,000 and Nil for the year ended 31 December 2016, respectively.

保留意見之基礎 (續)

由於被投資公司並非中國上市實體，吾等亦無法獲取吾等認為必要的相關財務或其他資料，且吾等別無其他程序用以釐定該聯營公司投資有否減值以及該聯營公司財務資料所示減值虧損人民幣18,000,000元（其中貴集團分佔5,114,000港元）有否妥為計量。因此，吾等亦無法釐定計入貴集團於二零一七年十二月三十一日之綜合財務狀況表之於該聯營公司之權益之賬面值1,863,000港元乃妥為呈列。而由於下段所說明之事項，貴集團分佔該聯營公司之年內虧損亦有所保留。

吾等有關貴集團於二零一六年十二月三十一日之財務報表之審計意見為保留意見，乃由於吾等日期為二零一七年三月十七日之報告所載審計範圍的若干限制，包括組成部分核數師未能於吾等之審計報告日期完成對該聯營公司於二零一六年十二月三十一日之財務報表之審計及吾等審閱貴集團於二零一六年十二月三十一日於該聯營公司之權益有否減值缺乏充足審計憑證所產生之限制。於吾等審計貴集團之截至二零一七年十二月三十一日止年度之綜合財務報表期間，導致吾等發表保留審計意見的事項仍然懸而未決。由於該事項可能對比較於二零一七年十二月三十一日及二零一六年十二月三十一日貴集團於該聯營公司之權益1,863,000港元及72,334,000港元造成影響，吾等對綜合財務報表之審計結論為保留結論。上述該等事項可能對截至二零一七年十二月三十一日止年度貴集團有關於該聯營公司之權益之減值虧損金額40,791,000港元及貴集團分佔該聯營公司虧損之金額31,937,000港元與貴集團於截至二零一六年十二月三十一日止年度分佔聯營公司溢利及於一間聯營公司之權益之減值虧損分別為3,078,000港元及零之比較產生重要影響。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



BASIS FOR QUALIFIED OPINION (Continued)

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3.1 in the consolidated financial statements, which indicates that the Group had loss after tax for the year of approximately HK\$185 million and net current liabilities as of 31 December 2017 amounted to approximately HK\$2 million. As stated in note 3.1 to the consolidated financial statements, these conditions, along with other matters as set forth in note 3.1, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the “Basis for Qualified Opinion” section and “Material Uncertainty Related to Going Concern” section, we have determined the matters described below to be the key audit matters to be communicated in our report.

保留意見之基礎(續)

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。吾等就該等準則承擔之責任在吾等作出之報告之「核數師就審核綜合財務報表承擔之責任」一節中進一步闡述。根據香港會計師公會之「職業會計師道德守則」(「守則」)，吾等獨立於 貴集團，並已履行守則中之其他道德責任。吾等相信，吾等所獲得之審核憑證能充足及適當地為下列保留審核意見建立基礎。

與持續經營相關之重大不確定因素

吾等注意到綜合財務報表附註3.1中，顯示 貴集團之年內除稅後虧損為約185,000,000港元及截至二零一七年十二月三十一日之流動負債淨額為約2,000,000港元。誠如綜合財務報表附註3.1所述，該等事件連同附註3.1所載之其他事宜，均反映出存在重大不確定因素，可能對 貴集團之持續經營能力構成重大疑問。吾等不會就此更改意見。

關鍵審核事項

關鍵審核事項乃根據吾等之職業判斷，對本期間綜合財務報表之審核最為重要之事項。該等事項乃於吾等審核整體綜合財務報表及就此出具意見時進行處理，及吾等不會就該等事項提供單獨意見。除「保留意見之基礎」一節及「與持續經營相關之重大不確定因素」一節所述之事宜外，吾等釐定下文所述之事宜為將於吾等作出之報告中溝通之關鍵審核事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



KEY AUDIT MATTERS (Continued)

PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

A subsidiary of the Company, namely Sheng Yuan Financial Services Group Limited ("SYFS"), issued convertible bonds with principal amount of HK\$45,000,000 on 16 June 2014 ("SYFS Bonds"). The SYFS Bonds entitled the holders to convert them into ordinary shares of SYFS, any unconverted SYFS Bonds had to be redeemed by SYFS at 100% of its face value within 30 business days from the third anniversary of SYFS Bonds issue date.

On 15 June 2017, the Group received conversion notice from the holder of the SYFS Bonds in the aggregate amount of HK\$45,000,000. As the issuance of ordinary shares by SYFS is subject to the approval by a regulator, the SYFS Bonds have not been converted into ordinary shares of SYFS. On 29 December 2017, the Group and the bondholder entered into a deed of settlement. Since then the Group made an application to the Stock Exchange on 29 December 2017 for the issuance of the convertible bonds ("SYHL Bonds") under the deed of settlement, and the permission from the Stock Exchange has not been granted up to the date of this auditor's report. Given the permission from the Stock Exchange had not been granted, which is considered as a substantive condition by the directors of the Company, the directors of the Company considered that the Group's obligations arising from the SYFS Bonds remained outstanding as at 31 December 2017 and an estimate of the amount of the obligation and hence the additional provision required was made with reference to the fair value of the convertible bonds to be issued under the deed of settlement.

關鍵審核事項(續)

結算可換股債券之撥備

貴公司之附屬公司(即Sheng Yuan Financial Services Group Limited(「SYFS」))於二零一四年六月十六日發行本金額為45,000,000港元之可換股債券(「SYFS債券」)。SYFS債券賦予持有人權利，可將之兌換為SYFS普通股，而任何未獲兌換之SYFS債券將由SYFS於SYFS債券發行日期之第三週年日後30個營業日內按其面值之100%贖回。

於二零一七年六月十五日，貴集團收到SYFS債券持有人總金額為45,000,000港元之換股通知。由於SYFS發行普通股須經監管者批准，SYFS債券並未兌換為SYFS普通股。於二零一七年十二月二十九日，貴集團與可換股債券之持有人訂立結算契據。自此，貴集團於二零一七年十二月二十九日向聯交所提出申請以根據結算契據發行可換股債券(「盛源控股債券」)，但直至本核數師報告日期，聯交所並未授出許可。由於聯交所並未授出許可(貴公司董事認為該許可為實質性條件)，貴公司董事認為貴集團因SYFS債券產生之責任於二零一七年十二月三十一日仍未償還。因此，估計之責任款項須參考結算契據項下將予發行的可換股債券之公平值作出額外撥備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



KEY AUDIT MATTERS (Continued)

PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS (Continued)

We consider this is a key audit matter because the recognition of the provision requires the use of significant judgments and estimations and the provision represented a significant item in the consolidated financial statements.

Refer to note 3.17 for accounting policies, note 4(A)(V) and note 26 of the accompanying financial statements.

OUR RESPONSE:

Our work included, but was not necessarily limited to, the following procedures:

- reviewing the subscription agreement in respect of the SYFS Bonds and the deed of settlement;
- reviewing the correspondences between the Group and the regulator in respect of the conversion of SYFS Bonds into ordinary shares of SYFS and between the Group and the Stock Exchange in respect of the issuing the SYHL Bonds;
- reviewing the legal advice issued by the Company's lawyer in respect of the obligations to the Group under the subscription agreement and the deed of settlement; and
- assessing the amount of provision by discussing with the management for the key assumptions used and corroborating significant inputs used in arriving at the estimated provision.

關鍵審核事項(續)

結算可換股債券之撥備(續)

我們將其視為關鍵審核事項乃由於確認該撥備需使用重大判斷及估計以及該撥備在綜合財務報表中屬重大項目。

請參閱隨附財務報表附註3.17會計政策、附註4(A)(V)及附註26。

吾等之應對：

吾等之工作包括(但不一定限於)以下程序：

- 審閱有關SYFS債券之認購協議及結算契據；
- 就將SYFS債券兌換為SYFS普通股審閱 貴集團與監管者之通信，以及就發行盛源控股債券審閱 貴集團與聯交所之通信；
- 審閱 貴公司律師就認購協議及結算契據項下之責任向 貴集團發出之法律意見；及
- 透過與管理層討論所用之主要假設以及證實達致估計撥備所用之重大輸入值評估撥備金額。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



KEY AUDIT MATTERS *(Continued)*

IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES

The carrying amount of the Group's trade receivables as at 31 December 2017 amounted to HK\$64,260,000. Management assessed the provision for impairment of these balances based on the ageing analysis of accounts and the estimated realisation of these receivables, which take into consideration of such factors as current creditworthiness, the collateral security and the past collection history of each debtor. Impairment loss is recognised as the difference between the carrying amount of the receivable and the present value of the estimated future cash flows and is recognised in the financial period in which impairment occurs. Based on management's assessment, no impairment has been recognised in respect of these receivables.

We consider this is a key audit matter because the management's impairment assessment of these receivables requires the use of significant judgments and estimates and because these receivables are a significant item in the consolidated financial statements.

Refer to note 3.11 for accounting policies, note 4(A)(I) for critical accounting estimates and note 20 of the accompanying financial statements.

關鍵審核事項 (續)

貿易應收賬款之減值評估

貴集團之貿易應收賬款於二零一七年十二月三十一日之賬面值為64,260,000港元。管理層根據賬齡分析及該等應收賬款之估計變現值評估該等結餘之減值撥備，其考慮每名債務人現時之信譽、抵押品保障及過往收款紀錄等有關因素。減值虧損確認為應收賬款之賬面值與估計未來現金流量之現值之差額並於減值產生之財務期間確認。根據管理層之評估，概無就該等應收賬款確認任何減值。

我們將其視為關鍵審核事項乃由於管理層對該等應收賬款之減值進行評估時需使用重大判斷及估計以及由於該等應收賬款在綜合財務報表中屬重大項目。

請參閱隨附財務報表附註3.11會計政策、附註4(A)(I)關鍵會計估計及附註20。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



KEY AUDIT MATTERS (Continued)

IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES (Continued)

OUR RESPONSE:

Our work included, but was not necessarily limited to, the following procedures:

- understanding the established policies and procedures with respect to the identification of events that triggered the impairment assessment;
- substantively validating the accuracy of the ageing of trade receivables as at the reporting date, by agreeing a sample of data to the underlying documents;
- reviewing the management's estimation on the amount of impairment by examining the debtors' repayment ability, repayment records and the existence and fair value of the underlying collateral; and
- challenging the assumptions used by the management in their impairment model using the historical accuracy of its estimates and our knowledge in respect of these receivables.

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.

關鍵審核事項(續)

貿易應收賬款之減值評估(續)

吾等之應對：

吾等之工作包括(但不一定限於)以下程序：

- 了解就識別引致減值評估之事宜制定之政策及程序；
- 透過檢查數據樣本是否與相關文件一致，核實貿易應收賬款於報告日期之賬齡準確性；
- 通過審查債務人之還款能力、還款記錄以及相關抵押品之現狀及公平值，審閱管理層估計之減值金額；及
- 據其以往估計數字之準確性及吾等之認識，質疑管理層就該等應收款項在其減值模型中所用之假設。

年報所載其他資料

董事須對其他資料負責。其他資料包括載於貴公司年報之資料，惟不包括綜合財務報表及吾等就此發出之核數師報告。

吾等對綜合財務報表之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之鑒證結論。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



OTHER INFORMATION IN THE ANNUAL REPORT

(Continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

年報所載其他資料 (續)

在吾等審核綜合財務報表時，吾等之責任乃閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解之情況有重大不一致，或者似乎有重大錯誤陳述。基於吾等已執行之工作，倘吾等認為此其他資料有重大錯誤陳述，吾等須報告該事實。就此而言，吾等並無需報告之事宜。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平之反映，及落實其認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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，或別無其他實際之替代方案。

董事亦負責監督 貴集團財務報告過程。審核委員會協助董事履行其餘此方面之職責。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

Our objective are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement 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.

核數師就審核綜合財務報表承擔之責任

吾等之目標乃對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括吾等意見之核數師報告。本報告乃按照百慕達一九八一年公司法第90條之規定，僅向全體股東報告，而不作其他用途。吾等不會就本報告之內容向任何其他人士負責或承擔任何責任。

合理保證乃高水平之保證，但不能保證按香港審計準則進行之審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響該等綜合財務報表之基準使用者所作出之經濟決定，則有關錯誤陳述可被視作重大。

在根據香港審計準則進行審核之過程中，吾等運用了職業判斷，保持了職業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審核程序以應對該等風險，以及取得充足及適當之審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致重大錯誤陳述之風險較因錯誤而導致重大錯誤陳述之風險為高。
- 了解與審核相關之內部控制，以設計適當之審核程序，但非旨在對貴集團內部控制之有效性發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

(Continued)

- evaluate the 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.
 - 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.
- 核數師就審核綜合財務報表承擔之責任(續)
- 評價董事所採用會計政策之恰當性以及作出會計估計及相關披露資料之合理性。
 - 對董事採用持續經營會計基礎之恰當性作出結論。根據所得之審核憑證，決定是否存在與可能對貴集團持續經營之能力構成重大疑慮之事件或情況有關之重大不確定性。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者對綜合財務報表中相關披露資料之關注。假若有關披露資料不足，則吾等須出具非無保留意見之核數師報告。吾等之結論乃基於截至核數師報告日期止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
 - 評價綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事實。
 - 就集團中實體或業務活動之財務資料獲取充分、適當之審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等對審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

(Continued)

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

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

From the matters communicated with the directors, 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.

BDO Limited

Certified Public Accountants

Chiu Wing Cheung Ringo

Practising Certificate No.: P04434

Hong Kong, 21 March 2018

核數師就審核綜合財務報表承擔之責任(續)

吾等就(其中包括)審核之計劃範圍、時間安排及重大審核結果,包括吾等於審核期間所識別內部控制之任何重大缺陷,與審核委員會進行了溝通。

吾等亦向審核委員會提交聲明,說明吾等已符合有關獨立性之相關職業道德要求,並與他們溝通所有合理認為會影響吾等獨立性之關係及其他事項,以及(如適用)相關防範措施。

從與董事溝通之事項中,吾等決定何種事項對本期綜合財務報表之審核最為重要,因而構成關鍵審核事項。吾等會在核數師報告中描述該等事項,除非法律法規不允許對某件事項作出公開披露,或在極端罕見之情況下,若有合理預期在吾等之報告中溝通某事項而造成之負面後果將會超過其產生之公眾利益,吾等將不會於此等情況下於報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

招永祥

執業證書號碼: P04434

香港,二零一八年三月二十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	6	63,247	69,475
Other gains and losses	其他收益及虧損	7	(28,625)	24,342
Other income	其他收入	8	63	2,522
Staff costs	員工成本	10	(56,148)	(47,286)
Depreciation	折舊		(418)	(538)
Finance costs	融資成本	9	(27,508)	(30,319)
Provision for settlement of convertible bonds	結算可換股債券之撥備	26	(33,708)	–
Other expenses	其他費用	10	(26,358)	(36,302)
Share of results of an associate	分佔一間聯營公司業績		(31,937)	3,078
Impairment loss on interests in an associate	於一間聯營公司之權益 之減值虧損	18	(40,791)	–
Loss before income tax	除所得稅前虧損	10	(182,183)	(15,028)
Income tax expense	所得稅開支	11	(2,341)	(1,879)
Loss for the year	年內虧損		(184,524)	(16,907)
Other comprehensive income	其他全面收益			
Item that may be reclassified subsequently to profit or loss	其後可重新分類至 損益之項目			
– Exchange differences on translation of financial statements of foreign operations	– 換算海外業務財務報表 產生之匯兌差額		2,488	(5,162)
Other comprehensive income for the year	年內其他全面收益		2,488	(5,162)
Total comprehensive income for the year	年內全面收益總額		(182,036)	(22,069)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the year attributable to:	以下各項應佔年內虧損：			
– Owners of the Company	– 本公司擁有		(184,507)	(16,911)
– Non-controlling interests	– 非控股權益		(17)	4
			(184,524)	(16,907)
Total comprehensive income for the year attributable to:	以下各項應佔年內 全面收益總額：			
– Owners of the Company	– 本公司擁有		(182,019)	(22,073)
– Non-controlling interests	– 非控股權益		(17)	4
			(182,036)	(22,069)
Loss per share	每股虧損	13	HK cents 港仙	HK cent 港仙
– Basic	– 基本		(5.19)	(0.48)
– Diluted	– 攤薄		(5.19)	(0.56)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註			
ASSETS AND LIABILITIES		資產及負債		
Non-current assets		非流動資產		
Property, plant and equipment	15	物業、廠房及設備	527	575
Trading rights	16	買賣權	3,322	3,322
Goodwill	17	商譽	7,000	7,000
Interests in an associate	18	於一間聯營公司之權益	1,863	72,334
Other assets	19	其他資產	1,730	1,730
Deferred tax asset	27	遞延稅項資產	144	144
			14,586	85,105
Current assets		流動資產		
Trade and other receivables and prepayments	20	貿易及其他應收賬款 以及預付款項	69,481	31,970
Held for trading investments	21	持作買賣用途投資	39,616	232,157
Current tax assets		即期稅項資產	-	1,413
Trust bank balances held on behalf of clients	22	代表客戶持有之信託 銀行結餘	221,581	301,145
Cash and cash equivalents	23	現金及現金等同項目	87,556	126,461
			418,234	693,146
Current liabilities		流動負債		
Trade and other payables and accruals	24	貿易及其他應付賬款 以及應計費用	242,453	419,549
Borrowings	25	借貸	-	26,427
Convertible bonds	26	可換股債券	143,517	165,802
Provision for settlement of convertible bonds	26	結算可換股債券之撥備	33,708	-
Current tax liabilities		即期稅項負債	606	34
			420,284	611,812
Net current (liabilities)/assets		流動(負債)/資產淨值	(2,050)	81,334
Net assets		資產淨值	12,536	166,439

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
EQUITY	權益			
Share capital	股本	28	178,128	177,128
Reserves	儲備	31	(183,381)	(28,495)
(Capital deficiency)/Equity attributable to owners of the Company	本公司擁有人應佔 (資本虧絀)/權益		(5,253)	148,633
Non-controlling interests	非控股權益		17,789	17,806
Total equity	權益總額		12,536	166,439

On behalf of the Board

代表董事會

Wu Siu Lam, William

胡少霖

Director

董事

Cheng Kit Sum, Clara

鄭潔心

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests 非控股權益			Total 權益總額 HK\$'000 千港元	
		Share capital	Share premium*	Shareholder's contribution*	Capital redemption reserve*	Convertible bond equity reserve*	Share option reserve*	Currency translation reserve*	Accumulated losses*	Total	Share of net assets of subsidiaries	Convertible bond equity reserve of a subsidiary		Total
		股本	股份溢價*	股東注資*	資本 贖回儲備*	可換股債券 權益儲備*	購股權儲備*	貨幣換算 儲備*	累計虧損*	總計	分佔附屬公司 資產淨值	可換股債券 權益儲備		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		HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	174,328	229,464	7,834	477	34,408	8,467	(4,763)	(289,729)	160,486	10	17,792	17,802	178,288
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	2,800	11,588	-	-	-	(4,168)	-	-	10,220	-	-	-	10,220
Transactions with owners	與擁有人之交易	2,800	11,588	-	-	-	(4,168)	-	-	10,220	-	-	-	10,220
Loss for the year	年內虧損	-	-	-	-	-	-	-	(16,911)	(16,911)	4	-	4	(16,907)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of foreign operations	- 換算海外業務財務報表產生之匯兌差額	-	-	-	-	-	-	(5,162)	-	(5,162)	-	-	-	(5,162)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(5,162)	(16,911)	(22,073)	4	-	4	(22,069)
Forfeiture of share options	沒收購股權	-	-	-	-	-	(298)	-	298	-	-	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	177,128	241,052	7,834	477	34,408	4,001	(9,925)	(306,342)	148,633	14	17,792	17,806	166,439
At 1 January 2017	於二零一七年一月一日	177,128	241,052	7,834	477	34,408	4,001	(9,925)	(306,342)	148,633	14	17,792	17,806	166,439
Equity-settled share-based payments	股本結算股份付款	-	-	-	-	-	9,520	-	-	9,520	-	-	-	9,520
Issue of convertible bonds by the Company	本公司發行可換股債券	-	-	-	-	13,713	-	-	-	13,713	-	-	-	13,713
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	1,000	5,333	-	-	-	(1,433)	-	-	4,900	-	-	-	4,900
Transactions with owners	與擁有人之交易	1,000	5,333	-	-	13,713	8,087	-	-	28,133	-	-	-	28,133
Loss for the year	年內虧損	-	-	-	-	-	-	-	(184,507)	(184,507)	(17)	-	(17)	(184,524)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of foreign operations	- 換算海外業務財務報表產生之匯兌差額	-	-	-	-	-	-	2,488	-	2,488	-	-	-	2,488
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	2,488	(184,507)	(182,019)	(17)	-	(17)	(182,036)
Expiry of conversion option in convertible bonds	可換股債券之兌換期權屆滿	-	-	-	-	(34,408)	-	-	34,408	-	-	-	-	-
Forfeiture of share options	沒收購股權	-	-	-	-	-	(2,365)	-	2,365	-	-	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	178,128	246,385	7,834	477	13,713	9,723	(7,437)	(454,076)	(5,253)	(3)	17,792	17,789	12,536

* These accounts comprise negative reserves of HK\$183,381,000 (2016: HK\$28,495,000) in the consolidated statement of financial position at 31 December 2017.

* 該等賬目包括於二零一七年十二月三十一日綜合財務狀況表之負儲備 183,381,000 港元 (二零一六年: 28,495,000 港元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from operating activities	經營活動所得現金流量		
Loss for the year	年內虧損	(184,524)	(16,907)
Adjustments for:	調整：		
Income tax expense	所得稅開支	2,341	1,879
Changes in net assets attributable to other holders of redeemable shares of a consolidated investment fund	綜合投資基金可贖回股份之其他持有人應佔資產淨值之變動	-	(1,390)
Changes in third party interests in collective investment schemes	集體投資計劃之第三方權益變動	(5,325)	1,019
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	418	538
Dividend income	股息收入	-	(2,500)
Equity-settled share-based payment expense	股本結算股份付款開支	9,520	-
Fair value changes on financial instruments classified as held for trading	分類為持作買賣金融工具之公平值變動	-	3,667
Finance costs	融資成本	27,508	30,319
Impairment losses on interests in an associate	於一間聯營公司之權益之減值虧損	40,791	-
Impairment losses on trade receivables	貿易應收賬款減值虧損	637	221
Interest income from banks and others	銀行及其他利息收入	(27)	(22)
Net losses on disposals of property, plant and equipment	出售物業、廠房及設備之虧損淨額	2	-
Provision for settlement of convertible bonds	結算可換股債券之撥備	33,708	-
Share of results of an associate	分佔一間聯營公司業績	31,937	(3,078)
Operating (loss)/profit before working capital changes	營運資金變動前之經營(虧損)/溢利	(43,014)	13,746
(Increase)/Decrease in trade and other receivables and prepayments	貿易及其他應收賬款以及預付款項(增加)/減少	(38,672)	259,536
Decrease/(Increase) in held for trading investments	持作買賣用途投資減少/(增加)	192,541	(47,853)
Decrease/(Increase) in trust bank balances held on behalf of clients	代表客戶持有之信託銀行結餘減少/(增加)	79,564	(249,764)
(Decrease)/Increase in trade and other payables and accruals	貿易及其他應付賬款以及應計費用(減少)/增加	(117,052)	257,121
Cash generated from operations	經營所得現金	73,367	232,786
Dividend received	已收股息	-	2,500
Interest paid	已付利息	(11,467)	(10,885)
Interest received from banks and others	已收銀行及其他利息	27	22
Income tax paid	已付所得稅	(356)	(8,469)
Net cash generated from operating activities	經營活動所得現金淨額	61,571	215,954

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from investing activities	投資活動所得現金流量		
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	收購一間附屬公司(扣除收購之現金及現金等同項目)	30	(7,046)
Purchases of property, plant and equipment	購買物業、廠房及設備	(382)	(81)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	13	4
<i>Net cash used in investing activities</i>	<i>投資活動所用現金淨額</i>	(369)	(7,123)
Cash flows from financing activities	融資活動所得現金流量		
Decrease in collateralised borrowings	抵押借貸減少	-	(224,021)
Proceeds from other holders of collective investment schemes	集體投資計劃其他持有者之所得款項	2,000	102,161
Payments to other holders of collective investment schemes	向集體投資計劃其他持有者付款	(56,719)	(43,136)
Proceeds from issue of 2017 SYHL bonds	發行二零一七年盛源控股債券之所得款項	110,000	-
Proceeds from issue of shares upon exercise of share options	因購股權獲行使而發行股份之所得款項	4,900	10,220
Proceeds from loans advanced from a substantial shareholder and a third party	一名主要股東及一名第三方墊付貸款之所得款項	5,000	31,040
Redemption of 2014 SYHL bonds	贖回二零一四年盛源控股債券	(135,000)	-
Redemption of redeemable shares of a consolidated investment fund	贖回綜合投資基金可贖回股份	-	(13,421)
Repayments of loans advanced from a substantial shareholder and a third party	償還一名主要股東及一名第三方墊付之貸款	(31,040)	(5,000)
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>	(100,859)	(142,157)
Net (decrease)/increase in cash and cash equivalents	現金及現金等同項目(減少)/增加淨額	(39,657)	66,674
Cash and cash equivalents at beginning of the year	於年初之現金及現金等同項目	126,461	60,536
Effect of foreign exchange rate changes, on cash held	匯率變動對所持現金之影響	752	(749)
Cash and cash equivalents at end of the year	於年終之現金及現金等同項目	87,556	126,461

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

1. GENERAL INFORMATION

Sheng Yuan Holdings Limited (the “Company”) is an exempted company with limited liability incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Suites 4301-5, 43/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The Company is an investment holding company. Its subsidiaries are principally engaged in provision of securities brokerage and financial services, asset management services, proprietary trading and trading business.

The consolidated financial statements for the year ended 31 December 2017 were approved for issue by the board of directors on 21 March 2018.

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2017

In the current year, the Group has applied amendments to standards and interpretations which are effective for the Group’s financial statements for the annual period beginning on 1 January 2017. HKFRSs include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Except as explained below, the adoption of new or amended HKFRSs has no material impact on the Group’s financial statements.

1. 一般資料

盛源控股有限公司(「本公司」)為一間於百慕達註冊成立及登記之獲豁免有限公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，其主要營業地點位於香港銅鑼灣勿地臣街1號時代廣場1座43樓4301-5室。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司為投資控股公司，其附屬公司主要從事提供證券經紀及金融服務、資產管理服務、自營買賣及貿易業務。

截至二零一七年十二月三十一日止年度之綜合財務報表於二零一八年三月二十一日獲董事會批准刊發。

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)

2.1 於二零一七年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則

於本年度內，本集團已採納於二零一七年一月一日開始之年度期間之本集團財務報表生效之修訂準則及詮釋。香港財務報告準則包括香港會計師公會(「香港會計師公會」)頒佈之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。除下文所述者外，採納新訂或經修訂香港財務報告準則不會對本集團之財務報表產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.1 NEW OR AMENDED HKFRSs EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2017

(Continued)

AMENDMENTS TO HKAS 7, DISCLOSURE INITIATIVE

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Group's liabilities arising from financing activities consist of third party interests in collective investment schemes within trade and other payables and accruals (note 24), borrowings (note 25) and convertible bonds (note 26). Reconciliations between the opening and closing balances of these items are provided in respective notes. According to the transition provisions of the amendments, the Group is not required to disclose comparative information for the prior period. Apart from the additional disclosures, the application of these amendments has had no impact on the Group's consolidated financial statements.

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

At the date of authorisation of these financial statements, certain new or amended HKFRSs have been issued but are not yet effective. The Group has not early adopted these new or amended HKFRSs in the financial statements for the year ended 31 December 2017. The directors of the Company anticipate that these pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 於二零一七年一月一日或之後開始之年度期間生效之新訂或經修訂香港財務報告準則(續) 香港會計準則第7號之修訂本「披露計劃」

本集團於本年度首次應用該等修訂。該等修訂本要求實體披露有助於財務報表使用者評估融資活動引致的負債變動的資料，包括現金變動及非現金變動。

本集團融資活動引致的負債包括貿易及其他應付賬款以及應計費用(附註24)、借貸(附註25)及可換股債券(附註26)內集體投資計劃之第三方權益。該等項目於期初及期末結餘之對賬載於各附註。根據該等修訂本之過渡性條文，並無要求本集團披露對過往期間之比較資料。除額外披露外，應用該等修訂本對本集團之綜合財務報表並無影響。

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則

於授權該等財務報表之日期，若干新訂或經修訂香港財務報告準則已頒佈但尚未生效。本集團並無於截至二零一七年十二月三十一日止年度之財務報表中提早採納該等新訂或經修訂香港財務報告準則。本公司董事預期，該等頒佈將於其生效日期後開始之首個期間於本集團之會計政策採納。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

Information on new or amended HKFRSs that have not been adopted early by the Group but expected to have impact on the Group’s accounting policies is provided below. Other new or amended HKFRSs have been issued but are not yet effective and not adopted in advance are not expected to have a material impact on the Group’s consolidated financial statements.

HKFRS 9, FINANCIAL INSTRUMENTS

HKFRS 9 introduced new requirements for the classification and measurement of financial assets. Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39, Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of the subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are generally measured at their fair value through profit or loss at the end of the subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment that is not held for trading in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

預期對本集團會計政策構成影響但本集團並無提早採納之新訂或經修訂香港財務報告準則資料載列如下。其他已頒佈但尚未生效且並無提早採納之新訂或經修訂香港財務報告準則，預期對本集團綜合財務報表不會構成重大影響。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入金融資產分類及計量之新規定。根據香港財務報告準則第9號，香港會計準則第39號「金融工具：確認及計量」範圍內所有已確認之金融資產其後須按攤銷成本或公平值計量。具體而言，於目的為收回合約現金流量之業務模式中持有之債務工具，以及合約現金流量純為支付本金及未償還本金之利息之債務工具，一般按其後會計期間結算日之攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產之業務模式中持有之債務工具，以及合約條款令於特定日期產生之現金流量純為支付本金及未償還本金之利息之債務工具，一般按公平值列賬並於其他全面收益內處理之方式計量。所有其他債務投資及股權投資一般則以其後會計期間結算日之公平值計入損益計量。此外，根據香港財務報告準則第9號，實體可以不可撤回地選擇於其他全面收益內呈列並非持作買賣之股權投資其後之公平值變動，而在一般情況下，僅有股息收入會於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of changes in the fair value of financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

就指定為按公平值計入損益之金融負債之計量而言，香港財務報告準則第9號規定金融負債之信貸風險變動引致之該負債公平值之變動金額於其他全面收益內呈列，除非於其他全面收益中確認該變動會導致或擴大損益上之會計錯配。金融負債之信貸風險引致之公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為按公平值計入損益之金融負債之公平值變動金額悉數於損益呈列。

關於金融資產減值，香港財務報告準則第9號規定按一項預期信貸損失模型，而非根據香港會計準則第39號按一項已發生的信貸損失模型。該預期信貸損失模型規定實體須計算其預期信貸損失及該等預期信貸損失於各報告日期之變動，以反映自初始確認以來所產生之信貸風險之變動。換而言之，現已毋須對信貸事件發生之前的信貸損失予以確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transaction eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principal of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

HKFRS 9 is effective for accounting period beginning on or after 1 January 2018. Based on the Group’s financial assets and financial liabilities as at 31 December 2017 and the facts and circumstances that exist at that date, the directors of the Company have assessed that the new classification and measurement requirement would not have a material impact on its financial assets and financial liabilities. In respect of financial assets measured at amortised cost which are subject to impairment provisions of HKFRS 9, the Group expects to apply the simplified approach to recognise lifetime expected credit losses as required or permitted and anticipates that the application of the expected credit loss model may result in earlier recognition of credit losses for these assets. The Group also does not anticipate the application of the hedge accounting requirements will have a material impact on the Group’s consolidated financial statements.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

新一般對沖會計法規定保留三類香港會計準則第39號目前規定之對沖會計法。香港財務報告準則第9號向可作對沖會計之交易類別引入更大靈活度，尤其是擴闊合資格作為對沖工具之工具類別及可作對沖會計之非金融項目之風險分部之類別。此外，效力測試已獲重整及取代「經濟關係」之原則，且毋須再追溯評估對沖效力，亦已增加對有關實體風險管理活動之披露規定。

香港財務報告準則第9號於二零一八年一月一日或之後開始之會計期間生效。根據本集團於二零一七年十二月三十一日金融資產及金融負債及該日存在的事實及情況，本公司董事已評估新分類及計量規定不會對其金融資產及金融負債產生重大影響。就按照香港財務報告準則第9號的減值撥備以攤銷成本計量之金融資產而言，本集團預計按照規定或許可採用簡化方法確認終身預期信貸損失及預計採納預期信貸損失模型或引致提早確認該等資產之信貸損失。本集團亦預計採納對沖會計法規定將不會對本集團之綜合財務報表產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

HKFRS 9, FINANCIAL INSTRUMENTS (Continued)

Changes in accounting policies resulting from the adoption of HKFRS 9 will generally be applied retrospectively and the Group plans to take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from adoption of HKFRS 9 is generally recognised in accumulated losses and reserves as at 1 January 2018. Extensive new disclosures, in particular about credit risk and expected credit losses, required under HKFRS 9 will be made in the financial statements.

HKFRS 15, REVENUE FROM CONTRACTS WITH CUSTOMERS

HKFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

因採納香港財務報告準則第9號所產生之會計政策變動，一般將會追溯應用。本集團計劃利用豁免其重述以往期間關於分類及計量(包括減值)變動比較信息之權利。採納香港財務報告準則第9號產生之金融資產及金融負債之賬面值差額一般於二零一八年一月一日在累計虧損及儲備中確認。香港財務報告準則第9號提出了更為廣泛之新披露，特別是在信貸風險及預期信貸損失方面將於財務報表內作出。

香港財務報告準則第15號「客戶合同收益」

香港財務報告準則第15號已頒佈並建立了一個單一之綜合模型，供實體確認來自客戶合同之收益。香港財務報告準則第15號將取代現時沿用之收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合同」及相關詮釋。

香港財務報告準則第15號之核心原則乃實體應確認收益以體現向客戶轉讓承諾貨品或服務之數額，並反映實體預期交換該等貨品或服務而應得之代價。具體來說，該準則引入了五步法來確認收益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

HKFRS 15, REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15, clarifying the identification of performance obligations, principal versus agent consideration, as well as licensing application guidance.

HKFRS 15, including the amendments, is effective for accounting period beginning on or after 1 January 2018. The Group plans to adopt HKFRS 15 in its consolidated financial statements using the retrospective approach and plans to use the practical expedients for completed contracts. Apart from providing more extensive disclosures on the Group’s revenue transactions, the directors do not anticipate that the application of HKFRS 15 will have a significant impact on the financial position and/or financial performance of the Group.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第15號「客戶合同收益」(續)

根據香港財務報告準則第15號，實體當(或於)完成履約責任時確認收益，即當貨品或服務按特定履約責任轉移並由客戶「控制」時。此外，香港財務報告準則第15號亦要求較廣泛之披露。

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，澄清有關履約責任的識別、主事人與代理人代價以及牌照申請指引。

香港財務報告準則第15號(包括該等修訂)於二零一八年一月一日或之後開始之會計期間生效。本集團計劃利用追溯法在其綜合財務報表中採納香港財務報告準則第15號及計劃對已完成合約使用權宜措施。除就本集團收益交易提供更為廣泛披露外，董事預計採用香港財務報告準則第15號將不會對本集團之財務狀況及/或財務表現產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

2.2 NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE (Continued)

HKFRS 16, LEASES

The HKICPA has published the new lease standard in May 2016. The new standard will have a significant impact on many entities across various industries. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations.

From the perspective as a lessee, under the existing standard, leases are classified as either finance lease or operating lease, resulting in different accounting treatment. Finance leases are required to be accounted for “On Balance Sheet” (i.e. lease asset and corresponding liabilities are recognised in the statement of financial position); while operating lease is accounted for “Off Balance Sheet” where no asset or liabilities are recognised and the lease expenses are recognised on a straight-line basis along the lease period. Under the new standard, “On Balance Sheet” accounting treatment is required for all leases, except for certain short-term leases and leases of low-value assets.

From the perspective as a lessor, HKFRS 16 substantially carried forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will be effective for accounting period beginning on 1 January 2019. The directors of the Company anticipate that the application of HKFRS 16 in the future will have impact on the amounts reported in respect of the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 16 until the Group completed a detailed review.

2. 採納新訂或經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港會計師公會於二零一六年五月頒佈新租賃準則。新準則將對不同行業之眾多實體造成重大影響。香港財務報告準則第16號將取代香港會計準則第17號「租賃」及相關詮釋。

就承租人而言，根據現有準則，租賃乃分類為融資租賃或經營租賃，因而導致不同會計處理方式。融資租賃須於「資產負債表內」(即租賃資產及相關負債於財務狀況表內確認)入賬；而經營租賃須於「資產負債表外」入賬，租賃期內並無資產或負債予以確認，而租賃開支乃以直線法確認。根據新準則，所有租賃(若干短期租賃及低值資產的租賃除外)均須採取「資產負債表內」的會計處理方式。

就出租人而言，香港財務報告準則第16號大致上轉承香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同之會計處理。

香港財務報告準則第16號將於二零一九年一月一日開始之會計期間生效。本公司董事預期香港財務報告準則第16號於日後之應用將對本集團綜合財務報表內所呈報之金額造成影響。然而，在本集團於完成詳細檢討前提供香港財務報告準則第16號之影響的合理估計並不切實可行。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策概要

3.1 BASIS OF PREPARATION

The financial statements on pages 78 to 199 have been prepared in accordance with HKFRSs issued by the HKICPA. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impact on the Group’s financial statements, if any, are disclosed in note 2 to the financial statements.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4 to the financial statements.

3.1 編製基準

載於第78至199頁之財務報表已根據香港會計師公會頒佈之香港財務報告準則編製。該等財務報表亦符合香港公司條例及聯交所證券上市規則（「上市規則」）之適用披露規定。

編製該等財務報表所採用之主要會計政策概述如下。除另有說明者外，該等政策均貫徹應用於所呈報之所有年度。採納新訂或經修訂香港財務報告準則及對本集團財務報表之影響（如有）於財務報表附註2披露。

財務報表已按歷史成本基準編製，惟若干以公平值計量之金融工具除外。計量基準於下文會計政策內詳述。

務請注意，編製財務報表時已運用會計估計及假設。儘管該等估計乃基於管理層對現時事件及行動之一切所知及判斷，實際結果最終或會與該等估計有所差異。涉及高度判斷或複雜性之範疇或涉及對財務報表屬重大之假設及估計之範疇於財務報表附註4披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.1 BASIS OF PREPARATION (Continued)

As at 31 December 2017, the Group had convertible bonds with principal amount of approximately HK\$155 million (31 December 2016: HK\$180 million) due or expected to be settled within 12 months from 31 December 2017. In addition, the Group had incurred significant losses for the year and had net current liabilities of approximately HK\$2 million as at 31 December 2017. These conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above conditions, the financial statements were prepared based on the assumption that the Group can be operated as a going concern as the Group had, on 29 December 2017, entered into a deed of settlement with a holder of convertible bonds with principal amount amounting to HK\$45,000,000 (note 26). Subject to the fulfilment of the substantive conditions as disclosed in the Company's announcement dated 29 December 2017, the Company will issue convertible bonds with a principal amount of HK\$90,000,000 for a term of 2 years as settlement, which as of the date of the approval of these financial statements have not been fully fulfilled because the approval from the Stock Exchange has not been granted. In addition, the Group shall continue to apply various measures to tighten its operating expenditures in order to improve its profitability and to generate positive cash inflow from its operations and will obtain loan financing or other alternative financing arrangement to settle its debt if necessary.

3.1 編製基準(續)

於二零一七年十二月三十一日，本集團有本金額約為155,000,000港元(二零一六年十二月三十一日：180,000,000港元)之可換股債券，須或預期自二零一七年十二月三十一日起計十二個月內結清。此外，本集團年內產生重大虧損，於二零一七年十二月三十一日之流動負債淨額約為2,000,000港元。此等情況表明存在重大不明朗因素，或會對本集團能否按持續基準繼續經營業務，及其後對其於一般業務過程中變現其資產及償還負債之能力產生疑問。

儘管存在上述情況，財務報表乃按本集團可持續經營之假設而編製，乃由於於二零一七年十二月二十九日，本集團與可換股債券之持有人訂立本金額為45,000,000港元的結算契據(附註26)。待本公司日期為二零一七年十二月二十九日之公告所披露的實質條件獲達成後，本公司將發行本金額為90,000,000港元結算期限為兩年之可換股債券，其於截至該等財務報表獲批准日期尚未全面達成，乃因聯交所並未授予批准。此外，本集團將繼續採取多種措施縮緊其營運開支以改善其盈利能力及自營運產生正向現金流入，並將於需要時取得貸款融資或其他財務安排以償還其債務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.1 BASIS OF PREPARATION (Continued)

Having regard to the cash flow projection of the Group, which are prepared assuming that these measures are successful, the directors of the Company are of the opinion that, the Group will have sufficient working capital to satisfy its future working capital and other financing requirements for at least the next twelve months from 31 December 2017. Accordingly, these financial statements were prepared on assumption that the Group can be operated as a going concern.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets as current assets. The effect of these adjustments has not yet been reflected in the financial statements.

3.2 BUSINESS COMBINATION AND BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in consolidated profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

3.1 編製基準(續)

經考慮按假設該等措施取得成功而編製之本集團現金流量預測，本公司董事認為，本集團將具備足夠營運資金以滿足其自二零一七年十二月三十一日起至少十二個月之日後營運資金及其他資金需要。因此，該等財務報表乃按本集團可持續經營之假設而編製。

倘本集團無法繼續按持續基準經營業務，則須於財務報表作出調整以將資產價值撇減至其可收回金額，為可能產生之任何進一步負債作出撥備，以及將非流動資產重新分類為流動資產。此等調整之影響並未於財務報表內反映。

3.2 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團公司之間之內部公司交易及結餘連同未變現之溢利於編製綜合財務報表時悉數對銷。未變現虧損亦做對銷，除非是項交易提供已轉移資產之減值證據，則在綜合損益表中確認虧損。

年內購入或出售之附屬公司之業績自實際購入日期起或截至實際出售日期止(視情況而定)計入綜合損益及其他全面收益表。本公司會因應需要對附屬公司之財務報表作出調整，致使其會計政策與本集團其他成員公司所應用之會計政策一致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 BUSINESS COMBINATION AND BASIS OF CONSOLIDATION (Continued)

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 are initially measured at the non-controlling interests' proportionate share of the recognised amount of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are 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.

Acquisition of businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity. Goodwill is recognised initially 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 any acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, 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 any acquirer's previously held equity interest in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain. Subsequent to initial recognition, goodwill is measured at cost less impairment losses.

3. 主要會計政策概要(續)

3.2 業務合併及綜合基準(續)

屬現時擁有之權益且於清盤時賦予持有人按比例分佔實體淨資產權利之非控股權益，初步按非控股權益應佔被收購公司可識別資產淨值的已確認金額比例計量。即使會導致非控股權益出現虧絀結餘，損益及其他全面收益之各部分仍歸屬於本公司擁有人及非控股權益。

收購業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購之可識別資產及所承擔負債則主要按收購當日之公平值計量。所產生之收購相關成本列作開支，除非其產生自發行股本工具，在此情況下，有關成本自權益中扣除。商譽按所轉撥之代價、非控股權益於被收購公司中所佔金額及收購方以往持有被收購公司權益之公平值之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後之差額初步確認。倘經重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購公司中所佔金額及收購方以往持有被收購公司權益之公平值之總和，則差額即時於損益內確認為議價購入收益。於初步確認後，商譽按成本減減值虧損計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.3 SUBSIDIARIES

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights relating to the investee (held by the Group and others) are considered. For a right to be substantive, the Group must have the practical ability to exercise that right. Control is reassessed when facts and circumstances indicate that there are changes to one or more of the elements of control.

3.4 ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In consolidated financial statements, the investments in associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the post-acquisition change in the Group's share of net assets and any impairment losses relating to the investment. The Group's share of the post-acquisition, post-tax results of the investees, including any impairment losses on the investments in associates for the year, are recognised in the consolidated profit or loss, whereas the Group's share of the post-acquisition, post-tax items of the investees' other comprehensive income are recognised in other comprehensive income of the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3.3 附屬公司

附屬公司指本集團控制之實體(包括結構性實體)。倘本集團對被投資方擁有權力、因參與被投資方業務而可就其可變回報承受風險或享有權利且能利用其於被投資方之權力影響該等可變回報之能力，則本集團對被投資方擁有控制權。於評估本集團是否有權力時，僅考慮(由本集團及其他方持有的)被投資方之實質權利。就實質權利而言，本集團須有實際能力行使該權利。倘有事實及情況顯示任何此等控制權因素之一項或多項可能有變，則會重新評估控制權。

3.4 聯營公司

聯營公司指本集團對其擁有重大影響力之實體。重大影響力指對被投資方之財務及營運政策決策之參與權，但並非對該等政策之控制或共同控制權。

於綜合財務報表中，於聯營公司之投資乃使用權益法入賬，據此，其初步按成本確認，其後，其賬面值會就本集團應佔是項投資之淨資產及任何減值虧損之收購後變動作出調整。本集團所佔被投資方之收購後稅後業績(包括年內於聯營公司投資之任何減值虧損)於綜合損益確認，而本集團所佔被投資方於其他全面收益之收購後稅後項目，則在本集團之其他全面收益中確認。倘本集團所佔聯營公司虧損超過本集團於該聯營公司之權益，則本集團終止確認其所佔之額外虧損。額外虧損僅於本集團產生法律或推定責任或代表聯營公司付款時方會確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 ASSOCIATES (Continued)

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the consolidated profit or loss in the period in which the investment is acquired.

Unrealised profits and losses resulting from transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associates. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are immediately recognised in profit or loss.

Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

3.5 FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company. All value are rounded to the nearest thousand except when otherwise indicated.

3. 主要會計政策概要(續)

3.4 聯營公司(續)

就收購於聯營公司之投資而言，投資成本與本集團所佔被投資方之可識別資產及負債之公平淨值之任何差額乃確認為商譽，並計入投資之賬面值。本集團所佔可識別資產及負債之公平淨值與投資成本之任何差額，經重估後，即時於收購投資期間之綜合損益內確認。

本集團與其聯營公司間之交易所產生之未變現溢利及虧損，僅以非關連投資者於該等聯營公司之權益為限予以確認。投資者應佔聯營公司自該等交易產生之溢利及虧損，會與該聯營公司之賬面值對銷，惟倘未變現虧損提供已轉讓資產之減值證據除外，在該情況下，其會即時於損益內確認。

倘聯營公司所用會計政策並非本集團於同類情況下就類似交易及事件所採用者，本集團於應用權益法使用聯營公司之財務報表時會作出調整，以使該聯營公司之會計政策與本集團所採用者一致。

3.5 外幣換算

財務報表以港元(「港元」)呈列，港元亦為本公司之功能貨幣。除另有指明外，所有價值均湊整至最接近之千元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要 (續)

3.5 FOREIGN CURRENCY TRANSLATION (Continued)

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the foreign exchange rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rate at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in currency translation reserve in equity and attributable to non-controlling interests as appropriate. Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

3.5 外幣換算 (續)

於各綜合實體之個別財務報表內，外幣交易均按交易當日之匯率換算為個別實體之功能貨幣。於報告日期，以外幣計值之貨幣資產及負債按照該日之現行匯率換算。結算以及於報告日期重新換算貨幣資產及負債而產生之外匯收益及虧損，均於損益中確認。以外幣計值按公平值入賬之非貨幣項目按釐定公平值當日之現行匯率重新換算，並作為部分公平值收益或虧損而呈報。以外幣及按過往成本計算之非貨幣項目不進行重新換算。

於綜合財務報表內，所有海外業務之個別財務報表（原先以不同於本集團呈報貨幣之貨幣呈列）已兌換為港元。資產及負債已按照報告日期之收市匯率換算為港元。收入及開支則按交易日期之匯率或在匯率並無重大波動下按報告期間之平均匯率換算為港元。任何經此程序產生之差額已於其他全面收益中確認及分開累計於權益之貨幣換算儲備內，並列為非控股權益應佔（倘適用）。透過收購海外業務所收購之可識別資產及所承擔之負債之商譽及公平值調整乃作為海外業務之資產及負債處理，並按於報告期結算日之適用匯率進行換算。產生之匯兌差額乃於其他全面收益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.5 FOREIGN CURRENCY TRANSLATION (Continued)

On disposal of a foreign operation involving loss of control over a subsidiary or significant influence over an associate that includes a foreign operation, the cumulative exchange differences relating to that foreign operation accumulated in currency translation reserve are reclassified from equity to profit or loss as part of the gain or loss on disposal.

3.6 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sales of goods, the rendering of services and the use by others of the Group's assets yielding interest and dividend. Revenue is recognised, when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably, on the following bases:

- (a) for commission and brokerage income, they are recognised on the transaction dates when the relevant contracts are executed;
- (b) for financial advisory and consultancy fee income; fund and portfolio management and investment advisory fee income; and handling fee income, they are recognised when the services are provided;
- (c) for fund and portfolio performance and incentive fee income, they are recognised on the performance and incentive fee valuation day when there is a positive performance for the relevant performance period, taking into consideration the relevant basis of calculation for the relevant investment funds and portfolios;

3.5 外幣換算(續)

當出售外國業務而涉及失去對一間包括外國業務的附屬公司之控制權或一間包括外國業務的聯營公司之重大影響力時，於貨幣換算儲備積累有關該外國業務之累計匯兌差額由權益重新分類為損益，作為出售盈虧之一部分。

3.6 收益確認

收益包括出售貨物、提供服務及他人使用本集團資產以賺取利息及股息之已收或應收代價之公平值。收益在經濟利益可能流入本集團且收益及成本(如適用)能夠可靠計算時按下列基準確認：

- (a) 佣金及經紀收入，於簽立有關合約時於交易日確認；
- (b) 財務顧問及諮詢費收入；基金及投資組合管理以及投資顧問費收入；及手續費收入，均於提供服務時確認；
- (c) 就基金及投資組合表現及獎勵費收入而言，其於有關表現期間之表現為正面時於表現及獎勵費估值日確認，並考慮相關投資基金及投資組合之相關計算基準；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 REVENUE RECOGNITION (Continued)

- (d) for underwriting and placing commission income, they are recognised when the obligations and terms under the agreement have been fulfilled;
- (e) for interest income, it is recognised on time-proportion basis taking into account the principal outstanding and effective interest rate applicable; and
- (f) for dividend income, it is recognised when the right to receive the dividend is established.

3.7 BORROWING COSTS

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised as part of the cost of that asset during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

3.8 TRADING RIGHTS

Trading rights represent the eligibility rights to trade on or through Hong Kong Futures Exchange Limited and the Stock Exchange. Trading rights acquired separately are measured initially at cost. The cost of trading rights acquired in a business combination is its fair value at the acquisition date. After initial recognition, trading rights with indefinite useful lives are carried at cost less any accumulated impairment losses. The useful life of trading rights that is indefinite is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

3. 主要會計政策概要 (續)

3.6 收益確認 (續)

- (d) 承銷及配售佣金收入於協議下之責任及條款獲達成時確認；
- (e) 利息收入根據未償還本金額及適用實際利率，按時間比例確認；及
- (f) 股息收入於設立收取股息之權利時確認。

3.7 借貸成本

收購、建設或生產任何合資格資產所產生之借貸成本，於完成及將資產達致擬定用途所需時間期限內資本化，作資產成本其中部分。合資格資產為需要長時間達到擬定用途或銷售狀況之資產。其他借貸成本於產生時支銷。

3.8 買賣權

買賣權指於或透過香港期貨交易所有限公司及聯交所進行買賣之合法權利。獨立收購之買賣權初步按成本計量。於業務合併中收購買賣權之成本為其於收購日期之公平值。於初步確認後，具無限使用年期之買賣權按成本減任何累計減值虧損列賬。具無限使用年期之買賣權每年進行檢討，以釐定有關事件及情況是否繼續支持無限使用年期之評估。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less any accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss of the financial period in which they are incurred.

Depreciation is provided to write off the cost less their estimated residual value over their estimated useful lives, using the straight-line method, as follows:

Leasehold improvements	Over the lease terms
Furniture, fixtures and equipment	15% – 20%
Motor vehicles	20%

The assets' estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss.

3.10 LEASES

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

3. 主要會計政策概要(續)

3.9 物業、廠房及設備

物業、廠房及設備按成本減任何累計折舊及任何減值虧損入賬。其後成本僅於與該項目相關之日後經濟利益有可能流入本集團，且該項目之成本能可靠計算時，方會計入資產之賬面值或確認為獨立資產(視乎情況而定)。所有其他成本(如維修及保養)均於產生之財政期間自損益中扣除。

折舊於估計可使用年期以直線法撇銷成本減估計剩餘價值計提如下：

租賃物業裝修	於租賃期內
傢俬、固定裝置	
及設備	15%-20%
汽車	20%

資產之估計剩餘價值、折舊方法及估計可使用年期於每個報告日期進行檢討，並於適用時作出調整。

廢棄或出售產生之收益或虧損，按出售所得款項淨額(如有)與資產賬面值之差額釐定，並於損益中確認。

3.10 租約

凡租約條款把擁有權之絕大部分風險及回報撥歸承租人之租約均列為融資租約。所有其他租約均列為經營租約。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 LEASES (Continued)

Payments made under operating leases are charged to profit or loss on straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss over the lease terms as an integral part of the aggregate net lease payments made.

3.11 FINANCIAL INSTRUMENTS

(A) FINANCIAL ASSETS

Financial assets are recognised when, and only when, the Group 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 under a contract whose terms that require delivery of assets within the time frame established generally by regulation or convention in the marketplace concerned. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when, and only when, the contractual rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount of assets derecognised and the sum of the consideration received and receivable is recognised in profit or loss.

3. 主要會計政策概要 (續)

3.10 租約 (續)

根據經營租約支付之款項按直線法於租期內自損益扣除，惟倘出現其他基準更能代表租賃資產產生利益之時間模式除外。已收租金優惠於租期內作為所支付租金總淨額之組成部分於損益確認。

3.11 金融工具

(A) 金融資產

金融資產於及僅於本集團成為工具合約條文之訂約方時予以確認。所有日常金融資產買賣於交易日確認及取消確認。日常買賣乃指根據合約條款需按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。金融資產初步按公平值確認，如屬並非按公平值計入損益之投資，則另加直接應佔交易成本。

僅從金融資產收取現金流之合約權利屆滿或已轉讓及擁有權之絕大部分風險及回報已轉讓時，方會取消確認金融資產。全數取消確認金融資產時，取消確認資產賬面值與已收及應收代價總額間之差額於損益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

3.11 金融工具(續)

(A) FINANCIAL ASSETS (Continued)

(A) 金融資產(續)

Financial assets of the Group are classified under (i) loans and receivables and (ii) financial assets at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date. Financial assets are classified as current assets if they are expected to be settled within 12 months after the reporting date.

本集團之金融資產分類為(i) 貸款及應收賬款；及(ii) 按公平值計入損益之金融資產。金融資產於初步確認時由管理層按購入目的而分類為不同類別，並於每個報告日期重估其分類(若許可及適當)。倘預期於報告日期後12個月內結算，則金融資產分類為流動資產。

Loans and receivables

貸款及應收賬款

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any impairment.

貸款及應收賬款指可按固定或待定數額收款而並無活躍市場報價之非衍生金融資產。於初步確認後，貸款及應收賬款均按實際利率法以攤銷成本扣減任何減值計量。

Financial assets at fair value through profit or loss

按公平值計入損益之金融資產

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling it in the near term, or on initial recognition, they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognised in profit or loss. Fair value gain or loss does not include any dividend or interest earned on these financial assets.

按公平值計入損益之金融資產包括持作買賣用途之金融資產。倘金融資產獲收購之目的為於不久之將來出售，或於初步確認時，其為集中管理之已識別金融工具組合之一部分，並有證據證明於近期形成短期獲利之實際模式，則分類為持作買賣用途。衍生工具(包括獨立內含衍生工具)亦分類為持作買賣用途，除非其被指定為有效對沖工具。於初步確認後，按公平值計入損益之金融資產乃按公平值計量，而公平值變動則於損益確認。公平值收益或虧損不包括該等金融資產賺取所得之任何股息或利息。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets

At each reporting date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- (i) significant financial difficulty of the debtor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- (iv) granting concession to a debtor because of the debtor's financial difficulty.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

3.11 金融工具(續)

(A) 金融資產(續)

金融資產減值

於每個報告日期，貸款及應收賬款予以審閱，以確定是否有任何減值之客觀憑證。個別金融資產之客觀減值證據包括本集團注意到下列一項或多項虧損事件之可觀察數據：

- (i) 債務人陷入重大財政困難；
- (ii) 違反合約，例如：拖欠或逾期支付利息或本金；
- (iii) 債務人很可能破產或進行其他財務重組；或
- (iv) 因債務人有財政困難而給予債務人優惠。

一組金融資產之虧損事件包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現逆轉。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(A) FINANCIAL ASSETS (Continued)

Impairment of financial assets (Continued)

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss of the financial period in which the impairment occurs. If, in a subsequent period, the amount of the impairment loss on loans and receivables decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the financial period in which the reversal occurs.

Where the recovery of loans and receivables is considered doubtful but not remote, the impairment losses are recorded using an allowance account. When the Group considered that recovery of receivables is remote, the amount considered irrecoverable is written off against the receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(A) 金融資產(續)

金融資產減值(續)

倘有客觀證據顯示貸款及應收賬款已產生減值虧損，則虧損金額按資產賬面值與按金融資產之原實際利率折現之估計未來現金流量(不包括尚未產生之未來信貸虧損)之現值之差額計量。虧損金額於減值產生之財務期間之損益中確認。倘於其後期間，貸款及應收賬款之減值虧損金額減少且該減少客觀上與減值確認後發生之事件有關，則過往確認之減值虧損會予以撥回，惟撥回不應使金融資產之賬面值超過於減值撥回日期尚未確認減值時之攤銷成本。撥回金額於其產生財務期間之損益中確認。

倘貸款及應收賬款被認為有可能但並非不能收回，則減值虧損會使用撥備賬列賬。當本集團認為不大可能收回應收賬款時，則被認為屬不可收回之金額乃直接自應收賬款撇銷，而於撥備賬內就有關應收賬款持有之任何金額會予以撥回。其後收回過往自撥備賬扣除之金額乃撥回至撥備賬。撥備賬之其他變動及其後收回過往直接撇銷之金額乃於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL LIABILITIES

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs. When financial liabilities are recognised initially, they are measured at fair value, less, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amount is recognised in profit or loss.

Financial liabilities of the Group are classified under financial liabilities at amortised cost. Financial liabilities at amortised cost are subsequently measured at amortised cost, using effective interest method. Management determines the classification of its financial liabilities at initial recognition depending on the purpose for which the financial liabilities were incurred. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(B) 金融負債

金融負債於及僅於本集團參與訂立工具之合約協議時確認。所有與利息相關開支根據本集團借貸成本之會計政策確認。當金融負債初步確認時，倘其並非按公平值計入損益，則按公平值減直接應佔交易成本計量。

金融負債於及僅於金融負債責任履行或註銷或到期時取消確認。取消確認之金融負債之賬面值與已付及應付代價之間之差額於損益中確認。

倘一項現有金融負債被相同借款人按基本上不同之條款提供之其他負債取代，或現有金融負債條款被重大修改，該取代或修改會被視作取消確認原有金融負債及確認一項新金融負債，且各有關賬面值間之差額會於損益中確認。

本集團之金融負債被分類為按攤銷成本列賬之金融負債。按攤銷成本列賬之金融負債其後採用實際利率法按攤銷成本計量。管理層於初步確認金融負債時視乎其產生目的對其進行分類。金融負債被分類為流動負債，除非本集團擁有無條件權利遞延償還負債之期限至報告日期起至少十二個月。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(C) CONVERTIBLE BONDS

Convertible bonds issued by the Company and subsidiaries that contain both the host liability component, conversion option component and other embedded derivatives components (such as early redemption option) which are not closely related to the host liability component are classified separately into their respective items on initial recognition.

Conversion option that will be settled by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments is classified as an equity instrument. Conversion option that will be settled by the issuer other than exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments is a conversion option derivative. Derivatives embedded in host contracts are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts and the host contract are not held for trading or designated as at fair value through profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability, derivative and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the period of the convertible bonds using the effective interest method. Transaction costs relating to the derivative component are recognised in profit or loss immediately. Transaction costs relating to the equity component are recognised directly in equity.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(C) 可換股債券

本公司及附屬公司所發行可換股債券包含主負債部分、兌換權部分及與主負債部分並非密切相關之其他內含衍生工具部分(如提前贖回選擇權)，於初步確認時被分開分類至其各自項目。

發行人將透過用固定金額之現金或另一金融資產交換其自身固定數目之股本工具而行使之兌換權將被分類為股本工具。發行人將透過用固定金額之現金或另一金融資產交換其自身固定數目之股本工具以外之方式行使之兌換權為兌換權衍生工具。倘主合約內含之衍生工具之經濟特徵及風險與主合約所具有者並不密切相關，且主合約並非持作買賣或指定按公平值計入損益，則有關衍生工具按獨立之衍生工具入賬。

與發行可換股債券有關之交易成本按所得款項總額之分配比例分配至負債、衍生工具及權益部分。有關負債部分之交易成本計入負債部分之賬面值，並採用實際利率法於可換股債券期間內攤銷。與衍生工具部分有關之交易成本即時於損益中確認。有關權益部分之交易成本直接於權益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(C) CONVERTIBLE BONDS (Continued)

Convertible bonds (convertible into ordinary shares of the Company) containing liability and equity components and multiple embedded derivatives

Multiple embedded derivatives are generally treated as a single compound derivative. At the date of initial recognition, both the liability and compound derivative components are recognised at fair value. The equity component is determined by deducting the amount of the liability and compound derivative components from the fair value of the convertible bonds and is included in convertible bond equity reserve within equity.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The compound derivative component is measured at fair value with changes in fair value recognised in profit or loss. The equity component will remain in convertible bond equity reserve until the conversion option is exercised (in which case the amount included in convertible bond equity reserve, the fair value of the embedded derivative component and the carrying value of the liability component at the time of conversion are transferred to share capital and share premium as consideration for the shares of the Company issued). Where the conversion option remains unexercised at the expiry dates, the balance stated in convertible bond equity reserve will be released to the retained profits/accumulated losses and the difference between the redemption amount and the carrying amounts of the liability and the embedded derivative components is recognised in profit or loss.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(C) 可換股債券(續)

包含負債及權益部分以及多個內含衍生工具之可換股債券(可兌換為本公司普通股)

多個內含衍生工具通常被視為單一複合衍生工具。於初步確認日期，負債及複合衍生工具部分按公平值確認。權益部分透過自可換股債券之公平值扣除負債及複合衍生工具部分之金額釐定，並計入權益內之可換股債券權益儲備。

於其後期間，可換股債券之負債部分乃採用實際利率法按攤銷成本入賬。複合衍生工具部分按公平值計量，公平值變動於損益確認。權益部分將繼續留在可換股債券權益儲備內，直至兌換權獲行使為止(於此情況下，兌換時計入可換股債券權益儲備之金額、內含衍生工具部分之公平值及負債部分之賬面值作為已發行本公司股份之代價轉撥至股本及股份溢價)。倘兌換權於到期日仍未獲行使，可換股債券權益儲備所載之結餘將撥回保留溢利／累計虧損，而負債及內含衍生工具部分之贖回金額與賬面值間之差額於損益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 FINANCIAL INSTRUMENTS (Continued)

(C) CONVERTIBLE BONDS (Continued)

Convertible bonds (convertible into ordinary shares of the Company) containing liability and equity components

At the date of initial recognition, the liability component is recognised at fair value. The equity component is determined by deducting the amount of the liability component from the fair value of the convertible bonds and is included in convertible bond equity reserve within equity.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component will remain in convertible bond equity reserve until the conversion option is exercised (in which case the amount included in convertible bond equity reserve and the carrying value of the liability component at the time of conversion are transferred to share capital and share premium as consideration for the shares of the Company issued). Where the conversion option remains unexercised at the expiry dates, the balance stated in convertible bond equity reserve will be released to the retained profits/accumulated losses.

3. 主要會計政策概要(續)

3.11 金融工具(續)

(C) 可換股債券(續)

包含負債及權益部分之可換股債券(可兌換為本公司普通股)

於初步確認日期，負債部分按公平值確認。權益部分透過自可換股債券公平值扣除負債部分之金額釐定，並計入權益內之可換股債券權益儲備。

於其後期間，可換股債券之負債部分乃採用實際利率法按攤銷成本入賬。權益部分將繼續留在可換股債券權益儲備內，直至兌換權獲行使為止(於此情況下，兌換時計入可換股債券權益儲備之金額及負債部分之賬面值作為已發行本公司股份之代價轉撥至股本及股份溢價)。倘兌換權於到期日仍未獲行使，可換股債券權益儲備所載之結餘將撥回保留溢利／累計虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(C) CONVERTIBLE BONDS (Continued)

Convertible bonds (convertible into ordinary shares of subsidiaries) containing liability and equity components

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds on issuing of the convertible bonds and the fair value assigned to the liability component, representing the option for the holder to convert the bonds into ordinary shares of the subsidiary, is included in non-controlling interests within equity.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the bonds into ordinary shares of the subsidiary, will remain in non-controlling interests. When the conversion option is exercised, the carrying value of the liability component at the time of conversion is transferred to the non-controlling interests as consideration for the shares of the subsidiary issued. Where the conversion option remains unexercised at the expiry dates, the balance stated in the non-controlling interests will be released to the retained profits/accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

3.11 金融工具(續)

(C) 可換股債券(續)

包含負債及權益部分之可換股債券(可兌換為附屬公司普通股)

於初步確認時，負債部分之公平值乃採用類似不可兌換債務之現行市場利率釐定。發行可換股債券所得款項與持有人將債券兌換為附屬公司普通股之選擇權代表之負債部分獲分配之公平值間之差額計入權益內之非控股權益。

於其後期間，可換股債券之負債部分乃採用實際利率法按攤銷成本入賬。將債券兌換為附屬公司普通股之選擇權代表之權益部分將繼續留在非控股權益內。倘兌換權獲行使，兌換時負債部分之賬面值作為已發行附屬公司股份之代價轉撥至非控股權益。倘兌換權於到期日仍未獲行使，非控股權益所載之結餘將撥回保留溢利／累計虧損。選擇權兌換或到期時概不確認收益或虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.11 FINANCIAL INSTRUMENTS (Continued)

(D) OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount are presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(E) EQUITY INSTRUMENTS

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

3.12 ACCOUNTING FOR INCOME TAXES

Income taxes comprise current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

3.11 金融工具(續)

(D) 抵銷金融工具

當(及僅當)本集團現時擁有於法律上可強制執行之權利,有權抵銷已確認金額,並有意按淨額基準結算或同時變現資產及結算負債時,金融資產及金融負債便會予以抵銷,淨額則於綜合財務狀況表呈列。

(E) 股本工具

股本工具指能證明某一實體資產剩餘權益(已扣除其所有負債)之任何合約。本集團所發行之股本工具按已收所得款項扣除直接發行成本確認。

3.12 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及/或負債包括就當前或以往報告期間須向稅務機構承擔或由稅務機關提出但於報告日期尚未支付之責任或申索。該等金額乃基於該年度應課稅溢利,根據有關財務期間適用之稅率及稅法計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 ACCOUNTING FOR INCOME TAXES (Continued)

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply to the period when the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the reporting date.

Current tax and changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity, respectively.

3. 主要會計政策概要(續)

3.12 所得稅會計處理(續)

於報告日期，遞延稅項採用負債法就財務報表中資產及負債之賬面值與彼等各自稅基間之暫時差額計算。遞延稅項負債通常就所有應課稅暫時差額予以確認。遞延稅項資產通常就所有可抵扣暫時差額、可滾存之稅項虧損及其他未使用稅項抵免予以確認，惟應以能抵銷該可抵扣暫時差額、未使用之稅項虧損及未使用之稅項抵免之可能出現之未來應繳稅溢利(包括現有應課稅暫時差額)數額為限。

倘暫時差額乃由商譽或由既不影響應課稅亦不影響會計溢利或虧損之交易中之資產及負債之初步確認(不包括業務合併)產生，則不會確認遞延稅項資產及負債。

遞延稅項負債就投資於附屬公司及聯營公司而產生之應課稅暫時差額確認，惟倘本集團可控制暫時差額之撥回及暫時差額不大可能於可見將來撥回之情況則除外。

未計折現之遞延稅項乃按預期於結清負債或資產變現期間適用，並假設於報告日期已頒佈或實質上已頒佈之稅率計算。

倘遞延稅項資產或負債之即期稅項及變動涉及於其他全面收益或直接於權益中扣除或計入之項目，則分別於損益或其他全面收益，或直接於權益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 ACCOUNTING FOR INCOME TAXES (Continued)

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 profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax assets and current tax liabilities are presented in net if, and only if, (a) the Group has a legally enforceable right to set off the recognised amounts; and (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if, (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. 主要會計政策概要(續)

3.12 所得稅會計處理(續)

遞延稅項資產之賬面值會於各報告期結算日進行檢討，並在不再可能產生足夠的應課稅溢利以使用有關的稅務利益時作調減。倘可能存在足夠的應課稅溢利供利用，則任何該等扣減將被撥回。

當且僅當(a)本集團具有可抵銷已確認金額之依法可強制執行權力；及(b)本集團有意按淨額基準結算，或同時變現資產及結清負債時，即期稅項資產及即期稅項負債方會按淨額呈列。

當且僅當出現以下情況時，本集團方會以淨額呈列遞延稅項資產及遞延稅項負債：(a)本集團有依法強制執行權可以將即期稅項資產及即期稅項負債對銷；及(b)遞延稅項資產及遞延稅項負債是關於同一稅務機關就以下任何一項所徵收之所得稅：(i)同一應課稅實體；或(ii)不同應課稅實體計劃於各段未來期間(期間預期將結清或收回大額之遞延稅項負債或資產)以淨額基準結算即期稅項負債及資產或同時變現資產及結清負債。

3.13 現金及現金等同項目

現金及現金等同項目包括手頭現金、活期存款及原到期日為三個月或少於三個月、可隨時轉換為已知數額之現金且價值變動風險並不重大之短期高流動性投資。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要 (續)

3.14 EMPLOYEE BENEFITS

RETIREMENT BENEFITS

The Group participates in staff retirement benefit schemes for employees in Hong Kong and the People's Republic of China ("PRC"), comprising a Mandatory Provident Fund Scheme ("MPF Scheme") and a state-managed retirement benefit scheme. The assets of these schemes are held separately from those of the Group in independently administered funds. The retirement benefit schemes are generally funded by payments from employees and the relevant group companies. The retirement benefit scheme costs charged to profit or loss represent contributions payable by the Group to the schemes.

The Group contributes to the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The Group's employer contributions vested fully with the employees when contributed into the MPF Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully in accordance with the rules of the MPF Scheme.

The subsidiaries operating in the PRC are required to participate in the state-managed retirement benefit scheme for their employees, organised by the relevant local government authorities. They are required to make contributions to the retirement benefit scheme at a specified percentage of the employees' relevant income and there are no other further obligations to the Group.

3.14 僱員福利

退休福利

本集團為香港及中華人民共和國(「中國」)之僱員參與員工退休福利計劃，包括強制性公積金計劃(「強積金計劃」)及國家管理退休福利計劃。該等計劃之資產與本集團獨立管理資金之資產分開持有。退休福利計劃之資金來源一般為僱員及相關集團公司之付款。於損益中扣除之退休福利計劃之成本指本集團應向有關計劃支付之供款。

本集團按照強制性公積金計劃條例為香港全體合資格僱員向強積金計劃供款。供款乃按僱員基本薪金之百分比作出，並根據強積金計劃之規則於應付時在損益中扣除。本集團之僱主供款在供款予強積金計劃時全數歸屬僱員所有，惟本集團之僱主自願性質供款，在供款全數歸屬前僱員離職之情況下，可按強積金計劃之規則退回予本集團。

於中國營業之附屬公司須為其僱員參與由相關地方機關運作之國家管理退休福利計劃。該等附屬公司須按僱員相關收入之特定百分比向退休福利計劃供款，除此之外，本集團並無其他義務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 EMPLOYEE BENEFITS (Continued)

SHORT-TERM EMPLOYEE BENEFITS

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the reporting date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the reporting date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3.15 SHARE-BASED PAYMENTS

All services received in exchange for the grant of any share options are ultimately recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in share option reserve within equity.

If service or non-market performance vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market performance and service conditions are included in assumptions about the number of share options that are expected to vest. At the end of the reporting period, the Group revises its estimates of the number of share options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

3. 主要會計政策概要(續)

3.14 僱員福利(續)

短期僱員福利

本集團根據僱傭合約按曆年基準向僱員提供有薪年假。在若干情況下，於報告日期未支用之假期允許予以結轉並由各僱員於下年度使用。僱員於年內賺取之有薪年假之預期日後成本於報告日期列為應計項目，並予以結轉。

不能累積之有薪假(如病假及產假)，直至休假時方會確認。

3.15 股份付款

所有為換取授出任何購股權而取得之服務最終於歸屬期間於損益中確認為開支，或倘所獲授之購股權即時歸屬，則於授出日期全數確認為開支，並導致權益內之購股權儲備相應提高。

倘服務或非市場表現歸屬條件適用，則按對預期歸屬之購股權數目之最佳估計於歸屬期內確認為開支。就預期可歸屬購股權之數目作出假設時，須考慮非市場表現及服務條件。於報告期間結算日，本集團修訂其對預期可最終歸屬購股權數目之估計。修訂原有估計之影響(如有)於損益中確認，故累計開支反映已修訂估計，並對購股權儲備作出相應調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 SHARE-BASED PAYMENTS (Continued)

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

EQUITY-SETTLED SHARE-BASED PAYMENTS TO EMPLOYEES

All services received in exchange for the grant of any share options are measured at their fair value. These are indirectly determined by reference to the fair value of share options granted. Their value is appraised at the grant date and excludes the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets).

EQUITY-SETTLED SHARE-BASED PAYMENTS TO NON-EMPLOYEES

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the services received, except that fair value cannot be estimated reliably, in which case the fair value are measured by reference to the fair value of the equity instruments granted, measured at the date the Group received the services.

3.16 IMPAIRMENT OF OTHER ASSETS

Goodwill and trading rights with an indefinite useful life are tested for impairment at least annually and whenever there is any indication that they may be impaired. Property, plant and equipment and interests in associates are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

3. 主要會計政策概要 (續)

3.15 股份付款 (續)

行使購股權時，過往於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後遭沒收或於到期時尚未行使，則過往於購股權儲備確認之金額將轉撥至保留溢利／累計虧損。

給予僱員之股本結算股份付款

所有為換取授出任何購股權而取得之服務乃按公平值計量，並參考所授出之購股權之公平值而間接釐定。其價值於授出日期作出估值，惟不計入任何服務及非市場表現歸屬條件（如盈利能力及銷售增長目標）之影響。

給予非僱員之股本結算股份付款

與僱員以外人士進行股本結算股份付款交易按已收服務之公平值計量，惟在公平值未能可靠地估計之情況下，則公平值參照授出之股本工具於本集團取得服務當日計量之公平值計量。

3.16 其他資產減值

商譽及具有無限可使用年期之買賣權最少每年進行減值測試及於出現任何跡象顯示有關資產可能減值時，進行減值測試。物業、廠房及設備以及於聯營公司之權益在有跡象顯示資產之賬面值可能不能收回時進行減值測試。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 IMPAIRMENT OF OTHER ASSETS (Continued)

Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risk specific to the asset for which the future cash flow estimates have not been adjusted.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets or group of assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. cash-generating unit, "CGU"). Goodwill is allocated to the relevant CGUs that are expected to benefit from the synergies of the acquisition. As a result, some assets are tested individually for impairment and some are tested at CGU level. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

An impairment loss is recognised as an expense immediately for the amount by which the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment loss recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGUs, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, if measurable; and value-in-use, if determinable.

3. 主要會計政策概要(續)

3.16 其他資產減值(續)

可收回金額為公平值(反映市況減銷售成本)與使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量採用反映現時市場對貨幣時間價值及資產之特定風險之評估之除稅前折現率，折現至其現值，及並無就此對未來現金流量估計予以調整。

就評估減值而言，若一項資產所產生之現金流入基本上不獨立於其他資產或資產組別所產生之現金流入，則以能獨立產生現金流入之最小資產組別(即現金產生單位「現金產生單位」)釐定可收回金額。預期獲分配至相關現金產生單位之商譽將受益於收購產生之協同效應。因此，部分資產個別進行減值測試，部分則在現金產生單位層次進行測試。當可確定合理及貫徹一致之分配基準時，企業資產亦分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及貫徹一致之分配基準之最小現金產生單位組別。

減值虧損按資產或其所屬現金產生單位之賬面值超過其可收回金額之金額，即時確認為開支。就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本(如可計量)及使用價值(如可釐定)外，任何餘下減值虧損按比例自現金產生單位之其他資產扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 IMPAIRMENT OF OTHER ASSETS (Continued)

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, there has been a favourable change in the estimates used to determine the recoverable amount of the asset or the CGUs and only to the extent that the carrying amount of the asset or the CGUs does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. Reversal of impairment loss is recognised immediately in profit or loss.

3.17 PROVISIONS AND CONTINGENT LIABILITIES

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

3. 主要會計政策概要 (續)

3.16 其他資產減值 (續)

商譽產生之減值虧損不會於其後期間撥回。就其他資產而言，倘有任何跡象表明過往期間確認之減值虧損不再存在或已減少，用以釐定資產或現金產生單位之可收回金額之估計已出現有利變動，則減值虧損會予以撥回，惟資產或現金產生單位之賬面值不得超過倘並無確認減值虧損而原應釐定之賬面值（經扣除折舊或攤銷）。減值虧損撥回乃即時在損益中確認。

3.17 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及經濟利益流出，並能可靠地估計履行有關責任所涉及之金額，則確認有關撥備。若貨幣之時間價值乃屬重大，則撥備按履行該責任預計所需開支之現值列賬。

所有撥備於各報告日期作出檢討並作出調整以反映當時之最佳估算。

倘若導致經濟利益流出之可能性不大，或未能可靠地估計有關金額，除非導致經濟利益流出之可能性極低，否則現有責任會披露為或然負債。須視乎一宗或多宗不確定且不完全在本集團控制範圍以內的未來事件是否發生才能確定存在與否之因過往事件所引致之可能責任亦會披露為或然負債，惟倘導致經濟利益流出之可能性極微者除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. 主要會計政策概要(續)

3.18 關連人士

- (a) 如某人士符合下列條件，該人士或該人士之直系親屬即與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團具有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員之成員。
- (b) 如以下任何一項條件適用，某實體即與本集團有關連：
- (i) 該實體與本集團為同一集團之成員公司。
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或一間實體為另一實體所屬集團之成員公司之聯營公司或合營企業）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要(續)

3.18 RELATED PARTIES (Continued)

- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

3.18 關連人士(續)

- (iii) 兩間實體為同一第三方之合營企業。
- (iv) 一間實體為某第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- (v) 該實體是以本集團或與本集團有關連之實體之僱員為受益人之退休福利計劃。
- (vi) 該實體受(a)項所述人士控制或共同控制。
- (vii) (a)(i)項所述人士對該實體具有重大影響力，或為該實體(或該實體之母公司)之主要管理人員之成員。
- (viii) 該實體或任何構成該實體一部分之集團成員公司為本集團或本集團母公司提供主要管理人員服務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 RELATED PARTIES (Continued)

Close family members 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 and include (a) that person's children and spouse or domestic partner; (b) children of that person's spouse or domestic partner; and (c) dependants of that person or that person's spouse or domestic partner.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(A) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In addition to information disclosed elsewhere in these financial statements, other key sources of estimation uncertainty at the end of the reporting period and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(I) IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

The Group's policy for impairment of trade and other receivables is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables based on, among others factors, the current creditworthiness, the collateral security and the past collection history of each debtor. Management reviews the impairment of receivables on a regular basis.

3. 主要會計政策概要(續)

3.18 關連人士(續)

任何人士之直系親屬為預期可影響該名人士與實體進行買賣或與實體進行買賣時可受該名人士影響之家庭成員，包括(a)該人士之子女及配偶或同居伴侶；(b)該人士之配偶或同居伴侶之子女；及(c)該人士或該人士之配偶或同居伴侶之受養人。

4. 關鍵會計估計及判斷

(A) 關鍵會計估計及假設

本集團作出有關未來之估計及假設。顧名思義，所作會計估計甚少與有關之實際結果相同。除於該等財務報表其他章節所披露之資料外，可能會導致須對下個財政年度資產與負債之賬面值進行重大調整之於報告期間結算日之估計不確定性之其他主要來源及假設討論如下：

(I) 貿易及其他應收賬款減值

本集團之貿易及其他應收賬款減值政策乃基於賬目之可收回性評估及賬齡分析以及管理層判斷。評估該等應收賬款之最終實現需要作出大量判斷，其中包括各債務人之現有信用狀況、抵押品及過往收賬記錄。管理層定期檢討應收賬款之減值情況。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(A) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

(II) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, TRADING RIGHTS, GOODWILL AND INTERESTS IN AN ASSOCIATE

Goodwill and trading rights with an indefinite useful life are tested for impairment at least annually. At each reporting date, the Company reviews internal and external sources of information to identify indications that any of the property, plant and equipment and interests in an associate may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The sources utilised to identify indications of impairment are often subjective in nature and the directors of the Company are required to use judgement in applying such information to its business. Their interpretation of such information has a direct impact on whether an impairment assessment is performed as at any given reporting date.

Goodwill and trading with an indefinite useful life; property, plant and equipment and interests in an associate with impairment indication identified, are further subjected to an exercise that requires the Group to estimate the recoverable amount. Depending on the assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or may engage external advisers in making this assessment.

Regardless of the resources utilised, the Group is required to make many assumptions in this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of these assets.

4. 關鍵會計估計及判斷(續)

(A) 關鍵會計估計及假設(續)

(II) 物業、廠房及設備、買賣權、商譽及於一間聯營公司權益之減值

具無限使用年期之商譽及買賣權須至少每年進行減值測試。於各報告日期，本公司檢討內外部資料來源，以識別是否有跡象顯示物業、廠房及設備及於一間聯營公司權益減值，或先前確認之減值虧損不再存在或減少。用來識別減值跡象之資源通常具有主觀性質，故本公司董事將該等資料應用於其業務時須加以判斷。彼等對該等資料之詮釋直接影響是否於指定報告日期評估減值。

具無限使用年期之商譽及買賣以及物業、廠房及設備及於一間聯營公司權益確定出現減值跡象，本集團進一步處理有關事項時須估計資產之可收回金額。視乎本集團對檢討資產整體重要性之評估及合理估計可收回金額之複雜性，本集團可能會利用內部資源或委聘外部顧問進行有關評估。

無論利用何種資源，本集團於評估時均須作出眾多假設，包括有關資產之使用情況、產生之現金流量、適當市場貼現率及預計市場及規管情況。該等假設如出現任何變動，可能會導致日後對該等資產可收回金額之估計出現重大變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(A) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS *(Continued)*

(III) CURRENT TAX AND DEFERRED TAX

The Group is mainly subjected to income tax in Hong Kong and in the PRC. Significant judgement is required in determining the amount of the provision and the timing of payment. There are many transactions and calculations for which the ultimate tax expense is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final outcome of these matters is different from the amounts that were originally estimated, such differences will impact the provision for income tax and deferred tax in the period in which such determination is made.

Deferred tax assets relating to certain deductible temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax expense in the period in which such estimate is changed.

4. 關鍵會計估計及判斷 *(續)*

(A) 關鍵會計估計及假設 *(續)*

(III) 即期稅項及遞延稅項

本集團主要須繳納香港及中國所得稅。於釐定撥備金額及付款時間時須作出重大判斷。在一般業務過程中，許多交易及計算難以明確釐定最終稅務開支。本集團參考現行稅法及慣例根據對可能結果之估計確認稅項。倘該等事宜之最終稅務結果有別於原先估計之金額，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

有關若干可扣稅暫時性差異及稅項虧損之遞延稅項資產將會在管理層認為將會有未來應課稅利潤可用以抵銷可扣稅暫時性差異或稅項虧損時方會確認。倘預期有別於原先估計，該等差額將會影響有關估計產生變動期間之遞延稅項資產及所得稅開支之確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(A) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

(Continued)

(IV) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS AND VALUATION PROCESS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. For financial instruments traded in active markets, which included securities listed on a stock exchange, their fair value is based on quoted market prices for identical instruments at the reporting date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent the actual and regularly occurring market transactions on an arm's length basis. For financial instruments that are not traded in an active market, which included unlisted investment funds, their fair value is determined by using valuation techniques. Specific valuation techniques used to value these financial instruments included value as reported by the fund administrators. Detailed information about the valuation techniques, inputs and key assumptions used in determining fair value of the Group's financial instruments are disclosed in note 36 to these financial statements.

4. 關鍵會計估計及判斷 *(續)*

(A) 關鍵會計估計及假設 *(續)*

(IV) 金融工具之公平值計量及估值流程

就財務申報目的而言，本集團若干金融工具乃以公平值計量。於活躍市場買賣之金融工具（包括於證券交易所上市之證券）之公平值乃按於報告日期相同工具之市場報價計算。倘該報價可容易及定期取得，且該等報價反應實際及定期按公平原則進行之市場交易，該市場則視為活躍。並非於活躍市場買賣之金融工具（包括非上市投資基金）之公平值乃使用估值技術釐定。對該等金融工具進行估值所使用的特定估值技術包括基金管理人提供之估值。有關釐定本集團之金融工具之公平值所採用之估值技術、輸入值及主要假設之詳細資料於該等財務報表附註36披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(A) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS *(Continued)*

(V) PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

The Group had recognised a provision for settlement of convertible bonds in relation to the deed of settlement that has been entered into during the year as disclosed in note 26 to these financial statements. Significant judgement is required in estimating the amount of provision. The provision was estimated with reference to the fair value of the convertible bonds to be issued under the deed of settlement. As the issuance of the convertible bonds under the deed of settlement is subject to the permission from the Stock Exchange, the actual settlement amount may be higher or lower than the amount estimated at the end of the reporting period, this would affect the financial position of the Group in the coming year as an adjustment to the amount recorded as at 31 December 2017.

4. 關鍵會計估計及判斷 *(續)*

(A) 關鍵會計估計及假設 *(續)*

(V) 結算可換股債券之撥備

本集團已就於該等財務報表附註26所披露之年內訂立之結算契據確認結算可換股債券之撥備。於估計撥備金額時須作出重大判斷。有關撥備乃經參考結算契據項下將予發行之可換股債券之公平值進行估計。由於根據結算契據發行可換股債券須獲得聯交所許可，故實際結算金額可能高於或低於於報告期末之估計金額，這可能影響本集團未來年度之財務狀況，從而可能需對於二零一七年十二月三十一日錄得之金額作出調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(B) CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, the directors are required to make judgements, apart from those involving estimates. The judgements that have been made and can significantly affect the amounts recognised in the financial statements are discussed below:

(I) DETERMINING WHEN TWO SEPARATE FINANCIAL INSTRUMENTS ARE AGGREGATED AND TREATED AS A SINGLE FINANCIAL INSTRUMENT

When the Group entered into transactions with the same parties at the same time involving two or more financial instruments, significant judgement is required in assessing whether these financial instruments should be treated as a single or separate instruments and the Group has developed criteria in making that judgement. Factors considered include whether the contracts relate to the same risk and there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not have been accomplished in a single transaction. Judgement is made on a case-by-case basis to determine whether these financial instruments should be accounted for on an aggregate basis. For the convertible bonds issued by a subsidiary of the Company and the profit guarantee provided by two of the subscribers as described in note 26 to these financial statements, the Group had concluded that the risk is not identical and there are substantive business purposes for each of the instruments and therefore has accounted for these instruments separately.

4. 關鍵會計估計及判斷 *(續)*

(B) 應用會計政策之關鍵判斷

於應用本集團之會計政策時，除涉及估計之判斷外，董事須作出判斷。本集團已作出且能對財務報表內確認金額產生重大影響之判斷討論如下：

(I) 釐定兩項獨立之金融工具何時合併及被視為單一金融工具

倘本集團與相同人士訂立同時涉及兩項或以上金融工具之交易，評估該等金融工具是否應視為單一或獨立工具需要作出重大判斷，而本集團已制定作出該判斷之標準。所考慮之因素包括合約是否涉及相同風險；及獨立進行原無法於單一交易實現之交易是否不存在明顯之經濟需要或實質性業務目的。判斷按項目基準作出，以釐定該等金融工具是否應按合併基準入賬。就該等財務報表附註26所述本公司附屬公司發行之可換股債券及兩名認購人提供之溢利保證而言，本集團認為風險並不相同，每項工具均有實質性業務目的，故已獨立將該等工具入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major service lines as follows:

- (a) securities brokerage and financial services – provision of discretionary and non-discretionary dealing services for securities, securities placing and underwriting services, margin financing and money lending services, corporate finance advisory and general advisory services;
- (b) asset management services – provision of fund management and discretionary portfolio management and investment advisory services;
- (c) proprietary trading – investment holding and securities trading; and
- (d) trading business – trading of chemical products and energy and minerals products.

No operating segments identified have been aggregated in arriving at the reportable segments of the Group. Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches.

5. 分部資料

本集團根據向執行董事申報以供彼等決定分配資源至本集團業務分部及檢討該等分部表現之定期內部財務資料識別經營分部及編製分部資料。向執行董事申報之內部財務資料所載之業務分部根據本集團之主要服務行業釐定如下：

- (a) 證券經紀及金融服務-提供證券之全權委託及非全權委託交易服務、證券配售及承銷服務、孖展融資及貸款服務、企業融資顧問及一般顧問服務；
- (b) 資產管理服務-提供基金管理及全權委託組合管理及投資顧問服務；
- (c) 自營買賣-投資控股及證券買賣；及
- (d) 貿易業務-買賣化工產品、能源及礦產品。

於得出本集團之可申報分部時，概無將已識別之任何經營分部作合併處理。由於各服務行業之資源需求及市場推廣方式不同，該等各經營分部乃分開管理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

		Securities brokerage and financial services 證券經紀及 金融服務 HK\$'000 千港元	Asset management services 資產 管理服務 HK\$'000 千港元	Proprietary trading 自營買賣 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2017						
二零一七年						
Revenue	收益					
From external customers	來自外界客戶	17,810	45,437	-	-	63,247
From other segments	來自其他分部	-	247	-	-	247
Reportable segment revenue	可申報分部收益	17,810	45,684	-	-	63,494
Reportable segment result	可申報分部業績	1,893	8,155	(30,848)	(2,325)	(23,125)
Impairment losses on trade receivables	貿易應收賬款 減值虧損	-	637	-	-	637
Interest income from margin financing and money lending service	來自孖展融資及 貸款服務之 利息收入	2,827	-	-	-	2,827
Decrease in third party interests in collective investment schemes	集體投資計劃之 第三方權益減少	-	-	5,325	-	5,325
Depreciation	折舊	127	74	15	51	267
Fair value loss on held for trading investments	持作買賣用途投資 之公平值虧損	-	-	33,394	-	33,394
Finance costs	融資成本	2	-	-	-	2
Reportable segment assets	可申報分部資產	264,652	35,732	39,967	59	340,410
Expenditures for additions to non-current segment assets*	添置非流動分部 資產之開支*	119	18	2	-	139
Reportable segment liabilities	可申報分部負債	239,002	1,838	313	53	241,206

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

		Securities brokerage and financial services 證券經紀及 金融服務	Asset management services 資產 管理服務	Proprietary trading 自營買賣	Trading business 貿易業務	Total 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
2016 二零一六年						
Revenue	收益					
From external customers	來自外界客戶	22,396	47,079	–	–	69,475
From other segments	來自其他分部	2,000	563	–	–	2,563
Reportable segment revenue	可申報分部收益	24,396	47,642	–	–	72,038
Reportable segment result	可申報分部業績	3,034	6,502	25,666	(3,285)	31,917
Impairment losses on trade receivables	貿易應收賬款 減值虧損	221	–	–	–	221
Interest income from margin financing and money lending service	來自孖展融資及 貸款服務之 利息收入	98	–	–	–	98
Decrease in net assets attributable to other holders of redeemable shares of a consolidated investment fund	綜合投資基金 可贖回股份之 其他持有人應佔 資產淨值減少	–	–	1,390	–	1,390
Increase in third party interests in collective investment schemes	集體投資計劃之 第三方權益增加	–	–	1,019	–	1,019
Depreciation	折舊	187	64	17	57	325
Fair value gain on held for trading investments	持作買賣用途投資 之公平值收益	–	–	28,082	–	28,082
Finance costs	融資成本	–	–	–	1,707	1,707
Reportable segment assets	可申報分部資產	314,783	27,094	233,054	106	575,037
Expenditures for additions to non-current segment assets*	添置非流動分部 資產之開支*	–	7,062	–	–	7,062
Reportable segment liabilities	可申報分部負債	343,451	12,982	73,033	17	429,483

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that changes in fair value of derivative financial instruments; other income (excluding dividend income); equity-settled share-based payments, directors' emoluments; interest expenses on convertible bonds and loans from a substantial shareholder; share of results of an associate accounted for using the equity method; income tax expense; and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segments. Common expenditures are allocated between operating segments based on proportion of segment revenue where necessary. Inter-segment revenue are charged on the expenses incurred by the relevant subsidiary plus certain percentage.

Segment assets include all assets but do not include interests in an associate; current tax assets; deferred tax assets and bank balances of the Group. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarters. Segment liabilities include all liabilities but do not include loans from a substantial shareholder, convertible bonds and current tax liabilities. In addition, corporate liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

5. 分部資料(續)

本集團根據香港財務報告準則第8號用作申報分部業績之計量政策與其根據香港財務報告準則編製之財務報表內採用者相同，惟於釐定經營分部之經營業績時並無計入衍生金融工具之公平值變動；其他收入(不包括股息收入)；股本結算股份付款；董事酬金；可換股債券及來自一名主要股東之貸款之利息開支；使用權益法入賬之分佔一間聯營公司業績；所得稅開支；以及非直接歸屬於任何經營分部業務活動之公司收入及開支。公共開支按分部收益比例於經營分部之間分配(如需要)。分部間收益按相關附屬公司所產生開支加一定百分比收取。

分部資產包括除於一間聯營公司之權益；即期稅項資產；遞延稅項資產及銀行結餘以外之本集團所有資產。此外，非直接歸屬於任何經營分部業務活動之公司資產並無分配至任何分部，而是主要適用於本集團總部。分部負債包括除來自一名主要股東之貸款、可換股債券及即期稅項負債以外之所有負債。此外，非直接歸屬於任何經營分部業務活動之公司負債並無分配至任何分部。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

5. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the financial statements as follows:

5. 分部資料(續)

本集團經營分部所呈報之總額與本集團於財務報表呈列之主要財務數據之對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Reportable segment revenue	可申報分部收益	63,494	72,038
Elimination of inter-segment revenue	分部間收益對銷	(247)	(2,563)
Group's revenue	本集團收益	63,247	69,475
Reportable segment result	可申報分部業績	(23,125)	31,917
Changes in fair value of derivative financial instruments	衍生金融工具之公平值變動	-	(3,667)
Other income	其他收入	63	22
Equity-settled share-based payment expense	股本結算股份付款開支	(9,520)	-
Finance costs	融資成本	(27,506)	(28,612)
Provision for settlement of convertible bonds	結算可換股債券之撥備	(33,708)	-
Share of results of an associate	分佔一間聯營公司業績	(31,937)	3,078
Impairment loss on interests in an associate	於一間聯營公司之權益之減值虧損	(40,791)	-
Corporate expenses**	公司開支**	(15,659)	(17,766)
Group's loss before income tax	本集團除所得稅前虧損	(182,183)	(15,028)
Reportable segment assets	可申報分部資產	340,410	575,037
Interests in an associate	於一間聯營公司之權益	1,863	72,334
Deferred tax assets	遞延稅項資產	144	144
Current tax assets	即期稅項資產	-	1,413
Cash and cash equivalents	現金及現金等同項目	87,556	126,461
Corporate assets	公司資產	2,847	2,862
Group's assets	本集團資產	432,820	778,251
Reportable segment liabilities	可申報分部負債	241,206	429,483
Loans from a substantial shareholder	來自一名主要股東之貸款	-	15,387
Convertible bonds	可換股債券	143,517	165,802
Provision for settlement of convertible bonds	結算可換股債券之撥備	33,708	-
Current tax liabilities	即期稅項負債	606	34
Corporate liabilities	公司負債	1,247	1,106
Group's liabilities	本集團負債	420,284	611,812

** mainly staff costs, including directors' emoluments, minimum lease payments under operating leases in respect of land and buildings and other professional fees

** 主要為員工成本，包括董事酬金、土地及樓宇經營租賃的最低租賃款項以及其他專業費用

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

	Reportable segment total		Unallocated		Consolidated	
	可申報分部總額		未分配		綜合	
	2017	2016	2017	2016	2017	2016
	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Other material items 其他重要項目						
Depreciation 折舊	267	325	151	213	418	538
Finance costs 融資成本	2	1,707	27,506	28,612	27,508	30,319
Expenditures for additions to non-current assets* 添置非流動資產之開支*	139	7,062	243	19	382	7,081

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets*. The geographical location of customers is based on the location at which the subsidiary operates. The geographical location of non-current assets* is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operations to which they are allocated, in the case of trading rights and goodwill, and the location of the operations, in the case of interests in an associate.

下表載列有關本集團來自外界客戶之收益及本集團非流動資產*之地理位置資料。客戶地理位置乃根據附屬公司業務所在地劃分。非流動資產*地理位置乃根據資產之實際地點(如屬物業、廠房及設備)、資產分配業務所在地(如屬買賣權及商譽)及業務所在地(如屬於聯營公司之權益)劃分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

		Revenue from external customers 來自外界客戶之收益		Non-current assets* 非流動資產*	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong (domicile)#	香港(註冊地)#	62,296	66,477	10,831	10,785
Mainland China	中國內地	951	2,998	1,881	72,446
		63,247	69,475	12,712	83,231

* Non-current assets exclude deferred tax assets and other assets.

* 非流動資產不包括遞延稅項資產及其他資產。

The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities. The Group has the majority of its operations in Hong Kong, and therefore, Hong Kong is considered as the Group's place of domicile for the purpose of disclosures as required by HKFRS 8, Operating Segments.

本公司為一間於百慕達註冊成立之投資控股公司，本集團於百慕達無任何業務。本集團大部分業務位於香港，因此，就香港財務報告準則第8號經營分部所規定之披露而言，香港被視為本集團之註冊地。

The Group's customers include the following with whom transactions have exceeded 10% of the Group's revenue:

本集團之客戶包括下列與其交易超過本集團收益10%之客戶：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A (note i)	客戶A(附註i)	17,813	N/A 不適用
Customer B (note ii)	客戶B(附註ii)	7,031	N/A 不適用
Customer C (note i)	客戶C(附註i)	N/A 不適用	15,782

Notes:

附註：

- Revenue from these customers is attributable to asset management segment
- Revenue from this customer is attributable to securities brokerage and financial services segment

- 來自該等客戶之收益乃由於資產管理分部所致
- 來自該客戶之收益乃由於證券經紀及金融服務分部所致

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

6. REVENUE

6. 收益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Commission and brokerage income from securities dealing and handling fee income	證券交易之佣金及經紀收入以及手續費收入	3,888	2,727
Financial advisory and consultancy fee income	財務顧問及諮詢費收入	18	1,686
Fund and portfolio management and investment advisory fee income	基金及投資組合管理以及投資顧問費收入	42,948	47,075
Fund and portfolio performance and incentive fee income	基金及投資組合表現及獎勵費收入	2,459	4
Interest income from margin financing and money lending service	來自孖展融資及貸款服務之利息收入	2,827	98
Underwriting and placing commission income	承銷及配售佣金收入	11,107	17,885
		63,247	69,475

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Changes in fair value of financial instruments classified as held for trading	分類為持作買賣之金融工具之公平值之變動	(33,394)	24,415
Changes in net assets attributable to other holders of redeemable shares of a consolidated investment fund	綜合投資基金可贖回股份之其他持有人應佔資產淨值之變動	-	1,390
Changes in third party interests in collective investment schemes	集體投資計劃之第三方權益變動	5,325	(1,019)
Impairment losses on trade receivables	貿易應收賬款減值虧損	(637)	(221)
Net foreign exchange gain/(losses)	外匯收益/(虧損)淨額	78	(250)
Net losses on disposals of property, plant and equipment	出售物業、廠房及設備之虧損淨額	(2)	-
Others	其他	5	27
		(28,625)	24,342

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

8. OTHER INCOME

8. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Dividend income	股息收入	-	2,500
Interest income from banks and others	銀行及其他利息收入	27	22
Sundry income	雜項收入	36	-
		63	2,522

9. FINANCE COSTS

9. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Effective interest on liability component of convertible bonds	可換股債券負債部分之實際利息	27,228	28,140
Interest on bank and other borrowings	銀行及其他借貸之利息	4	1,707
Interest on loans from a substantial shareholder	來自一名主要股東之貸款之利息	276	472
		27,508	30,319

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

10. LOSS BEFORE INCOME TAX

10. 除所得稅前虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax is arrived at after charging:	除所得稅前虧損 已扣除下列各項：		
Staff costs, including directors' emoluments	員工成本，(包括董事酬金)		
– Fees, salaries, allowances and bonuses	– 袍金、薪金、津貼及花紅	45,806	45,745
– Equity-settled share-based payments	– 股本結算股份付款	9,520	–
– Retirement benefit scheme contributions*	– 退休福利計劃供款*	822	1,541
		56,148	47,286
Other expenses	其他費用		
– Auditor's remuneration	– 核數師酬金	1,400	1,400
– Commission expense	– 佣金費用	1,350	10,816
– Entertainment and gifts	– 娛樂及禮品	1,354	1,361
– Minimum lease payments under operating leases in respect of land and buildings	– 土地及樓宇經營租賃的最低租賃款項	9,419	8,920
– Other professional fees	– 其他專業費用	2,939	2,751
– System license and subscriptions	– 系統許可及訂閱	2,269	2,651
– Others	– 其他	7,627	8,403
		26,358	36,302

* The amount included forfeited contributions of HK\$525,000 (2016: Nil) in respect of employees who left employment prior to such contributions vesting fully in accordance with the rules of the MPF Scheme.

* 該金額包括僱員於有關供款根據強積金計劃之規則悉數獲歸屬前離職被沒收之供款525,000港元(二零一六年：無)。

11. INCOME TAX EXPENSE

For the years ended 31 December 2017 and 2016, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits for the respective years.

For the years ended 31 December 2017 and 2016, no provision for PRC Corporate Income Tax has been made as the Group did not derive any assessable profits in the PRC for the respective years.

11. 所得稅開支

截至二零一七年及二零一六年十二月三十一日止年度，香港利得稅按各自年度估計應課稅溢利之16.5%計提撥備。

截至二零一七年及二零一六年十二月三十一日止年度，概無就中國企業所得稅計提撥備，原因是本集團於各自年度並無於中國產生任何應課稅溢利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

11. INCOME TAX EXPENSE (Continued)

11. 所得稅開支(續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax – Hong Kong profits tax	即期稅項 – 香港利得稅		
– Provision for current year	– 本年度撥備	2,511	2,036
– Over provision in respect of prior years	– 過往年度超額撥備	(170)	(13)
		2,341	2,023
Deferred tax	遞延稅項		
– Origination and reversal of temporary differences	– 暫時差額之產生及撥回	–	(144)
Total income tax expense	所得稅開支總額	2,341	1,879

Reconciliation between income tax expense and loss before income tax at applicable tax rate is as follows:

所得稅開支與除所得稅前虧損按適用稅率之對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(182,183)	(15,028)
Notional tax at Hong Kong profits tax rate of 16.5% (2016: 16.5%)	按香港利得稅稅率 16.5% (二零一六年：16.5%) 計算之名義稅項	(30,060)	(2,480)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	(313)	(208)
Tax effect of revenue not taxable for tax purpose	毋須課稅收入之稅務影響	(1)	(3,775)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	23,225	5,616
Tax effect of unused tax losses not recognised as deferred tax asset	未確認作遞延稅項資產之未動用稅項虧損之稅務影響	4,685	4,032
Tax effect of prior years' unrecognised tax losses utilised this year	本年度動用之過往年度未獲確認稅項虧損之稅務影響	(319)	(817)
Tax effect of temporary differences not recognised	未獲確認暫時性差異之稅務影響	(7)	31
Tax effect of share of results of an associate	分佔一間聯營公司業績之稅務影響	5,270	(508)
Over provision in respect of prior years	過往年度超額撥備	(170)	(13)
Other differences	其他差異	31	1
Income tax expense	所得稅開支	2,341	1,879

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

12. DIVIDENDS

No dividend was proposed or paid during the years ended 31 December 2017 and 2016, nor has any dividend been proposed since the end of the reporting period.

13. LOSS PER SHARE

BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$184,507,000 (2016: loss of approximately HK\$16,911,000) and the weighted average number of 3,553,329,679 (2016: 3,511,160,917) ordinary shares in issue during the year.

DILUTED LOSS PER SHARE

The calculation of diluted loss per share is based on the loss attributable to owners of the Company of approximately HK\$184,507,000 (2016: loss of approximately HK\$19,534,000) and the weighted average number of 3,553,329,679 (2016: 3,511,160,917) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares for the year, calculated as follows:

(A) LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
For the purpose of basic loss per share	計算每股基本虧損	(184,507)	(16,911)
After tax effect of effective interest on the liability component of convertible bonds	扣除稅務影響後之可換股債券負債部分之實際利息	-	6,446
After tax effect of fair value changes on the derivative component of convertible bonds	扣除稅務影響後之可換股債券衍生部分之公平值變動	-	-
Effect of earnings on conversion of convertible bonds issued by a subsidiary of the Company	兌換本公司一間附屬公司發行之可換股債券之盈利影響	-	(9,069)
For the purpose of diluted loss per share	計算每股攤薄虧損	(184,507)	(19,534)

12. 股息

截至二零一七年及二零一六年十二月三十一日止年度，概無建議派發或派發任何股息。自報告期間結算日以來亦無建議派發任何股息。

13. 每股虧損

每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損約184,507,000港元(二零一六年：虧損約16,911,000港元)及年內已發行普通股之加權平均數3,553,329,679股(二零一六年：3,511,160,917股)計算。

每股攤薄虧損

每股攤薄虧損乃經就所有具攤薄潛力普通股之影響作出調整後，根據本公司擁有人應佔虧損約184,507,000港元(二零一六年：虧損約19,534,000港元)及年內普通股之加權平均數3,553,329,679股(二零一六年：3,511,160,917股)計算如下：

(A) 本公司擁有人應佔虧損

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

13. LOSS PER SHARE (Continued)

DILUTED LOSS PER SHARE (Continued)

(B) WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

		2017 二零一七年 Number of shares 股份數目	2016 二零一六年 Number of shares 股份數目
For the purpose of basic loss per share	計算每股基本虧損	3,553,329,679	3,511,160,917
Effect of share options	購股權之影響	-	-
Effect of convertible bonds issued by the Company	本公司發行之可換股債券之影響	-	-
For the purpose of diluted loss per share	計算每股攤薄虧損	3,553,329,679	3,511,160,917

On 16 June 2014, Sheng Yuan Financial Services Group Limited ("SYFS"), a wholly-owned subsidiary of the Company, issued convertible bonds with the principal amount of HK\$45,000,000 (details are set out in note 26 to these financial statements). Subject to attainment of certain profit conditions, these convertible bonds are convertible into ordinary shares of SYFS at a conversion price of HK\$10,000, at the option of the holders of the convertible bonds, which created a potential dilutive effect to the basic loss per share. None of these convertible bonds are assumed to have been converted into ordinary shares of SYFS for the year ended 31 December 2017 as it would result in a decrease in diluted loss per share for the year.

13. 每股虧損(續)

每股攤薄虧損(續)

(B) 普通股加權平均數

於二零一四年六月十六日，本公司之全資附屬公司Sheng Yuan Financial Services Group Limited(「SYFS」)發行本金額為45,000,000港元之可換股債券(詳情載於該等財務報表附註26)。於達成若干溢利條件後，該等可換股債券之持有人可選擇按換股價10,000港元將可換股債券轉換為SYFS之普通股，故此對每股基本虧損產生潛在攤薄影響。截至二零一七年十二月三十一日止年度並無假設該等可換股債券已轉換為SYFS普通股，原因為其將導致該年度之每股攤薄虧損減少。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

13. LOSS PER SHARE (Continued)

DILUTED LOSS PER SHARE (Continued)

(B) WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (Continued)

On 19 November 2014, 30 December 2014 and 23 November 2017, the Company issued convertible bonds with aggregate principal amount of HK\$100,000,000, HK\$35,000,000 and HK\$110,000,000, respectively (details are set out in note 26 to these financial statements). The computation of diluted loss per share for each of the years ended 31 December 2017 and 2016 does not assume the conversion of these convertible bonds as it would result in a decrease in diluted loss per share.

The Company has outstanding share options, which were granted on 25 August 2011, 19 June 2014, 20 June 2014 and 7 September 2017 with exercise price of HK\$0.280, HK\$0.250, HK\$0.245 and HK\$0.240 respectively. The computation of diluted loss per share for each of the years ended 31 December 2017 and 2016 also does not assume an exercise of these share options since it would result in a decrease in diluted loss per share.

13. 每股虧損(續)

每股攤薄虧損(續)

(B) 普通股加權平均數(續)

本公司於二零一四年十一月十九日、二零一四年十二月三十日及二零一七年十一月二十三日分別發行本金總額為100,000,000港元、35,000,000港元及110,000,000港元之可換股債券(詳情載於該等財務報表附註26)。計算截至二零一七年及二零一六年十二月三十一日止各年度之每股攤薄虧損並無假設該等可換股債券已獲轉換，原因為其會導致每股攤薄虧損減少。

本公司擁有尚未行使之購股權，乃分別於二零一一年八月二十五日、二零一四年六月十九日、二零一四年六月二十日及二零一七年九月七日授出，行使價為0.280港元、0.250港元、0.245港元及0.240港元。計算截至二零一七年及二零一六年十二月三十一日止各年度之每股攤薄虧損並無假設行使該等購股權，原因為其將導致每股攤薄虧損減少。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

DIRECTORS' EMOLUMENTS

The aggregate amounts of emoluments paid and payable to the directors of the Company are as follows:

董事酬金

已付及應付本公司董事之酬金總額如下：

		Fees	Salaries and allowances	Equity-settled share-based payments	Retirement benefit scheme contributions	Total
		袍金 HK\$'000 千港元	薪金及津貼 HK\$'000 千港元	股本結算股份付款 HK\$'000 千港元 (note (a)) (附註(a))	退休福利計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
2017	二零一七年					
Executive Directors	執行董事					
Mr. Wu Siu Lam, William	胡少霖先生	200	1,865	1,013	113	3,191
Ms. Cheng Kit Sum, Clara	鄭潔心女士	200	1,609	1,013	102	2,924
Mr. Qiu Bin (note b)	邱斌先生(附註b)	86	671	844	6	1,607
Independent Non-Executive Directors	獨立非執行董事					
Dr. Huan Guocang	宦國蒼博士	200	-	253	-	453
Mr. Lo Ka Wai	羅嘉偉先生	200	-	253	-	453
Mr. Wu Fred Fong	胡晃先生	200	-	253	-	453
		1,086	4,145	3,629	221	9,081
2016	二零一六年					
Executive Directors	執行董事					
Mr. Wu Siu Lam, William	胡少霖先生	200	1,840	-	113	2,153
Ms. Cheng Kit Sum, Clara	鄭潔心女士	200	1,575	-	102	1,877
Independent Non-Executive Directors	獨立非執行董事					
Dr. Huan Guocang	宦國蒼博士	200	-	-	-	200
Mr. Lo Ka Wai	羅嘉偉先生	200	-	-	-	200
Mr. Wu Fred Fong	胡晃先生	200	-	-	-	200
		1,000	3,415	-	215	4,630

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

DIRECTORS' EMOLUMENTS (Continued)

There was no arrangement under which a director waived or agreed to waive any emoluments in respect of the years ended 31 December 2017 and 2016. No emolument was paid by the Group to the directors as an inducement to join or upon joining the Group, nor as compensation for loss of office.

Notes:

- (a) These amounts represented the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the accounting policies for share-based payments as set out in note 3.15 to the financial statements. Further details of the options granted are set out in note 29 to the financial statements.
- (b) Appointed as executive director on 27 July 2017.

EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year included two (2016: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2016: three) individuals during the year are as follows:

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and allowances	薪金及津貼	7,849	8,400
Discretionary bonuses	酌情花紅	14,480	9,500
Retirement benefit scheme contributions	退休福利計劃供款	334	414
		22,663	18,314

14. 董事及五名最高薪人士酬金 (續)

董事酬金 (續)

概無董事訂立安排，以放棄或同意放棄截至二零一七年及二零一六年十二月三十一日止年度之任何酬金。本集團並無向董事支付酬金，作為吸引彼等加入本集團或於加入本集團時之獎勵或作為離職補償。

附註：

- (a) 該等金額指根據本公司購股權計劃授予董事之購股權之估計價值。該等購股權之價值根據財務報表附註3.15所載之股份付款會計政策計量。有關所授購股權之進一步詳情載於財務報表附註29。
- (b) 於二零一七年七月二十七日獲委任為執行董事。

五名最高薪人士酬金

本年度本集團之五名最高薪人士包括兩名(二零一六年：兩名)董事，彼等之酬金於上文分析反映。年內應付餘下三名(二零一六年：三名)人士之酬金如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS (Continued)

During the years ended 31 December 2017 and 2016, no emolument was paid by the Group to the above remaining three (2016: three) individuals as compensation for loss of office.

The emoluments of these remaining three (2016: three) highest paid individuals fell within the following bands:

14. 董事及五名最高薪人士酬金(續)

五名最高薪人士酬金(續)

截至二零一七年及二零一六年十二月三十一日止年度，本集團並無向上述餘下三名(二零一六年：三名)人士支付酬金作為離職補償。

餘下三名(二零一六年：三名)最高薪人士之酬金介乎下列範圍：

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
HK\$5,000,001 – HK\$5,500,000	5,000,001 港元 - 5,500,000 港元	-	2
HK\$7,000,001 – HK\$7,500,000	7,000,001 港元 - 7,500,000 港元	1	-
HK\$7,500,001 – HK\$8,000,000	7,500,001 港元 - 8,000,000 港元	-	1
HK\$8,000,001 – HK\$8,500,000	8,000,001 港元 - 8,500,000 港元	2	-
		3	3

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日				
Cost	成本	2,012	3,955	1,197	7,164
Accumulated depreciation	累計折舊	(1,999)	(3,429)	(690)	(6,118)
Net carrying amount	賬面淨值	13	526	507	1,046
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	13	526	507	1,046
Additions	添置	20	61	–	81
Disposals	出售	–	(4)	–	(4)
Depreciation	折舊	(27)	(271)	(240)	(538)
Translation differences	匯兌差額	(1)	(3)	(6)	(10)
Closing net carrying amount	年終賬面淨值	5	309	261	575
At 31 December 2016	於二零一六年十二月三十一日				
Cost	成本	1,615	4,000	1,185	6,800
Accumulated depreciation	累計折舊	(1,610)	(3,691)	(924)	(6,225)
Net carrying amount	賬面淨值	5	309	261	575
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	5	309	261	575
Additions	添置	81	301	–	382
Disposals	出售	–	(15)	–	(15)
Depreciation	折舊	(35)	(203)	(180)	(418)
Translation differences	匯兌差額	1	–	2	3
Closing net carrying amount	年終賬面淨值	52	392	83	527
At 31 December 2017	於二零一七年十二月三十一日				
Cost	成本	1,698	4,279	1,198	7,175
Accumulated depreciation	累計折舊	(1,646)	(3,887)	(1,115)	(6,648)
Net carrying amount	賬面淨值	52	392	83	527

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

16. TRADING RIGHTS

At 1 January and 31 December	於一月一日及十二月三十一日
Gross and net carrying amount	賬面總值及淨值

Trading rights represent the eligibility rights to trade on or through Hong Kong Futures Exchange Limited and the Stock Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights are considered by the management as having an indefinite useful life. Trading rights will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the purpose of impairment testing, the carrying amount of trading rights is allocated to the CGU which engaged in the securities brokerage and financial services.

Recoverable amount for the CGU was determined based on value-in-use calculation. The calculation use cash flow projections based on financial budgets approved by management covering a one-year period, and discount rate of 22% (2016: 25%). Cash flows beyond the one-year period are extrapolated for four years using a 5% growth rate. The growth rate is determined based on management's expectations for the market development and is not expected to exceed the average long-term growth rate for the relevant industry. The discount rate used is pre-tax and reflect specific risks relating to the relevant business. Apart from the considerations described in determining the value-in-use of the CGU above, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

16. 買賣權

2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元

3,322	3,322
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買賣權指於或透過香港期貨交易所有限公司及聯交所進行買賣之合法權利。買賣權對本集團使用產生現金流量淨額之期間並無可預見之限制。因此，管理層將買賣權視為具無限使用年期。買賣權將不會攤銷，直至其使用年期釐定為有限。相反，其將每年及於出現任何跡象顯示其可能減值時進行減值測試。

就減值測試而言，買賣權之賬面值分配至從事證券經紀及金融服務之現金產生單位。

現金產生單位之可回收金額乃根據使用價值計算而釐定。該計算使用以管理層批核之一年期財務預算及22%（二零一六年：25%）折現率為基礎之現金流量預測。超過一年期之現金流量按5%增長率推斷四年。增長率為根據管理層對市場發展之預期釐定，預期不超過有關行業之長期平均增長率。所使用之折現率為除稅前，並反映與有關業務相關之特定風險。除上文所述釐定現金產生單位之使用價值所考慮之因素外，本集團管理層現時並不知悉有任何其他可能變動而需要改變其主要估算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

17. GOODWILL

17. 商譽

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日		
Gross and net carrying amount	賬面總值及淨值	7,000	-
Year ended 31 December	截至十二月三十一日止年度		
Opening net carrying amount	年初賬面淨值	7,000	-
Additions through business combination (note 30)	透過業務合併添置(附註30)	-	7,000
Closing net carrying amount	年終賬面淨值	7,000	7,000
At 31 December	於十二月三十一日		
Gross and net carrying amount	賬面總值及淨值	7,000	7,000

For the purpose of annual impairment testing, goodwill is allocated to the CGU which engaged in the asset management business. Recoverable amount for the CGU was determined based on value-in-use calculation. The calculation use cash flow projections based on financial budgets approved by management covering a one-year period, and discount rate of 19% (2016: 19%). Cash flows beyond the one-year period are extrapolated for four years using a 0% growth rate. The growth rate is determined based on management's expectations for the market development and is not expected to exceed the average long-term growth rate for the relevant industry. The discount rate used is pre-tax and reflect specific risks relating to the relevant business. Apart from the considerations described in determining the value-in-use of the CGU above, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

就年度減值測試而言，商譽分配至從事資產管理業務之現金產生單位。現金產生單位之可回收金額乃根據使用價值計算而釐定。該計算使用以管理層批核之一年期財務預算及19%（二零一六年：19%）折現率為基礎之現金流量預測。超過一年期之現金流量按零增長率推斷四年。增長率為根據管理層對市場發展之預期釐定，預期不超過有關行業之長期平均增長率。所使用之折現率為除稅前，並反映與有關行業板塊相關之特定風險。除上文所述釐定現金產生單位之使用價值所考慮之因素外，本集團管理層現時並不知悉有任何其他可能變動而需要改變其主要估算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

18. INTERESTS IN AN ASSOCIATE

18. 於一間聯營公司之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Share of net assets	分佔資產淨值	2,800	33,653
Goodwill	商譽	39,854	38,681
		42,654	72,334
Provision for impairment	減值撥備	(40,791)	-
		1,863	72,334

Particulars of the associate at 31 December 2017 are as follows:

於二零一七年十二月三十一日，聯營公司之詳情如下：

Name	Country of incorporation	Particulars of paid-up capital	Percentage of interest held by the Group	Principal activities and place of operation
名稱	註冊成立國家	繳足股本詳情	本集團所持權益百分比	主要業務及營業地點
Xinhua (Daqing) Merchandise Exchange Company Limited# ("XHME") 新華(大慶)商品交易所有限公司*(「新商所」)	PRC 中國	RMB85,714,286 人民幣 85,714,286 元	25*	Operation of an electronic merchandise exchange platform for commodity goods trading in the PRC 於中國經營商品貨物貿易之電子商品交易平台

XHME is engaged in the operation of an electronic merchandise exchange platform for commodity goods trading, which provides trading, clearing financing and logistics services to suppliers and purchasers on the electronic trading platform. The investment in XHME represents an opportunity with earning potentials from the electronic merchandise exchange platform for commodity goods trading, and it is in line with business strategy of the Group to diversify the Group's business portfolio and broaden the income base. XHME is an unlisted corporate entity whose quoted market price is not available.

新商所為經營商品貨物貿易之電子商品交易平台，於電子貿易平台向供應商及買家提供交易、結算融資及物流服務。於新商所之投資帶來從商品貨物貿易之電子商品交易平台獲得潛在盈利之機遇，且符合本集團拓闊本集團業務組合及增添收入來源之業務策略。新商所為非上市公司實體，並無市場報價。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

18. INTERESTS IN AN ASSOCIATE (Continued)

The following tables illustrate the financial information of XHME extracted from its management accounts and adjusted to reflect adjustments made by the Group when applying the equity method:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current assets	流動資產	18,289	53,024
Non-current assets	非流動資產	884	105,210
Current liabilities	流動負債	(7,889)	(23,451)
Non-current liabilities	非流動負債	(33)	(41)
Net assets	資產淨值	11,251	134,742
Revenue	收益	6,453	82,515
Expenses	開支	(134,266)	(70,215)
(Loss)/Profit from operations and total comprehensive income	來自業務之(虧損)/溢利及全面收益總額	(127,813)	12,300

No dividend was received from XHME during the years ended 31 December 2017 and 2016.

18. 於一間聯營公司之權益 (續)

下表列示摘錄自新商所管理賬目並於應用權益法時作出調整以反映本集團作出之調整之財務資料：

截至二零一七年及二零一六年十二月三十一日止年度，概無收取新商所任何股息。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

18. INTERESTS IN AN ASSOCIATE (Continued)

Reconciliation of the above financial information of XHME to the carrying amount recognised in the consolidated financial statements:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net assets of XHME	新商所之資產淨值	11,251	134,742
Percentage of interests held by the Group*	本集團所持權益百分比*	25%	25%
Group's share of net assets in XHME	本集團分佔新商所資產淨值	2,800	33,653

not audited by BDO Limited

* rounded to the nearest one percent

In December 2016, the board of directors of XHME had resolved to restructure its business lines for local compliance purpose which involved the suspension of a material line of business. In view of this, for the year ended 31 December 2016, the directors of the Company had performed an impairment assessment of the Group's interest in XHME based on a valuation with the assistance of an independent valuer. The valuation of the Group's interests in associate was determined based on an underlying projection of cash flows provided by XHME. Based on the impairment assessment, the recoverable amount of the Group's interests in XHME was estimated to be higher than the carrying amount and no impairment was considered necessary as at 31 December 2016.

18. 於一間聯營公司之權益(續)

上述新商所財務資料與綜合財務報表所確認之賬面值對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net assets of XHME	新商所之資產淨值	11,251	134,742
Percentage of interests held by the Group*	本集團所持權益百分比*	25%	25%
Group's share of net assets in XHME	本集團分佔新商所資產淨值	2,800	33,653

未經香港立信德豪會計師事務所有限公司審核

* 調整至最接近之百分之一

於二零一六年十二月，新商所董事會議決進行業務重組(當中涉及暫停主要業務營運)以符合當地規定。有鑒於此，本公司董事已基於由獨立估值師協助進行的估值對截至二零一六年十二月三十一日止年度本集團於新商所之權益進行減值評估。對本集團於聯營公司權益的估值乃基於新商所對現金流量之相關預測釐定。根據該減值評估，於二零一六年十二月三十一日，估計本集團於新商所之權益之可收回金額高於賬面值，故毋須作出減值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

18. INTERESTS IN AN ASSOCIATE (Continued)

For the year ended 31 December 2017, a material line of business operation of XHME was under suspension. The Group has therefore carried out an impairment assessment of its interest in XHME as of 31 December 2017 with assistance of an independent valuer using fair value less costs of disposal under the income approach. The key assumptions to which the fair value less costs of disposal being most sensitive in assessing the recoverable amount are as follows:

Discount for lack of marketability	14.80%
Discount for lack of control	22.24%

Based on the valuation, the recoverable amount of the Group's interests in XHME was determined to be approximately HK\$1,863,000 and accordingly, an impairment loss of approximately HK\$40,791,000 was recognised and included in the consolidated statement of profit or loss and other comprehensive income. The fair value on which the recoverable amount being based is categorised within Level 3 measurement.

19. OTHER ASSETS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Admission fee paid to Hong Kong Securities Company Limited ("HKSCC")	香港中央結算有限公司 (「香港結算」)之已付入會費用	50	50
Cash contribution to the Guarantee Fund of HKSCC	於香港結算保證基金之現金供款	50	50
Deposit with HKFE Clearing Corporation Limited	於香港期貨結算有限公司之按金	1,500	1,500
Deposits with the Stock Exchange	於聯交所之按金		
– Compensation Fund	– 補償基金	50	50
– Fidelity Fund	– 互保基金	50	50
– Stamp duty	– 印花稅	30	30
		1,730	1,730

18. 於一間聯營公司之權益 (續)

截至二零一七年十二月三十一日止年度，新商所的一項主要業務暫停營運。因此，在獨立估值師的協助下，本集團對二零一七年十二月三十一日其於新商所的權益使用收益法按公平值減出售成本的方式進行了減值評估。於評估可收回金額時，公平值減出售成本最為敏感的主要假設如下：

缺乏適銷性之折讓	14.80%
缺乏控制性之折讓	22.24%

根據評估，本集團於新商所權益之可收回金額釐定約為1,863,000港元，因此，於綜合損益及其他全面收益表內確認並計入減值虧損約40,791,000港元。計算可收回金額使用的公平值分類為第三級計量。

19. 其他資產

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

20. 貿易及其他應收賬款以及預付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	貿易應收賬款	64,260	26,244
Other receivables and prepayments	其他應收賬款及預付款項	5,221	5,726
		69,481	31,970

Other receivables of the Group are neither past due nor impaired. The analysis of trade receivables is as follows:

本集團其他應收賬款均無逾期或減值。貿易應收賬款之分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Arising from the business of dealing in securities	來自證券買賣業務		
– HKSCC	– 香港結算	15,967	–
– Margin clients	– 孖展客戶	1,309	1,635
Arising from asset management services	來自資產管理服務	26,539	17,944
Arising from financial advisory and consultancy services	來自財務諮詢及顧問服務	–	165
Arising from money lending services	來自貸款服務	20,444	–
Arising from proprietary trading	來自自營買賣	1	662
Arising from underwriting and placing services	來自承銷及配售服務	–	5,838
		64,260	26,244

The normal settlement terms of trade receivables arising from the business of dealing in securities are two business days after the respective trade dates. The amounts due from cash and margin clients are repayable on demand subsequent to the settlement date and bear interest at Hong Kong Dollar Prime Rate plus a spread of 3% to 8% (2016: 3% to 8%) per annum.

來自證券買賣業務之貿易應收賬款結算期通常為各交易日期後兩個營業日。應收現金及孖展客戶款項須於結算日期後按需求償還，並按港元最優惠年利率加息差3厘至8厘(二零一六年：3厘至8厘)計息。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The Group does not provide any credit term to clients for its financial advisory and consultancy services as well as asset management services. Settlement of amounts arising from underwriting and placing services is in accordance with the terms set out in the respective agreements, usually within one year after the service obligation has been fulfilled. Amount arising from the money lending services represents a term loan which is repayable within one year from the end of reporting period and bears interest at a fixed rate of 10% per annum (2016: not applicable) and is secured by marketable securities with fair value of HK\$39,000,000 as at 31 December 2017. Amount arising from proprietary trading represents deposits placed with a securities broker which is repayable on demand.

The amounts due from margin clients are neither past due nor impaired. Based on past experience, management believed that no impairment allowance was necessary due to their track record with the Group and the balances were fully recoverable. The ageing analysis of trade receivables in respect of other balances, based on due date, is as follows:

20. 貿易及其他應收賬款以及預付款項(續)

本集團並無向其財務諮詢及顧問服務以及資產管理服務客戶提供任何信貸期。來自承銷及配售服務之款項乃根據各協議所載之條款結算，一般為達成服務責任後一年內。於二零一七年十二月三十一日，來自貸款服務之款項指須自報告期間結算日起計一年內償還，按固定年利率10厘(二零一六年：不適用)計息及以公平值為39,000,000港元之有價證券作抵押之定期貸款。來自自營買賣之款項指存放於證券經紀之存款，須按要求償還。

應收孖展客戶款項均無逾期或減值。根據過往經驗，由於與本集團有良好記錄，管理層認為無需作出減值準備，有關結餘已全數收回。就其他結餘作出之貿易應收賬款賬齡分析(基於到期日)如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not yet past due	尚未逾期	20,444	-
0 – 30 days	0至30日	19,464	10,862
31 – 60 days	31至60日	2,803	1,936
61 – 90 days	61至90日	2,917	1,985
91 – 180 days	91至180日	8,256	5,698
181 – 365 days	181至365日	6,638	3,146
Over 365 days	超過365日	2,429	982
		62,951	24,609

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The amounts due from margin clients that are neither past due nor impaired at the reporting date of HK\$1,309,000 (2016: HK\$1,635,000) are secured by pledged marketable securities with fair value of HK\$6,098,000 (2016: HK\$11,387,000). The fair value of pledged marketable securities of each individual margin client is higher than the corresponding outstanding balance. The Group is permitted to sell or re-pledge these collaterals if that client defaults in payments.

The amounts due from HKSCC, brokers and clients for its asset management as well as financial advisory and consultancy services has not been provided for impairment loss as there has not been a significant change in their credit quality.

21. HELD FOR TRADING INVESTMENTS

Listed equity securities	上市股本證券
Unlisted investments funds (note)	非上市投資基金(附註)

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	37,841	135,110
	1,775	97,047
	39,616	232,157

Note:

Pursuant to the subscription agreements, the Group's interests in the above investment funds are in the form of redeemable shares, which are puttable at the holder's option at any time, for an amount equal to the pro rata share of the fund's net assets and entitle the Group to a proportionate stake in the respective funds' net assets. These investment funds are managed by the respective unrelated investment managers who are empowered to manage their daily operations and apply various investment strategies to accomplish their respective investment objectives.

The Group served as an investment manager for certain investment funds and generated management fee income (note 6) from managing assets on behalf of investors but is terminable by independent board of directors without a cause. During the year ended 31 December 2016, the investment funds which the Group served as investment manager were terminated. The Group did not act as investment manager of the above investment funds at 31 December 2017 and 2016.

20. 貿易及其他應收賬款以及預付款項(續)

於報告日期既未逾期亦未減值之應收孖展客戶款項1,309,000港元(二零一六年:1,635,000港元)乃以公平值為6,098,000港元(二零一六年:11,387,000港元)之已抵押有價證券作抵押。各名個人孖展客戶之已抵押有價證券公平值均高於相應之未償還結餘。本集團獲准在該客戶逾期還款之情況下,出售或再抵押該等抵押品。

由於信貸質素並無重大變動,故就其資產管理以及財務顧問及諮詢服務應收香港結算、經紀及客戶之款項並未計提減值虧損。

21. 持作買賣用途投資

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	37,841	135,110
	1,775	97,047
	39,616	232,157

附註:

根據認購協議,本集團於上述投資基金之權益為可贖回股份形式,可隨時由持有人選擇贖回相等於基金資產淨值佔比之金額,且本集團有權按比例分攤各基金之資產淨值。該等投資基金由相關獲授權管理其日常營運及採用多項投資策略以達致其各自之投資目標之無關連之投資經理管理。

本集團為若干投資基金之投資經理,因代表投資者管理資產而產生管理費收入(附註6),但可由獨立董事會於未提出任何理由之情況下予以終止。截至二零一六年十二月三十一日止年度,上述由本集團擔任投資經理的投資基金已經終止。於二零一七年及二零一六年十二月三十一日,本集團不再擔任上述投資基金的投資經理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

22. TRUST BANK BALANCES HELD ON BEHALF OF CLIENTS

From the Group's ordinary business of dealing in securities, it receives and holds money deposited by clients in the course of conducting its regulated activities. These clients' monies are maintained in one or more segregated bank accounts and earn interest at floating rates based on daily bank deposit rates of 0.001% (2016: 0.001%) per annum. The Group has recognised the corresponding trade payables to respective clients.

23. CASH AND CASH EQUIVALENTS

Demand deposits earn interest at floating rates based on daily bank deposit rates. The prevailing market interest rates for demand deposits in Hong Kong and in the PRC are 0.001% (2016: 0.001%) per annum and 0.350% (2016: 0.350%) per annum, respectively.

Included in cash and cash equivalents of the Group is RMB of HK\$2,119,000 (2016: HK\$14,111,000). RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchange business.

22. 代表客戶持有之信託銀行結餘

於從事買賣證券之日常業務中，本集團因從事受規管活動而收取並持有客戶存款。該等客戶款項存放於一個或多個獨立銀行賬戶，並按根據每日銀行存款年利率0.001厘（二零一六年：0.001厘）計算的浮動利率賺取利息。本集團已確認應付予各客戶之相應貿易賬款。

23. 現金及現金等同項目

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Demand deposits and cash on hand 活期存款及手頭現金	87,556	126,461

活期存款按根據每日銀行存款利率計算的浮動利率賺取利息。香港及中國之活期存款之現行市場年利率分別為0.001厘（二零一六年：0.001厘）及0.350厘（二零一六年：0.350厘）。

計入本集團現金及現金等同項目之金額為2,119,000港元（二零一六年：14,111,000港元）之人民幣。人民幣屬不可自由轉化之貨幣。根據中國內地之外匯管理條例以及結匯、售匯及付匯管理規定，本集團獲允許透過獲授權從事外匯業務之銀行將人民幣兌換為其他貨幣。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

24. TRADE AND OTHER PAYABLES AND ACCRUALS 24. 貿易及其他應付賬款以及應計費用

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables arising from the business of dealing in securities	來自證券買賣業務之貿易應付賬款		
– HKSCC	– 香港結算	–	34,356
– Cash clients	– 現金客戶	237,628	302,031
– Margin clients	– 孖展客戶	460	672
		238,088	337,059
Third party interests in collective investment schemes	於集體投資計劃之第三方權益	–	60,044
Other payables and accruals	其他應付賬款及應計費用	4,365	22,446
		242,453	419,549

The normal settlement terms of trade payables arising from the business of dealing in securities are two business days after the respective trade dates. The amounts payable to cash and margin clients are repayable on demand. No ageing analysis in respect of trade payables is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature.

來自證券買賣業務之貿易應付賬款之一般結算期為各自交易日後之兩個營業日。應付現金及孖展客戶之款項須按要求償還。董事認為，基於業務性質使然，賬齡分析不會帶來額外好處，故並無披露貿易應付賬款之賬齡分析。

The movements of third party interests in collective investment schemes during the year are set out below:

於集體投資計劃之第三方權益於年內之變動載列如下：

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	60,044
Changes from financing cash flows:	融資現金流量變動：	
– Proceeds from other holders	– 來自其他持有人之所得款項	2,000
– Payments to other holders	– 向其他持有人付款	(56,719)
Other changes:	其他變動：	
– Changes in third party interests (note 7)	– 第三方權益變動(附註7)	(5,325)
At 31 December 2017	於二零一七年十二月三十一日	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

25. BORROWINGS

25. 借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loans from a substantial shareholder	來自一名主要股東之貸款	-	15,387
Others	其他	-	11,040
		-	26,427

Loans from a substantial shareholder were unsecured, interest bearing at 3.5% per annum and were repayable within one year from the end of the reporting period. The lender had the right to request early repayment of the outstanding balance with written notice of 7 business days at par. Borrowings from an independent third party were unsecured, interest bearing at the rate quoted by a bank in the PRC and were repayable within one year from the end of the reporting period. The movements of borrowings during the year are set out below:

來自一名主要股東之貸款為無抵押，按年利率3.5%計息，及須自報告期間結算日起計一年內償還。貸方有權以提前七日發出書面通知的方式要求按面值提早償還未償還結餘。來自一名獨立第三方之借貸為無抵押，按中國一間銀行所報利率計息，及須自報告期間結算日起計一年內償還。年內借貸變動載列如下：

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	26,427
Changes from financing cash flows:	融資現金流量變動：	
- Proceeds from loans advanced	- 來自墊付貸款之所得款項	5,000
- Repayments of loan advanced	- 償還墊付貸款	(31,040)
Other changes:	其他變動：	
- Effective interest recognised (note 9)	- 已確認實際利息(附註9)	276
- Interest paid	- 已付利息	(663)
At 31 December 2017	於二零一七年十二月三十一日	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

26. 可換股債券及結算可換股債券之撥備

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<u>Liability component</u>	<u>負債部分</u>		
2014 SYFS Bonds	二零一四年SYFS債券	45,000	41,695
2014 SYHL Bonds	二零一四年盛源控股債券	-	124,107
2017 SYHL Bonds	二零一七年盛源控股債券	98,517	-
		143,517	165,802

2014 SYFS BONDS AND PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS

Pursuant to a subscription agreement entered into by SYFS with WisePublic Holdings Limited, Mr. Li Gang and two other entities (collectively referred to as the "Subscribers") on 9 April 2014, SYFS issued zero coupon convertible bonds with principal amount of HK\$16,000,000, HK\$9,000,000, HK\$10,000,000 and HK\$10,000,000 ("2014 SYFS Bonds") to respective Subscribers on 16 June 2014. The 2014 SYFS Bonds entitled the holders to convert them into ordinary shares of SYFS (the "SYFS Conversion Shares") at a conversion price of HK\$10,000 with certain profit conditions of SYFS and its subsidiaries ("SYFS Group") as set out in the Company's circular dated 16 May 2014. Any unconverted 2014 SYFS Bonds had to be redeemed by SYFS at 100% of its face value within 30 business days from the third anniversary day.

二零一四年SYFS債券及結算二零一四年SYFS債券之撥備

根據SYFS與智眾控股有限公司、李剛先生及另外兩間實體(合稱「認購人」)於二零一四年四月九日訂立之認購協議，SYFS於二零一四年六月十六日向各認購人發行本金額為16,000,000港元、9,000,000港元、10,000,000港元及10,000,000港元之零息可換股債券(「二零一四年SYFS債券」)。二零一四年SYFS債券賦予持有人權利，可將之按換股價10,000港元兌換為SYFS普通股(「SYFS換股股份」)，並附有若干有關SYFS及其附屬公司(「SYFS集團」)之溢利之條件(詳見本公司於二零一四年五月十六日刊發之通函)。任何未獲兌換之二零一四年SYFS債券須由SYFS於第三週年日後30個營業日內按其面值之100%贖回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

(Continued)

2014 SYFS BONDS AND PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS (Continued)

The shareholders of WisePublic Holdings Limited, Ms. Zhang Xiaomei, Mr. Wang Shengkun and Mr. Chen Bai Cao, were also management of the SYFS Group but none of them were shareholders nor directors of the Company. Two of the Subscribers, WisePublic Holdings Limited (the "First Guarantor") and Mr. Li Gang (the "Second Guarantor"), provided profit guarantee to SYFS Group on their audited consolidated profit after taxation as stated in the subscription agreement, and details below:

Relevant Periods

有關期間

For financial year 2014

二零一四年財政年度

For two financial years 2014 and 2015

二零一四年及二零一五年兩個財政年度

For three financial years 2014, 2015 and 2016

二零一四年、二零一五年及二零一六年三個財政年度

In any Relevant Periods, the First Guarantor undertook and agreed to compensate the shortfall with the Profit Guarantee by transferring any unconverted 2014 SYFS Bonds or SYFS Conversion Shares held by it to SYFS at a consideration of HK\$1. The 2014 SYFS Bonds transferred could be repurchased by the First Guarantor at HK\$1 within six months from the date of such transfer if the shortfall was made good by the subsequent audited consolidated profit after taxation of SYFS Group. The Second Guarantor agreed to compensate the remaining shortfall by way of similar compensation method with the First Guarantor, if the First Guarantor fails to fully compensate the shortfall. In the situation of the actual profit exceeds the amount of Profit Guarantee, management of SYFS would have the right to pay any excess profits as bonus to employees and/or dividend to shareholders of SYFS. Profit Guarantee was not recognised in the financial statements as the actual profit exceeded the amount of Profit Guarantee.

26. 可換股債券及結算可換股債券之撥備(續)

二零一四年 SYFS 債券及結算二零一四年 SYFS 債券之撥備(續)

智眾控股有限公司之股東張曉梅女士、王勝坤先生及陳柏操先生亦為SYFS集團之管理人員，惟彼等並非本公司股東及董事。其中兩名認購人(即智眾控股有限公司(「第一保證人」)及李剛先生(「第二保證人」))如認購協議所載，向SYFS集團提供有關除稅後經審核綜合溢利之溢利保證，有關詳情如下：

Profit Guarantee

溢利保證

Not less than zero

不少於零

Not less than HK\$20 million

不少於20,000,000港元

Not less than HK\$50 million

不少於50,000,000港元

於任何相關期間，第一保證人承諾並同意向SYFS轉讓其所持任何未兌換之二零一四年SYFS債券或SYFS換股股份，代價為1港元，以補償溢利保證金額之不足額。倘不足額由第一保證人以SYFS集團其後之除稅後經審核綜合溢利補回，第一保證人可於如此轉讓之日起計六個月內以1港元購回已轉讓之二零一四年SYFS債券。第二保證人同意在第一保證人未能悉數補償不足額之情況下，以第一保證人類似之補償方法，補償不足額之餘額。倘實際溢利超逾溢利保證金額，則SYFS管理層有權派付任何盈餘溢利作為SYFS僱員之花紅，及／或向SYFS股東派發股息。由於實際盈利超出溢利保證之金額，故溢利保證並未於財務報表中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

(Continued)

2014 SYFS BONDS AND PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS *(Continued)*

Based on the terms of the subscription agreement, the 2014 SYFS Bonds contained two components, (i) the liability and (ii) the equity conversion components. At 31 December 2016, none of the 2014 SYFS Bonds has been converted into ordinary shares of SYFS. During the year, there were transfers of 2014 SYFS Bonds and on 15 June 2017, the Group received conversion notices from the sole bondholder in respect of the exercise of the conversion rights attached to the 2014 SYFS Bonds in the aggregate amount of HK\$45,000,000. As the issuance of the SYFS Conversion Shares is subject to the approval by a regulator at 31 December 2017, the 2014 SYFS Bonds have not been converted into ordinary shares of SYFS. Upon the issue and allotment of 4,500 SYFS Conversion Shares on full conversion of the 2014 SYFS Bonds at the conversion price, the Company's equity interests in SYFS Group will be reduced from 100% to approximately 55%. On 29 December 2017, the Company, SYFS and the sole bondholder has entered into a deed of settlement. Subject to the permission from the Stock Exchange, the Company will issue convertible bonds with a principal amount of HK\$90,000,000 for a term of 2 years to the sole bondholder as settlement and release of the SYFS's obligations under the SYFS Bonds.

26. 可換股債券及結算可換股債券之撥備 *(續)*

二零一四年SYFS債券及結算二零一四年SYFS債券之撥備 *(續)*

根據認購協議之條款，二零一四年SYFS債券包括兩部分：(i) 負債及(ii) 權益兌換部分。於二零一六年十二月三十一日，概無二零一四年SYFS債券被兌換為SYFS普通股。年內，二零一四年SYFS債券進行了轉讓。於二零一七年六月十五日，本集團收到唯一債券持有人以總金額為45,000,000港元就行使二零一四年SYFS債券所附帶之換股權發出之換股通知。由於發行SYFS換股股份須經監管者於二零一七年十二月三十一日批准，二零一四年SYFS債券並未兌換為SYFS普通股。發行及配發4,500股SYFS換股股份按換股價悉數兌換為二零一四年SYFS債券後，本公司於SYFS集團之股權將由100%減少至約55%。於二零一七年十二月二十九日，本公司、SYFS及唯一債券持有人訂立結算契據。待取得聯交所許可後，本公司將向唯一債券持有人發行兩年期本金額為90,000,000港元之可換股債券，以結算及解除SYFS於SYFS債券下之債務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

(Continued)

2014 SYFS BONDS AND PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS *(Continued)*

Since the Group made an application to the Stock Exchange on 29 December 2017 for the issuance of the convertible bonds under the deed of settlement, the permission from the Stock Exchange has not been granted up to the date of approving these financial statements. Given the permission from the Stock Exchange had not been granted, which was considered as substantive, the directors of the Company considered that the Group's obligations arising from the 2014 SYFS Bonds remained outstanding as at 31 December 2017. Because the obligations arising from the 2014 SYFS Bonds remained outstanding as at 31 December 2017, a provision was recognised in these financial statements based on the best estimated settlement amount with reference to the fair value of the convertible bonds to be issued under the deed of settlement.

26. 可換股債券及結算可換股債券之撥備(續)

二零一四年SYFS債券及結算二零一四年SYFS債券之撥備(續)

本集團已就根據結算契據發行可換股債券於二零一七年十二月二十九日向聯交所提出申請，而直至批准該等財務報表日期聯交所仍未授出有關許可。鑒於聯交所仍未授出許可，而該許可被認為是實質性的，本公司董事認為本集團因二零一四年SYFS債券產生之責任於二零一七年十二月三十一日仍未償還。由於二零一四年SYFS債券產生之責任於二零一七年十二月三十一日仍未償還，因此已於該等財務報表經參考結算契據項下將予發行的可換股債券之公平值而確認最佳估計結算金額之撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

(Continued)

2014 SYFS BONDS AND PROVISION FOR SETTLEMENT OF 2014 SYFS BONDS (Continued)

The movements of the components of 2014 SYFS Bonds and the provision for settlement of 2014 SYFS Bonds during the year are set out below:

26. 可換股債券及結算可換股債券之撥備(續)

二零一四年SYFS債券及結算二零一四年SYFS債券之撥備(續)

年內二零一四年SYFS債券組成部分及結算二零一四年SYFS債券之撥備之變動載列如下：

		2014 SYFS Bonds 二零一四年SYFS債券			Provision for settlement of 2014 SYFS Bonds 結算 二零一四年 SYFS債券 之撥備
		Liability component 負債部分 HK\$'000 千港元	Equity conversion component 權益兌換部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
At 1 January 2016	於二零一六年一月一日	35,249	17,792	53,041	-
Effective interest recognised	已確認實際利率	6,446	-	6,446	-
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	41,695	17,792	59,487	-
Additions	添置	-	-	-	33,708
Effective interest recognised	已確認實際利率	3,305	-	3,305	-
At 31 December 2017	於二零一七年 十二月三十一日	45,000	17,792	62,792	33,708

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

(Continued)

2014 SYHL BONDS

Pursuant to subscription agreements entered into by the Company on 5 November 2014 and 19 December 2014, the Company issued convertible bonds with aggregate principal amount of HK\$135,000,000 (“2014 SYHL Bonds”) on 19 November 2014 and 30 December 2014. The 2014 SYHL Bonds entitled the holders to convert them into ordinary shares of the Company at the conversion price of HK\$0.35 per share of the Company at any time before the third anniversary date of the initial issue dates (“2014 SYHL Bonds Maturity Date”). The 2014 SYHL Bonds bore interests at 8% per annum except that during the second and third anniversary period, no interest would be accrued to the holders when the average closing price in respect of the Company’s share for the last 30 consecutive trading days (“Current Market Price”) before the second anniversary of the initial issue dates (“Second Interest Payment Date”) and the 2014 SYHL Bonds Maturity Date exceed HK\$0.50 and HK\$0.55 per share of the Company, respectively.

When the Current Market Price on the Second Interest Payment Date exceed HK\$0.50 per share of the Company, the Company would have the right to early redeem the 2014 SYHL Bonds (in part or in whole), at the aggregate amount of the outstanding principal and interest not later than 3 business days after the Second Interest Payment Date. Unless previously redeemed, converted or cancelled, the Company had to redeem each 2014 SYHL Bonds on the 2014 SYHL Bonds Maturity Date at 100% of the outstanding principal amount, together with accrued interest, if any.

26. 可換股債券及結算可換股債券之撥備(續)

二零一四年盛源控股債券

根據本公司於二零一四年十一月五日及二零一四年十二月十九日訂立之認購協議，本公司於二零一四年十一月十九日及二零一四年十二月三十日發行本金總額為135,000,000港元之可換股債券(「二零一四年盛源控股債券」)。二零一四年盛源控股債券賦予持有人權利，可於首個發行日期之第三週年當日(「二零一四年盛源控股債券到期日」)前任何時間將之按兌換價每股本公司股份0.35港元兌換為本公司普通股。二零一四年盛源控股債券以年利率8厘計息，惟於第二及第三週年期間，倘本公司股份於首個發行日期之第二週年當日(「第二個付息日」)及二零一四年盛源控股債券到期日前最後連續30個交易日之平均收市價(「當前市價」)分別超過每股本公司股份0.50港元及0.55港元，則不對持有人計算利息。

倘於第二個付息日之當前市價超過每股本公司股份0.50港元，則本公司有權於第二個付息日後不遲於3個營業日按未償還本金及利息之總額提前贖回二零一四年盛源控股債券(部分或全部)。除非先前已贖回、兌換或註銷，本公司須於二零一四年盛源控股債券到期日按全部尚未償還本金額連同應計利息(如有)贖回各二零一四年盛源控股債券。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

(Continued)

2014 SYHL BONDS (Continued)

Based on the terms of the subscription agreements, the 2014 SYHL Bonds were bifurcated into three components, (i) the liability, (ii) the derivative (i.e. early redemption option) and (iii) the equity conversion components. None of the 2014 SYHL Bonds has been converted into ordinary shares of the Company since they were issued. The movements of the components of 2014 SYHL Bonds during the year are set out below:

26. 可換股債券及結算可換股債券之撥備(續)

二零一四年盛源控股債券(續)

根據認購協議之條款，二零一四年盛源控股債券分為三個部分：(i) 負債，(ii) 衍生工具(即提早贖回選擇權)及(iii) 權益兌換部分。概無二零一四年盛源控股債券自發行後被兌換為本公司普通股。年內二零一四年盛源控股債券組成部分之變動載列如下：

		Liability component	Derivative component	Equity conversion component	Total
		負債部分	衍生工具 部分	權益 兌換部分	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	113,213	(3,667)	34,408	143,954
Changes in fair value	公平值變動	-	3,667	-	3,667
Effective interest recognised	已確認實際利率	21,694	-	-	21,694
Interest paid	已付利息	(10,800)	-	-	(10,800)
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	124,107	-	34,408	158,515
Effective interest recognised	已確認實際利率	21,693	-	-	21,693
Interest paid	已付利息	(10,800)	-	-	(10,800)
Redemption on maturity	到期贖回	(135,000)	-	-	(135,000)
Transferred to accumulated losses on 2014 SYHL Bonds Maturity Date	於二零一四年盛源控股 債券到期日轉撥至 累計虧損	-	-	(34,408)	(34,408)
At 31 December 2017	於二零一七年 十二月三十一日	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. CONVERTIBLE BONDS AND PROVISION FOR SETTLEMENT OF CONVERTIBLE BONDS

(Continued)

2017 SYHL BONDS

Pursuant to subscription agreements entered into by the Company on 17 November 2017, the Company issued convertible bonds with aggregate principal amount of HK\$110,000,000 ("2017 SYHL Bonds") on 23 November 2017. The 2017 SYHL Bonds entitled the holders to convert them into ordinary shares of the Company at the conversion price of HK\$0.35 per share of the Company at any time before 12 months from the initial issue date ("2017 SYHL Bonds Maturity Date") and bear interests at 8% per annum. Unless previously redeemed, converted or cancelled, the Company has to redeem each 2017 SYHL Bonds on the 2017 SYHL Bonds Maturity Date at 100% of the outstanding principal amount, together with accrued interest, if any.

Based on the terms of the subscription agreement, the 2017 SYHL Bonds contain two components, (i) the liability and (ii) the equity conversion components. The fair value of the liability component of 2017 SYHL Bonds upon the issuance was calculated at the present value of the estimated coupon interest payments and principal amount. The discount rate used in the calculation is 24%, representing the cost of debt applicable to SYHL for a similar bond without conversion option at the issue date.

At 31 December 2017, none of the 2017 SYHL Bonds has been converted into ordinary shares of the Company. The movements of the components of 2017 SYHL Bonds during the year are set out below:

		Liability component	Equity conversion component	Total
		負債部分 HK\$'000 千港元	權益兌換部分 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	-	-	-
Issued during the year	年內發行	96,287	13,713	110,000
Effective interest recognised	已確認實際利率	2,230	-	2,230
At 31 December 2017	於二零一七年 十二月三十一日	98,517	13,713	112,230

26. 可換股債券及結算可換股債券之撥備(續)

二零一七年盛源控股債券

根據本公司於二零一七年十一月十七日訂立之認購協議，本公司於二零一七年十一月二十三日發行本金總額為110,000,000港元之可換股債券(「二零一七年盛源控股債券」)。二零一七年盛源控股債券賦予持有人權利，可於首個發行日期起計12個月(「二零一七年盛源控股債券到期日」)前任何時間將之按兌換價每股本公司股份0.35港元兌換為本公司普通股，及以年利率8厘計息。除非先前已贖回、兌換或註銷，本公司將於二零一七年盛源控股債券到期日按全部尚未償還本金額連同應計利息(如有)贖回各二零一七年盛源控股債券。

根據認購協議之條款，二零一七年盛源控股債券分為兩個部分：(i)負債及(ii)權益兌換部分。於發行時二零一七年盛源控股債券負債部分之公平值按估計票面利息付款及本金金額之現值計算。計算所用之折現率為24%，指盛源控股就於發行日期不附帶兌換權之類似債券之債務成本。

於二零一七年十二月三十一日，概無二零一七年盛源控股債券被兌換為本公司普通股。年內二零一七年盛源控股債券組成部分之變動載列如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

27. DEFERRED TAX

(A) DEFERRED TAX ASSETS RECOGNISED

		Excess of depreciation over tax depreciation allowances 折舊超出稅項 折舊撥備 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	–
Credited to profit or loss (note 11)	計入損益(附註11)	144
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	144
Credited to profit or loss (note 11)	計入損益(附註11)	–
At 31 December 2017	於二零一七年十二月三十一日	144

(B) DEFERRED TAX ASSETS NOT RECOGNISED

The Group had estimated tax losses of HK\$131,665,000 (2016: HK\$102,165,000) to carry forward against future taxable income. Tax losses of HK\$120,911,000 (2016: HK\$91,499,000) were related to certain subsidiaries operating in Hong Kong and could be carried forward indefinitely under the current tax legislation. In addition, certain subsidiaries operating in the PRC had tax losses of HK\$10,754,000 (2016: HK\$10,666,000) which were subject to expiry period of five years from the year in which the tax loss arose. No deferred tax asset had been recognised in respect of the estimated tax losses due to the unpredictability of future profit streams against which these unused tax losses could be utilised.

27. 遞延稅項

(A) 已確認之遞延稅項資產

(B) 未確認之遞延稅項資產

本集團擁有估計稅項虧損131,665,000港元(二零一六年: 102,165,000港元), 以結轉與未來之應課稅收入對銷。稅項虧損120,911,000港元(二零一六年: 91,499,000港元)乃與若干於香港經營之附屬公司有關, 且可根據現行稅務條例無限期結轉。此外, 若干於中國經營之附屬公司擁有稅項虧損10,754,000港元(二零一六年: 10,666,000港元), 將於產生稅項虧損之年度起計五年後屆滿。由於可用作抵銷未用稅項虧損之未來溢利來源無法預測, 故並無就估計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 2017
截至二零一七年十二月三十一日止年度

28. SHARE CAPITAL

28. 股本

		Number of ordinary shares of HK\$0.05 each 每股面值0.05港元 之普通股數目	Nominal value 面值 HK\$'000 千港元
<i>Authorised:</i>	<i>法定：</i>		
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日、 二零一七年一月一日及 二零一七年十二月三十一日	8,000,000,000	400,000
<i>Issued and fully paid:</i>	<i>已發行及繳足：</i>		
At 1 January 2016	於二零一六年一月一日	3,486,562,556	174,328
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	56,000,000	2,800
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	3,542,562,556	177,128
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	20,000,000	1,000
At 31 December 2017	於二零一七年十二月三十一日	3,562,562,556	178,128

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

所有已發行股份在所有方面享有同等權利，包括有關股息、投票及資本退還之所有權利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

29. SHARE-BASED PAYMENTS

- (a) Pursuant to the general meeting held on 24 September 2004, a share option scheme (“2004 Scheme”) was adopted by the Company. The purpose of the 2004 Scheme provides incentives or rewards to the eligible participants (including but not limited to employees, directors, suppliers and customers of the Group) (“Qualified Persons”) for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Pursuant to this 10-year term 2004 Scheme, the Company can grant share options to the Qualified Persons for a consideration of HK\$1.00 for each grant payable by the Qualified Persons. The total number of the shares issued and to be issued upon exercise of the share options granted to each Qualified Person (including exercised, cancelled and outstanding share options) in any 12-month period shall not exceed 1% of the shares then in issue. Pursuant to a resolution passed on the annual general meeting of the Company, dated 24 April 2014, the Company can grant 161,201,291 share options to the Qualified Persons.

The exercise price in relation to each share option pursuant to the 2004 Scheme shall be not less than the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheets on the date on which the share option is offered to a Qualified Person; or (ii) the average of the closing prices of the shares as stated in the Stock Exchange’s daily quotation sheets for the 5 business days immediately preceding the date of offer; or (iii) the nominal value of a share of the Company. There shall be no minimum holding period for the vesting or exercise of the share options under the 2004 Scheme but the share options are exercisable within the option period as determined by the board of directors of the Company.

29. 股份付款

- (a) 根據於二零零四年九月二十四日舉行之股東大會，本公司已採納一項購股權計劃（「二零零四年計劃」）。二零零四年計劃旨在向合資格參與者（包括但不限於本集團之僱員、董事、供應商及客戶）（「合資格人士」）提供獎勵或回報，以激勵或獎勵彼等為本集團作出之貢獻及／或令本集團得以聘請及留聘優秀僱員，並招攬對本集團有價值之人力資源。

根據此十年期之二零零四年計劃，本公司可向合資格人士授出購股權，而合資格人士須就每份授出購股權支付1.00港元之代價。每名合資格人士於任何12個月期間內因行使獲授之購股權（包括已行使、已註銷及尚未行使之購股權）而獲發行及將獲發行之股份總數，不得超過當時已發行股份之1%。根據於本公司股東週年大會上通過日期為二零一四年四月二十四日之決議案，本公司可向合資格人士授出161,201,291份購股權。

根據二零零四年計劃，每份購股權之行使價不得低於(i)向合資格人士提呈授出購股權當日聯交所每日報價表所列之股份收市價；或(ii)於緊接提呈授出日期前5個交易日聯交所每日報價表所列之股份平均收市價；或(iii)本公司股份面值（以最高者為準）。根據二零零四年計劃，並無有關購股權歸屬或行使前必須持有之最短期限，惟購股權須於本公司董事會釐定之購股權期限內行使。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

29. SHARE-BASED PAYMENTS (Continued)

- (b) Pursuant to a special general meeting held on 15 October 2014, a new share option scheme (“2014 Scheme”) was approved by the shareholders of the Company in place of the 2004 Scheme. The share options granted for the 2004 Scheme shall continue to be valid and exercisable in accordance with the 2004 Scheme.

The 2014 Scheme is also valid and effective for 10 years, after which no further share options may be issued under the 2014 Scheme but any share options granted thereto shall remain exercisable in accordance with the 2014 Scheme. The purpose of the 2014 Scheme is to enable the Group to grant share options to the Qualified Persons as incentives or rewards for their contribution to the Group.

The maximum number of shares which can be granted under the 2014 Scheme may not exceed 10% of the issued share capital of the Company from time to time. Pursuant to a resolution passed on the annual general meeting of the Company, dated 15 October 2014, the Company can grant 161,201,291 share options to the Qualified Persons, until the next time of refreshment. The maximum number of shares which can be granted under the 2004 Scheme and the 2014 Scheme may not in aggregate exceed 30% of the issued share capital of the Company from time to time. The total number of shares issuable under the 2004 Scheme and the 2014 Scheme to each Qualified Persons within any 12-month’s period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to shareholders’ approval. At 31 December 2017, the number of shares in respect of which options has been granted and remained outstanding under the 2004 Scheme and 2014 Scheme was 97,200,000 (2016: 53,200,000), representing 2.7% (2016: 1.5%) of the Company’s shares in issue at that date.

29. 股份付款(續)

- (b) 根據於二零一四年十月十五日舉行之股東特別大會，本公司股東已批准一項新購股權計劃(「二零一四年計劃」)以取代二零零四年計劃。就二零零四年計劃授出之購股權根據二零零四年計劃仍將有效及可予行使。

二零一四年計劃亦於十年內有效及有效力，其後或不會再根據二零一四年計劃授出購股權，惟有關已授出之任何購股權仍將根據二零一四年計劃可予行使。二零一四年計劃旨在使本集團向合資格人士授出購股權，作為彼等為本集團作出貢獻之獎勵或回報。

根據二零一四年計劃能授出之股份數目最多不得超過本公司不時已發行股本之10%。根據於本公司股東週年大會上通過日期為二零一四年十月十五日之決議案，本公司可於下次更新購股權前向合資格人士授出161,201,291份購股權。根據二零零四年計劃及二零一四年計劃能授出之股份數目最多合共不得超過本公司不時已發行股本之30%。根據二零零四年計劃及二零一四年計劃於任何十二個月期間內可向各合資格人士發行之股份總數不得超過本公司當時已發行股本之1%。進一步授出超過此限額之任何購股權須經股東批准。於二零一七年十二月三十一日，根據二零零四年計劃及二零一四年計劃已獲授出但尚未行使之購股權所涉及之股份數目為97,200,000股(二零一六年：53,200,000股)，佔本公司於該日已發行股份之2.7%(二零一六年：1.5%)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

29. SHARE-BASED PAYMENTS (Continued)

(b) (Continued)

Any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to prior shareholders' approval in a general meeting.

The exercise price in relation to each share option pursuant to the 2014 Scheme shall be not less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date on which the share option is offered to a Qualified Person; or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of offer; or (iii) the nominal value of a share of the Company. There shall be no minimum holding period for the vesting or exercise of the share options under the 2014 Scheme but the share options are exercisable within the option period as determined by the board of directors of the Company.

(c) On 19 June 2014, the Company and Rotaland Limited (the "Consultant") entered into a consultancy agreement (the "Consultancy Agreement") pursuant to which the Company engaged the Consultant to provide marketing and introduction services advice and guidance to support the Group's business expansion and development (the "Consultancy Services") for a fixed term of three years.

As consideration for the Consultancy Services, the Company had, upon the signing of the Consultancy Agreement, conditionally granted to the Consultant an option (the "Option"), at a nominal consideration of HK\$1.00, to subscribe for 140,000,000 shares of HK\$0.05 each in the share capital of the Company ("Option Shares") at an exercise price of HK\$0.25 per Option Share.

The Option was exercisable for 3 years from the date of Consultancy Agreement. Vesting of the Option was conditional upon the achievement of certain non-market performance target by a subsidiary of the Company.

29. 股份付款(續)

(b) (續)

倘於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出之任何購股權超過本公司於任何時候已發行股份之0.1%或總值(根據本公司股份於授出日期之收市價計算)超過5,000,000港元,須經股東於股東大會上事先批准。

根據二零一四年計劃,每份購股權之行使價不得低於(i)向合資格人士提呈授出購股權當日聯交所每日報價表所列之股份收市價;或(ii)於緊接提呈授出日期前5個交易日聯交所每日報價表所列之股份平均收市價;或(iii)本公司股份面值(以最高者為準)。根據二零一四年計劃,並無有關購股權歸屬或行使前必須持有之最短期限,惟購股權須於本公司董事會釐定之購股權期限內行使。

(c) 於二零一四年六月十九日,本公司與Rotaland Limited(「顧問」)訂立一份顧問協議(「顧問協議」),據此,本公司委聘顧問提供市場推廣及引薦服務建議和指引,以支援本集團之業務擴充及發展(「顧問服務」),固定年期為三年。

作為顧問服務之代價,本公司於簽署顧問協議時已有條件地按名義代價1.00港元向顧問授出購股權(「購股權」),可認購140,000,000股本公司股本中每股面值0.05港元之股份(「購股權股份」),行使價為每股購股權股份0.25港元。

購股權可由顧問協議日期起計三年期間內行使。購股權之歸屬待本公司之附屬公司達成若干非市場表現目標後方可作實。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

29. SHARE-BASED PAYMENTS (Continued)

None of the Option granted to the Consultant was exercised or exercisable since granted because the performance target was not met. The weighted average remaining contractual life of Option outstanding at 31 December 2016 was 0.5 year. During the year ended 31 December 2017, the above Option was expired. Movements in share options to subscribe for ordinary shares in the Company under the 2004 Scheme and 2014 Scheme during the year and their weighted average exercise price are as follows:

		Number of share options 購股權數目		Weighted average exercise price 加權平均行使價	
		2017 二零一七年	2016 二零一六年	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Outstanding at 1 January	於一月一日未行使	53,200,000	113,200,000	0.246	0.212
Exercised	已行使	(20,000,000)	(56,000,000)	0.245	0.183
Forfeited	已沒收	(32,000,000)	(4,000,000)	0.245	0.183
Granted	已授出	96,000,000	-	0.240	N/A 不適用
Outstanding at 31 December	於十二月三十一日 未行使	97,200,000	53,200,000	0.240	0.246
Exercisable at 31 December	於十二月三十一日 可予行使	97,200,000	53,200,000	0.240	0.246

Notes:

- (i) The weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised is HK\$0.255 (2016: HK\$0.235).

29. 股份付款 (續)

概無授予顧問之購股權自授出起因未達表現目標而獲行使或可予行使。於二零一六年十二月三十一日，尚未行使購股權之加權平均餘下合約期限為0.5年。截至二零一七年十二月三十一日止年度，上述購股權經已屆滿。年內根據二零零四年計劃及二零一四年計劃可認購本公司普通股之購股權之變動及其加權平均行使價如下：

附註：

- (i) 緊接購股權獲行使當日本公司股份之加權平均收市價為0.255港元(二零一六年：0.235港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

29. SHARE-BASED PAYMENTS (Continued)

Notes: (Continued)

- (ii) The exercise prices and expiry dates of share options under the 2004 Scheme and 2014 Scheme outstanding at the reporting date are as follows:

Vesting period 歸屬期	Exercisable period 行使期	Number of share options outstanding as at 31 December 於十二月三十一日 尚未行使之購股權數目		Exercise price 行使價	
		2017 二零一七年	2016 二零一六年	2017 二零一七年 HK\$ 港元	2016 二零一六年 HK\$ 港元
Nil 無	20/06/2014- 20/06/2017 二零一四年 六月二十日 至二零一七年 六月二十日	-	52,000,000	0.245	0.245
Nil 無	07/09/2017- 07/09/2020 二零一七年 九月七日至 二零二零年 九月七日	96,000,000	-	0.240	N/A 不適用
Nil 無	25/08/2011- 25/08/2021 二零一一年 八月二十五日 至二零二一年 八月二十五日	480,000	480,000	0.280	0.280
25/08/2011- 24/08/2012 二零一一年 八月二十五日 至二零一二年 八月二十四日	25/08/2011- 25/08/2021 二零一一年 八月二十五日 至二零二一年 八月二十五日	720,000	720,000	0.280	0.280
		97,200,000	53,200,000		

The weighted average remaining contractual life of share options outstanding at 31 December 2017 is 2.7 years (2016: 0.6 year).

29. 股份付款 (續)

附註：(續)

- (ii) 於報告日期尚未行使之二零零四年計劃及二零一四年計劃項下之購股權之行使價及屆滿日期如下：

於二零一七年十二月三十一日，尚未行使購股權之加權平均餘下合約期限為2.7年(二零一六年：0.6年)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

29. SHARE-BASED PAYMENTS (Continued)

The fair value of 96,000,000 share options granted during the year was HK\$9,520,000 (2016: not applicable). The fair value was estimated as at the date of grant, using Binomial Option Pricing Model. The following assumptions were used to calculate the fair value:

Assumptions

假設

Grant date share price	HK\$0.233
授出日期股價	0.233 港元
Exercise price	HK\$0.240
行使價	0.240 港元
Expected life	3 years
預期年期	3 年
Expected volatility	81.264%
預期波幅	
Dividend yield	0%
股息率	
Risk-free interest rate	0.837%
無風險利率	

Expected volatility was determined by using the historical volatility of the Company's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised equity-settled share-based payment expense of HK\$9,520,000 (2016: Nil) for the year ended 31 December 2017 under staff costs.

29. 股份付款 (續)

年內所授96,000,000份購股權之公平值為9,520,000港元(二零一六年：不適用)。公平值乃於授出日期使用二項式期權定價模型估計。計算公平值時使用了下列假設：

預期波幅乃使用本公司先前三年股價升跌的過往波幅釐定。模型所用之預期年期已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。

截至二零一七年十二月三十一日止年度，本集團於員工成本下確認股本結算股份付款開支9,520,000港元(二零一六年：零)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

30. ACQUISITION OF A SUBSIDIARY

In order to focus on private equity and venture capital investment as well as conducting foreign investment activities and planning to expand its business through Closer Economic Partnership Arrangement in the future, the Group acquired the entire equity interest in Puru Saxena Limited ("PSL"), which is a company licensed to carry on the business of advising on securities and asset management in Hong Kong. The transaction was completed on 24 August 2016 at a cash consideration of HK\$7,485,000.

Fair value of identifiable assets acquired and liabilities assumed and the net cash outflow in respect of the above transaction were summarised below:

30. 收購一間附屬公司

為專注於私募股權及創業資本投資，以及開展對外投資活動及計劃於未來透過更緊密經貿關係安排(CEPA)擴展其業務，本集團已收購Puru Saxena Limited (「PSL」)之全部股本權益，該公司為一間於香港擁有牌照可從事證券諮詢及資產管理業務的公司。有關交易已於二零一六年八月二十四日完成，現金代價為7,485,000港元。

有關上述交易之所收購之可識別資產及所承擔負債之公平值及現金流出淨額概述如下：

		HK\$'000 千港元
Fair value of identifiable net assets acquired: 所收購之可識別資產淨值之公平值：		
Other receivables	其他應收賬款	211
Cash and cash equivalents	現金及現金等同項目	439
Other payables	其他應付賬款	(165)
		485
Goodwill on acquisition	收購產生之商譽	7,000
		7,485
Total consideration		7,485
Net cash outflow: 現金流出淨額：		
Cash consideration paid	已付現金代價	7,485
Less: Cash and cash equivalents acquired	減：已收購現金及現金等同項目	(439)
		7,046

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

30. ACQUISITION OF A SUBSIDIARY (Continued)

Fair value of the receivables as at the date of acquisition amounted to HK\$211,000 which represented the gross carrying amount and none of them were not expected to be collected. Goodwill of HK\$7,000,000 recognised above primarily related to the key personnel of PSL. Goodwill were allocated to the asset management segment and was not deductible for tax purpose. Acquisition-related costs amounted to HK\$583,000 and were not included as part of the consideration transferred and were recognised as an expense in the consolidated profit or loss, as part of "Other expenses".

For the year ended 31 December 2016, PSL contributed insignificant amount to the consolidated profit or loss. Had the acquisition been completed on 1 January 2016, there is no significant impact to revenue and loss for that year.

31. RESERVES

SHARE PREMIUM

Under the Bermuda Companies Act 1981, the funds in the share premium account of the Company may be credited to a contributed surplus account of the Company. Such contributed surplus, may be distributed when the Company is able to settle its liabilities when they fall due after such payment.

SHAREHOLDER'S CONTRIBUTION

Shareholder's contribution represents the amount of borrowing due by the Company which was waived by a former shareholder during the year ended 30 April 2008.

CAPITAL REDEMPTION RESERVE

Capital redemption reserve was arising from the repurchase and cancelled of 47,720,000 ordinary shares of HK\$0.01 each during the year ended 30 April 2001.

30. 收購一間附屬公司(續)

應收賬款於收購日期之公平值為211,000港元(即賬面總值)，預期該等賬款將悉數收回。上文確認之商譽7,000,000港元主要與PSL之關鍵人士有關。商譽已分配至資產管理分部，並不可為稅務目的作扣減。收購相關成本583,000港元並無計入所轉讓代價，並已於綜合損益確認為開支作為「其他費用」之一部分。

截至二零一六年十二月三十一日止年度，PSL為綜合損益貢獻的收益微乎其微。假設收購已於二零一六年一月一日完成，故對該年度收益及虧損之影響並不重大。

31. 儲備

股份溢價

根據一九八一年百慕達公司法，本公司股份溢價賬之資金可計入本公司繳入盈餘賬。倘本公司於支付後其負債到期時能償還負債，則該繳入盈餘可予分派。

股東注資

股東注資指本公司結欠之借貸數額，該等款項於截至二零零八年四月三十日止年度獲前股東豁免。

股本贖回儲備

股本贖回儲備指於截至二零零一年四月三十日止年度購回及註銷的每股面值0.01港元之47,720,000股普通股。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

31. RESERVES (Continued)

CONVERTIBLE BOND EQUITY RESERVE

Convertible bond equity reserve represented the equity component of 2014 SYHL Bonds issued in 2014 and 2017 SYHL Bonds issued in the year which had not been converted into ordinary shares of the Company. The amount attributable to 2014 SYHL Bonds was transferred to accumulated losses in the year as the conversion option of the relevant amount of convertible bond remained unexercised at the 2014 SYHL Bonds Maturity Date.

SHARE OPTION RESERVE

Share option reserve represents the portion of the grant date fair value of the unexercised share options of the Company.

CURRENCY TRANSLATION RESERVE

Currency translation reserve represents all the foreign exchange differences arising from the translation of the financial statements and goodwill through acquisition of foreign operations from their functional currencies to the Group's presentation currency.

32. COMMITMENTS

OPERATING LEASE COMMITMENTS

At the reporting date, the total future minimum lease payments under non-cancellable operating leases, in respect of land and buildings, are payable as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	10,544	9,639
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	5,902	13,036
		16,446	22,675

The Group leases a number of properties under operating leases. The leases run for an initial period of 1 to 3 years (2016: 1 to 3 years). None of the leases include contingent rentals.

31. 儲備(續)

可換股債券權益儲備

可換股債券權益儲備指於二零一四年發行之二零一四年盛源控股債券及本年度發行之二零一七年盛源控股債券之權益部分，該等可換股債券尚未轉換為本公司之普通股。二零一四年盛源控股債券應佔數額於年內轉撥至累計虧損，原因是有關可換股債券數額之換股權於二零一四年盛源控股債券到期日仍未獲行使。

購股權儲備

購股權儲備指本公司未獲行使購股權授出日公平值部分。

貨幣換算儲備

貨幣換算儲備指將海外業務財務報表及透過收購產生之商譽由其功能貨幣換算為本集團呈列貨幣產生之所有外匯差額。

32. 承擔

經營租約承擔

於報告日期，本集團根據不可撤銷經營租約就土地及樓宇須承擔未來最低租賃款項總額如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	10,544	9,639
In the second to fifth years, inclusive	5,902	13,036
	16,446	22,675

本集團根據經營租約租賃多項物業。租約初始期限為一至三年(二零一六年：一至三年)。概無租約包含或然租金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

32. COMMITMENTS (Continued)

OTHER COMMITMENTS

At the reporting date, the total future minimum service fee payments under non-cancellable service agreements are payable as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	720	1,733
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	630	-
		1,350	1,733

33. RELATED PARTY TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Directors of the Company	本公司董事		
Mr. Wu Siu Lam, William	胡少霖先生		
- Commission and brokerage income from securities dealing	- 證券交易之佣金及經紀收入	5	5
A substantial shareholder of the Company	本公司一名主要股東		
King Lion Group Limited	King Lion Group Limited		
- Interest income	- 利息收入	277	-
- Interest expense	- 利息開支	276	472

32. 承擔(續)

其他承擔

於報告日期，本集團根據不可撤銷服務協議須承擔之未來最低服務費用總額如下：

33. 關連人士交易及董事於交易、安排或合約中之重大權益

除該等財務報表其他地方詳述之交易及結餘外，本集團於年內與關連人士進行之重大交易如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

33. RELATED PARTY TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (Continued)

Except as disclosed above, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	5,231	4,415
Share-based payment expense	股份付款開支	3,629	–
Post-employment benefits	退休福利	221	215
		9,081	4,630

33. 關連人士交易及董事於交易、安排或合約中之重大權益(續)

除上文所披露者外，於財政年度內或於財政年度結算日，概無與本集團業務（本公司為當中一方）有關，且本公司董事於當中直接或間接擁有重大權益之其他交易、安排或重大合約。

主要管理層人員薪酬

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

34. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and liabilities as recognised at the reporting dates are categorised as follows:

34. 按類別劃分之金融資產及負債概要

本集團於報告日期確認之金融資產及負債賬面值分類如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at fair value through profit or loss (classified as held for trading)	按公平值計入損益之金融資產(分類為持作買賣)		
– Held for trading investments	– 持作買賣用途投資	39,616	232,157
		39,616	232,157
Loans and receivables	貸款及應收賬款		
– Other assets	– 其他資產	1,730	1,730
– Trade receivables	– 貿易應收賬款	64,260	26,244
– Other receivables	– 其他應收賬款	4,212	4,852
– Trust bank balances held on behalf of clients	– 代表客戶持有之信託銀行結餘	221,581	301,145
– Cash and cash equivalents	– 現金及現金等同項目	87,556	126,461
		379,339	460,432
		418,955	692,589
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本入賬之金融負債		
– Trade and other payables and accruals	– 貿易及其他應付賬款以及應計費用	242,453	419,549
– Borrowings	– 借貸	–	26,427
– Convertible bonds	– 可換股債券	143,517	165,802
		385,970	611,778

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments are disclosed in note 34. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner.

MARKET RISK

(A) CURRENCY RISK

The Group is exposed to currency risk primarily through receivables from and payables to clients from the provision of services and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are RMB and US\$.

To manage the currency risk, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The Group may also use foreign exchange forward contracts to minimise its currency risk exposure, except for those transactions denominated in US\$ which are, or are expected to be, entered into by operations with a functional currency of HK\$. No foreign exchange forward contracts are entered for these transactions as the Group considers the risk of changes in exchange rates between HK\$ and US\$ to be insignificant.

35. 財務風險管理目標及政策

本集團主要金融工具披露於附註34。該等金融工具之相關風險及有關減低該等風險之政策載於下文。管理層管理及監察該等風險，確保適時及有效地採取適當措施。

市場風險

(A) 貨幣風險

本集團面臨之貨幣風險主要來自就提供服務而應收及應付客戶款項以及以交易相關業務功能貨幣以外貨幣計值之現金結餘。產生此風險之貨幣為人民幣及美元。

為管理貨幣風險，本集團透過於需要時按現貨匯率買入或售出針對短期需要外匯，確保風險淨額維持在可接受水平。本集團亦會使用外匯遠期合約將其貨幣風險（以美元計值之交易除外，該等交易為或預期為功能貨幣為港元之業務訂立）。本集團認為港元與美元匯率變動風險甚微，故並無就此等交易訂立外匯遠期合約。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

MARKET RISK (Continued)

(A) CURRENCY RISK (Continued)

The following table details the Group's financial assets and liabilities denominated in currencies, other than the functional currency of the entities to which they relate, at the end of the reporting period:

		Expressed in HK\$ 以港元呈列			
		2017 二零一七年		2016 二零一六年	
		US\$ 美元	RMB 人民幣	US\$ 美元	RMB 人民幣
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Trade and other receivables	貿易及其他應收賬款	18,937	134	7,030	2,061
Trust bank balances held on behalf of clients	代表客戶持有之信託銀行結餘	814	-	827	-
Cash and cash equivalents	現金及現金等同項目	31,355	124	12,226	768
Trade and other payables	貿易及其他應付賬款	(814)	-	(5,142)	(19)
Borrowings	借貸	-	-	-	-
Net exposure	風險淨額	50,292	258	14,941	2,810

The following table indicates the approximate change in the Group's loss for the year (and accumulated losses) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. In this respect, the Group does not expect any significant changes in US\$/HK\$ exchange rates as US\$ is pegged to HK\$.

市場風險 (續)

(A) 貨幣風險 (續)

下表詳列本集團於報告期間結算日以相關實體功能貨幣以外貨幣計值之金融資產及金融負債：

下表列示本集團年內虧損(及累計虧損)以及綜合權益其他部分因匯率合理變動之概約變動，本集團於報告期間結算日面臨重大外匯風險。就此而言，本集團預期，因美元與港元掛鈎，故美元/港元匯率不會有任何重大變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

MARKET RISK (Continued)

(A) CURRENCY RISK (Continued)

A positive number below indicates a decrease in loss (and accumulated losses) for the year. For an increase in loss (and accumulated losses) for the year, the balances below would be negative.

		Increase in RMB against HK\$ by 2% 人民幣兌港元升值2%		Decrease in RMB against HK\$ by 2% 人民幣兌港元貶值2%	
		Effect on loss for the year and accumulated losses 對年內虧損及 累計虧損之影響 HK\$'000 千港元	Effect on other components of equity 對權益其他 部分之影響 HK\$'000 千港元	Effect on loss for the year and accumulated losses 對年內虧損及 累計虧損之影響 HK\$'000 千港元	Effect on other components of equity 對權益其他 部分之影響 HK\$'000 千港元
2017	二零一七年	5	-	(5)	-
2016	二零一六年	56	-	(56)	-

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

市場風險(續)

(A) 貨幣風險(續)

下表正數表示年內虧損(及累計虧損)減少。倘年內虧損(及累計虧損)增加,則下表數據將為負數。

上述變動指管理層對於直至下個年度報告期間止期間內之匯率合理可能變動之評估。管理層認為,敏感度分析並不代表固有貨幣風險,乃由於報告期間結算日之風險並不能反映年內風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

MARKET RISK (Continued)

(B) INTEREST RATE RISK

The Group is exposed to fair value interest rate risk in relation to borrowings (note 25) and convertible bonds (note 26) issued at fixed rates. The Group is also exposed to cash flow interest rate risk in relation to variable-rate financial assets of amounts due from cash and margin clients (note 20) and bank balances (notes 22 and 23).

To manage the interest rate risk, the Group may use interest rate swaps to achieve an appropriate mix of fixed and floating rate exposure consistent with the Group's policy. At 31 December 2017 and 2016, the Group did not have any outstanding interest rate swaps.

At 31 December 2017, if interest rates had increased by 2% (2016: 2%) while all other variables were held constant, the loss for the year would decrease by approximately HK\$6,195,000 (2016: decrease in loss by approximately HK\$8,363,000) and there would be a corresponding change in accumulated losses. If interest rates had decreased by 2% (2016: 2%) while all other variables were held constant, the loss for the year would increase by approximately HK\$6,195,000 (2016: increase in loss by approximately HK\$8,363,000) and there would be a corresponding change in accumulated losses. Other components of the consolidated equity would remain unchanged.

The sensitivity analysis has been determined by assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the analysis is prepared by assuming these financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

35. 財務風險管理目標及政策(續)

市場風險(續)

(B) 利率風險

本集團面臨與借貸(附註25)及按固定利率發行之可換股債券(附註26)相關之公平值利率風險。本集團亦面臨有關應收現金及孖展客戶款項(附註20)以及銀行結餘(附註22及23)之浮息金融資產之現金流利率風險。

為管理利率風險，本集團可使用利率掉期達至適當固定及浮動利率風險組合，以符合本集團政策。於二零一七年及二零一六年十二月三十一日，本集團並無任何尚未履約之利率掉期。

於二零一七年十二月三十一日，在所有其他變量維持不變的情況下，倘利率增長2%(二零一六年：2%)，則年內虧損將下降約6,195,000港元(二零一六年：虧損減少約8,363,000港元)，而累計虧損將相應變動。在所有其他變量維持不變的情況下，倘利率下跌2%(二零一六年：2%)，則年內虧損將增長約6,195,000港元(二零一六年：虧損增長約8,363,000港元)，而累計虧損將相應變動。綜合權益其他部分將維持不變。

該敏感度分析乃基於假設於報告期間結算日出現利率變動而釐定，且已應用於重新計量本集團持有之該等令本集團於報告期間結算日面臨公平值利率風險的金融工具。就本集團於報告期間結算日持有之浮動利率非衍生工具產生之現金流利率風險而言，有關分析乃基於假設該等於報告期間結算日尚未償還之金融工具於整個年度均未償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

MARKET RISK (Continued)

(C) EQUITY PRICE RISK

The Group is exposed to equity price risk through its investments in equity securities and investment funds classified as held for trading investments (note 21). The Group's equity securities are listed on the Stock Exchange and Shenzhen Stock Exchange while investment funds invest primarily in companies listed in Hong Kong and China Region. Decisions to buy and sell are based on daily monitoring of the performance of individual securities and investment funds as well as the liquidity needs.

The Group is also exposed to equity price risk arising from changes in the Company's own share price to the extent that the Company's own equity instruments underlie the fair values of derivatives of the Group. At 31 December 2016, the Group was exposed to this risk through the equity-linked interest payments attached to the SYHL Bonds as disclosed in note 26 to these financial statements.

At 31 December 2017, if relevant equity prices had increased by 10% (2016: 10%) while all other variables were held constant, the loss for the year would decrease by approximately HK\$3,962,000 (2016: decrease in loss by approximately HK\$23,216,000) and there would be a corresponding change in accumulated losses. If relevant equity prices had decreased by 10% (2016: 10%) while all other variables were held constant, the loss for the year would increase by approximately HK\$3,962,000 (2016: increase in loss by approximately HK\$23,216,000) and there would be a corresponding change in accumulated losses. Other components of the consolidated equity would remain unchanged.

The sensitivity analysis has been determined by assuming that the changes in equity price had occurred at the end of the reporting period and has been applied to those instruments which expose the Group to equity price risk at that date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent equity price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

35. 財務風險管理目標及政策(續)

市場風險(續)

(C) 股本價格風險

本集團基於分類為持作買賣用途投資(附註21)之股本證券投資及投資基金承受股本價格風險。本集團之股本證券於聯交所及深圳證券交易所上市，而投資基金主要投資於在香港及中國地區上市之公司。購買及出售決定乃基於對於個別證券及投資基金表現之日常監控以及流動資金需求而作出。

倘本集團之衍生工具公平值建基於本公司本身之股本工具，則本集團亦因本公司本身之股價變動而承受股價風險。誠如該等財務報表附註26所披露，於二零一六年十二月三十一日，本集團因盛源控股債券附帶之股權掛鈎付息而面對此風險。

於二零一七年十二月三十一日，在所有其他變量維持不變的情況下，倘相關股本價格增長10%(二零一六年：10%)，則年內虧損將下降約3,962,000港元(二零一六年：虧損下降約23,216,000港元)，而累計虧損將相應變動。在所有其他變量維持不變的情況下，倘相關股本價格減少10%(二零一六年：10%)，則年內虧損將增長約3,962,000港元(二零一六年：虧損增長約23,216,000港元)，而累計虧損將相應變動。綜合權益其他部分將維持不變。

該敏感度分析乃基於假設於報告期間結算日出現股本價格變動而釐定，且已應用於該等令本集團於該日面臨股本價格風險的工具。管理層認為，敏感度分析並不代表固有股本價格風險，乃由於報告期間結算日之風險並不能反映年內風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CREDIT RISK

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk on trade receivables, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The management closely monitors the subsequent settlement of the debts and does not grant long credit period to new customers. In this regard, the directors of the Company consider that the Group's credit risk on trade receivables is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The credit risk on other assets is limited because the counterparties are regulated entities.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty rather than the geographical area or industry and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual counterparties. At 31 December 2017, the Group had concentration of credit risk on trade receivables as 88% of the balance was due from five largest debtors (2016: 51% was due from five largest debtors). Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to these financial statements.

35. 財務風險管理目標及政策 (續)

信貸風險

倘對手方未能履行責任，則本集團就各類別已確認之金融資產所面對最大信貸風險為綜合財務狀況表內載列該等資產之賬面值。

為盡量減低貿易應收賬款信貸風險，本集團管理層已委派專責團隊負責釐定信貸限額、信貸批核及其他監控程序，以確保採取跟進行動收回逾期債項。管理層密切監控債務之其後清償情況，且不會授予新客戶長信貸期。本公司董事認為，此舉可大幅減低本集團之貿易應收賬款信貸風險。

由於對手方均為獲國際信貸評級機構高信貸評級的銀行，因此流動資金相關信貸風險有限。因對手方均為受監管實體，故其他資產之信貸風險有限。

本集團所面對之信貸風險主要受各對手方之個別特徵所影響，而非受地理位置或行業所影響，因此，本集團重大集中信貸風險主要因承擔個別對手方之重大風險而產生。於二零一七年十二月三十一日，由於88%結餘為應收五大債務人之款項(二零一六年：51%為應收五大債務人之款項)，故本集團貿易應收賬款面臨集中信貸風險。有關本集團就貿易應收賬款信貸風險所承擔風險之進一步量化數據於該等財務報表附註20中披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

35. 財務風險管理目標及政策(續)

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the remaining contractual maturities for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The undiscounted cash flows include both interest and principal payments:

流動資金風險

流動資金風險指本集團履行與透過交付現金或其他金融資產結算之金融負債有關之責任時將遭遇困難之風險。本集團監控並維持管理層認為足以撥付本集團營運所需現金及現金等同項目水平，並盡量減低現金流量波動之影響。

下表詳列非衍生金融負債之餘下合約到期情況。該表按照本集團可能被要求支付之最早日期金融負債之未折現現金流量編製。未貼現現金流包括利息及本金付款：

		Carrying amount	Total contractual undiscounted cash flows	On demand or less than 6 months	6 months to 1 year	2 to 5 years
		賬面值	合約未貼現現金流總額	按要求或少於六個月	六個月至一年	兩至五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日					
Trade and other payables and accruals	貿易及其他應付賬款以及應計費用	242,453	242,453	242,453	-	-
Convertible bonds	可換股債券	143,517	163,800	45,000	118,800	-
		385,970	406,253	287,453	118,800	-
At 31 December 2016	於二零一六年十二月三十一日					
Trade and other payables and accruals	貿易及其他應付賬款以及應計費用	419,549	419,549	419,549	-	-
Borrowings	借貸	26,427	26,507	26,507	-	-
Convertible bonds	可換股債券	165,802	190,800	-	190,800	-
		611,778	636,856	446,056	190,800	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

36. FAIR VALUE MEASUREMENT

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following table presents the Group's financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position according to the fair value hierarchy. The hierarchy groups financial instruments into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial instruments. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

36. 公平值計量

按公平值計量之金融工具

下表呈列本集團根據公平值等級制度於綜合財務狀況表以循環基準按公平值計量之金融工具。該等級制度根據該等金融工具之公平值計量所採用之重要輸入值之相對可靠性，將金融工具分為三層。公平值等級制度分層如下：

- 第一級：可識別資產或負債於活躍市場之報價（未經調整）；
- 第二級：資產或負債直接（即價格）或間接（即價格衍生）可觀察之輸入值，第一層包括之報價除外；及
- 第三級：資產或負債並非根據可觀察市場數據之輸入值（不可觀察輸入值）計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

36. FAIR VALUE MEASUREMENT (Continued)

36. 公平值計量(續)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

按公平值計量之金融工具(續)

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(note (a))	(note (b))	(note (c))	
		(附註(a))	(附註(b))	(附註(c))	
At 31 December 2017	於二零一七年 十二月三十一日				
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產				
– Listed equity securities	– 上市股本證券	37,841	–	–	37,841
– Unlisted investment funds	– 非上市投資基金	–	1,775	–	1,775
		37,841	1,775	–	39,616
At 31 December 2016	於二零一六年 十二月三十一日				
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產				
– Listed equity securities	– 上市股本證券	135,110	–	–	135,110
– Unlisted investment funds	– 非上市投資基金	–	97,047	–	97,047
– Derivative component of 2014 SYHL Bonds	– 二零一四年盛源控股債券 之衍生工具部分	–	–	–	–
		135,110	97,047	–	232,157

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

36. FAIR VALUE MEASUREMENT (Continued)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

The levels in the fair value hierarchy within which the financial instruments are categorised in its entirety are based on the lowest level of input that is significant to the fair value measurement. There were no transfers between levels 1 and 2 or transfers into or out of level 3 in the reporting periods. The Group's policy is to recognise transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

(A) FINANCIAL INSTRUMENTS IN LEVEL 1

The fair value of the listed equity securities is based on the quoted market prices at the reporting date. The quoted market price used for the listed equity securities held by the Group is the current bid price.

(B) FINANCIAL INSTRUMENTS IN LEVEL 2

The fair value was determined with reference to the reported net asset value of the investment funds.

36. 公平值計量(續)

按公平值計量之金融工具(續)

公平值等級制度分層乃基於對公平值計量而言屬重要的輸入值的最低層次，該分層對金融工具進行整體分類。於報告期內，第一級與第二級之間並無轉移，第三級亦並無轉入或轉出。本集團的政策是於致使轉移的事件或情況發生當日確認公平值級別之間的轉移。

(A) 第一級中的金融工具

上市股本證券之公平值乃基於報告日期之市場報價得出。本集團持有之上市股本證券所採用之市場報價為現行市場買入價。

(B) 第二級中的金融工具

公平值乃經參考已呈報之投資基金之資產淨值釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

36. FAIR VALUE MEASUREMENT (Continued)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

(C) FINANCIAL INSTRUMENTS IN LEVEL 3

Derivative component embedded in 2014 SYHL Bonds

The reconciliation from the opening to the closing balances during the reporting periods is disclosed in note 26 to these financial statements. Fair value at 31 December 2016 was determined by reference to valuations performed by Peak Vision Appraisals Limited, independent professionally qualified valuers, using the Binomial Option Pricing Model. Details of the parameters used in the model are as follows:

Parameters 參數	31/12/2016 二零一六年十二月三十一日
Share price of the Company 本公司之股價	HK\$0.29 0.29 港元
Exercise price 行使價	HK\$0.35 0.35 港元
Remaining life of the derivative 衍生工具之剩餘年期	0.88 – 1.00 year 0.88 – 1.00 年
Risk-free rate 無風險利率	0.89%-0.91%
Expected volatility 預期波幅	41.93%-44.78%
Expected dividend yield 預期股息率	0.00%

Generally, a change in the Company's share price and volatility is accompanied by a directionally similar change to the fair value measurement whilst a change in the risk-free rate is accompanied by a directionally opposite change to the fair value measurement.

FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

The fair value of the financial assets and financial liabilities at amortised cost under current assets and current liabilities, respectively, is not materially different from their carrying amount as they are all short term in nature.

36. 公平值計量(續)

按公平值計量之金融工具(續)

(C) 第三級中的金融工具

*二零一四年盛源控股債券內含之
衍生工具部分*

報告期初與期終結餘之對賬披露於該等財務報表附註26。於二零一六年十二月三十一日之公平值乃參考獨立合資格專業估值師滯鋒評估有限公司採用二項式期權定價模型進行之估值釐定。模型所用之參數之詳情如下：

一般而言，本公司股價及波幅之變動會導致公平值計量出現類似方向變動，而無風險利率之變動則會導致公平值計量出現反方向變動。

按攤銷成本計量之金融工具

流動資產及流動負債項下按攤銷成本入賬之金融資產及金融負債均為短期，故其公平值與其各自賬面值並無重大差別。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group currently has a legally enforceable right to set off the Continuous Net Settlement (CNS) money obligations receivables and payables with HKSCC and it intends to settle on a net basis as trade receivables from or trade payables to HKSCC. For the net amounts of CNS money obligations receivables or payables (i.e. after set-off) and other receivables and payables (such as deposits included under other assets), they do not meet the criteria for offsetting in the consolidated financial statements since the right to set-off of the recognised amount is only enforceable following an event of default and the Group does not intend to settle the balance on a net basis.

In addition, under the agreements signed between the Group and the clients for its dealing in securities, money obligations receivables and payables with the same client are settled on the net basis. The Group therefore has a legally enforceable right to set off the trade receivable and payable and the Group intends to settle these balances on a net basis.

37. 抵銷金融資產及金融負債

本集團目前具有法定強制執行權利，以對銷與香港結算之間以淨額結算持續淨額交收應收及應付賬款之款項承擔，且擬按淨額基準結算與香港結算之間之貿易應收賬款或貿易應付賬款。就以淨額結算持續淨額交收應收賬款或應付賬款（即抵銷後）以及其他應收及應付賬款（如其他資產項下之按金）之款項承擔淨額而言，由於抵銷已確認金額僅於違約事件發生後方可強制執行，且本集團不擬按淨額基準結算結餘，故有關款項並不符合於綜合財務報表抵銷之標準。

此外，根據本集團與客戶就證券買賣簽訂之協議，與同一客戶之應收賬款及應付賬款之款項承擔乃以淨額結算。因此，本集團擁有強制執行權抵銷貿易應收賬款及應付賬款，且本集團擬以淨額結算該等結餘。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

37. 抵銷金融資產及金融負債(續)

The tables below set out the financial assets and liabilities subject to offsetting, enforceable master netting arrangement and similar arrangements:

涉及抵銷、可強制執行主要抵銷安排及類似安排之金融資產及負債載列於下表：

		Amounts due from HKSCC, cash clients and margin clients	
		應收香港結算款項， 現金客戶及孖展客戶	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets	金融資產		
Gross amount of recognised financial assets	已確認金融資產總額	18,580	37,359
Gross amount of recognised financial liabilities offset in the consolidated statement of financial position	於綜合財務狀況表抵銷之已確認金融負債總額	(1,304)	(35,724)
Net amounts of financial assets included in the consolidated statement of financial position	計入綜合財務狀況表之金融資產淨額	17,276	1,635
Related amount not set off in the consolidated statement of financial position	未於綜合財務狀況表抵銷之相關款項		
– financial instruments	– 金融工具	–	–
– financial collaterals	– 金融抵押品	(1,309)	(1,635)
Net amounts	淨額	15,967	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

37. 抵銷金融資產及金融負債(續)

		Amounts due to HKSCC, cash clients and margin clients 應收香港結算款項， 現金客戶及孖展客戶	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial liabilities	金融負債		
Gross amount of recognised financial liabilities	已確認金融負債總額	239,392	372,783
Gross amount of recognised financial assets offset in the consolidated statement of financial position	於綜合財務狀況表抵銷之已確認金融資產總額	(1,304)	(35,724)
Net amounts of financial liabilities included in the consolidated statement of financial position	計入綜合財務狀況表之金融負債淨額	238,088	337,059
Related amount not set off in the consolidated statement of financial position	未於綜合財務狀況表抵銷之相關款項		
– financial instruments	– 金融工具	–	–
– financial collaterals	– 金融抵押品	–	–
Net amounts	淨額	238,088	337,059

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

37. 抵銷金融資產及金融負債(續)

The table below reconciles the “Net amounts of financial assets and financial liabilities included in the consolidated statement of financial position” as set out above to line items in the consolidated statement of financial position:

下表載列上文「計入綜合財務狀況表之金融資產及金融負債淨額」與綜合財務狀況表所列項目之對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade and other receivables and prepayments	貿易及其他應收賬款以及預付款項		
Net amounts of financial assets included in the consolidated statement of financial position	計入綜合財務狀況表之金融資產淨額	17,276	1,635
Amount not within the scope of offsetting disclosure	抵銷披露範圍外款項	52,205	30,335
Trade and other receivables and prepayments presented in the consolidated statement of financial position	綜合財務狀況表呈列之貿易及其他應收賬款以及預付款項	69,481	31,970
Trade and other payables and accruals	貿易及其他應付賬款以及應計費用		
Net amounts of financial liabilities included in the consolidated statement of financial position	計入綜合財務狀況表之金融負債淨額	238,088	337,059
Amount not within the scope of offsetting disclosure	抵銷披露範圍外款項	4,365	82,490
Trade and other payables and accruals presented in the consolidated statement of financial position	綜合財務狀況表呈列之貿易及其他應付賬款以及應計費用	242,453	419,549

38. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which mainly includes borrowings and convertible bonds as disclosed in notes 25 and 26 respectively and total assets of the Group.

38. 資本管理

本集團對其資本進行管理，以確保本集團將能夠在持續經營同時透過優化股權均衡將股東回報最大化。自上一年度，本集團整體策略並無變動。

本集團資本架構由債務(主要包括借貸及可換股債券，分別披露於附註25及26)及本集團資產總額組成。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

38. CAPITAL MANAGEMENT (Continued)

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issuance of new shares and the addition of new borrowings.

Certain group entities are regulated by the Hong Kong Securities and Futures Commission and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout the year.

The Group monitors its capital using a gearing ratio, which is total debts divided by total assets. The Group aims to maintain the gearing ratio at a reasonable level. The gearing ratio at the reporting dates is as follows:

38. 資本管理(續)

本公司董事持續審查資本架構。審查中，董事考慮資本成本以及資本相關風險。基於董事作出之推薦建議，本集團將透過發行新股及增加新借貸平衡其整體資本架構。

若干集團實體受香港證券及期貨事務監察委員會監管，須根據香港證券及期貨(財政資源)規則(「證券及期貨(財政資源)規則」)遵守財政資源規定。本集團受監管實體須遵守證券及期貨(財政資源)規則項下最低繳足股本規定及流動資本規定。管理層每日密切監控該等實體之流動資本水平，以確保符合證券及期貨(財政資源)規則項下最低流動資本規定。本集團受監管實體於整個年度已遵守證券及期貨(財政資源)規則施加之資本規定。

本集團通過使用資本負債比率監控其資本，資本負債比率為債務總額除資產總額。本集團旨在將資本負債比率維持在合理水平。於報告日期之資產負債比率如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Borrowings	借貸	-	26,427
Convertible bonds	可換股債券	143,517	165,802
Total debts	債務總額	143,517	192,229
Total non-current assets	非流動資產總額	14,586	85,105
Total current assets	流動資產總額	418,234	693,146
Total assets	資產總額	432,820	778,251
Gearing ratio	資本負債比率	33%	25%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

39. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 有關本公司財務狀況表資料

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	23	17
Interests in subsidiaries	於附屬公司之權益	114,731	78,369
		114,754	78,386
Current assets	流動資產		
Other receivables and prepayments	其他應收賬款及預付款項	2,024	2,016
Loan to a subsidiary	向一間附屬公司作出的貸款	-	100,943
Amounts due from subsidiaries	應收附屬公司款項	-	37,718
Cash and cash equivalents	現金及現金等同項目	20,570	720
		22,594	141,397
Current liabilities	流動負債		
Other payables and accruals	其他應付賬款及應計費用	1,148	978
Borrowings	借貸	-	15,387
Convertible bonds	可換股債券	98,517	124,107
Provision for settlement of convertible bonds	結算可換股債券之撥備	33,708	-
		133,373	140,472
Net assets	資產淨值	3,975	79,311
EQUITY	權益		
Share capital	股本	178,128	177,128
Reserves (note)	儲備(附註)	(174,153)	(97,817)
Total equity	權益總額	3,975	79,311

On behalf of the Board

代表董事會

Wu Siu Lam, William

胡少霖
Director
董事

Cheng Kit Sum, Clara

鄭潔心
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

39. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 有關本公司財務狀況表資料(續)

(Continued)

Note:

附註：

		Share premium 股份溢價 HK\$'000 千港元	Shareholder's contribution 股東注資 HK\$'000 千港元	Capital redemption reserve 股本贖回儲備 HK\$'000 千港元	Convertible bond equity reserve 可換股債券權益儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	229,464	7,834	477	34,408	8,467	(286,733)	(6,083)
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	11,588	-	-	-	(4,168)	-	7,420
Transactions with owners	與擁有人之交易	11,588	-	-	-	(4,168)	-	7,420
Loss for the year	年內虧損	-	-	-	-	-	(99,154)	(99,154)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(99,154)	(99,154)
Forfeiture of share options	沒收購股權	-	-	-	-	(298)	298	-
At 31 December 2016	於二零一六年十二月三十一日	241,052	7,834	477	34,408	4,001	(385,589)	(97,817)

		Share premium 股份溢價 HK\$'000 千港元	Shareholder's contribution 股東注資 HK\$'000 千港元	Capital redemption reserve 股本贖回儲備 HK\$'000 千港元	Convertible bond equity reserve 可換股債券權益儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	241,052	7,834	477	34,408	4,001	(385,589)	(97,817)
Equity-settled share-based payments	股本結算股份付款	-	-	-	-	9,520	-	9,520
Issue of convertible bonds	發行可換股債券	-	-	-	13,713	-	-	13,713
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	5,333	-	-	-	(1,433)	-	3,900
Transactions with owners	與擁有人之交易	5,333	-	-	13,713	8,087	-	27,133
Loss for the year	年內虧損	-	-	-	-	-	(103,469)	(103,469)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(103,469)	(103,469)
Expiry of conversion option in convertible bonds	可換股債券之兌換期權屆滿	-	-	-	(34,408)	-	34,408	-
Forfeiture of share options	沒收購股權	-	-	-	-	(2,365)	2,365	-
At 31 December 2017	於二零一七年十二月三十一日	246,385	7,834	477	13,713	9,723	(452,285)	(174,153)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or the assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

40. 本公司附屬公司詳情

下表載列董事認為對本集團業績或資產或負債造成主要影響之本公司附屬公司。董事認為，提供其他附屬公司詳情會令篇幅過於冗長。

Name 名稱	Country/Place of incorporation or registration 註冊成立或 登記國家/地區	Particulars of issued/ paid-up capital 已發行/ 實繳資本詳情	Proportion of nominal value of issued/ paid-up capital/interests 已發行/繳足股本/ 權益面值百分比		Principal activities and place of operations 主要業務及營運地點
			Held by the Company 本公司持有	Held by the subsidiaries 附屬公司持有	
Kingwell Management Limited [^]	Hong Kong	Ordinary shares of HK\$1,000,000	100%	–	Provision of administrative services to group entities in Hong Kong
建和管理有限公司 [^]	香港	1,000,000 港元普通股			向香港集團實體 提供行政服務
Sheng Yuan Asset Management Limited [^]	Hong Kong	Ordinary shares of HK\$20,000,000	–	100%	Provision of investment management and advisory services in Hong Kong
盛源資產管理有限公司 [^]	香港	20,000,000 港元普通股			於香港提供投資管理及 顧問服務
Sheng Yuan Finance Limited [^]	Hong Kong	Ordinary share of HK\$1	–	100%	Provision of money lending services in Hong Kong
盛源財務有限公司 [^]	香港	1 港元普通股			於香港提供貸款服務
Sheng Yuan Financial Holdings (HK) Limited [^]	Hong Kong	Ordinary share of HK\$1	–	100%	Proprietary trading in Hong Kong
盛源金融控股(香港)有限公司 [^]	香港	1 港元普通股			於香港進行坐盤交易
Sheng Yuan Financial Services Group Limited	British Virgin Islands 英屬處女群島	Ordinary shares of US\$5,500 5,500 美元普通股	100%	–	Proprietary trading in Hong Kong 於香港進行坐盤交易

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued) 40. 本公司附屬公司詳情 (續)

Name 名稱	Country/Place of incorporation or registration 註冊成立或 登記國家/地區	Particulars of issued/ paid-up capital 已發行/ 實繳資本詳情	Proportion of nominal value of issued/ paid-up capital/interests 已發行/繳足股本/ 權益面值百分比		Principal activities and place of operations 主要業務及營運地點
			Held by the Company 本公司持有	Held by the subsidiaries 附屬公司持有	
Sheng Yuan Securities Limited [^]	Hong Kong	Ordinary shares of HK\$65,000,000	–	100%	Securities dealing, margin financing, securities placing and underwriting and investment advisory services in Hong Kong
盛源證券有限公司 [^]	香港	65,000,000港元普通股			於香港進行證券交易、 孖展融資、證券配售 及承銷服務及投資 顧問服務
Sheng Yuan Services Limited [^]	Hong Kong	Ordinary share of HK\$1	100%	–	Provision of administrative services to group entities in Hong Kong
盛源服務有限公司 [^]	香港	1港元普通股			向香港集團實體提供 行政服務

[^] audited by BDO Limited

[^] 由香港立信德豪會計師事務所有限公司
審核

FINANCIAL SUMMARY

財務概要

Year ended 31 December

截至十二月三十一日止年度

		2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
RESULTS	業績					
Revenue	收益	62,136	414,588	405,678	69,475	63,247
Loss before taxation	除稅前虧損	(40,091)	(2,650)	(31,730)	(15,028)	(182,183)
Taxation	稅項	(155)	(2,379)	(2,668)	(1,879)	(2,341)
Loss for the year	年內虧損	(40,246)	(5,029)	(34,398)	(16,907)	(184,524)

As at 31 December

於十二月三十一日

		2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	119,404	528,401	671,161	778,251	432,820
Total liabilities	負債總額	(48,856)	(314,175)	(492,873)	(611,812)	(420,284)
		70,548	214,226	178,288	166,439	12,536

盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED