



IMAGI INTERNATIONAL HOLDINGS LIMITED

意馬國際控股有限公司

stock code 股份代號 : 585

2017
年報 Annual Report

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Kitchell Osman Bin (*Acting Chairman*)
Mr. Shimazaki Koji
Ms. Choi Ka Wing

Independent Non-executive Directors

Dr. Santos Antonio Maria
Mr. Miu Frank H.
Ms. Liu Jianyi

BOARD COMMITTEES

Audit Committee

Mr. Miu Frank H. (*Chairman*)
Dr. Santos Antonio Maria
Ms. Liu Jianyi

Nomination Committee

Ms. Liu Jianyi (*Chairman*)
Dr. Santos Antonio Maria
Mr. Miu Frank H.

Remuneration Committee

Ms. Liu Jianyi (*Chairman*)
Dr. Santos Antonio Maria
Mr. Miu Frank H.

COMPANY SECRETARY

Ms. Liu Tsui Fong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 1107-1108, 11th Floor
Champion Tower, 3 Garden Road
Central, Hong Kong

董事會

執行董事

Kitchell Osman Bin先生(署理主席)
嶋崎幸司先生
蔡家穎女士

獨立非執行董事

杜東尼博士
繆希先生
劉簡怡女士

董事會委員會

審核委員會

繆希先生(主席)
杜東尼博士
劉簡怡女士

提名委員會

劉簡怡女士(主席)
杜東尼博士
繆希先生

薪酬委員會

劉簡怡女士(主席)
杜東尼博士
繆希先生

公司秘書

廖翠芳女士

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

總辦事處及香港主要營業地點

香港中環
花園道3號冠君大廈
11樓1107-1108室

CORPORATE INFORMATION 公司資料

AUDITOR

Crowe Horwath (HK) CPA Limited
Certified Public Accountants

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke, HM08
Bermuda

股份過戶登記總處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke, HM08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

香港股份過戶登記及轉讓分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

STOCK CODE

The Stock Exchange of Hong Kong Limited: 585

股份代號

香港聯合交易所有限公司：585

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聯絡資料

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CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Imagi International Holdings Limited (the "Company", together with its subsidiaries as the "Group"), I would like to present the annual report of the Group for the year ended 31 December 2017 (the "Year under Review") to the shareholders of the Company (the "Shareholder(s)").

BUSINESS REVIEW

The past year continued to be a very difficult time for the Company. The Company suffered a net loss after tax of approximately HK\$441 million. The losses was mainly attributable to: (i) impairment loss of available-for-sale investments of approximately HK\$65 million; (ii) net fair value loss on convertible note of approximately HK\$22 million; and (iii) net losses resulted from changes in fair value of financial assets classified as held-for-trading investments of approximately HK\$324 million which comprised of net realised and unrealised losses of approximately HK\$88 million and HK\$236 million respectively.

The Company, after extensive review, had decided to focus on one of its new core business being the integrated financial services business. With that in mind the Company has strengthened its management expertise in that area and presently all three executive Directors had great management experience and expertise in proprietary trading.

Pursuant to a thorough review, the management noted that the computer graphic imaging ("CGI") business remained in the doldrums and not expected to improve in the near terms. The Company will devote minimal resources to maintain the business until there are substantial change in potential and prospects for the business.

The management also evaluated the performance of its portfolio of available-for-sale investments and found most of these were not up to expectation. The Company therefore disposed the aforementioned assets to limit the Company's exposure to the uncertainty relating to those questionable assets.

親愛的股東：

本人謹代表意馬國際控股有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事(「董事」)會(「董事會」)，謹此向本公司股東(「股東」)呈報本集團截至二零一七年十二月三十一日止年度(「回顧年度」)之年報。

業務回顧

過去的一年仍然是本公司極其困難的時期。本公司遭受除稅後虧損淨額約441,000,000港元。虧損主要是由於以下各項所致：(i)可供出售投資減值虧損約65,000,000港元；(ii)可換股票據的公平值虧損淨額約22,000,000港元；及(iii)分類為持作買賣投資的財務資產公平值變動虧損淨額約324,000,000港元，包括已變現及未變現虧損淨額分別約88,000,000港元及236,000,000港元。

經過全面檢討，本公司已決定專注於其中一項新核心業務，即綜合金融服務業務。為此，本公司已加強在該領域的管理專長，現時三名執行董事全部在自營交易方面具有豐富的管理經驗及專長。

經過徹底檢討，管理層注意到，電腦造像(「電腦造像」)業務仍然低迷，預期不會於近期改善。本公司將投入最少資源維持該業務，直至該業務的潛力及前景出現重大變化為止。

管理層亦已評估其可供出售投資組合的表現，發現大部分組合的表現未達預期。因此，本公司已出售上述資產，以限制本公司因該等可疑資產而面臨的不確定性風險。

CHAIRMAN'S STATEMENT

主席報告

The Company's management had reaffirmed that the integrated financial services business will be the focus of the Company going forward.

本公司管理層重申，本公司未來將專注於綜合金融服務業務。

(a) Securities investments and proprietary trading

Currently, the Group's securities trading and investment is being operated by three executive Directors who together have had over 30 years in the business as executive directors of investment companies listed under Chapter 21 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's proprietary trading, carried out principally through the Company's indirect wholly-owned subsidiary, Unimagi Investment Limited ("Unimagi"), and the total market value of its Hong Kong listed equity securities portfolio as at 31 December 2017 was approximately HK\$475 million.

(a) 證券投資及自營交易

現時本集團證券買賣及投資由三名執行董事經營，彼等共具有擔任香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第21章所列投資公司執行董事的逾30年業務經驗。本公司自營交易主要透過本公司的間接全資附屬公司Unimagi Investment Limited（「Unimagi」）進行，於二零一七年十二月三十一日其香港上市股本證券組合的總市場價值約475,000,000港元。

(b) Brokerage services

In preparation for further expansion in brokerage and other related corporate finance services, on 12 May 2017, the Company had made HK\$100 million further capital injection into John & Wong Securities Company Limited ("John & Wong"), an indirect wholly-owned subsidiary of the Company which was acquired on 28 February 2017, and also has recruited and planned to recruit additional personnel to undertake additional services and businesses. In the meantime, John & Wong is in the process of applying for additional licences including Type 2, 4, 5 and 9 licence from the Securities and Futures Commission of Hong Kong (the "SFC"). The management of the Company is confident that John & Wong will become significant contributor to the Group's operations and profits.

(b) 經紀服務

為籌備經紀及其他相關公司融資服務的未來擴張，於二零一七年五月十二日，本公司向宏昌証券有限公司（「宏昌」，為本公司之間接全資附屬公司，於二零一七年二月二十八日收購）進一步注資100,000,000港元，並已招聘及計劃招聘額外人員進行額外服務及業務。同時，宏昌正在向香港證券及期貨事務監察委員會（「證監會」）申請額外牌照，包括第2、4、5及9類牌照。本公司管理層相信，宏昌將為本集團的經營及溢利作出重大貢獻。

CHAIRMAN'S STATEMENT

主席報告

(c) Money lending business

The Company offered financings via Imagination Holding Limited, its 50-50 joint venture company (the "JV Company" or "Imagination"), which offers money lending services to clients through the JV Company's indirect wholly-owned licensed money lender, Simagi Finance Company Limited. The JV Company is run by experienced senior executives who have had many years of prior experience working for financial institutes including banks and licensed money-lenders. The Company had decided in order for future expansions in the money lending business, the Company will henceforth conduct money lending of its own. In anticipation of the above, the Company had agreed on 2 February 2018 to dispose of its 50% shareholding in Imagination to its joint venture partner, Bob May Incorporated, for HK\$150 million. Such disposal is subject to the Shareholders' approval at a special general meeting to be convened in April 2018. Preparation for a new company with the requisite licence had been completed. The management of the Company is confident that the money lending business will in future provide consistent and significant returns to the Group.

PROSPECTS

As stated above, the past year had been taxing for the Company. As expected with the implementation of a new core business, there are many development expenses as well as adjustment costs resulting in many segments of the new core business not performing up to expectation. As such learning phase is primarily completed, the Company hopes and expects that the performance of the main stream under integrated financial services business segment set out below will improve significantly in the coming year.

(a) Securities investments and proprietary trading

With the addition of management expertise and the rationalisation of the investment decision process, the Company is confident that the business will turn around with new positive macro factors such as the "One Belt One Road", the "Shanghai Connect" and the "Shenzhen Connect" just to name a few.

(c) 放債業務

本公司透過Imagination Holding Limited(「合營公司」或「Imagination」, 由本公司與合營夥伴各自擁有50%股權)提供融資, 合營公司透過合營公司間接全資擁有的持牌放債人Simagi Finance Company Limited向客戶提供放債服務。合營公司由此前具有在金融機構(包括銀行及持牌放債人)工作的多年經驗之資深高級執行人員營運。本公司決定, 為實現放債業務未來擴張, 本公司此後將自身經營放債業務。鑒於上文所述, 本公司已於二零一八年二月二日同意將其於Imagination的50%股權以代價150,000,000港元出售予其合營夥伴Bob May Incorporated。該出售須於二零一八年四月召開的股東特別大會上獲股東批准。本公司已完成籌備成立一家具有所需牌照的新公司。本公司管理層相信, 放債業務未來將為本集團帶來重大持續回報。

前景

如上文所述, 過往一年對本公司而言是艱難的一年。一如預期, 隨著實施新核心業務, 產生許多發展開支及調整成本, 導致該新核心業務許多分部的表現不及預期。由於該學習階段已基本完成, 本公司希望並預計, 下文所載綜合金融服務業務分部的主流表現將於來年大幅改善。

(a) 證券投資及自營交易

隨著新增管理專長及理順投資決策流程, 本公司仍然相信, 憑藉「一帶一路」、「滬港通」及「深港通」等新的積極宏觀因素, 該業務將扭虧為盈。

CHAIRMAN'S STATEMENT

主席報告

(b) Brokerage services

The takeover and rationalisation of John & Wong's business and management began in earnest after completion of acquisition of John & Wong in February 2017. The Company is confident with the further capital injection, additional staff and the additional licences, including Type 2, 4, 5 and 9, when were granted from the SFC, the stride to full-fledged financial services will begin in the foreseeable future. John & Wong will become a significant contributor to the Group's operations and profits once the Company begins to move available in-house proprietary trading businesses to John & Wong as well as the expansion of John & Wong's connections through the Company's assistance and introduction.

(c) Money lending business

The Company decided to look for future expansions in the money lending business by conducting money lending of its own. In anticipation of the above, the Company is seeking the disposal of its equity interest in the JV Company to existing joint venture partner with the Company. The Company expects its new money lending business will commence in the second half of 2018. With the experience and know-how gained through the JV Company, the Company is confident that this will soon become significant contributor to the Company's business.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude and appreciation to fellow Directors for their support, and to thank all of our staff for their enthusiasm and hard work. In addition, I would like to thank all of the Shareholders, business partners and bankers for their continuous support over the years.

For and on behalf of the Board
Kitchell Osman Bin
Acting Chairman

Hong Kong, 23 March 2018

(b) 經紀服務

宏昌業務的接手及管理層整合於二零一七年二月收購宏昌後真正開始。本公司相信，在獲得進一步注資，招聘新員工及從證監會獲得額外牌照(包括第2、4、5及9類牌照)後，將於可見的未來開始邁向全面金融服務。本公司相信，在本公司開始將現有內部自營交易業務轉移至宏昌，以及宏昌在本公司的協助及引薦下擴張關係後，宏昌將為本集團的經營及溢利作出重大貢獻。

(c) 放債業務

本公司決定尋求未來擴張放債業務，並由自身經營放債。鑒於上文所述，本公司尋求將其於合營公司的現有股權出售予本公司的現有合營夥伴。本公司預計放債業務將於二零一八年下半年開始。本公司相信，憑藉透過合營公司獲得的經驗及專門知識，該業務將很快為本公司的業務作出重大貢獻。

致謝

本人謹代表董事會衷心感謝各董事及員工之積極與努力。此外，本人亦謹此衷心感謝各股東、業務夥伴及往來銀行多年來一直給予本集團支持。

代表董事會
署理主席
Kitchell Osman Bin

香港，二零一八年三月二十三日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND OPERATIONAL REVIEW

For the Year under Review, the Group's principal business is to engage in investment business and integrated financial services business, CGI and entertainment business.

After initiating and going through a revamp of the Company's business and operations, making the integrated financial services business as an additional principal business in 2016, the Company continued in 2017 and further the completion an overhaul and rationalisation of its assets and operations. The Company's core business of the integrated financial services businesses comprises of securities investments and proprietary trading, securities brokerage services, margin financing and money lending business. The major segments of the Company's business for the Year under Review are as follows:

(a) Integrated financial services business

(i) *Securities investments and proprietary trading*

The Company conducted its short term proprietary trading business through Unimagi. As at 31 December 2017, the aggregate market value of listed debt and equity securities classified as available-for-sale investments (held for long-term purpose) and held-for-trading investments was approximately HK\$483 million. Total realised loss from sale of listed equity investments and unrealised loss/impairment loss charged to profit or loss as a results of change in fair value of listed equity investments for the Year under Review were approximately HK\$88 million and approximately HK\$301 million respectively. The management of the Company has been disappointed with the performance of the short term proprietary trading business for the Year under Review and is continually looking for ways and means to enhance the business future performance including the addition of management expertise. However, the Company remains confident the business will turn around with new positive macro factors such as the "One Belt One Road", the "Shanghai Connect" and the "Shenzhen Connect" just to name a few.

業務及營運回顧

於回顧年度內，本集團主要業務為從事投資業務及綜合金融服務業務及電腦造像及娛樂業務。

經過二零一六年對本公司業務及經營發起及進行重整，令綜合金融服務業務成為一項額外主要業務後，本公司於二零一七年繼續並推動完成對其資產及經營的改造及整理。本公司的核心業務綜合金融服務業務包括證券投資及自營交易、證券經紀服務、保證金融資以及放債業務。本公司於回顧年度內的主要業務分部如下：

(a) 綜合金融服務業務

(i) 證券投資及自營交易

本公司透過Unimagi進行短期自營交易業務。於二零一七年十二月三十一日，分類為可供出售投資(持作長期目的)的上市債務及股本證券及持作買賣投資的總市場價值約483,000,000港元。回顧年度內，出售上市股本投資的已變現虧損總額及因上市股本投資公平值變動而計入損益的未變現虧損／減值虧損分別為約88,000,000港元及約301,000,000港元。本公司管理層對回顧年度內自營交易業務的短期表現感到失望，並不斷物色加強未來業務表現的方式，包括增加管理專業人員。然而，本公司仍然相信，憑藉「一帶一路」、「滬港通」及「深港通」等新的積極宏觀因素，該業務將扭虧為盈。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(ii) **Brokerage services**

The acquisition of John & Wong was completed on 28 February 2017 and John & Wong became an indirect wholly-owned subsidiary of the Company. In preparation for further expansion in brokerage and other related corporate finance services, on 12 May 2017, the Company had made HK\$100 million further capital injection into John & Wong and also has recruited and planned to recruit additional personnel to undertake additional services and businesses including corporate finance advisory services, investment advisory and asset management services. In the meantime, John & Wong is in the process of applying for additional licences including Type 2, 4, 5 and 9 from the SFC. For the Year under Review, John & Wong had yet made no profit contribution to the Group as it is still in transition period for the Company to assimilate and integrate the brokerage services business. The management of the Company is confident the stride to full-fledged financial services will begin in the foreseeable future.

(ii) **經紀服務**

收購宏昌於二零一七年二月二十八日完成，宏昌成為本公司的間接全資附屬公司。為籌備經紀及其他相關公司融資服務的未來擴張，於二零一七年五月十二日，本公司向宏昌進一步注資100,000,000港元，並已招聘及計劃招聘額外人員進行額外服務及業務(包括企業融資顧問服務、投資顧問及資產管理服務)。同時，宏昌正在向證監會申請額外牌照，包括第2、4、5及9類牌照。於回顧年度內，宏昌尚未為本集團貢獻溢利，原因是其仍處於本公司吸收及整合經紀服務業務的過渡期。本公司管理層相信，全面金融服務的發展將於可見的將來開始。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(iii) *Money lending business*

For the Year under Review, the Company engaged in money lending business through a company with money lenders licence under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) within a subsidiary company of Imagination under 50-50 equal joint venture. For the Year under Review, the money lending business contributed an approximately HK\$14 million profit to the JV Company. However, an approximately HK\$20 million impairment loss was incurred by the JV Company and as a consequence, the Group has to share 50% overall loss of the JV Company of approximately HK\$7 million for the Year under Review. The Company decided to look for future expansions in the money lending business by conducting money lending of its own. In anticipation of the above, the Company is seeking the disposal of its equity interests in Imagination to the existing joint venture partner.

(b) *CGI business*

The management of the Company does not see immediate improving prospects for the CGI business. After considering costs and benefits, the Company will devote minimal resources to maintain the CGI business until there are substantial changes in potential and prospects for such business segment. Accordingly, the Company had terminated its efforts on the production side of the CGI business but will only retain efforts on the distribution side of the CGI business.

(iii) *放債業務*

於回顧年度內，本公司透過於 Imagination (持有50%的均等合營企業) 下的一間持有《放債人條例》(香港法例第163章) 項下放債人牌照的附屬公司從事放債業務。於回顧年度內，放債業務為合營公司貢獻溢利約14,000,000港元。然而，合營公司產生減值虧損約20,000,000港元，因此，本集團須分擔50%合營公司於回顧年度內的整體虧損約7,000,000港元。本公司決定尋求未來透過自身經營放債而擴張至放債業務，鑒於上文所述，本公司尋求將其於Imagination的股權出售予現有合營夥伴。

(b) *電腦造像業務*

本公司管理層預計電腦造像業務的前景不會立即改善。考慮到成本及效益，本公司將投入最少資源維持電腦造像業務，直至該業務分部的潛力及前景出現重大變化為止。因此，本公司已終止電腦造像業務製作方面的活動，但將繼續從事電腦造像業務的發行方面。

MANAGEMENT DISCUSSION AND ANALYSIS

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FINANCIAL REVIEW

Review of results

The net loss before tax for the Year under Review was approximately HK\$452 million compared to the net loss before tax of approximately HK\$418 million for the last year. The current year net loss was mainly due to losses from net changes in fair value of financial assets classified as held-for-trading investments of approximately HK\$324 million (2016: approximately HK\$91 million); impairment loss of available-for-sale investments of approximately HK\$65 million (2016: approximately HK\$79 million); impairment loss of goodwill of approximately HK\$6 million (2016: Nil); impairment loss of intangible assets of approximately HK\$2 million (2016: Nil); and net fair value loss on convertible notes receivable (net of gain on derecognition of day-one gain on convertible notes) of approximately HK\$22 million (2016: net fair value gain on convertible notes receivable of approximately HK\$18 million).

On the expenditure side, administrative expenses significantly decreased by approximately HK\$93 million or approximately 69% from approximately HK\$134 million for the last financial year to approximately HK\$41 million for the Year under Review. Of which total staff costs (excluding equity-settled share-based payment expenses) increased by approximately 27% from approximately HK\$15 million last financial year to approximately HK\$19 million for the Year under Review. There was no equity-settled share-based payment expenses incurred during the Year under Review (2016: approximately HK\$64 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily financed by its operation with internally generated cash flows and fund raising exercise. The liquidity and financial position of the Group as at 31 December 2017 remain healthy, with bank balances and cash amounting to HK\$134 million (31 December 2016: HK\$246 million) and a current ratio (the total amount of current assets over the total amount of current liabilities) of approximately 64 times (2016: approximately 53 times).

As at 31 December 2017, the Group had no bank or other borrowings and therefore the gearing ratio (expressed as a percentage of total borrowings over total capital) was zero (2016: zero).

財務回顧

業績回顧

回顧年度的除稅前虧損淨額約452,000,000港元，而去年的除稅前虧損淨額約418,000,000港元。本年度虧損淨額主要是由於分類為持作買賣投資的財務資產公平值變動虧損淨額約324,000,000港元(二零一六年：約91,000,000港元)；可供出售投資的減值虧損約65,000,000港元(二零一六年：約79,000,000港元)；商譽減值虧損約6,000,000港元(二零一六年：無)；無形資產減值虧損約2,000,000港元(二零一六年：無)；及應收可換股票據的公平值虧損淨額(扣除終止確認可換股票據第一天收益的收益)約22,000,000港元(二零一六年：應收可換股票據的公平值收益淨額約18,000,000港元)。

開支方面，行政支出較上一財政年度約134,000,000港元大幅減少約93,000,000港元或約69%至回顧年度約41,000,000港元。其中員工成本總額(不包括以權益結算之股權支付的支出)較上一財政年度約15,000,000港元增加約27%至回顧年度約19,000,000港元。回顧年度內並無產生以權益結算之股權支付的支出(二零一六年：約64,000,000港元)。

流動資金及財務資源

本集團主要透過其內部產生之現金流及集資活動為其經營提供資金。於二零一七年十二月三十一日，本集團之流動資金及財務狀況維持穩健，銀行結餘及現金為134,000,000港元(二零一六年十二月三十一日：246,000,000港元)及流動比率(以總流動資產除以總流動負債值計算)約為64倍(二零一六年：約53倍)。

於二零一七年十二月三十一日，本集團並無銀行或其他借貸，故資產負債比率(以總借貸除以總權益之百分比列示)為零(二零一六年：零)。

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CAPITAL STRUCTURE

On 28 February 2017, 60,000,000 new Shares were issued and allotted pursuant to a sale and purchase agreement dated 30 August 2016 at an issue price of HK\$0.20 per Share under a specific mandate approved at a special general meeting held on 28 October 2016 as a part of consideration for acquisition of John & Wong.

On 10 March 2017, an ordinary resolution to approve a share consolidation was passed by the Shareholders at a special general meeting of the Company whereby the share consolidation became effective on 13 March 2017 that every eight issued and unissued share of HK\$0.005 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.04 each in the share capital of the Company. Details of the share consolidation were disclosed in the Company's announcements dated 26 January 2017 and 10 March 2017 and circular dated 22 February 2017.

On 22 March 2017, pursuant to a share swap agreement dated 16 March 2017 (the "Share Swap Agreement") entered into between the Company and Enerchina Holdings Limited ("Enerchina" (stock code: 622), an independent third party), 113,400,000 shares of the Company (the "Share(s)") were issued and allotted at a subscription price of HK\$0.90 each to a nominee of Enerchina in exchange for 378,000,000 shares of Enerchina as consideration shares at a price of HK\$0.27 each from Enerchina for a total consideration of HK\$102,060,000 (the "Share Swap"). The subscription Shares were issued under a general mandate granted to the Directors by the Shareholders at a special general meeting held on 28 October 2016, representing approximately 19.69% of the issued share capital of the Company as at the date of the Share Swap Agreement and approximately 16.45% of the issued share capital of the Company as enlarged by the new Shares issued pursuant to the Share Swap Agreement. The Share Swap was completed on 22 March 2017 and Enerchina became a substantial Shareholder upon completion. Details of the Share Swap were disclosed in the Company's announcement dated 16 March 2017.

資本架構

根據日期為二零一六年八月三十日的買賣協議，於二零一七年二月二十八日，60,000,000股新股份根據於二零一六年十月二十八日舉行的股東特別大會上批准的特別授權以發行價每股股份0.20港元發行及配發，作為收購宏昌代價的一部分。

於二零一七年三月十日，股東於本公司股東特別大會上通過批准股份合併的普通決議案，據此，股份合併於二零一七年三月十三日生效，本公司股本中每八股每股面值0.005港元的已發行及未發行股份被合併為本公司股本中一股每股面值0.04港元的一股合併股份。股份合併的詳情披露於本公司日期二零一七年一月二十六日及二零一七年三月十日之公告及日期為二零一七年二月二十二日之通函。

於二零一七年三月二十二日，根據本公司於二零一七年三月十六日與威華達控股有限公司（「威華達」）（股份代號：622），為獨立第三方）訂立的換股協議（「換股協議」），113,400,000股本公司股份（「股份」）按認購價每股0.90港元發行及配發予威華達的代名人，以交換378,000,000股按每股價格0.27港元的威華達股份（作為代價股份）（「換股」）。認購股份乃根據股東於二零一六年十月二十八日舉行的股東特別大會上授予董事的一般授權發行，相當於本公司於換股協議日期的已發行股本約19.69%及本公司經根據換股協議發行新股份而擴大的已發行股本約16.45%。換股於二零一七年三月二十二日完成，威華達於完成後成為一名主要股東。換股詳情披露於本公司日期為二零一七年三月十六日之公告。

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As at 31 December 2017, the total number of issued Shares was 689,421,572 Shares with a par value of HK\$0.04 each. Based on the closing price of HK\$0.67 per Share as at 29 December 2017 (being the last trading date before year ended 31 December 2017), the market value of the Company as at 31 December 2017 was approximately HK\$462 million.

EXPOSURE TO EXCHANGE RATES

Presently, most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollar and United States dollar. The Group's exposure to currency risk is minimal as Hong Kong dollar is pegged to United States dollar. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. However, the management will closely monitor the exposure of the Group to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

On 23 January 2017, Emperor Investments Limited ("Emperor Investments", a direct wholly-owned subsidiary of the Company) was disposed to an independent third party at a consideration of HK\$20 million. The material assets held by Emperor Investments was unlisted investment of 7,500,000 shares of Freewill Holdings Limited (representing approximately 1% of its issued share capital). In this regard, impairment losses of approximately HK\$18 million with reference to the sale proceeds was recognised and charged to profit or loss in the financial year ended 31 December 2016.

於二零一七年十二月三十一日，已發行股份總數為689,421,572股每股面值0.04港元之股份。按於二零一七年十二月二十九日（為截至二零一七年十二月三十一日止年度的最後交易日）的每股股份收市價0.67港元計算，本公司於二零一七年十二月三十一日的市場價值約462,000,000港元。

匯率風險

目前，本集團大部分業務交易、資產及負債以港元及美元列值。由於港元與美元掛鈎，故本集團面臨之貨幣風險屬輕微。本集團並無設有任何貨幣對沖政策，亦無採用任何對沖或其他工具以減低貨幣風險。然而，管理層將密切監察本集團對匯率波動須承擔之風險，並將於必要時採取適當之措施以減低因有關波動而可能造成之任何不利影響。

收購及出售附屬公司

於二零一七年一月二十三日，Emperor Investments Limited（「Emperor Investments」，為本公司直接全資附屬公司）被出售予一名獨立第三方，代價為20,000,000港元。Emperor Investments持有的重大資產為7,500,000股Freewill Holdings Limited股份（相當於其已發行股本約1%）的非上市投資。就此而言，參考出售所得款項，減值虧損約18,000,000港元已於截至二零一六年十二月三十一日止財政年度確認及從損益中扣除。

MANAGEMENT DISCUSSION AND ANALYSIS

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On 23 January 2017, Top Gate Holdings Ltd. (“Top Gate”, a direct wholly-owned subsidiary of the Company) was disposed to an independent third party at a consideration of HK\$31 million. The material assets held by Top Gate were unlisted investments including (a) 450,000 shares of FreeOpt Holdings Limited (representing approximately 12% of its issued share capital); (b) 6,200,000 shares of Joint Global Limited (representing approximately 2% of its issued share capital); and (c) 2.14% interest in a principal amount of HK\$100 million and HK\$130 million of two respective tranche of convertible notes issued by Up Energy Development Group Limited at a conversion price of HK\$0.7455. In this regard, impairment losses of approximately HK\$62 million with reference to the sale proceeds was recognised and charged to profit or loss in the financial year ended 31 December 2016.

On 28 February 2017, the Company acquired entire issued shares of John & Wong (a corporate licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity) at a consideration of HK\$18.4 million (the “Acquisition”) pursuant to a sale and purchase agreement dated 30 August 2016 (the “Agreement”) entered into between the Company and independent third parties. The consideration was finally satisfied by issuing of 60,000,000 new Shares at fair value of approximately HK\$6.48 million which were issued and allotted on 28 February 2017, share options granted to the former owner at fair value of approximately HK\$1.85 million and cash settlement of approximately HK\$6.18 million after taking into account of a dollar-to-dollar downward adjustment pursuant to the Agreement. John & Wong became an indirect wholly-owned subsidiary of the Company upon completion of the Acquisition on 28 February 2017 and to carry out brokerage services. Details information regarding the Acquisition was disclosed in the Company’s announcement dated 30 August 2016 and circular dated 7 October 2016.

於二零一七年一月二十三日，Top Gate Holdings Ltd.（「Top Gate」，為本公司直接全資附屬公司）被出售予一名獨立第三方，代價為31,000,000港元。Top Gate持有的重大資產為非上市投資，包括(a)450,000股FreeOpt Holdings Limited股份（相當於其已發行股本約12%）；(b)6,200,000股Joint Global Limited股份（相當於其已發行股本約2%）；及(c)於優派能源發展集團有限公司發行的兩批本金額分別為100,000,000港元及130,000,000港元，轉換價為0.7455港元的可換股票據中的2.14%權益。就此而言，參考出售所得款項，減值虧損約62,000,000港元已於截至二零一六年十二月三十一日止財政年度確認及從損益中扣除。

於二零一七年二月二十八日，本公司根據本公司與獨立第三方訂立的日期為二零一六年八月三十日之買賣協議（「該協議」）收購宏昌（為根據證券及期貨條例獲發牌可從事第1類（證券交易）受規管活動的法團）的全部已發行股份（「收購事項」），代價為18,400,000港元。代價已透過於二零一七年二月二十八日發行60,000,000股新股份（公平值約6,480,000港元）、授予前擁有人的購股權公平值約1,850,000港元以及現金結算約6,180,000港元（計入根據該協議作出的金額下調後）而最終支付。宏昌於二零一七年二月二十八日收購事項完成後成為本公司的間接全資附屬公司，經營經紀服務。有關收購的詳細資料披露於本公司日期二零一六年八月三十日之公告及日期為二零一六年十月七日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

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On 23 June 2017, as marine facilities under High Gear Holdings Limited (“High Gear” an indirect wholly-owned subsidiary of the Company) were no longer required by the Group after disposal of a yacht held by High Gear in March 2017 (details of disposal of the yacht is set out in section headed “Other Information for the Year under Review and up to the Date of this Annual Report” on page 16), High Gear was disposed to Global Value Group Limited (a subsidiary of Enerchina being a substantial Shareholder) at a cash consideration of HK\$490,000 which was reference to the net assets of High Gear at the date of disposal.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 December 2017, the Group did not have any significant contingent liabilities and capital commitments.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year under Review (2016: Nil).

HUMAN RESOURCES

As at 31 December 2017, the Group employed 29 employees excluding Directors (2016: 19 employees). The remuneration policy of the Group is to reward its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. Employee’s benefits include medical insurance coverage, mandatory provident fund and share option scheme. The total staff cost (excluding non-cash equity-settled share-based payment expenses) for the Year under Review, including Director’s emoluments, amounted to approximately HK\$19 million (2016: approximately HK\$15 million).

於二零一七年六月二十三日，由於本集團在二零一七年三月出售High Gear Holdings Limited(「High Gear」，為本公司間接全資附屬公司)持有的一艘遊艇(出售遊艇的詳情載於第16頁「回顧年度內及截至本年報日期之其他資料」一節)後不再需要High Gear持有的船用設施，High Gear以現金代價490,000港元(乃參考High Gear於出售日期的資產淨值)被出售予Global Value Group Limited(主要股東威華達的附屬公司)。

或然負債及資本承擔

於二零一七年十二月三十一日，本集團並無任何重大或然負債及資本承擔。

末期股息

董事會不建議派付回顧年度的末期股息(二零一六年：無)。

人力資源

於二零一七年十二月三十一日，本集團聘用29名(不包括董事)(二零一六年：19名)僱員。本集團之薪酬政策乃參考僱員之資歷、經驗及工作表現以及市場基準為其提供報酬。僱員福利包括醫療保險、強制性公積金及購股權計劃。於回顧期間，員工成本總額(不包括以權益結算之股權支付的非現金支出)(包括董事酬金)約19,000,000港元(二零一六年：約15,000,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OTHER INFORMATION FOR THE YEAR UNDER REVIEW AND UP TO THE DATE OF THIS ANNUAL REPORT

Save as disclosed elsewhere in this annual report, the Group have the following events for the Year under Review and up to the date of this annual report:

(i) Disposal of yacht

On 20 March 2017, a yacht held by High Gear was disposed to an independent purchaser (the “Purchaser”) at a consideration of US\$4,200,000 pursuant to a Memorandum of Agreement with the Purchaser entered on 21 February 2017. Details information regarding the disposal was disclosed in the Company’s announcement dated 21 February 2017.

(ii) Strategic alliance

On 16 March 2017, the Company and Enerchina entered into a non-legal binding Strategic Alliance Memorandum, under which Enerchina had agreed (a) to provide the Company with technical and business assistance to establish and develop the infra-structure and the frame-work to further the Company’s financial services business; and (b) to co-operate with each other to promote mutually beneficial business opportunities. This is another step towards the Company’s strategy to develop integrated financial services business as one of the Company’s core business. Details information regarding the aforesaid business updates was disclosed in the Company’s announcement dated 16 March 2017.

回顧年度內及截至本年報日期之其他資料

除本年報其他章節披露者外，本集團於回顧年度內及截至本年報日期有以下事件：

(i) 出售遊艇

於二零一七年三月二十日，High Gear 持有的一艘遊艇根據於二零一七年二月二十一日與一名獨立買方（「買方」）訂立的協議備忘錄被出售予買方，總代價為4,200,000美元。有關出售事項的詳細資料披露於本公司日期為二零一七年二月二十一日之公告。

(ii) 戰略聯盟

於二零一七年三月十六日，本公司與威華達訂立一份不具法律約束力戰略聯盟備忘錄，據此，威華達已同意(a)向本公司提供技術及業務協助，以建立及發展基礎設施及框架工作以促進本公司的金融服務業務；及(b)相互合作以推動互利商機。此乃向本公司發展綜合金融服務業務為本公司核心業務之一的策略邁出的另一步。有關上述最新業務資料的詳細資料披露於本公司日期為二零一七年三月十六日之公告。

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(iii) Termination of Re-domicile Proposal

As previously disclosed, the Company intended to re-domicile from Bermuda to Hong Kong by way of scheme of arrangement under Section 99 of the Companies Act of Bermuda (as amended) (the “Re-domicile Proposal”). On 1 December 2017, the Company received a letter from the Listing Department of the Stock Exchange (the “Listing Department”) in which the Listing Department decided against granting a waiver from strict compliance on Rule 8.05 of the Listing Rules for the proposed new listing company to meet the listing requirements. In this regards, the Directors had decided not to proceed with the Re-domicile Proposal. Details information regarding the Re-domicile Proposal were disclosed in the Company’s announcements date 8 June 2016, 11 November 2016 and 5 December 2017.

(iv) Finalised of prior year’s tax assessment of Imagi Crystal Limited with Hong Kong Inland Revenue Department (“HKIRD”)

With reference to tax demand notes issued by HKIRD to Imagi Crystal Limited (“ICL” an indirect wholly-owned subsidiary of the Company) for the years of assessment 2009/10 and 2010/11 since March 2016, the Directors reassessed the tax position of ICL and recognised approximately HK\$10.97 million tax liabilities as income tax expenses and approximately HK\$1.5 million surcharge as administrative expenses in the financial year 2016.

(iii) 終止遷冊建議

如早前所披露，本公司有意透過百慕達公司法(經修訂)第99條項下的計劃安排，從百慕達遷冊至香港(「遷冊建議」)。於二零一七年十二月一日，本公司收到聯交所上市部(「上市部」)函件，上市部決定不就擬設立的新上市公司符合上市要求而授出對嚴格遵守上市規則第8.05條的豁免。為此，董事決定不進行遷冊建議。有關遷冊建議的詳細資料披露於本公司日期為二零一六年六月八日、二零一六年十一月十一日及二零一七年十二月五日之公告。

(iv) 與香港稅務局(「香港稅務局」)落實意馬水晶有限公司過往年度的最終評稅

參考香港稅務局自二零一六年三月起向意馬水晶有限公司(「意馬水晶」，為本公司間接全資附屬公司)發出的二零零九／一零年及二零一零／一一年評稅年度繳稅通知書，董事已重新評估意馬水晶的稅務狀況，並於二零一六年財政年度確認稅項負債約10,970,000港元為所得稅支出及約1,500,000港元附加費為行政支出。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

ICL since then engaged professional tax specialist as its tax adviser to lodge objection to HKIRD. After supply of additional required information and discussion with HKIRD, ICL received a ruling dated 24 July 2017 from HKIRD regarding objection for the years of assessment 2009/10 and 2010/11 that HKIRD consented the impairment loss on the CGI animation pictures recognised in the year of assessment 2009/10 would be deductible under profits tax. However, HKIRD remains disallow the deduction of the impairment loss on amount due from a fellow subsidiary recognised in the year of assessment 2010/11. In this regard, HKIRD had issued a revised notice of assessment and a letter of discharge surcharges for the year of assessment 2009/10 on 2 August 2017 and 9 August 2017 respectively. Referring to the updated tax position for the year of assessment 2009/10, ICL had tax losses carried forward to set-off against the disallowed impairment loss on amount due from a fellow subsidiary recognised in the year of assessment 2010/11. ICL thus reversed the tax provision of approximately HK\$10.97 million and surcharges of approximately HK\$1.5 million during the Year under Review.

此後，意馬水晶委聘專業稅務專家為稅務顧問，向香港稅務局提出異議。在提供規定的額外資料及與香港稅務局討論後，意馬水晶收到香港稅務局日期為二零一七年七月二十四日就有關二零零九／一零年及二零一零／一一年評稅年度的異議之裁定，香港稅務局同意於二零零九／一零年評稅年度確認的電腦造像動畫減值虧損可根據利得稅扣除。然而，香港稅務局仍然不允許扣除於二零一零／一一年評稅年度確認的應收一間同系附屬公司款項之減值虧損。就此而言，香港稅務局分別已於二零一七年八月二日及二零一七年八月九日發出有關二零零九／一零年評稅年度的經修訂評稅通知及解除附加費的函件。參考二零零九／一零年評稅年度的最新稅務狀況，意馬水晶已結轉稅項虧損以抵銷不被允許的於二零一零／一一年評稅年度確認的應收一間同系附屬公司款項之減值虧損。因此，意馬水晶於回顧年度內撥回稅項撥備約10,970,000港元及附加費約1,500,000港元。

EVENTS AFTER THE REPORTING PERIOD AND UP TO THE DATE OF THIS ANNUAL REPORT

Disposal of joint venture

On 2 February 2018, the Company (as the Vendor) and Bob May Incorporated (a joint venture partner of the JV Company as the “Purchaser”) entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally to purchase 1,500,000 shares of Imagination, representing 50% of the total issued shares of the JV Company, at a cash consideration of HK\$150 million. The disposal is subject to the Shareholders’ approval and not yet complete as at the date of this annual report. Details information regarding the proposed disposal was disclosed in the Company’s announcement dated 2 February 2018.

報告期後及截至本年報日期的事件

出售合營公司

於二零一八年二月二日，本公司（作為賣方）與Bob May Incorporated（本公司的合營夥伴，作為「買方」）訂立一份買賣協議，據此，本公司已有條件同意出售而買方已有條件同意購買1,500,000股Imagination股份，相當於合營公司全部已發行股份的50%，現金代價為150,000,000港元。出售事項須獲股東批准，且截至本年報日期尚未完成。有關建議出售事項的詳細資料披露於本公司日期為二零一八年二月二日之公告。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

EXECUTIVE DIRECTORS

Mr. Kitchell Osman Bin, aged 53, a Canadian citizen, completed his high-school education in Hong Kong and undergraduate studies in Canada. Mr. Kitchell had obtained a honorary diploma from Pickering College in Canada. Mr. Kitchell studied Economics in the University of Toronto, Canada. Mr. Kitchell is a veteran investor mainly in Hong Kong equity markets with over 15 years' experience. Mr. Kitchell had been an investor managing a private family fund. Mr. Kitchell had been (i) an executive director, chief executive officer and chairman of Unity Investments Holdings Limited (stock code: 913), for the period from January 2005, January 2006 and January 2008 respectively to December 2014; and (ii) an executive director of Mission Capital Holdings Limited (currently known as CMBC Capital Holdings Limited, stock code: 1141) for the period from January 2015 to July 2015, all of which are companies listed on the main board of the Stock Exchange.

Mr. Shimazaki Koji, aged 48, holds a Bachelor of Science degree in Engineering and a Master degree in Electrical Engineering from Kanagawa University in Yokohama, Japan. Mr. Shimazaki has over 20 years of experience in web developing and programming, production and quality control engineering. Mr. Shimazaki had been (i) an executive director and chief executive officer of Radford Capital Investment Limited (currently known as Eagle Ride Investment Holdings Limited, stock code: 901) for the period from May 2005 and May 2008 respectively to October 2013; and (ii) an executive director of Unity Investments Holdings Limited (stock code: 913) for the period from December 2013 to November 2014, all of which are companies listed on the main board of the Stock Exchange.

執行董事

Kitchell Osman Bin先生，53歲，為加拿大公民，分別於香港及加拿大完成高中及本科課程。Kitchell先生已取得加拿大Pickering College頒發之榮譽文憑。Kitchell先生於加拿大多倫多大學修讀經濟學。Kitchell先生為資深投資者，主要投資香港股票市場，擁有逾十五年投資經驗。Kitchell先生(i)自二零零五年一月、二零零六年一月及二零零八年一月起至二零一四年十二月期間分別擔任合一投資控股有限公司(股份代號：913)之執行董事、行政總裁及主席；及(ii)自二零一五年一月至二零一五年七月期間擔任保興資本控股有限公司(現稱民銀資本控股有限公司，股份代號：1141)之執行董事，該等公司均於聯交所主板上市。

嶋崎幸司先生，48歲，持有日本橫濱神奈川大學工程學理學士學位及電子工程學碩士學位。嶋崎先生於網頁開發及編程、生產及質量監控工程擁有逾二十年經驗。嶋崎先生(i)自二零零五年五月及二零零八年五月起至二零一三年十月期間分別擔任萊福資本投資控股有限公司(現稱鷹力投資有限公司，股份代號：901)之執行董事及行政總裁；及(ii)自二零一三年十二月至二零一四年十一月期間擔任合一投資控股有限公司(股份代號：913)之執行董事，該等公司均於聯交所主板上市。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Ms. Choi Ka Wing, aged 35, completed her high-school education in Hong Kong and had further her studies at the Perth Institute of Business and Technology in Perth, Australia. Ms. Choi worked in customer services in the catering division of a 5 star hotel in Hong Kong for over one year and gained experience in the food and beverage and entertainment businesses. Ms. Choi had been an executive director of Unity Investments Holdings Limited (stock code: 913), a company listed on the main board of the Stock Exchange, for the period from October 2006 to November 2014.

蔡家穎女士，35歲，於香港完成高中課程，並於澳洲柏斯Perth Institute of Business and Technology進修。蔡女士曾於香港一間五星級酒店餐飲部門提供客戶服務超過一年，獲得餐飲及娛樂業務經驗。蔡女士於二零零六年十月至二零一四年十一月期間擔任合一投資控股有限公司（於聯交所主板上市的公司，股份代號：913）之執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Santos Antonio Maria, aged 61, holds a Ph. D. degree in Business Administration from the Neuva Ecija University of Science & Technology in the Philippines, a Master's degree in Management Studies from University of Northumbria at Newcastle, United Kingdom and a Master's degree in Criminal Justice from the Tarlac State University, the Philippines. He is a fellow of the Chartered Management Institute, United Kingdom. Dr. Santos retired from the Hong Kong Police Force in January 2012 after more than 30 years of service there. Apart from volunteering for community services, he is currently a director and shareholder of Advance Tactics Service Limited (a private company principally engaged in providing personal and commercial risk management consultant services in Hong Kong and greater China). Dr. Santos currently is also a director and shareholder of A.M. Santos & Company Limited (a private company incorporated in Hong Kong) and United Partners Incorporated (a private company incorporated in British Virgin Islands), both of which are principally engaged in providing financial consultancy services. Dr. Santos had been (i) an executive director and an acting chairman of China Solar Energy Holdings Limited (stock code: 155) for the period from October 2014 and December 2014 respectively to May 2015; and (ii) an independent non-executive director of Willie International Holdings Limited

獨立非執行董事

杜東尼博士，61歲，持有菲律賓紐省科技大學工商管理博士學位、英國紐卡素諾桑比亞大學管理學碩士學位及菲律賓太歷國立大學刑事審判學碩士學位。彼亦為英國特許管理學院資深會員。杜博士在香港警務處服務逾三十年並於二零一二年一月退休。彼現時除參與社區服務之義務工作外，現亦為領先策略事務有限公司（一家於香港及大中華地區主力提供個人及商業風險管理顧問服務之私人公司）之董事及股東。杜博士現時亦為山杜士策略事務有限公司（於香港註冊成立之私人公司）及United Partners Incorporated（於英屬維爾京群島註冊成立之私人公司）之董事及股東，兩家公司均主要從事提供融資顧問服務。杜博士(i)自二零一四年十月及二零一四年十二月起至二零一五年五月期間分別擔任中國源暢光電能源控股有限公司（股份代號：155）之執行董事及署理主席；及(ii)於二零一二年八月至二零一六年四月期間擔任威利國際控股有限公司（現稱茂宸集團控股有限公司，股份代號：273）之獨立非

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

(currently known as Mason Group Holdings Limited, stock code: 273) for the period from August 2012 to April 2016, all of which are companies listed on the main board of the Stock Exchange. Dr. Santos is presently an independent non-executive director of Auto Italia Holdings Limited (stock code: 720), a company listed on the main board of the Stock Exchange.

Mr. Miu Frank H., aged 68, holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree in Economics and Accounting from St. John's University of Minnesota in the United States of America. Mr. Miu is a member of the American Bar Association and the American Institute of Certified Public Accountants. He is also a Fellow of Hong Kong Institute of Directors. Apart from professional experience in law and accounting, he has extensive exposure to various industries including financial services. During the past five years, Mr. Miu had been an independent non-executive director of (i) Freeman Financial Corporation Limited (currently known as Freeman FinTech Corporation Limited, stock code: 279) for the period from December 2011 to August 2013; (ii) Tack Fiori International Group Limited (currently known as Life Healthcare Group Limited, stock code: 928) for the period from August 2011 to May 2014; (iii) Mascotte Holdings Limited (currently known as HengTen Networks Group Limited, stock code: 136) for the period from December 2009 to October 2015; (iv) Willie International Holdings Limited (currently known as Mason Group Holdings Limited, stock code: 273) for the period from June 2011 to October 2015; and (v) China Jinhai International Group Limited (currently known as China Soft Power Technology Holdings Limited, stock code: 139) for the period from October 2014 to July 2016, all of which are companies listed on the main board of the Stock Exchange. Aside from directorships in the aforesaid public companies listed on the Stock Exchange, Mr. Miu is also an independent non-executive director of Duoyuan Global Water Inc. (previously listed on New York Stock Exchange).

執行董事，該等公司均於聯交所主板上市。杜博士目前為意達利控股有限公司(股份代號：720，於聯交所主板上市的公司)之獨立非執行董事。

繆希先生，68歲，持有美國哈佛大學法律學院法律博士學位及明尼蘇達St. John's大學經濟及會計學文學士學位。繆希先生為美國律師協會及美國註冊會計師協會之成員，亦為香港董事學會資深會員。除了擁有法律及會計專業經驗外，繆先生於多個行業(包括金融服務業)擁有豐富經驗。過去五年，繆先生曾出任以下公司之獨立非執行董事：(i)二零一一年十二月至二零一三年八月期間於民眾金服控股有限公司(現稱民眾金融科技控股有限公司，股份代號：279)；(ii)二零一一年八月至二零一四年五月期間於野馬國際集團有限公司(現稱蓮和醫療健康集團有限公司，股份代號：928)；(iii)二零零九年十二月至二零一五年十月期間於馬斯葛集團有限公司(現稱恒騰網絡集團有限公司，股份代號：136)；(iv)二零一一年六月至二零一五年十月期間於威利國際控股有限公司(現稱茂宸集團控股有限公司，股份代號：273)；及(v)二零一四年十月至二零一六年七月期間於中國金海國際集團有限公司(現稱中國軟實力科技集團有限公司，股份代號：139)，該等公司均於聯交所主板上市。除於以上聯交所上市的公司擔任董事外，繆先生亦為多元環球水務公司(先於紐約證券交易所上市)之獨立非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Ms. Liu Jianyi, aged 31, holds a master of business administration in Johnson At Cornell University and a bachelor of system engineering in The Chinese University of Hong Kong. Ms. Liu is currently working as a director of a corporate financial services institution and has extensive management experience in corporate finance and equity funds. Ms. Liu is presently an independent non-executive director of Inno-Tech Holdings Limited, a company listed on GEM board of the Stock Exchange (stock code: 8202).

SENIOR MANAGEMENT

Mr. Chung Wilson, aged 65, is the general manager of the Company. Mr. Chung holds a Bachelor's degree in Mathematics from the University of Wisconsin-Milwaukee and a Master's degree in Science and a Master's degree in Business Administration (with Honors) from Cornell Graduate School of Business Administration, the United States of America. He has over 25 years' experience in corporate finance and banking.

Ms. Yu Man Fung Alice, aged 46, is the senior vice president and general manager of business development of the Company. Ms. Yu has been the general manager of various listed & non-listed companies for the past 15 years of her career, including Tack Fiori International Group Limited (currently known as Life Healthcare Group Limited, stock code: 928) and Bingo Group Holdings Limited (stock code: 8220). Ms. Yu is experienced in overseeing operational aspects of companies and business strategic planning.

Ms. Chen Wei, aged 36, is a director of business development, China of the Company. Ms. Chen holds a Bachelor of Science degree in International Finance from the Beijing University of Aeronautics and Astronautics, a Master of Science degree in Money, Banking and Finance from the University of Birmingham and a PhD degree in Economics from the University of Birmingham. Ms. Chen has extensive experience in finance and banking industry in Hong Kong and the United Kingdom. Ms. Chen had been an executive director of two public companies listed on the Stock Exchange in the past three years.

劉簡怡女士，31歲，畢業於康奈爾大學，獲約翰遜工商管理碩士學位，並畢業於香港中文大學，獲系統工程學士學位。劉女士現任一家公司金融服務機構之董事，在公司財務及股權基金方面具有豐富的管理經驗。劉女士現任匯創控股有限公司(聯交所創業板上市公司)(股份代號：8202)之獨立非執行董事。

高級管理層

鍾紹涑先生，65歲，為本公司總經理。鍾先生持有美國University of Wisconsin-Milwaukee數學學士學位及Cornell Graduate School of Business Administration理學碩士學位及工商管理(榮譽)碩士學位。彼擁有逾二十五年企業融資及銀行業經驗。

于文鳳女士，46歲，為本公司業務發展高級副總裁兼總經理。于女士於過往十五年間曾出任多間上市及非上市公司之總經理，其中包括野馬國際集團有限公司(現稱蓮和醫療健康集團有限公司，股份代號：928)及比高集團控股有限公司(股份代號：8220)。于女士於管理公司日常業務及業務策略規劃方面擁有豐富經驗。

陳薇女士，36歲，為本公司中國業務發展總監。陳女士持有北京航空航天大學國際金融理學學士學位、University of Birmingham貨幣、銀行及金融理學碩士學位及University of Birmingham經濟學博士學位。陳女士於香港及英國金融及銀行業具有豐富經驗，過往三年，彼曾擔任兩家於聯交所上市之公司之執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Mr. Zhan Jianzhou, aged 46, is a director of business development, China of the Company. Mr. Zhan was awarded the Certificate in Foreign Trade by Shenzhen University and completed the postgraduate course of professional studies in business administration at Sichuan University. He holds a Master of Business Administration from Sun Yat-sen University. He held senior positions with major international banks and financial investment groups for years. Mr. Zhan was nominated as the outstanding private entrepreneur in Laibin City, Guangxi in 2006. Mr. Zhan has extensive knowledge in corporate finance and banking. Mr. Zhan had been an executive director of a company listed on the Stock Exchange in the past three years.

Mr. Woo Eddie, aged 46, is a director of business development, Asia Ex Japan of the Company. Mr. Woo has extensive corporate finance and direct investment experience in the Greater China region. He was an executive director of a company listed on the Stock Exchange in the past. Mr. Woo received his M.B.A. from the University of San Francisco and his bachelor's degree from the University of California, Santa Cruz.

詹建宙先生，46歲，為本公司中國業務發展總監。詹先生獲深圳大學外貿證書及已完成四川大學工商管理專業研究的研究生課程。彼持有中山大學工商管理碩士學位。詹先生多年來主要於國際銀行及金融投資集團擔任高級職務。詹先生於二零零六年被評為廣西來賓市傑出民營企業家。詹先生在公司財務及銀行方面具有淵博知識，過往三年，彼曾擔任一家於聯交所上市之公司之執行董事。

胡耀東先生，46歲，為本公司亞洲(日本除外)業務發展總監。胡先生於大中華地區具有豐富公司財務及直接投資經驗，彼過往曾擔任一家於聯交所上市之公司之執行董事。胡先生獲得University of San Francisco工商管理碩士學位及University of California, Santa Cruz學士學位。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintaining high standard corporate governance practices as the Board considers that good and effective corporate governance is essential for enhancing accountability and transparency of a company to investing public and other stakeholders.

CORPORATE GOVERNANCE PRACTICES

During the Year under Review, the Company has complied with the code provision (the “Code Provision”) set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 to the Listing Rules except for the deviations described below.

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

Due to other pre-arranged business commitments which must be attended,

- (i) Dr. Kwong Kai Sing Benny and Dr. Santos Antonio Maria, both of them being independent non-executive Directors, were not present at a special general meeting of the Company held on 10 March 2017; and
- (ii) Mr. Miu Frank H., being independent non-executive Director, was not present at an annual general meeting held on 26 May 2017.

However, (i) Mr. Chow Chi Wah Vincent and Mr. Miu Frank H., both of them being independent non-executive Directors, were present at the aforesaid special general meeting held on 10 March 2017; and (ii) Dr. Santos Antonio Maria and Ms. Liu Jianyi, both of them being independent non-executive Directors, were present at aforesaid annual general meeting held on 26 May 2017.

A such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

董事會認為，良好及有效之企業管治對提升公司對投資大眾及其他持份者之間責性及透明度十分重要，故本公司致力維持高水平之企業管治常規。

企業管治常規

於回顧年度，本公司已遵守上市規則附錄十四企業管治守則及企業管治報告(「企管守則」)所載之守則條文(「守則條文」)，惟下文所述之偏離情況除外。

守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會及均衡了解股東的意見。

由於其他必須處理的預先安排公務，

- (i) 鄭啟成博士及杜東尼博士(均為獨立非執行董事)未出席於二零一七年三月十日舉行的本公司股東特別大會；及
- (ii) 繆希先生(獨立非執行董事)未出席於二零一七年五月二十六日舉行的股東週年大會。

然而，(i)周志華先生及繆希先生(均為獨立非執行董事)已出席上述於二零一七年三月十日舉行的股東特別大會；及(ii)杜東尼博士及劉簡怡女士(均為獨立非執行董事)已出席上述於二零一七年五月二十六日舉行的股東週年大會。

因此，董事會認為已採取充分措施確保本公司的企業管治常規不比企業管治守則寬鬆。

CORPORATE GOVERNANCE REPORT

企業管治報告

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”) contained in Appendix 10 to the Listing Rules as the code of conduct regarding directors’ securities transactions. In response to the specific enquiry made by the Company, all Directors confirmed that they fully complied with the required standard as set out in the Model Code throughout the Year under Review.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprised three executive Directors and three independent non-executive Directors, all of them are high caliber executives with diversified industry expertise and bring a wide range of skills and experience to the Group.

Executive Directors

Mr. Kitchell Osman Bin (*Acting Chairman*)
Mr. Shimazaki Koji
Ms. Choi Ka Wing

Independent non-executive Directors

Dr. Santos Antonio Maria
Mr. Miu Frank H.
Ms. Liu Jianyi (appointed on 4 May 2017)

An updated list of Directors by category identifying their role and function is at all times available on the websites of the Company and the Stock Exchange. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of Directors are disclosed.

Details of the biographies of Directors as at the date of this annual report are set out in section “Profile of Directors and Senior Management” on pages 19 to 23 of this annual report. There are no relationship (including financial, business, family or other material or relevant relationship) among members of the Board.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十上市發行人董事進行證券交易的標準守則(「標準守則」)為董事進行證券交易之操守守則。經本公司作出具體查詢後，全體董事確認，彼等於回顧年度內一直全面遵守標準守則所載之相關準則。

董事會

於本年報日期，董事會由三名執行董事及三名獨立非執行董事組成，彼等均為高水平之行政人員，具有不同行業專長，並為本集團帶來各種技能與經驗。

執行董事

Kitchell Osman Bin先生(署理主席)
嶋崎幸司先生
蔡家穎女士

獨立非執行董事

杜東尼博士
繆希先生
劉簡怡女士(於二零一七年五月四日獲委任)

按類別劃分的董事最新名單(註明董事角色及職能)，一直可在本公司及聯交所網站查閱。所有公司通訊在披露董事姓名時，均明確註明獨立非執行董事。

於本年報日期的董事履歷詳情載於本年報第19至23頁之「董事及高級管理層簡介」一節。董事會成員之間並無關係(包括財務、業務、家庭或其他重大或相關關係)。

CORPORATE GOVERNANCE REPORT

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During the Year under Review, the Board maintained a high level of independence, of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The non-executive Directors play an important role of the Board and are responsible for ensuring that the Board maintains high standards of financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding the interest of Shareholder and the Group as a whole.

The Board has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Board considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Meetings

Attendance of individual Directors at annual general meeting, special general meetings, Board meetings and other committee meetings during the Year under Review are as follows:

於回顧年度，董事會維持高度獨立性，有最少三名獨立非執行董事（佔董事會至少三分之一），其中至少一名具備適當的專業資格或會計或相關財務管理專長。非執行董事在董事會中發揮重要作用，負責確保董事會維持財務及其他強制報告的高標準，並提供足夠的制衡，以維護股東及本集團的整體利益。

董事會已收到每名獨立非執行董事的書面年度確認，確認其根據上市規則的規定屬獨立。按照上市規則所載獨立性指引，董事會認為所有獨立非執行董事屬獨立。

會議

於回顧年度，各董事出席股東週年大會、股東特別大會、董事會會議及其他委員會會議之出席率如下：

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		Number of meetings attended/held during the respective tenure 相關任期內出席/舉行之會議數目					
		Annual general meeting 股東週年 大會	Special general meetings 股東特別 大會	Board meetings 董事會 會議	Audit Committee meetings 審核委員會 會議	Nomination Committee meetings 提名委員會 會議	Remuneration Committee meetings 薪酬委員會 會議
Executive Directors		執行董事					
Kitchell Osman Bin	Kitchell Osman Bin	1/1	1/1	30/30	N/A 不適用	N/A 不適用	N/A 不適用
Shimazaki Koji	嶋崎幸司	1/1	1/1	29/30	N/A 不適用	N/A 不適用	N/A 不適用
Choi Ka Wing	蔡家穎	1/1	1/1	29/30	N/A 不適用	N/A 不適用	N/A 不適用
Wong Yat Fai (resigned on 10 April 2017)	王溢輝(於二零一七年四月十日辭任)	N/A 不適用	1/1	12/13	N/A 不適用	N/A 不適用	N/A 不適用
Independent non-executive Directors		獨立非執行董事					
Santos Antonio Maria	杜東尼	1/1	0/1	17/30	4/4	1/1	1/1
Miu Frank H.	繆希	0/1	1/1	17/30	4/4	1/1	1/1
Liu Jianyi (appointed on 4 May 2017)	劉簡怡(於二零一七年五月四日獲委任)	1/1	N/A 不適用	8/14	2/2	N/A 不適用	N/A 不適用
Chow Chi Wah Vincent (resigned on 10 April 2017)	周志華(於二零一七年四月十日辭任)	N/A 不適用	1/1	7/13	2/2	N/A 不適用	N/A 不適用
Kwong Kai Sing Benny (resigned on 4 May 2017)	鄭啟成(於二零一七年五月四日辭任)	N/A 不適用	0/1	8/15	2/2	N/A 不適用	N/A 不適用

The company secretary of the Company (the “Company Secretary”) also attended the annual general meeting of the Company (the “AGM”) together with external auditor, Crowe Horwath (HK) CPA Limited, to answer any question from the Shareholders. All Directors treasure the opportunities to canvass the views of the Shareholders at the AGM held annually.

本公司之公司秘書(「公司秘書」)·連同外聘核數師國富浩華(香港)會計師事務所有限公司亦已出席本公司之股東週年大會(「股東週年大會」)·解答股東提問。全體董事重視於每年舉行之股東週年大會上徹底了解股東意見之機會。

CORPORATE GOVERNANCE REPORT

企業管治報告

Responsibilities, accountabilities and contributions of the Board

The Board, led by the chairman, steers the Company's business direction. It is delegated with responsibilities of executing the Board's decision, including setting business development goals, monitoring the financial performance, ensuring effective implementation of internal control and risk management measures and overseeing the performance of management, and in-charging day-to-day operation. The Board takes responsibility for all major matters of the Company. All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and the Shareholders at all times.

The day-to-day management, administration and operation of the Company are led by executive Directors and senior management of the Company. All Directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management of the Company, with a view to ensuring the Board procedures and all applicable laws and regulations are followed. In discharge its responsibilities, the Board meets regularly and acts in good faith, with due diligence and care. Any Director may request independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board.

Chairman and chief executive officer

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The chairman provides leadership for the Board and ensures that the Board works effectively and discharges its responsibility whilst the chief executive officer of the Company has overall chief executive responsibility for the Group's business development and day-to-day management generally. Since appointment of new executive Directors and general manager of the Company on 28 January 2016, the responsibilities of chief executive officer have been passed to the executive Directors and general manager of the Company.

董事會的職責、問責及貢獻

董事會由主席領導，指引本公司的業務方向。董事會獲授予執行董事會決定(包括制定業務發展目標、監督財務表現、確保有效實施內部監控及風險管理措施，並監察管理層表現)及負責日常經營的職責。董事會對本公司的所有重大事宜負責。所有董事已遵照適用法律及法規履行誠信職責，客觀作出決定，並始終按符合本公司及股東利益的方式行事。

本公司的日常管理、行政及經營由本公司執行董事及高級管理層領導。為確保遵守董事會程序及所有適用法律法規，全體董事均可及時獲得相關資料以及公司秘書與本公司高級管理層的意見及服務。在履行其職責時，董事會定期會面，並善意行事，盡職盡責。在向董事會提出合理要求後，任何董事均可在適當情況下尋求獨立專業意見，開支由本公司承擔。

主席及行政總裁

根據企管守則之守則條文第A.2.1條，主席及行政總裁之角色應作區分，不應由同一人擔任。主席負責領導董事會及確保董事會有效運作及履行其職責，而行政總裁須負責本集團一般業務發展及日常管理之整體執行工作。自於二零一六年一月二十八日委任本公司新執行董事及總經理起，行政總裁之職權已轉交本公司執行董事及總經理。

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Directors' continuous professional development

To ensure Directors' contributions to the Board remains informed and relevant, all the Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skill. During the Year under Review, the Company (i) has arranged in-house training conducted by The Hong Kong Institute of Directors for the Directors and senior executives; and (ii) has provided with regular updates, presentations on changes and developments of the Group's business and the latest developments in laws, rules and regulations relating to director's duties and responsibilities.

Appointment and re-election of Directors

Each of the non-executive Directors has entered into an appointment letter with the Company for a term of two years. Furthermore, in accordance with the bye-laws of the Company (the "Bye-laws"), one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

According to the Bye-laws, Directors appointed to fill casual vacancies shall hold office until the next following general meeting and can be eligible for re-appointment at that time. According to Code Provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific terms, should be subject to retirement by rotation at least once every three years.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentations for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's business and activities.

董事持續專業發展

為確保董事對董事會的貢獻具有知情性及相關性，所有董事均獲鼓勵參與持續專業發展，以發展及更新其知識與技能。於回顧年度，本公司(i)已安排香港董事學會對董事及高級執行人員進行內部培訓，及(ii)已定期提供有關本集團業務的最新資料、變動及發展報告以及與董事職責有關的法律、規則及法規的最新發展。

委任及重選董事

各非執行董事均與本公司訂立為期兩年之委任書。此外，根據本公司之公司細則(「公司細則」)，當時的三分之一在任董事須輪值退任，惟每名董事最少須每三年輪值退任一次。

根據公司細則，董事如獲委任以填補臨時空缺，其任期僅至下次舉行股東大會為止，屆時符合資格可重選連任。根據企管守則之守則條文第A.4.2條，所有為填補臨時空缺而獲委任之董事應在接受委任後之首次股東大會上經由股東選舉。每名董事(包括有指定任期之董事)應至少每三年輪值退任一次。

新董事在獲委任後將會取得就任資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

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Insurance of the Directors and officers

The Company has bought liability insurance for Directors and officers in respect of legal action against the Directors and officers which is in compliance with Code Provision A.1.8 of the CG Code.

Board diversity policy

Under Code Provision A.5.6 of the CG Code, the nomination committee (or the board) should have a policy concerning diversity of board member, and should disclose the policy in the Corporate Governance Report.

The Board adopted a board diversity policy (the “Board Diversity Policy”) on 26 August 2013. The Company recognises and embraces the benefits of having a diverse Board and endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. In determining the optimum composition of the Board and diversity of Board members, the Board will consider a number of factors in order to maintain an appropriate range and balance of talents, skills, experience and knowledge on the Board. The Company will also take into account its own business model and specific needs from time to time.

BOARD COMMITTEES

The Board has established various committees, including a Remuneration Committee, an Audit Committee and a Nomination Committee, each of which has its specific written terms of reference, which are available on the websites of the Stock Exchange and the Company. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decisions and recommendations where appropriate.

董事及高級職員保險

本公司已為董事及高級職員投購責任保險，為董事及高級職員面對法律行動提供保障，符合企管守則之守則條文第A.1.8條。

董事會多元化政策

根據企管守則之守則條文第A.5.6條，提名委員會(或董事會)應訂有涉及董事會成員多元化之政策，並於企業管治報告內披露有關政策。

董事會於二零一三年八月二十六日採納董事會成員多元化政策(「董事會多元化政策」)。本公司明白並深信擁有一個成員多元化之董事會之益處，並盡力確保董事會具備平衡之技能、經驗及多元化，適合本公司業務所需。為釐定董事會之最佳組合，董事會將以多項因素考慮董事會成員之多元化，以保持董事會於才幹、技能、經驗及知識方面有恰當之比重及平衡。本公司亦會不時考慮其自身之業務模式及特定需求。

董事會委員會

董事會已設立不同委員會，包括薪酬委員會、審核委員會及提名委員會。每個委員會均以書面具體列明其各自之職權範圍，可於聯交所及本公司網站閱覽。該等委員會之所有會議記錄及決議案之副本由公司秘書保管，並發送予所有董事委員會成員傳閱，而該等委員會須於適當時候向董事會匯報彼等之決定及推薦意見。

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Audit committee

The main role and functions of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting, risk management and internal control systems. The Audit Committee shall also have the following responsibilities, power and discretion, among others, reviewing the financial information of the Company, overseeing the Company's financial reporting system and internal control procedure, and maintaining relations with the auditor of the Company. The Audit Committee has also been delegated with the responsibilities to oversee the corporate governance functions, which include developing, reviewing and monitoring the Company's policies and practices on corporate governance, legal and regulatory requirements compliance; and reviewing the Company's compliance with the corporate governance code and disclosure in the Corporate Governance Report. A new Terms of Reference of the Audit Committee was adopted on 30 March 2016 so as to ensure the function of overseeing financial reporting system, risk management and internal control systems can be properly performed by the Audit Committee.

During the Year under Review and up to the date of this annual report, the Audit Committee mainly performed the following duties:

- reviewed the Group's audited annual results for the years ended 31 December 2016 and 2017 and the unaudited interim results of the Group for the six months ended 30 June 2017, met with external auditors without presence of executive Directors to discuss such interim and annual results, also any significant matters need to be reflected in such accounts and reports and qualified opinion for 2016 and 2017 audited annual results and qualified conclusion for 2017 interim results respectively, and was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made;

審核委員會

審核委員會的主要角色及職能是透過檢討及監督本公司的財務報告、風險管理及內部監控系統，協助董事會履行審核職責。審核委員會亦有下列責任、權力及酌情權：(其中包括)審閱本公司的財務資料、監督本公司的財務報告系統及內部監控程序，維持與本公司核數師的關係。審核委員會亦獲授予監督企業管治職能的職責，包括制定、檢討及監督本公司有關企業管治、遵守法律及監管要求的政策及常規；以及檢討本公司遵守企業管治守則的情況及企業管治報告中的披露。審核委員會於二零一六年三月三十日採納新的職權範圍，以確保審核委員會可適當履行監督財務報告系統、風險管理及內部監控系統的職能。

於回顧年度及直至本年報日期，審核委員會主要履行了下列職能：

- 審閱本集團截至二零一六年及二零一七年十二月三十一日止年度的經審核年度業績與本集團截至二零一七年六月三十日止六個月的未經審核中期業績，在無執行董事出席的情況下與外聘核數師會面，討論該等中期及年度業績、需要反映在該等賬目及報告中的任何重大事項，以及二零一六年及二零一七年經審核年度業績中的保留意見與二零一七年年中期業績中的保留結論，並認為，相關財務報表的編製符合適用的會計準則及要求，並已作出充分披露；

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- reviewed the accounting principles and practices adopted by the Group;
 - recommended the appointment of the external auditors;
 - assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management; and
 - assessed the impact on the Group in respect of unconsolidated subsidiary namely Xiamen Sunflower Mingde Business Services Co. Ltd. for the year ended 31 December 2015 and for the period from 1 January 2016 to 9 March 2016 (date of disposal) with reference to the reports prepared by an independent accountants.
- 檢討本集團採納的會計原則及常規；
 - 建議委任外聘核數師；
 - 協助董事會履行維持有效的內部監控及風險管理系統的職責；及
 - 參考獨立會計師編製的報告，評估截至二零一五年十二月三十一日止年度以及二零一六年一月一日至二零一六年三月九日(出售日期)不綜合入賬附屬公司(即廈門盛福明德商務服務有限公司)對本集團的影響。

During the Year under Review, the Audit Committee held four meetings and the details of attendance was set out on page 27 of this annual report.

於回顧年度內，審核委員會已舉行四次會議，出席詳情載列於本年報第27頁。

As at the date of this annual report, the Audit Committee composed of three independent non-executive Directors, Mr. Miu Frank H. (chairman of the Audit Committee), Dr. Santos Antonio Maria and Ms. Liu Jianyi.

於本年報日期，審核委員會由三名獨立非執行董事組成，即繆希先生(審核委員會主席)、杜東尼博士及劉簡怡女士。

Nomination committee

The Nomination Committee was established with the primarily responsibilities of reviewing the structure, size and composition of the Board, identifying and recommending individuals nominated for directorships, assessing the independence of independent non-executive Directors, monitoring the implementation of and reviewing the Board Diversity Policy so as to ensure its effectiveness.

提名委員會

本公司已成立提名委員會，主要負責檢討董事會之架構、規模及組成，甄選並推薦候選人出任董事，評估獨立非執行董事之獨立性，監察董事會多元化政策之執行情況及檢討董事會多元化政策，以確保其有效性。

During the Year under Review, the Nomination Committee held one meeting, among others, to consider the appointment of proposed Directors, review of the existing structure, size and composition of the Board and assessed the independence of independent non-executive Directors. The details of attendance was set out on page 27 of this annual report.

於回顧年度，提名委員會已舉行一次會議。提名委員會考慮(其中包括)建議委任董事之人選，檢討董事會現行架構、人數及組成，以及評估獨立非執行董事之獨立性。出席詳情載列於本年報第27頁。

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As at the date of this annual report, the Nomination Committee composed of three independent non-executive Directors, Ms. Liu Jianyi (chairman of the Nomination Committee), Dr. Santos Antonio Maria and Mr. Miu Frank H..

Remuneration committee

The Remuneration Committee of the Company was set up with key responsibilities of, among others, recommending to the Board on the Group's policy and structure for the remuneration of all Directors and senior management and on the remuneration packages of individual executive Directors and senior management.

During the Year under Review, the Remuneration Committee held one meeting, among others, to make recommendation to the Board of the remuneration package regarding the newly appointed Director. The details of attendance was set out on page 27 of this annual report.

As at the date of this annual report, the Remuneration Committee composed of three independent non-executive Directors, Ms. Liu Jianyi (chairman of the Remuneration Committee), Dr. Santos Antonio Maria and Mr. Miu Frank H..

Details of the remuneration of each Director for the Year under Review are set out in note 16 to the consolidated financial statements contained in this annual report.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the Year under Review, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and CG Code and disclosure in this corporate governance report.

於本年報日期，提名委員會由三名獨立非執行董事劉簡怡女士(提名委員會主席)、杜東尼博士及繆希先生組成。

薪酬委員會

本公司薪酬委員會已成立，主要職責為(其中包括)就本集團有關全體董事與高級管理層之薪酬政策及架構以及各個別執行董事與高級管理層之薪酬向董事會提供建議。

於回顧年度，薪酬委員會已舉行一次會議，以(其中包括)就新委任董事的薪酬向董事會作出推薦。出席詳情載列於本年報第27頁。

於本年報日期，薪酬委員會由三名獨立非執行董事劉簡怡女士(薪酬委員會主席)、杜東尼博士及繆希先生組成。

回顧年度每名董事的薪酬詳情載列於本年報所載綜合財務報表附註16。

企業管治職能

董事會負責履行企管守則之守則條文第D.3.1條所載職能。

於回顧年度，董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司有關遵守法律及監管要求的政策及常規、遵守標準守則及企管守則，以及本企業管治報告中的披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to complying with legal and regulatory requirements in relation to governance, risk management, compliance and internal control of operations of the Company. The Board acknowledges that it has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take to achieve the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Board, supported by the Audit Committee as well as the management of the Company, engaged an independent advisory firm to conduct a review of the Company's risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2017. The review also covered but not limited to the adequacy of resources in accounting, financial reporting and internal audit functions, as well as the adequacy of staff qualifications and experience.

The Board and Audit Committee are sufficiently versed in governance, risk management, compliance and internal control. Risk management is reviewed by the management of the Company according to its functional needs. The business structure is top-down and hierarchical. The Company is committed to the compliance with relevant legal and regulatory requirements. Risk analysis mainly focuses on the current strategic, financial and operational situation of the Company.

In setting up the risk management and internal control systems, the Company's objectives are as follows:

- Identify risks that may potentially impact the Company's performance
- Introduce appropriate controls to manage identified risks

風險管理及內部監控

董事會致力於遵守有關本公司業務的管治、風險管理、合規及內部監控的法律及監管要求。董事會承認其整體負責評估及釐定其在實現本公司的戰略目標時願意承擔的風險之性質及程度，並建立及維持適當有效的風險管理及內部監控系統。

董事會受審核委員會及本公司管理層支持，已委聘一間獨立諮詢公司對本公司截至二零一七年十二月三十一日止年度的風險管理及內部監控系統(包括財務、經營及合規監控)進行檢討。檢討亦涵蓋會計財務匯報及內部審核職能以及員工資歷及經驗與相關資源的充足性。

董事會及審核委員會充分熟悉管治、風險管理、合規及內部監控。風險管理由本公司管理層根據其職能需要檢討。業務架構則是自上而下及分層次的。本公司致力於遵守相關法律及監管要求。風險分析主要側重本公司當前的戰略、財務及經營狀況。

在建立風險管理及內部監控系統時，本公司的目標如下：

- 識別可能影響本公司表現的風險
- 採取適當的控制措施管理已識別的風險

CORPORATE GOVERNANCE REPORT

企業管治報告

- Provide the Board and management of the Company with reasonable assurance that the Company's business objectives will be achieved

An independent risk assessment and internal control review of the adequacy and effectiveness of the risk management and internal control systems has been performed by an independent advisory firm during the year. This review has been conducted based on risk parameters such as the probability and hazard of the risks, critical points that may trigger the risk control measures, and the prioritization of risk control, among others. Relevant information has been collected through the management during the assessment period to classify and analyse the risk sources identified and to make reasonable estimates about the probability of the risks as well as the losses they may generate.

The risk management function in place in the Company is largely top-down, involving the Board, the Audit Committee, and key business units. All these play an important role in ensuring that risks are properly managed. During the independent review, key issues in relation to financial, information technology, operational and compliance controls and risk management functions have been examined, on which findings and recommendations for improvement have been provided to the Audit Committee.

The Company has carried out improvement measures in accordance with the findings of the review during the year, and it is expected that ongoing review of the same nature will be conducted in subsequent years.

The Company identifies risks from a long-term perspective instead of concentrating only on medium and short-term risks. It has entered a strategic alliance with Enerchina for the promotion, advancement and development of their mutual financial services business. Enerchina and the Company will exchange knowledge on risk management and internal controls, as well as refer business opportunities, share market intelligence for the mutual benefit of our businesses.

- 向董事會及本公司管理層有關將實現本公司業務目標的合理保證

年內，本公司已委聘一家獨立諮詢公司對風險管理及內部監控系統的充分性及有效性進行風險評估及內部監控檢討。該檢討乃基於風險的機率及危害、可能觸發風險控制措施的臨界點及風險控制的優先順序等風險參數進行。評估期間內，已透過管理層收集相關資料，分類並分析所識別的風險來源，並對風險機率及可能產生的損失作出合理估計。

本公司現有的風險管理職能主要為自上而下，涉及董事會、審核委員會及主要業務單位。該等單位均對確保適當管理風險發揮重要作用。在獨立檢討期間，已審查有關財務、資訊科技、經營及合規控制以及風險管理職能的關鍵問題，並已向審核委員會提供結果及改進建議。

年內，本公司已按照風險管理及內部監控檢討結果採取了改善措施，並預期於未來幾年持續進行同類檢討。

本公司從長遠角度識別風險，而非僅關注中短期風險。本公司已與威華達建立戰略聯盟，以共同促進、推動及發展金融服務業務。威華達與本公司將交換風險管理及內部監控知識，並在適當時候介紹商機，共享市場情報，以實現彼此業務互惠互利。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board together with the management is confident in complying with the Listing Rules and SFC requirements. The Company considers that being a Hong Kong listed company is a competitive advantage for attracting potential clients and business partners. Thus, the Company's reputation is vital in boosting its business in financial services.

Compliance with relevant laws and regulations is essential for the Company. The management of the Company are experienced in the banking and corporate finance industries. Employees of the brokerage firm are qualified traders and are encouraged to strictly follow the "Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commissions", and abide with various securities insider trading regulations. The Board has considered the level of attention that the Company has given to compliance, and assessed that the risk of violations or breaches remains low.

The Board has also assessed the Company from the financial prospective. As stated in this annual report, most of the business transactions, assets and liabilities of the Company are recorded in both HKD and USD. The Company's exposure to currency risk has been minimal as the Hong Kong dollar is pegged to the United States dollar. Although the Company has not entered into any hedging or other instrument to reduce currency risks, the management closely monitors the Company's exposure to the fluctuation of exchange rates and taken appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation. The current financial position of the Company is assessed to be healthy. The Company's prospect for future business growth was assessed to be positive. The cash flow, liquidity, accounts receivable and the accounts payable were well-managed. The Company has closely monitored the financial position and maintained sufficient cash balances for the business operations, and will continue to do so to ensure the financial status of the Company is healthy.

董事會與管理層有信心遵守上市規則及證監會的要求。本公司認為，作為香港上市公司是吸引潛在客戶及業務夥伴的一項競爭優勢。因此，本公司的聲譽對推動本公司在金融服務行業的發展至關重要。

遵守相關法律法規對本公司至關重要。本公司管理層在銀行及企業融資行業具有豐富經驗。經紀公司的僱員為合資格的交易員，並被敦促嚴格遵守《證券及期貨事務監察委員會持牌人或註冊人操守準則》及各項證券（內幕交易）條例。考慮到本公司對監管問題的重視程度，董事會認為本公司觸犯或違反有關規定的風險較小。

從財務角度看，如本年報所述，本公司大部分業務交易、資產及負債以港元及美元入賬。由於港元與美元掛鈎，故本公司面臨之貨幣風險屬輕微。雖然本公司未有任何對沖及其他金融工具以減低外匯風險，但管理層已經密切監察本公司由於匯率波動可能承擔之風險，並於必要時採取適當之措施以減低因有關波動而可能造成的任何不利影響。本公司當前的財務狀況穩健。本公司已為未來業務增長奠定穩固基礎。此外，本公司的現金流、流動資金及應收及應付賬款均穩妥可控。本公司密切監察財務狀況，並為業務經營維持充足的現金結餘，以確保本公司的財務地位穩健。

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Currently, John & Wong relies on the software for securities trading. The procurement and maintenance of the software is outsourced to a vendor authorised by the SFC, which reduces the risk of instability of the trading system. John & Wong does not engage in online securities trading, and has no plan to develop securities trading on the internet in the near future. As the size of the John & Wong's customer base and its securities trading business continue to expand, the Company may consider outsourcing the development of an internet trading platform to external software companies.

The Company has developed its disclosure policy which provides a general guide to the Directors, officers, senior management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

In general, the Company has established and maintained appropriate and effective risk management and internal control systems for the year ended 31 December 2017.

AUDITOR INDEPENDENCE AND REMUNERATION

Crowe Horwath (HK) CPA Limited ("Crowe Horwath") has been appointed by the Board on 2 February 2017 as the new auditor of the Group to fill the casual vacancy occasioned by the resignation of Deloitte Touche Tohmatsu for the financial year ended 31 December 2016, Crowe Horwath was retired and was re-appointed as the auditor of the Group at annual general meeting of the Company held on 26 May 2017. Save as disclosed above, there was no change in auditors of the Company in any of preceding three years.

Crowe Horwath, as the external auditor of the Company for the year ended 31 December 2016 attended the 2016 annual general meeting of the Company to response to any enquiries about the conduct of the audit, the preparation and content of the independent auditor's report and the auditor's independence.

目前，宏昌依賴軟件進行證券交易，而軟件的採購及維護已經外判予經證監會授權的一家供應商，這降低了交易系統不穩定的風險。宏昌不從事網上證券交易，且近期並無計劃為宏昌的客戶發展互聯網交易。然而，在宏昌的客戶基礎及規模擴大至一定程度後，本公司可能考慮將互聯網交易平台的開發外判予外部軟件公司。

本公司已制定披露政策，向本公司董事、高級人員、高級管理層及相關僱員提供有關處理機密資料、監控資料披露及回應查詢的一般指引。本公司已實施控制程序，以嚴禁未經授權訪問及使用內幕消息的情況。

整體而言，本公司已在截至二零一七年十二月三十一日止年度建立及維持適當有效的風險管理及內部監控系統。

核數師之獨立性及酬金

國富浩華(香港)會計師事務所有限公司(「國富浩華」)已於二零一七年二月二日獲董事會委任為本集團新核數師，以填補截至二零一六年十二月三十一日止財政年度德勤•關黃陳方會計師行辭任後產生的臨時空缺。國富浩華於二零一七年五月二十六日舉行的本公司股東週年大會上退任並獲續聘為本集團核數師。除上文所披露者外，前三個年度本公司核數師並無變動。

國富浩華作為本公司截至二零一六年十二月三十一日止年度的外聘核數師出席了本公司二零一六年股東週年大會，以回應有關進行審核、獨立核數師報告的編製及內容以及核數師獨立性的疑問。

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During the Year under Review, remuneration in respect of audit and non-audit services provided by Crowe Horwath to the Group was approximately HK\$1,200,000 and approximately HK\$500,000 respectively.

The Audit Committee is mandated to monitor the independence of the external auditor to ensure the objectivity in the financial statements. Members of the Audit Committee are of the view that the Company's external auditor is independent.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year under Review. The auditor of the Company acknowledges its reporting responsibilities in the auditor's report on the financial statements for the Year under Review. The statement made by the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 53 to 66 of this annual report.

COMPANY SECRETARY

Ms. Liu Tsui Fong ("Ms. Liu") was appointed as the Company Secretary on 16 August 2016. Ms. Liu is a fellow member of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators.

The Company Secretary assists the Board in preparing the agenda of the Board meetings and ensures all relevant rules and regulations of the procedures of such meeting are complied with. The Company Secretary files for and maintains the detailed minutes of each Board meeting, and makes such minutes available and accessible for all Directors.

於回顧年度內，國富浩華向本集團提供的審核及非審核服務的酬金分別約1,200,000港元及約500,000港元。

審核委員會獲授權監察外聘核數師之獨立性，以確保財務報表能提供客觀意見。審核委員會成員認為本公司之外聘核數師乃屬獨立。

董事及核數師有關財務報表之責任

董事確認彼等對編製本公司於回顧年度之財務報表負責。本公司核數師確認其有責任就於回顧年度財務報表之匯報責任發出核數師報告。本公司核數師就其對財務報表之匯報責任作出之聲明載於本年報第53至66頁之獨立核數師報告。

公司秘書

廖翠芳女士（「廖女士」）於二零一六年八月十六日獲委任為公司秘書。廖女士為英國特許公認會計師公會及香港會計師公會資深會員，以及香港特許秘書公會及英國特許秘書及行政人員公會會員。

公司秘書協助董事會編製董事會會議議程，確保會議過程遵守所有相關規則及規例。公司秘書編製及保管每次董事會會議之詳細紀錄，並確保所有董事可獲得及參閱會議記錄。

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According to Rule 3.29 of the Listing Rules, the Company Secretary has taken not less than 15 hours of relevant professional training for the Year under Review.

根據上市規則第3.29條，於回顧年度，公司秘書已參與不少於十五小時的相關專業培訓。

INVESTOR RELATIONS

Constitutional documents

During the Year under Review, the Company did not make any changes to the memorandum of association of the Company and Bye-laws, and the current version of which are available on the websites of the Stock Exchange and the Company.

投資者關係

憲章文件

於回顧年度，本公司並無修改本公司之組織章程大綱及公司細則，現行版本可於聯交所及本公司之網站查閱。

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good and effective communication with its shareholders. Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formal channels, which include interim reports, annual reports, announcements, notices and circulars, which are published on the website of the Stock Exchange and the Company's own website (www.imagi.com.hk).

與股東之溝通

董事會承認與其股東保持良好及有效溝通之重要性。有關本集團之資料乃透過多種正式渠道適時向股東傳達，包括於聯交所網站及本公司自身網站(www.imagi.com.hk)內刊登之中期報告、年報、公告、通告及通函。

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the Shareholders. The Directors actively seeks to participate at the annual general meeting and to answer any questions from the Shareholders. A circular for annual general meeting is distributed to all Shareholders at least either 21 calendar days or 20 clear business days, whichever is longer, prior to annual general meeting, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information.

本公司股東週年大會乃董事會直接與股東溝通之寶貴平台。董事務求積極參與股東週年大會，並回應股東之任何詢問。股東週年大會之通函於股東週年大會舉行前至少21個曆日或20個完整營業日(以較長者為準)發送予全體股東，其載列每項擬提呈決議案之詳情、投票程序(包括要求以投票方式進行表決之程序)及其他相關資料。

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SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Shareholders.

Way to convene a special general meeting

According to Bye-law 58, Shareholder(s) holding at the date 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 to require a special general meeting to be called by the Board. The requisition shall be in writing stating the purposes of the meeting, signed by the requisitionists, addressed to the Board or the Company Secretary and deposited at the principal place of business in Hong Kong of the Company.

In accordance with the law of Bermuda, if the Board do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for putting enquiries to the Board

Shareholders may at any time put their enquires to the Board in writing by sending to the principal place of business in Hong Kong of the Company or to the email address investor@imagi.com.hk for the attention of the Board or the Company Secretary.

股東權利

股東享有之若干權利概述如下。

股東特別大會之召開方式

根據公司細則第58條，於呈交申請書當日持有不少於本公司已繳足股本十分之一併附有可於本公司股東大會上投票之權利之股東，應始終有權要求董事會召開股東特別大會。申請書須以書面述明會議目的，經申請者簽署後送達本公司於香港之主要營業地點，收件人為董事會或公司秘書。

根據百慕達法例，倘董事會於收到申請書二十一日內未有妥為安排召開會議，申請者或佔超過彼等總投票權半數之申請者，可自行召開會議，惟以此方式召開之任何會議不得於由上述日期起計三個月屆滿後召開。

向董事會提出查詢之程序

股東可隨時以書面形式向董事會提出查詢，查詢文件可寄往本公司於香港之主要營業地點或發送至電子郵箱investor@imagi.com.hk，收件人為董事會或公司秘書。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for putting forward proposals at Shareholders' meeting

In accordance with the law of Bermuda, Shareholders representing (a) not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting; or (b) not less than one hundred Shareholders shall have the right to put forward resolution to be dealt with at a meeting at their own expense.

The requisition shall be in writing stating (a) the proposed resolution(s) to be dealt with; and (b) a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution(s) (if any), signed by the requisitionists, addressed to the Board or the Company Secretary and deposited at the principal place of business in Hong Kong of the Company.

The Board will give the Shareholders notice of the proposed resolution(s) and circulate any statement relating to the proposed resolution(s).

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders are also welcome.

提呈股東大會議案之程序

根據百慕達法例，股東代表(a)不少於提出申請書當日有權於股東大會上投票之全體股東總投票權二十分之一；或(b)人數不少於一百名股東，應有權提呈決議案於大會上處理，惟須自行支付有關費用。

申請書須以書面述明(a)提呈處理之決議案；及(b)不超過一千字有關提呈之決議案事宜(如有)之陳述書，經申請者簽署後送達本公司於香港之主要營業地點，收件人為董事會或公司秘書。

董事會將就所提呈之決議案向股東發出通知，並刊發有關提呈決議案之陳述書。

提升企業管治水平

提升企業管治並非單純應用及遵守企管守則，乃關乎推動及建立道德與健全之企業文化。本公司將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司亦歡迎股東提供任何意見及建議。

DIRECTORS' REPORT

董事會報告

The Directors present the annual report and the audited consolidated financial statements of the Company for the Year under Review.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set in note 43 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the Year under Review are set out in the consolidated statement of profit or loss and other comprehensive income on pages 67 to 69.

The Directors do not recommend the payment of a dividend for the Year under Review (2016: Nil).

BUSINESS REVIEW

A review of the business of the Group for the Year under Review, which includes a discussion of financial and operational review and particulars of important events affecting the Group that have occurred during the Year under Review and up to the date of this annual report, is set out in the sections "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. The review forms part of this directors' report.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 232. Such summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year under Review are set out in note 19 to the consolidated financial statements.

董事謹此提呈本公司於回顧年度之年報及經審核綜合財務報表。

主要業務

本公司乃投資控股公司，其主要附屬公司之業務載於綜合財務報表附註43。

業績及股息

本集團於回顧年度之業績載於第67至69頁之綜合損益及其他全面收入表內。

董事不建議派發於回顧年度之股息(二零一六年：無)。

業務回顧

本集團於回顧年度之業務回顧(包括有關財務及營運回顧之討論以及回顧年度內及直至本年報日期發生且對本集團產生影響之重要事件之詳情)載於本年報「主席報告」及「管理層討論及分析」等章節。該回顧構成本董事會報告之一部分。

財務概要

本集團於過去五個財政年度之業績、資產與負債概要乃摘錄自己公佈之經審核財務報表，載於第232頁。該概要並不構成經審核財務報表之一部分。

物業、廠房及設備

本集團於回顧年度之物業、廠房及設備變動詳情載於綜合財務報表附註19。

DIRECTORS' REPORT

董事會報告

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year under Review are set out in note 34 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of movements in reserves of the Group and the Company during the Year under Review are set out in the consolidated statement of changes in equity on pages 72 to 75 and note 42 to the consolidated financial statements respectively. During the Year under Review, no reserves had been utilised for distribution. As at 31 December 2017, the Company's reserves that were available for distribution to the Shareholders amounted to HK\$750,138 (2016: HK\$1,061,415,000).

PLEDGE OF ASSETS

As at 31 December 2017, held-for-trading investments and available-for-sale investments of approximately HK\$432 million and HK\$43 million respectively (31 December 2016: held-for-trading investments of approximately HK\$586 million) was pledged to a financial institution to secure margin financing facilities provided to the Group.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

股本

本公司於回顧年度之股本變動詳情載於綜合財務報表附註34。

可供分派儲備

本集團及本公司於回顧年度之儲備變動詳情分別載於第72至75頁之綜合權益變動表及綜合財務報表附註42。於回顧年度，並無儲備已用作分派。於二零一七年十二月三十一日，本公司可供分配予股東之儲備餘額為750,138港元(二零一六年：1,061,415,000港元)。

資產抵押

於二零一七年十二月三十一日，分別約432,000,000港元及約43,000,000港元的持作買賣投資及可供出售投資(二零一六年十二月三十一日：持作買賣投資約586,000,000港元)已抵押予金融機構，作為授予本集團的孖展融資信貸之擔保。

優先認購股權

公司細則或百慕達法例均無有關優先認購權之規定而促使本公司須按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司的上市證券

本公司或其任何附屬公司於回顧年度概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

Relationship is the fundamentals of the business. In view of the operation of the business, the Group did not have any major customer and supplier that have significant influence on the operations. However, the Group strived to maintain fair and co-operating relationship with the customers and suppliers.

STAKEHOLDER ENGAGEMENT

Continuous dialogue is maintained with stakeholders that include customers, employees, regulators and the public. The Company seeks to balance the views and interests of these various stakeholders through constructive conversations with a view to charting a course for the long-term prosperity of the Company and the communities we touch.

Employees

Hard-working and dedicated employees are the backbone of a company. The Company treasures its loyal and industrious staff members. In addition, it adopts non-discriminatory hiring and employment practices and strives to provide a safe and healthy workplace.

Government/Community

We recognised the importance of contributing within the local community and we encourage our people to develop close links with charities, schools and other institutions, both locally and nationally, to help to build more economically sustainable local environments. Strenuous efforts are exerted to ensure compliance with the laws and regulations of the jurisdictions in which the Company operates.

主要客戶及供應商

良好關係乃業務之根本。於業務營運而言，本集團並無會對營運構成重要影響之主要客戶及供應商。然而，本集團致力與客戶及供應商維持平等及合作關係。

與利益相關人士的溝通

本公司與客戶、員工、監管機構及公眾人士等利益相關人士保持持續緊密聯繫。本公司透過具建設性之溝通，努力平衡各利益相關人士之意見及利益，從而為本公司與所在社區釐定長遠發展方向。

員工

勤奮而專注之員工是公司之骨幹。本公司重視忠誠勤奮之員工。此外，本公司採納非歧視之招聘與僱用守則，並致力提供安全及健康之工作環境。

政府／社區

我們意識到向本地社區貢獻之重要性，以及鼓勵我們員工與本地及全國慈善團隊、學校及其他機構建立緊密關係，以助建立經濟上有更強可持續性之環境。本公司竭力遵守本公司業務所在司法權區之法律與規例。

DIRECTORS' REPORT

董事會報告

DIRECTORS

The Directors during the Year under Review and up to the date of this annual report are as follows:

Executive Directors

Mr. Kitchell Osman Bin
(Acting Chairman)

Mr. Shimazaki Koji

Ms. Choi Ka Wing

Mr. Wong Yat Fai (resigned on 10 April 2017)

Independent non-executive Directors

Dr. Santos Antonio
Maria

Mr. Miu Frank H.

Ms. Liu Jianyi (appointed 4 May 2017)

Mr. Chow Chi Wah (resigned on 10 April 2017)

Vincent

Dr. Kwong Kai Sing (resigned on 4 May 2017)
Benny

In accordance with Bye-law 87 of the Bye-laws, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for specific term) shall be subject to retirement at an annual general meeting at once every three years. Accordingly, Dr. Santos Antonio Maria, Mr. Miu Frank H. and Mr. Kitchell Osman Bin will be retired from office as an independent non-executive Directors or executive Director respectively and offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

於回顧年度及截至本年報日期，董事如下：

執行董事

Kitchell Osman
Bin先生
(署理主席)

嶋崎幸司先生

蔡家穎女士

王溢輝先生 (於二零一七年四月十日辭任)

獨立非執行董事

杜東尼博士

繆希先生

劉簡怡女士 (於二零一七年五月四日獲委任)

周志華先生 (於二零一七年四月十日辭任)

鄭啟成博士 (於二零一七年五月四日辭任)

按照公司細則第87條，於每屆股東週年大會上，至少三分之一在任董事(或如數目並非三(3)之倍數，則為最接近但不少於三分之一之數目)須輪值退任，惟每名董事(包括按指定任期委任者)須至少每三年於股東週年大會上退任一次。因此，杜東尼博士、繆希先生及Kitchell Osman Bin先生將分別退任獨立非執行董事或執行職務，並將於應屆股東週年大會上膺選連任。

董事的服務合約及酬金

擬於應屆股東週年大會上重選連任之董事，概無與本集團訂立任何本集團不可於一年內不作賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' REPORT

董事會報告

The Director's remuneration policy is determined by the Board with recommendation of the Remuneration Committee of the Company and in accordance to market level, individual qualifications, as well as contribution and commitments to the Company. Details of the emoluments of the Directors and five individuals with highest remuneration are set out in note 16 and note 17 to the consolidated financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of them to be independent.

PREMITTED INDEMNITY PROVISION

Pursuant to the Company's bye-laws, subject to the relevant statutes, every Director of the Company shall be indemnified and secured harmless by the Company from and against all actions, cost, charges, losses, damages and expenses which they incur in the execution of their duty or supposed duty. Such provisions were in force during the course of the financial year ended 31 December 2017 and remained in force as of the date this report.

In addition, the Company has taken out and maintained insurance for the Directors against liabilities to third parties that may be incurred in the course of performing their duties as at the date of this report.

董事之薪酬政策乃董事會因應薪酬委員會建議及考慮市場數據、個人資歷、以及對本公司之貢獻及表現後釐定。董事及五名最高薪酬人士之酬金詳情載於綜合財務報表附註16及附註17。

獨立非執行董事

董事會已接獲各獨立非執行董事根據上市規則第3.13條就獨立身份發出之年度確認書及認為彼等均為獨立人士。

獲准彌償規定

根據本公司之公司細則，在相關法規之規限下，本公司每名董事須就履行彼等職責或假定職責時招致或蒙受之一切訴訟、費用、收費、損失、損害及開支獲得彌償及獲確保免受任何損害。有關條例於截至二零一七年十二月三十一日止財政年度期間有效，且於本報告日期仍然有效。

此外，於本報告日期，本公司已為董事就可能履行彼等職責時招致之第三方責任進行投保及續保。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND/OR DEBENTURES

As at 31 December 2017, interests and short positions in the Shares, underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code to the Listing Rules are as follows:

Long positions in the Shares

Name of Director	Capacity	於股份之好倉	
		Number of Shares held	Approximate% of the Company's issued share capital (Note 1)
董事名稱	身份	所持股份數目	佔本公司已發行股本概約百分比 (附註1)
Mr. Kitchell Osman Bin Kitchell Osman Bin先生	Beneficial owner 實益擁有人	975,000	0.14%
Ms. Choi Ka Wing 蔡家穎女士	Beneficial owner 實益擁有人	600,000	0.09%

Note:

1. It was based on 689,421,572 Shares in issue as at 31 December 2017.

董事於股份、相關股份及／或債券之權益及淡倉

於二零一七年十二月三十一日，董事及本公司最高行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及／或債券持有，而根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉)，或已記入本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉，或根據上市規則標準守則已知會本公司及聯交所之權益及淡倉如下：

於股份之好倉

Name of Director	Capacity	於股份之好倉	
		Number of Shares held	Approximate% of the Company's issued share capital (Note 1)
董事名稱	身份	所持股份數目	佔本公司已發行股本概約百分比 (附註1)
Mr. Kitchell Osman Bin Kitchell Osman Bin先生	Beneficial owner 實益擁有人	975,000	0.14%
Ms. Choi Ka Wing 蔡家穎女士	Beneficial owner 實益擁有人	600,000	0.09%

附註：

1. 此乃基於二零一七年十二月三十一日之689,421,572股已發行股份計算。

DIRECTORS' REPORT

董事會報告

Save as disclosed above, as at 31 December 2017, none of the Directors or chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which would be required to be notified the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENT TO PURCHASE SHARES AND DEBENTURES

Apart from the details as disclosed under the heading "Directors' Interests and Short Positions in Shares, Underlying Shares and/or Debentures" above, at no time during the Year under Review 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.

DIRECTORS' INTERESTS IN CONTRACTS 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 under Review.

除上文披露者外，於二零一七年十二月三十一日，概無董事或本公司最高行政人員或彼等任何聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及／或債券中擁有任何權益或淡倉，而根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所，或須按照證券及期貨條例第352條記入該條所述之登記冊，或根據標準守則知會本公司及聯交所。

購買股份及債券之安排

除上文「董事於股份、相關股份及／或債券之權益及淡倉」一節所披露之詳情外，於回顧年度內任何時間，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人團體之股份或債券而獲益。

董事之重大合約權益

本公司或其任何附屬公司概無訂立任何於年末或回顧年度內任何時間仍然有效，且董事直接或間接擁有重大權益之重大合約。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND/OR UNDERLYING SHARES

As at 31 December 2017, as far as known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares and/or underlying Shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO are as follows:

主要股東於股份及／或相關股份之權益及淡倉

於二零一七年十二月三十一日，據董事或本公司最高行政人員所知，以下人士（董事及本公司最高行政人員除外）於本公司股份及／或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露或記錄於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉如下：

Long positions in the Shares

於股份之好倉

Name of Shareholders	Capacity	Number of Shares held	Approximate% of the Company's issued share capital (Note 1) 佔本公司已發行股本概約百分比 (附註1)
股東名稱	身份	所持股份數目	
Enerchina Holdings Limited 威華達控股有限公司	Interest of controlled corporation 受控制法團權益	136,354,200	19.78%
Murtsa Capital Management Limited	Beneficial owner 實益擁有人	47,500,000	6.89%
Murtsa Capital Management Limited	Beneficial owner 實益擁有人		
Advance Beauty Holdings Limited (Note 2)	Beneficial owner 實益擁有人	44,175,200	6.41%
Advance Beauty Holdings Limited (附註2)	Beneficial owner 實益擁有人		

Notes:

附註：

- It was based on 689,421,572 Shares in issue as at 31 December 2017.
- Advanced Beauty Holdings Limited is a company legally and beneficially owned as 50% by Mr. Shan Jiuliang and 50% by Ms. Zhang Peng, former executive Directors.

- 此乃根據於二零一七年十二月三十一日之689,421,572股已發行股份計算。
- Advance Beauty Holdings Limited為由單九良先生及張鵬女士（均為前任執行董事）各自合法及實益擁有50%權益之公司。

DIRECTORS' REPORT

董事會報告

Save as disclosed above, as at 31 December 2017, the Directors were not aware of any persons (other than the Directors and chief executive of the Company) who had any interests or short positions in the Shares and/or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTIONS

The Company adopted a share option scheme on 16 August 2002 (the "2002 Scheme"). Pursuant to an ordinary resolution passed at an annual general meeting held on 11 June 2012, the Company terminated the 2002 Scheme and adopted a new share option scheme (the "2012 Scheme"), the purpose of which is to reward eligible participants who have contributed or are expected to contribute to the Group and to encourage the participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Particulars of the 2002 Scheme and the 2012 Scheme are set out in note 35 to the consolidated financial statements. No further option shall be granted under the 2002 Scheme and all outstanding options granted under the 2002 Scheme prior to its termination were lapsed during the year ended 31 December 2015.

A summary of the movements of the share option granted or cancelled under the 2012 Scheme during the Year under Review is set in note 35 to the consolidated financial statements.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year under Review and up to the date of this annual report, no Director is considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

除上文披露者外，於二零一七年十二月三十一日，據董事所知，概無任何人士（董事及本公司最高行政人員除外）於股份及／或相關股份中擁有任何須根據證券及期貨條例第XV部第2及3分部條文披露或記錄於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

購股權

本公司於二零零二年八月十六日採納一項購股權計劃（「二零零二年計劃」）。根據本公司於二零一二年六月十一日舉行之股東週年大會上通過之普通決議案，本公司終止二零零二年計劃並採納一項新購股權計劃（「二零一二年計劃」），旨在獎勵曾經或預期將對本集團有所貢獻之合資格參與人士，以及鼓勵參與人士為本公司及其股東整體利益而提升本公司及其股份之價值。二零零二年計劃及二零一二年計劃之詳情載於綜合財務報表附註35。概無根據二零零二年計劃進一步授出購股權，於截至二零一五年十二月三十一日止年度，於終止前根據二零零二年計劃授出之所有尚未行使購股權均已失效。

於回顧年度根據二零一二年計劃已授出或註銷之購股權之變動概要載於綜合財務報表附註35。

董事於競爭業務之權益

於回顧年度及直至本年報日期，概無董事被認為在與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益（定義見上市規則）。

DIRECTORS' REPORT

董事會報告

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTIONS

Save as disclosed elsewhere in this annual report, the Directors are not aware of any connected transactions or continuing connected transactions entered into during the Year under Review and existed as at 31 December 2017 that are not exempt and are subject to the reporting requirements under Chapter 14A of the Listing Rules.

COMPLIANCE WITH REGULATIONS

As far as the Directors are aware, during the Year under Review and up to the date of this annual report, the Group has complied in material respects with the relevant laws and regulations that have a significant influence on its business and operations.

SOCIAL RESPONSIBILITIES AND SERVICES AND ENVIRONMENTAL POLICY

The Group recognises the importance of environmental sustainability against modern ecological challenges. Therefore, the Group committed to the long-term sustainability of its businesses and the communities with which it engages. We pursue this business approach by managing our business prudently and executing management decisions with due care and attention.

The Group is committed to acting in an environmentally responsible manner. Recycling and use of eco-friendly stationery, plus a series of measures to save paper and energy, resulted in more efficient use of resources, as well as reduction of waste.

管理合約

於回顧年度，並未訂立或存在與本公司任何業務中全部或任何重要部分有關之管理及行政合約。

關連交易

除本年報其他章節披露者外，董事並不知悉於回顧年度內訂立且於二零一七年十二月三十一日存在的任何關連交易或持續關連交易並無獲豁免及須遵守上市規則第14A章的申報規定。

遵守法規

就董事所知，於回顧年度及直至本年報日期，本集團已在重大方面遵守對其業務及營運有重大影響之相關法律及法規。

社會責任與服務及環境政策

本集團認識到，在現代生態挑戰中，環境的持續發展至為重要。因此，本集團致力維持其業務及所在社區之長遠可持續發展。我們審慎經營業務、盡責專注地執行管理決策，以推動此業務模式。

本集團致力以對環境負責任之態度行事。本集團透過回收及使用環保文具，加上一系列節約用紙及能源之措施而更有效地使用資源及減少廢物。

DIRECTORS' REPORT

董事會報告

In view of the nature of the business of the Group, the Directors are of the opinion that no specific laws and regulations related to environmental protection has significant impact on the operations of the Group.

CORPORATE GOVERNANCE

Details of the corporate governance practice of the Company are set out in the section headed "Corporate Governance Report" in this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained sufficient public float as required under the Listing Rules.

AUDITOR

The financial statements of the Group for the year ended 31 December 2015 was audited by Deloitte Touche Tohmatsu, while those for the years ended 31 December 2016 and 2017 were audited by Crowe Horwath (HK) CPA Limited who shall retire in the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Crowe Horwath (HK) CPA Limited as auditor of the Group.

On behalf of the Board
Kitchell Osman Bin
Acting Chairman

Hong Kong, 23 March 2018

鑒於基於本集團業務之性質，董事認為並無有關環境保護的任何特定法律或法規會對本集團之營運造成重大影響。

企業管治

本公司之企業管治常規詳情載於本年報「企業管治報告」一節。

足夠公眾持股量

根據於本年報日期本公司可獲取之公開資料及據董事所知，本公司一直維持上市規則規定之足夠公眾持股量。

核數師

本集團截至二零一五年十二月三十一日止年度的財務報表由德勤•關黃陳方會計師行審核，而本集團截至二零一六年及二零一七年十二月三十一日止年度的財務報表由國富浩華(香港)會計師事務所有限公司審核。國富浩華(香港)會計師事務所有限公司將於應屆股東週年大會上退任且符合資格並願意獲續聘。

將向應屆股東週年大會提交一項決議案，以續聘國富浩華(香港)會計師事務所有限公司為本集團核數師。

代表董事會
署理主席
Kitchell Osman Bin

香港，二零一八年三月二十三日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IMAGI INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

致意馬國際控股有限公司全體股東之獨立核數師報告

(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Imagi International Holdings Limited (“the Company”) and its subsidiaries (“the Group”) set out on pages 67 to 231, 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 effects of the matter 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.

意見

我們已審核載列於第67至231頁的意馬國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一七年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括重大會計政策概要)。

我們認為，除本報告保留意見的基準一節所述事件的影響外，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況及 貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》之適用披露要求妥為編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR QUALIFIED OPINION

As detailed in the auditor's report dated 31 March 2017 and note 25 to the consolidated financial statements, the Group has not been able to access the books and records of a wholly-owned subsidiary, 廈門盛福明德商務服務有限公司 (Xiamen Sunflower Mingde Business Service Co. Ltd. ("Xiamen Sunflower")), since November 2015 as a result of the loss of contact with a former executive director of the Company who was also the legal representative and sole director of Xiamen Sunflower. Against this background, the financial statements of Xiamen Sunflower have not been consolidated in the consolidated financial statements for the year ended 31 December 2015 and up to 9 March 2016 (the date of disposal) during the year ended 31 December 2016 and accordingly the consolidated financial statements have not been prepared in all material respects in accordance with HKFRSs. In the absence of reliable financial information of Xiamen Sunflower for the period from 1 January 2016 to the date of disposal, it is not practicable for us to quantify the effects of the departure from the requirement of HKFRS 10 on the consolidated financial statements for the year ended 31 December 2016, including the amount in relation to the gain or loss on disposal, or to assess whether the disclosures with respect to Xiamen Sunflower in the notes to the consolidated financial statements were appropriate. Any adjustment that would be required may have a consequential significant effect on the loss and total comprehensive expense attributable to the owners of the Company for the year ended 31 December 2016. Our audit opinion on the consolidated financial statements for the year ended 31 December 2016 was qualified accordingly.

Our opinion on the consolidated financial statements for the current year is also modified because of the possible effect of the matter on the comparability of the current period's figures and the corresponding figures.

保留意見的基準

如日期為二零一七年三月三十一日的核數師報告及綜合財務報表附註25所述，貴集團自二零一五年十一月起一直未能獲取全資附屬公司廈門盛福明德商務服務有限公司(「廈門盛福」)之賬冊及記錄，蓋因無法聯絡 貴公司一名前執行董事(其亦為廈門盛福之法定代表及唯一董事)。在此背景下，廈門盛福的財務報表未就截至二零一五年十二月三十一日止年度及截至二零一六年十二月三十一日止年度內直至二零一六年三月九日(出售日期)止期間合併在綜合財務報表，因此，綜合財務報表並非在所有重大方面根據香港財務報告準則編製。由於廈門盛福並無自二零一六年一月一日至出售日期期間之可靠財務資料，吾等量度截至二零一六年十二月三十一日止年度之綜合財務報表偏離香港財務報告準則第10號規定之影響(包括與出售收益或虧損有關之金額)或評估於綜合財務報表附註內就廈門盛福作出之披露是否合宜並不切實可行。需作出的任何調整均可能對截至二零一六年十二月三十一日止年度本公司擁有人應佔虧損及全面開支總額造成相應重大影響。因此，我們對截至二零一六年十二月三十一日止年度的綜合財務報表的審核意見為保留意見。

我們對本年度綜合財務報表的意見，亦因該事項可能對本年度數字與相應數字的可比性造成之影響作出修訂。

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 (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (“the Code”), 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.

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, we have determined the matters described below to be the key audit matters to be communicated in our report.

保留意見的基準 (續)

我們已按照香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核工作。我們根據該等準則的責任進一步描述於本報告「核數師審核綜合財務報表的責任」一節。按照香港會計師公會的「專業會計師操守守則」(「守則」)，我們獨立於貴集團，且我們已按照守則履行其他道德責任。我們相信，我們獲取的審核證據屬充分和適當，為保留意見提供了基礎。

關鍵審核事項

關鍵審核事項指根據我們的專業判斷，在我們對本期綜合財務報表的審核中最重要的事項。該等事項在我們對綜合財務報表進行整體審核及就此達致意見時處理，我們並不就此另外提供意見。除保留意見的基準一節所述事項外，我們認為，以下所述事項為我們報告中將傳達的關鍵審核事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Purchase price allocation of a business combination	
Refer to notes 4(e) and 39 to the consolidated financial statements and the accounting policies note 3(k) and note 3(l) on pages 108 to 113.	
The Key Audit Matter	How the matter was addressed in our audit
<p>During the year, the Group acquired the entire interest in John & Wong Securities Company Limited (“John & Wong”) at a consideration of HK\$14,509,000. As at 28 February 2017 (the acquisition date), goodwill and the trading rights held in the Stock Exchange of Hong Kong Limited (the “Trading Rights”) were recognised.</p> <p>The Group engaged an independent external valuer to perform the purchase price allocation on the fair values of the consideration transferred, identifiable assets acquired and liabilities assumed. The valuation of purchase price allocation involved significant assumptions and basis adopted by the independent external valuer.</p> <p>We identified the valuation of purchase price allocation as a key audit matter as it requires significant judgement made by management.</p>	<p>Our procedures in relation to the valuation methodologies and assumptions used in the purchase price allocation included:</p> <ul style="list-style-type: none"> – we examined the terms of the relevant sale and purchase agreement; – we assessed the valuation methodologies adopted for the purpose of determining the fair values of the considerations transferred, the identifiable assets acquired and liabilities assumed; – we benchmarked the key parameters against market data; – we considered the independence, objectivity and competence of the independent external valuer; and – we assessed the adequacy of disclosure in connection with the business combination.

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審核事項 (續)

業務合併的購買價分配	
請參閱綜合財務報表附註4(e)及39及第108至113頁的會計政策附註3(k)及3(l)。	
關鍵審核事項	我們的審核中如何處理有關事項
<p>年內，本集團收購宏昌証券有限公司(「宏昌」)的全部股權，代價為14,509,000港元。於二零一七年二月二十八日(收購日期)，確認商譽及於香港聯合交易所有限公司持有的交易權(「交易權」)。</p> <p>本集團已委聘一名獨立外聘估值師將購買價分配至所轉讓代價、所收購可識別資產及所承擔負債的公平值。對購買價分配的估值涉及該獨立外聘估值師採納的重大假設及基準。</p> <p>我們將購買價分配的估值視為一項關鍵審核事項，原因是其需要管理層作出重大判斷。</p>	<p>我們有關評估購買價分配中使用的估值方法及假設包括：</p> <ul style="list-style-type: none"> - 我們檢查了相關買賣協議的條款； - 我們評估了為釐定所轉讓代價、所收購可識別資產及所承擔負債的公平值而採納的估值方法； - 我們參考了市場數據衡量主要參數；及 - 我們考慮了獨立外聘估值師的獨立性、客觀性及勝任性；及 - 我們評估了有關業務合併的披露之充足性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Impairment assessment of goodwill and intangible assets	
Refer to notes 4(a), 4(b), 20 and 21 to the consolidated financial statements and the accounting policies note 3(k) and 3(n) on pages 108 to 110 and 122 to 124 respectively.	
The Key Audit Matter	How the matter was addressed in our audit
<p>As a results of the acquisition of John & Wong during the year, the Group recognised goodwill and the Trading Rights being classified as intangible asset.</p> <p>We identified the impairment assessment of goodwill and the Trading Rights, as a key audit matter due to that significant judgement exercised by the Group's management on the estimation of the recoverable amount of the cash-generating unit to which goodwill and the Trading Rights have been allocated.</p> <p>Goodwill and the Trading Rights have been allocated to the respective cash generating unit. Impairment of goodwill and the Trading Rights are assessed by the management through comparing the recoverable amounts of the cash generating unit to which the goodwill and the Trading Rights are allocated with their carrying amounts. The recoverable amount is the greater of value in use or fair value less costs of disposal. In determining the value in use, the management estimates based on discounted cash flows taking into account key assumptions including discount rate, future growth rate and expected gross margin.</p> <p>The Group's goodwill and the Trading Rights as at 31 December 2017 amounted to HK\$Nil and HK\$859,000 respectively.</p>	<p>Our procedures in relation to the impairment assessment of goodwill and the Trading Rights held in the Stock Exchange included:</p> <ul style="list-style-type: none"> – we understood the key control in relation to the impairment assessment of goodwill and the Trading Rights and determined the recoverable amounts of the cash generating unit; – we evaluated the competence, capabilities and objectivity of independent external valuer engaged by the Group; – we evaluated the reasonableness of key assumptions used in the value in use calculation against historical performance and future business plan of the Group in respect of the cash generating unit and checked its arithmetical accuracy; – we tested the key inputs used in the discounted cash flows against the relevant supporting evidences and approved budgets; and – we evaluated the sufficiency of the relevant disclosure of impairment assessment in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審核事項 (續)

商譽及無形資產減值評估	
請分別參閱綜合財務報表附註4(a)、4(b)、20及21以及第108至110頁及122至124頁的會計政策附註3(k)及3(n)。	
關鍵審核事項	我們的審核中如何處理有關事項
<p>由於年內收購宏昌証券有限公司，貴集團確認商譽及交易權，分類為無形資產。</p> <p>吾等將商譽及交易權的減值評估視為一項關鍵審核事項，理由是貴集團管理層在估計分配至商譽及交易權的現金產生單位之可收回金額時作出重大判斷。</p> <p>商譽及交易權已分配予各自的現金產生單位。商譽及交易權減值由管理層透過將估計分配至商譽及交易權的現金產生單位之可收回金額與其賬面值進行比較而評估。可收回金額為使用價值或公平值減銷售成本兩者中的較高者。在釐定使用價值時，管理層在考慮多項主要假設(包括貼現率、未來增長率及預期毛利率)後估計貼現現金流量。</p> <p>於二零一七年十二月三十一日，貴集團的商譽及交易權分別為零港元及859,000港元。</p>	<p>我們有關商譽及於聯交所持有的交易權之程序包括：</p> <ul style="list-style-type: none"> - 我們了解了有關商譽及交易權減值評估的主要控制權，並釐定現金產生單位的可收回金額； - 我們評估了貴集團委聘的獨立外聘估值師的勝任能力、能力及客觀性； - 我們基於貴集團有關現金產生單位的歷史表現及未來商業計劃評估了計算使用價值時採用的主要假設的合理性，並檢查了其算術準確性； - 我們基於相關證據及經批准預算測試了貼現現金流使用的主要輸入數據；及 - 我們評估了綜合財務報表中減值評估相關披露的充分性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Valuation of convertible notes	
Refer to notes 4(c) and 29 to the consolidated financial statements and the accounting policies note 3(m) on pages 113 to 122.	
The Key Audit Matter	How the matter was addressed in our audit
<p>Convertible notes receivable amounted to HK\$19,293,000 as at 31 December 2017 are designated as at fair value through profit or loss. The assessment of the fair value of convertible notes receivable that are not publicly traded involves valuation techniques using unobservable inputs, which require significant estimation and judgement that can have a significant effect on the asset's valuation. The valuations of the convertible notes receivable were carried out by an independent professional valuer.</p>	<p>Our procedures in relation to valuation of convertible notes included:</p> <ul style="list-style-type: none"> – we understood the terms of issue of convertible notes receivable; – we obtained the information upon which the valuations were based and challenged the suitability of this information as the basis for valuation; – we evaluated the competence, capabilities and objectivity of independent external valuer engaged by the Group; – we evaluated the key input used, including risk-free rate, volatility and default rate; – we performed sensitivity analysis on assumptions and input data used; and – we evaluated the sufficiency of the relevant disclosure in relation to the convertible notes valuation in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審核事項 (續)

可換股票據估值	
請參閱綜合財務報表附註4(c)及29及第113頁至122頁的會計政策附註3(m)。	
關鍵審核事項	我們的審核中如何處理有關事項
於二零一七年十二月三十一日，19,293,000港元應收可換股票據指定透過損益按公平值列賬。評估未公開買賣的應收可換股票據之公平值，涉及使用不可觀察輸入數據的估值技術，要求作出重大估計及判斷，而有關估計及判斷可能對資產估值具有重大影響。應收可換股票據之估值由一名獨立專業估值師進行。	<p>我們有關可換股票據的估值之程序包括：</p> <ul style="list-style-type: none"> — 我們了解了應收可換股票據的發行條款； — 我們取得了估值所依據的資料，並質疑該資料用作估值基準是否適當； — 我們評估了 貴集團委聘的獨立外部估值師的勝任能力、能力及客觀性； — 我們評估了所使用的主要輸入數據，包括無風險利率、波幅及違約率； — 我們進行了所使用假設及輸入數據的敏感度分析；及 — 我們評估了綜合財務報表中可換股票據估值的相關披露是否充足。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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.

除綜合財務報表及核數師報告以外的資料

董事對其他資料負責。其他資料包括年報中所有資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見不涵蓋其他資料，且我們並不對此發表任何形式的保證結論。

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他資料，並同時考慮其他資料是否與綜合財務報表或我們在審核過程中獲得的了解存在重大不一致或看似嚴重失實。

倘若基於我們進行的工作，我們認為該其他資料存在重大失實陳述，則我們須報告該事實。我們在此方面無任何發現可報告。

董事對綜合財務報表的責任

董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編制綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大失實陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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.

董事對綜合財務報表的責任 (續)

在編製綜合財務報表時，董事有責任評估 貴集團持續經營的能力，披露(如適用)與持續經營有關的事項，並使用持續經營會計基準(除非董事擬將 貴集團清盤或終止經營，或除此之外並無其他可行的選擇)。

董事在履行監督 貴集團財務報告程序的職責時獲審核委員會協助。

核數師審核綜合財務報表的責任

我們的目標是就綜合財務報表整體是否不存在重大失實陳述(不論因欺詐或錯誤導致)取得合理保證，並出具包含我們意見的核數師報告。我們根據百慕達公司法第90條僅向 閣下(作為整體)作出本報告，除此之外本報告別無其他目的。我們概不就本報告的內容向其他任何人負有或承擔任何責任。

合理保證是一種高水平的保證，但並不保證按照香港核數準則進行的審核總能發現所存在的重大失實陳述。失實陳述可能因欺詐或錯誤而產生，如個別或整體合理預期可能影響用戶基於該等綜合財務報表作出的經濟決定，則屬重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

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

核數師審核綜合財務報表的責任 (續)

作為按照香港核數準則進行審核的一部分，我們在整個審核期間作出專業判斷並保持專業懷疑。我們亦：

- 識別及評估綜合財務報表中存在重大失實陳述(不論因欺詐或錯誤導致)的風險，設計及執行應對該等風險的審核程序，並取得充分適當的審核證據，為我們的意見提供基礎。未發現欺詐導致重大失實陳述的風險高於錯誤導致重大失實陳述的風險，原因是欺詐可能涉及勾結、偽造、故意遺漏、虛假陳述或超越內部控制。
- 取得與審核相關的內部控制的理解，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的適當性及所作出會計估計的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- 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.

核數師審核綜合財務報表的責任 (續)

- 對董事使用持續經營會計基準的適當性，及(基於所取得的審核證據)是否存在與事件或狀況相關且可能導致對貴集團持續經營能力產生重大疑問的重大不確定性得出結論。倘若我們認為存在重大不確定性，需要在核數師報告中提請注意綜合財務報表的相關披露或(如該披露不足)修改我們的意見。我們的結論基於截至核數師報告日期所獲得的審核證據。然而，未來事件或狀況可能導致貴集團無法持續經營。
- 評價綜合財務報表的整體列報、結構及內容，包括披露及綜合財務報表是否按實現公平列報的方式反映了相關交易及事件。
- 獲取有關貴集團內實體或業務活動的財務資料的充分適當的審核證據，以對綜合財務報表發表意見。我們負責指導、監督及進行集團審核。我們仍然對我們的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 Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Poon Cheuk Ngai.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 23 March 2018

Poon Cheuk Ngai
Practising Certificate Number P06711

核數師審核綜合財務報表的責任 (續)

我們就(其中包括)審核的規劃範圍及時間與重大審核結果(包括我們在審核中發現的內部控制重大缺陷)與審核委員會溝通。

我們亦向審核委員會提供一份聲明,表示我們已遵守有關獨立性的相關道德要求,並就合理可能導致對我們獨立性產生疑問的所有關係及(如適用)相關保障措施與審核委員會溝通。

根據與審核委員會溝通的事項,我們認為有關事項是對審核本期綜合財務報表而言最重要的事項,因此屬於關鍵審核事項。我們在核數師報告中說明該等事項,除非法律或法規禁止公開披露該事項,或(在極少數情況下)由於其不利後果合理預期將超過公開披露所帶來的公共利益,我們認為該事項不應在我們的報告中披露。

編製本獨立核數師報告的審核項目董事為潘卓毅。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港,二零一八年三月二十三日

潘卓毅
執業證書編號 P06711

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

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

		Notes	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
Revenue	收益	8	1,822	1,132
Net realised losses from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣的上市股本投資之已變現虧損淨額	8	(87,589)	(19,085)
			(85,767)	(17,953)
Other income	其他收入	9	5,726	4,626
Other (loss)/gain	其他(虧損)/收益	10	(18,265)	40,527
Losses from changes in fair value of financial assets classified as held-for-trading	分類為持作買賣財務資產之公平值變動虧損		(236,238)	(71,661)
Impairment loss of goodwill	商譽之減值虧損		(5,878)	-
Impairment loss of intangible assets	無形資產之減值虧損		(2,072)	-
Impairment loss of available-for-sale investments	可供出售投資之減值虧損		(64,638)	(79,273)
Forfeiture of a deposit paid for acquisition of a target company	收購一間目標公司已付按金沒收	11	-	(150,000)
Administrative expenses	行政支出		(41,407)	(133,987)
Loss from operations	經營虧損		(448,539)	(407,721)
Finance costs	財務成本	12	(158)	(2,530)
Share of loss of a joint venture	應佔一間合營企業虧損		(3,308)	(7,311)
Loss before tax	除稅前虧損	14	(452,005)	(417,562)
Income tax credit/(expense)	所得稅抵免/(開支)	15	10,967	(10,967)
Loss for the year	年內虧損		(441,038)	(428,529)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 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
Other comprehensive (expense)/income	其他全面(開支)/收入		
Items that may be reclassified subsequently to profit or loss:	其後或會重新分類至損益之項目：		
Exchange differences arising on translation of foreign operations	換算境外經營業務所產生之兌換差額	(440)	120
Net loss on revaluation of available-for-sale investments	重估可供出售投資之虧損淨額	(64,351)	(544)
Impairment loss of available-for-sale investments reclassified to profit or loss	重新分類至損益的可供出售投資之減值虧損	64,638	-
Release of investment revaluation reserve upon disposal of available-for-sale investments	出售可供出售投資之投資重估儲備撥回	-	(1,761)
Net movement in investment revaluation reserve during the year recognised in other comprehensive income	於其他全面收入確認的年內投資重估儲備變動淨額	287	(2,305)
Other comprehensive expense for the year	年內其他全面開支	(153)	(2,185)
Total comprehensive expense for the year	年內全面開支總額	(441,191)	(430,714)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

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

		Notes	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
Loss for the year attributable to:				
Owners of the Company 本公司擁有人				
Non-controlling interests 非控股權益				
			(441,038)	(424,549)
			-	(3,980)
			(441,038)	(428,529)
Total comprehensive expense for the year attributable to:				
Owners of the Company 本公司擁有人				
Non-controlling interests 非控股權益				
			(441,191)	(426,734)
			-	(3,980)
			(441,191)	(430,714)
Loss per share 每股虧損				
Basic and diluted (HK cents per share) 基本及攤薄 (每股港仙)				
		18	(66)	(94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

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
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	19	2,626	33,774
Goodwill	商譽	20	–	–
Intangible assets	無形資產	21	859	–
Available-for-sale investments	可供出售投資	22	51,178	–
Club debenture	會籍債券	23	1,300	1,300
Interest in a joint venture	於一間合營企業之權益	24	139,381	142,689
			195,344	177,763
Current assets	流動資產			
Accounts receivable	應收賬款	26	883	–
Other receivables, deposits and prepayments	其他應收款項、按金及預 付款	27	2,444	23,171
Amount due from a joint venture	應收一間合營企業款項		–	71
Held-for-trading investments	持作買賣投資	28	432,023	588,638
Convertible notes receivable	應收可換股票據	29	19,293	43,466
Available-for-sale investments	可供出售投資	22	–	48,650
Bank balances – trust account	銀行結餘 – 信託賬戶	30	5,209	–
Bank balances and cash	銀行結餘及現金	31(a)	134,477	246,446
			594,329	950,442
Current liabilities	流動負債			
Accounts payable	應付賬款	32	6,081	–
Other payables and accruals	其他應付款項及應計費用		3,263	7,009
Tax payable	應付稅項		–	10,967
			9,344	17,976

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

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
Net current assets	流動資產淨值		584,985	932,466
Total assets less current liabilities	總資產減流動負債		780,329	1,110,229
Non-current liability	非流動負債			
Deferred tax liability	遞延稅項負債	33	484	–
Net assets	資產淨值		779,845	1,110,229
Capital and reserves	股本及儲備			
Share capital	股本	34	27,577	22,741
Reserves	儲備		752,268	1,087,488
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		779,845	1,110,229

The consolidated financial statements on pages 67 to 231 were approved and authorised for issue by the board of directors on 23 March 2018 and are signed on its behalf by:

第67至231頁之綜合財務報表已於二零一八年三月二十三日獲董事會批准及授權刊發，並由下列董事代表簽署：

Mr. Kitchell Osman Bin
Kitchell Osman Bin先生
Director
董事

Mr. Shimazaki Koji
嶋崎幸司先生
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								Attributable to non-controlling interests		Total equity
		Share capital	Contributed surplus	Merger reserve	Translation reserve	Share option reserve	Investment revaluation reserve	Other reserve	Accumulated losses	Sub-total	非控股權益	總權益
		股本	繳入盈餘	合併儲備	換算儲備	購股權儲備	投資重估儲備	其他儲備	累計虧損	小計	應佔	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note a) (附註a)	(Note b) (附註b)	(Note d) (附註d)	(Note e) (附註e)	(Note f) (附註f)	(Note g) (附註g)			(Note c) (附註c)	
At 1 January 2016	於二零一六年一月一日	9,969	1,039,140	909	3,341	-	2,305	-	(214,283)	841,381	-	841,381
Loss for the year	年內虧損	-	-	-	-	-	-	-	(424,549)	(424,549)	(3,980)	(428,529)
Exchange differences on translating an operation outside Hong Kong	換算香港境外經營業務所產生之兌換差額	-	-	-	120	-	-	-	-	120	-	120
Net loss on revaluation of available-for-sale investments	重估可供出售投資之虧損淨額	-	-	-	-	-	(544)	-	-	(544)	-	(544)
Release of fair value reserve upon disposal of available-for-sale investments	於出售可供出售投資時撥回公平價值儲備	-	-	-	-	-	(1,761)	-	-	(1,761)	-	(1,761)
Other comprehensive income/(expense) for the year	年內其他全面收入/(開支)	-	-	-	120	-	(2,305)	-	-	(2,185)	-	(2,185)
Total comprehensive income/(expenses) for the year	年內全面收入/(開支)總額	-	-	-	120	-	(2,305)	-	(424,549)	(426,734)	(3,980)	(430,714)
Contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	175,000	175,000
Shares issued	已發行股份	12,007	557,596	-	-	-	-	-	-	569,603	-	569,603
Transaction cost attributable to issue of new ordinary shares	發行新普通股應佔之交易成本	-	(12,410)	-	-	-	-	-	-	(12,410)	-	(12,410)
Equity-settled share-based transactions	以權益結算之股權交易	-	-	-	-	65,726	-	-	-	65,726	-	65,726
Exercise of shares options	行使購股權	765	110,342	-	-	(34,464)	-	-	-	76,643	-	76,643
Acquisition of additional interest in Unimagi Investment Limited ("Unimagi")	收購Unimagi Investment Limited ("Unimagi")之額外權益	-	-	-	-	-	-	(3,980)	-	(3,980)	(171,020)	(175,000)
At 31 December 2016	於二零一六年十二月三十一日	22,741	1,694,668	909	3,461	31,262	-	(3,980)	(638,832)	1,110,229	-	1,110,229

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

		Attributable to owners of the Company								Attributable to non-controlling interests		Total equity
		Share capital	Contributed surplus	Merger reserve	Translation reserve	Share option reserve	Investment revaluation reserve	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
		股本	繳入盈餘	合併儲備	換算儲備	購股權儲備	投資重估儲備	其他儲備	累計虧損	小計	應佔	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note a) (附註a)	(Note b) (附註b)	(Note d) (附註d)	(Note e) (附註e)	(Note f) (附註f)	(Note g) (附註g)			(Note c) (附註c)	
At 1 January 2017	於二零一七年一月一日	22,741	1,694,668	909	3,461	31,262	-	(3,980)	(638,832)	1,110,229	-	1,110,229
Loss for the year	年內虧損	-	-	-	-	-	-	-	(441,038)	(441,038)	-	(441,038)
Exchange differences on translating an operation outside Hong Kong	換算香港境外經營業務所產生之兌換差額	-	-	-	(440)	-	-	-	-	(440)	-	(440)
Net loss on revaluation of available-for-sale investments	重估可供出售投資之虧損淨額	-	-	-	-	-	(64,351)	-	-	(64,351)	-	(64,351)
Impairment loss of available-for-sale investments	可供出售投資之減值虧損	-	-	-	-	-	64,638	-	-	64,638	-	64,638
Other comprehensive income/(expense) for the year	年內其他全面收入/(開支)	-	-	-	(440)	-	287	-	-	(153)	-	(153)
Total comprehensive income/(expenses) for the year	年內全面收入/(開支)總額	-	-	-	(440)	-	287	-	(441,038)	(441,191)	-	(441,191)
Shares issued	已發行股份	4,836	105,971	-	-	-	-	-	-	110,807	-	110,807
Cancellation of share options	註銷購股權	-	-	-	-	(29,417)	-	-	29,417	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	27,577	1,800,639	909	3,021	1,845	287	(3,980)	(1,050,453)	779,845	-	779,845

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

Notes:

- (a) Pursuant to section 46(2) of the Companies Act 1981 of Bermuda and with effect after the passing of a special resolution at a special general meeting held on 29 August 2011, the Company's entire amount standing to the credit of the share premium account and the deemed contribution reserve account were cancelled (the "Share Premium Cancellation"). Upon the Share Premium Cancellation becoming effective, the directors of the Company authorised the transfer of the credit arising therefrom to the contributed surplus account of the Company and to set off the accumulated losses of the Company in a manner permitted by the laws of Bermuda and the bye-laws of the Company.
- (b) Merger reserve represents the difference between the nominal value of shares of subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition at the time of a previous corporate reorganisation.
- (c) Unimagi was incorporated in the British Virgin Islands on 6 June 2016. On 8 June 2016, Dai Gor Capital Ltd. ("DGCL"), a wholly-owned subsidiary of the Company and Satinu Capital Limited ("Satinu Capital"), an independent third party, subscribed 575 and 175 ordinary shares of Unimagi at a consideration of HK\$575,000,000 and HK\$175,000,000, respectively. On 8 June 2016, DGCL and Satinu Capital held 76.7% and 23.3% equity interest of Unimagi which became a subsidiary of the Company. On 30 June 2016, DGCL entered into a share buyback agreement (the "Forward Contract") with Satinu Capital, pursuant to which DGCL has agreed to buy, and Satinu Capital has agreed to sell, 23.3% of the issued share capital of Unimagi, being the entire equity interest of Unimagi held by Satinu Capital, at the consideration of HK\$175,000,000. The transaction was completed on 4 July 2016.
- (d) Translation reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars), which are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

附註：

- (a) 根據百慕達一九八一年公司法第46(2)條及於二零一一年八月二十九日舉行之股東特別大會上通過之特別決議案生效後，本公司股份溢價賬及視作注資儲備賬全部進賬額已被註銷（「股份溢價註銷」）。於股份溢價註銷生效後，本公司董事授權將因股份溢價註銷而產生之進賬轉撥至本公司繳入盈餘賬，以百慕達法例及本公司之公司細則允許之方式抵銷本公司累計虧損。
- (b) 合併儲備指於早前進行企業重組時所購入附屬公司股份面值與本公司就收購發行股份面值之差額。
- (c) Unimagi於二零一六年六月六日在英屬處女群島註冊成立。於二零一六年六月八日，Dai Gor Capital Ltd.（「DGCL」，本公司之全資附屬公司）與Satinu Capital Limited（「Satinu Capital」，一名獨立第三方）分別以代價575,000,000港元及175,000,000港元認購575股及175股Unimagi普通股。於二零一六年六月八日，DGCL及Satinu Capital持有Unimagi 76.7%及23.3%股權，成為本公司之附屬公司。於二零一六年六月三十日，DGCL與Satinu Capital訂立一份股份購回協議（「遠期合約」），據此，DGCL已同意購買而Satinu Capital已同意出售Unimagi已發行股本之23.3%（即Satinu Capital於Unimagi持有的全部股權），代價為175,000,000港元。該交易已於二零一六年七月四日完成。
- (d) 換算儲備指將本集團境外業務資產淨值從功能貨幣換算成本集團呈報貨幣（即港元）有關的匯兌差額，直接於其他全面收入確認，並累計於外幣換算儲備項下。外幣換算儲備中累計的匯兌差額在境外業務出售時重新分類至損益。

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

Notes: (continued)

附註：(續)

- | | | | |
|-----|--|-----|--|
| (e) | Share option reserve represents the recognition of share options of the Company determined at the date of grant of the share options. | (e) | 購股權儲備指於購股權授出日期釐定的確認本公司購股權。 |
| (f) | Investment revaluation reserve represents the cumulative fair value changes of available-for-sale investments until they are disposed of or impaired. | (f) | 投資重估儲備指可供出售投資在出售或減值前的累計公平值變動。 |
| (g) | Other reserve represents the difference between the amount by which the non-controlling interests are adjusted and the consideration paid for the acquisition of additional interest in Unimagi. | (g) | 其他儲備指非控股權益的調整金額與就收購Unimagi額外權益而支付的代價之差額。 |

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

		2017 二零一七年	2016 二零一六年
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before tax	稅前虧損	(452,005)	(417,562)
Adjustments for:	經下列調整：		
Share of loss of a joint venture	應佔一間合營企業虧損	3,308	7,311
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	19	10,470
Impairment loss of available-for-sale investments	可供出售投資之減值虧損	22(a)	64,638
Impairment loss of goodwill	商譽之減值虧損	20	5,878
Impairment loss of intangible assets	無形資產之減值虧損	21	2,072
Loss/(gain) on disposal of a subsidiary	出售一間附屬公司之虧損／(收益)	40	7
Net realised losses from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣的上市股本投資之已變現虧損淨額	87,589	19,085
Losses from changes in fair value of financial assets classified as held-for-trading	分類為持作買賣財務資產之公平值變動虧損	236,238	71,661
Gain on initial recognition of available-for-sale investments	初步確認可供出售投資之收益	10	(3,402)
Finance costs	財務成本	12	158
Forfeiture of a deposit paid for acquisition of a target company	收購一間目標公司已付按金沒收	11	-
Dividend income from available-for-sale investments	可供出售投資之股息收入	9	(1,512)
Dividend income from held-for-trading investments	持作買賣投資之股息收入	-	(858)

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

			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			
Interest income on loan receivables and bank deposits	應收貸款及銀行存款之利息收入	9	-	(403)
Interest income on available-for-sale investments	可供出售投資之利息收入	9	(350)	(1,097)
Interest income on convertible notes receivable	應收可換股票據之利息收入	9	(1,753)	-
Equity-settled share-based payment expenses	以權益結算之股權支付的支出		-	63,881
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	10	168	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	19	1,614	5,976
Fair value loss/(gain) on convertible notes receivable	應收可換股票據之公平值虧損／(收益)	10	47,706	(18,099)
Gain on derecognition of day-one gain on convertible notes	終止確認可換股票據之第一天收益之收益	10	(25,700)	-
Gain recognised upon disposal of available-for-sale investments	出售可供出售投資時確認之收益	10	-	(1,761)

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
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	(35,346)	(63,913)
Decrease in accounts receivable	應收賬款減少	1,106	-
Decrease/(increase) in other receivables, deposits and prepayments	其他應收款項、按金及預付款減少／(增加)	18,861	(17,542)
Decrease in amount due from a joint venture	應收一間合營公司款項減少	71	-
Proceeds from disposal of held-for-trading investments	出售持作買賣投資所得款項	500,016	1,209,712
Purchases of held-for-trading investments	購買持作買賣投資	(667,228)	(1,715,338)
Purchase of convertible notes receivable	購買應收可換股票據	-	(23,200)
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)／增加	(3,746)	3,010
Increase in bank balances – trust accounts	銀行結餘－信託賬戶增加	(3,179)	-
Increase in accounts payable	應付賬款增加	2,001	-

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

			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		
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用之現金淨額		(187,444)	(607,271)
INVESTING ACTIVITIES	投資活動			
Acquisition of a subsidiary	收購一間附屬公司	39	(508)	-
Proceeds from disposal of an unconsolidated subsidiary	出售一間未綜合入賬附屬 公司所得款項		-	23,843
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	40	51,490	128,000
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項		30,085	-
Purchase of property, plant and equipment	購買物業、廠房及設備	19	(809)	(47,891)
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項		-	91,769
Investment in available-for- sale investments	於可供出售投資之投資		(7,800)	(127,923)
Deposit paid for acquisition of a target company	收購一間目標公司已付按金		-	(150,000)
Capital injection to a joint venture	注資至一間合營企業		-	(150,000)
Advance to a joint venture	提供予一間合營企業的墊款		-	(71)
Interest income on loan receivables and bank deposits	應收貸款及銀行存款之利息 收入	9	-	403
Interest income on available- for-sale investments	可供出售投資之利息收入	9	350	1,097
Interest income on convertible notes receivable	應收可換股票據之利息收入	9	1,753	-
Dividend income from available-for-sale investments	可供出售投資之股息收入	9	1,512	-

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
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	投資活動產生／(使用)之現金淨額		76,073	(230,773)
FINANCING ACTIVITIES	融資活動			
Proceeds from exercise of share options	行使購股權所得款項		-	76,643
Proceeds from issue of shares	發行股份所得款項		-	396,703
Expenses on issue of shares	發行股份支出		-	(12,410)
Interest paid	已付利息	12	(158)	(2,530)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(使用)／產生之現金淨額		(158)	458,406
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額		(111,529)	(379,638)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等值項目		246,446	625,964
Effect of foreign exchange rate changes	匯率變動之影響		(440)	120
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金及現金等值項目			
Represented by bank balances and cash	指銀行結餘及現金	31(a)	134,477	246,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

The Company is a public limited company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 43.

The consolidated financial statements are presented in Hong Kong dollar, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Application of new and revised HKFRSs

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in note 31(b) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, Statement of cash flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1. 一般資料

本公司為根據百慕達一九八一年公司法在百慕達註冊成立的受豁免公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點之地址於年報「公司資料」內披露。

本公司為投資控股公司。其附屬公司之主要業務載於附註43。

綜合財務報表以本公司功能貨幣港元呈列。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

應用新訂及經修訂香港財務報告準則

香港會計師公會（「香港會計師公會」）已頒佈於本集團本會計期間首次生效的多項香港財務報告準則修訂。該等修訂概無影響本集團的會計政策。然而，附註31(b)已加入額外披露，以符合香港會計準則第7號修訂本現金流量表：披露計劃引入的新披露規定，該準則要求實體作出披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金流量導致的變動。

本集團並無應用本會計期間尚未生效之任何新準則或詮釋。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2017 and which have not been early adopted in these financial statements. These include the following which may be relevant to the Group.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty Over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ²

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響

直至該等財務報表刊發日期，香港會計師公會已頒佈以下於截至二零一七年十二月三十一日止年度尚未生效及並未於該等財務報表中提早採納的多項修訂、新訂準則及詮釋。其中包括以下可能與本集團相關者。

香港財務報告準則第9號	財務工具 ¹
香港財務報告準則第15號	來自客戶合約之收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港（國際財務報告詮釋委員會）詮釋第22號	外幣交易及預付代價 ¹
香港（國際財務報告詮釋委員會）詮釋第23號	所得稅處理的不確定性 ²
香港財務報告準則第2號修訂本	以股份付款交易之分類及計量 ¹
香港財務報告準則第4號修訂本	應用香港財務報告準則第9號財務工具連同香港財務報告準則第4號保險合約 ¹
香港財務報告準則第9號修訂本	提早還款特性及負補償 ²
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營企業之間出售或注入資產 ³
香港會計準則第40號修訂本	投資物業轉撥 ¹
香港會計準則第28號修訂本	作為香港財務報告準則二零一四年至二零一六年周期年度改進的一部分 ¹
香港會計準則第28號修訂本	於聯營公司及合營企業的長期權益 ²
香港財務報告準則修訂本	香港財務報告準則二零一四年至二零一六年週期的年度改進 ²

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after a date to be determined
- 4 Effective for annual periods beginning on or after 1 January 2021

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the directors anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 9, Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

- 1 於二零一八年一月一日或之後開始的年度期間生效
- 2 於二零一九年一月一日或之後開始的年度期間生效
- 3 於尚待釐定之生效日期或之後開始的年度期間生效
- 4 於二零二一年一月一日或之後開始的年度期間生效

除下文所述的新訂香港財務報告準則、香港財務報告準則修訂本及詮釋外，董事預計應用所有其他新香港財務報告準則、香港財務報告準則修訂本及詮釋在可見的將來不會對綜合財務報表造成重大影響。

香港財務報告準則第9號財務工具

香港財務報告準則第9號引入財務資產、財務負債分類及計量、一般對沖會計之新規定以及財務資產減值規定。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)
HKFRS 9, Financial instruments (continued)

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments 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 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 (“FVTOCI”). All other financial assets are measured at their fair value at 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. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第9號財務工具（續）
與本集團相關的香港財務報告準則第9號之主要規定為：

- 所有屬香港財務報告準則第9號範圍內之已確認財務資產其後均須按攤銷成本或公平值計量。具體而言，目的為收取合約現金流量之業務模式內持有之債務投資，及合約現金流量僅為償還本金及尚未償還本金利息之債務投資，一般於其後會計期間結算日按攤銷成本計量。目的皆以收集合約現金流量及銷售財務資產而達成且按其業務模式內持有之債務工具，及財務資產在合約條款中於指定日期而產生之現金流量僅為支付尚未償還欠款之本金和利息，一般按公平值計入其他全面收入（「按公平值計入其他全面收入」）計量。所有其他財務資產均於其後報告期間按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，以於其他全面收入呈列股本投資（並非持作買賣者）公平值之其後變動，只有股息收入一般於損益賬確認。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)
HKFRS 9, Financial instruments (continued)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss (“FVTPL”), HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk 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 Financial Instruments: Recognition and Measurement, the entire amount of the change in the fair value of the financial liability designated as 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. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第9號財務工具（續）

- 就指定透過損益按公平值列賬（「透過損益按公平值列賬」）之財務負債之計量而言，香港財務報告準則第9號規定該財務負債之信貸風險變動以致該負債公平值變動之金額於其他全面收入內呈列，除非於其他全面收入中確認該負債信貸風險變動影響會導致或擴大損益上之會計錯配則作別論。財務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號財務工具：確認及計量，指定為按公平值計入損益之財務負債之整筆公平值變動金額於損益呈列。
- 就財務資產減值而言，香港財務報告準則第9號規定按一項預期信貸虧損模型，而非根據香港會計準則第39號按一項已發生之信貸虧損模型。該預期信貸虧損模型規定一個實體須計算其預期信貸虧損及於每個報告日期之預期信貸虧損之變動以反映自初始確認時所產生之信貸風險。換言之，現已不再須對信貸事件已發生之前的信貸虧損予以確認。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued) HKFRS 9, Financial instruments (continued)

Based on the Group’s financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

(a) Classification and measurement:

- Accounts receivable carried at amortised cost as disclosed in note 26: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.
- Listed debt instruments classified as available-for-sale investments carried at fair value as disclosed in note 22: these are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the listed debt instrument in the open market, and the contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal outstanding. Accordingly, the listed debt instruments will continue to be subsequently measured at FVTOCI upon the application of HKFRS 9, and the fair value gains or losses accumulated in the investment revaluation reserve will continue to be subsequently reclassified to profit or loss when the listed debt securities are derecognised or reclassified.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第9號財務工具（續）
根據本集團於二零一七年十二月三十一日的財務工具及風險管理政策，本公司董事預計首次應用香港財務報告準則第9號有以下潛在影響：

(a) 分類及計量：

- 附註26披露的按攤銷成本入賬的應收賬款：持有該等應收賬款的業務模式之目標為，收取單純為本金及未收回本金之利息的付款之合約現金流量。因此，該等財務資產將於應用香港財務報告準則第9號後繼續按攤銷成本計量。
- 附註22所披露的按公平值計量的分類為可供出售投資的上市債務工具：持有彼等的業務模式之目標為收集合約現金流量及出售上市債務工具，合約條款產生於指定日期純粹為支付本金及未償還本金的利息之現金流量。因此，上市債務工具將於應用香港財務報告準則第9號後繼續按公平值計入其他全面收入計量，當上市債務證券終止確認或重新分類時，於投資重估儲備內累計的公平值收益或虧損將於隨後繼續重新分類至損益。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards
and interpretations issued but not yet effective
for the year ended 31 December 2017 (continued)
HKFRS 9, Financial instruments (continued)

(a) Classification and measurement: (continued)

- Listed equity securities classified as available-for-sale investments carried at fair value as disclosed in note 22: these securities qualified for designation as measured at FVTOCI under HKFRS 9, however, the Group plans not to elect the option for the designation and will measure these securities at fair value with subsequent fair value gains or losses to be recognised in profit or loss.
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度
已頒佈但尚未生效的修訂、新準則及詮
釋可能的影響（續）

香港財務報告準則第9號財務工具（續）

(a) 分類及計量：（續）

- 附註22所披露的按公平值計量的分類為可供出售投資的上市股本證券：該等證券符合根據香港財務報告準則第9號指定為按公平值計入其他全面收入計量的資格，但本集團計劃不作出指定選擇，而是將該等證券按公平值確認，後續公平值收益或虧損於損益確認。
- 所有其他財務資產及負債將繼續按現時根據香港會計準則第39號計量的相同基準計量。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)
HKFRS 9, Financial instruments (continued)

(b) Impairment:

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost and other items that are subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by the Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on accounts receivable. Such further impairment recognised under expected credit loss model would reduce the opening retained earnings and likely increase the deferred tax assets at 1 January 2018. So far it has concluded that there would be no material impact for the application of the new impairment requirement.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第9號財務工具（續）

(b) 減值：

整體而言，本公司董事預計，應用香港財務報告準則第9號的預期信貸虧損模型，將導致在本集團應用香港財務報告準則第9號後就本集團按攤銷成本計量的財務資產及須作出減值撥備的其他項目提早確認尚未產生的信貸虧損。

根據本公司董事的評估，如本集團應用預期信貸虧損模型，本集團於二零一八年一月一日將確認的減值虧損累計金額將較根據香港會計準則第39號確認的累計金額增加，主要是由於應收賬款的預期信貸虧損撥備所致。根據預期信貸虧損模型確認的該等進一步減值，將減少於二零一八年一月一日的期初保留盈利並增加遞延稅項資產。迄今為止，其認為應用新減值要求不會產生重大影響。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued) HKFRS 15, Revenue from Contracts with Customers

HKFRS 15 was issued which establishes 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 when it becomes effective.

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:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第15號來自客戶合約之收入

香港財務報告準則第15號已頒佈並建立一個單一之綜合模型，以供實體用於入賬客戶合約產生之收入。當香港財務報告準則第15號生效時，其將取代現時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號建設合約及相關的詮釋。

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物或服務之數額，並反映實體預期交換該等貨物或服務而應得之代價。具體而言，該準則引入確認收入的五個步驟：

- 步驟1：識別與客戶訂立的合約
- 步驟2：識別合約內的履約責任
- 步驟3：釐定交易價
- 步驟4：將交易價分攤至合約內的履約責任
- 步驟5：實體完成履約責任時（或就此）確認收入

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16, Leases

As disclosed in note 3(f), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group only enters into the leases as the lessee.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第15號來自客戶合約之收入（續）

根據香港財務報告準則第15號，當實體符合履約責任時（即當貨物或服務按特定之履約責任轉移並由客戶「控制」時）確認收入。更為規範之指引已加入香港財務報告準則第15號內，以處理特別情況。此外，香港財務報告準則第15號要求作出廣泛披露。

香港會計師公會頒佈香港財務報告準則第15號之澄清，涉及識別履約義務、主事人與代理考慮以及許可申請指引。

本公司董事預計，未來應用香港財務報告準則第15號可能引致更多披露，然而，本公司董事預計應用香港財務報告準則第15號不會對各報告期間確認的收入時間及金額產生重大影響。

香港財務報告準則第16號租賃

如附註3(f)所披露，本集團現時將租約分為融資租約及經營租約，並視乎租約分類將租約安排分別入賬。本集團僅作為承租人訂立租約。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued) HKFRS 16, Leases (continued)

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第16號租賃（續）

香港財務報告準則第16號預計不會對出租人將租約項下的權利及義務入賬的方式造成重大影響。然而，在香港財務報告準則第16號採納後，承租人將不再區分融資租約與經營租約。取而代之的是，根據實際的權益之計，承租人會將所有租約按與現時融資租約會計處理相同的方式入賬，即於租約開始日期，承租人將按最低未來租賃付款的現值確認及計量租賃負債，並將確認相應的「使用權」資產。於該資產及負債初步確認後，承租人將就租賃負債的未結清餘額確認應計利息開支及使用權資產折舊，而非現時政策於租期內按系統法確認根據經營租約產生的租金開支。作為實際的權益之計，承租人可選擇不對短期租約（即租期為12個月或以下）及低價值資產應用該會計模型，在此情況下，租金開支將繼續於租期內按系統法確認。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued) HKFRS 16, Leases (continued)

HKFRS 16 will primarily affect the Group’s accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting models expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 36, at 31 December 2017 the Group’s future minimum lease payments under non-cancellable operating leases amount to HK\$2,253,000 for properties, the majority of which is payable within one year after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第16號租賃（續）

香港財務報告準則第16號將主要影響本集團作為物業、廠房及設備租賃（現時分類為經營租約）承租人的會計處理。應用新會計模型預期將令資產及負債增加，同時影響於租期內在損益表確認開支的時間。如附註36所披露，於二零一七年十二月三十一日，本集團根據不可撤銷營運租約的未來最低租賃付款為2,253,000港元，其中大部分須於報告日期後一年內支付。因此，於採納香港財務報告準則第16號後，部分該等款項可能需確認為租賃負債，並確認相應的使用權資產。本集團需要進行更詳細的分析，以在考慮實際權宜之計的適用性及就於現時至香港財務報告準則第16號採納期間訂立或終止的任何租賃及貼現影響作出調整後，釐定採納香港財務報告準則第16號後因營運租約承擔產生的新資產及負債的金額。

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綜合財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued) **HKFRS 16, Leases** (continued)

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響（續）

香港財務報告準則第16號租賃（續）

香港財務報告準則第16號於二零一九年一月一日或之後開始的年度期間生效。該準則提供不同的過渡選擇權及實際權益之計，包括豁免現有安排為租賃或包含租賃的早前評估的實際權益之計。如選擇該實際權益之計，本集團將僅於初步應用日期或之後訂立的合約應用香港財務報告準則第16號中租賃的新釋義。如未選擇該實際權益之計，本集團將需要使用新釋義重新評估其有關哪些現有合約為租賃或包含租賃的所有決定。視乎本集團選擇追溯採納該準則或遵循經修訂追溯法確認初步應用之日權益期初結餘的累計影響調整而定，本集團未必一定需要重述因重新評估而導致的會計變動之比較資料。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the “Group”).

3. 主要會計政策

(a) 合規聲明

該等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)(包括所有適用之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)、香港公認會計原則及香港《公司條例》之披露規定而編製。該等財務報表亦符合香港聯合交易所有限公司上市規則之適用披露條文。本集團所採納之重大會計政策披露如下。

香港會計師公會已頒佈若干於本集團當前會計期間首次生效或可供提早採納的新訂及經修訂香港財務報告準則。附註2提供有關因初步應用該等發展而導致的會計政策變動的資料(以就本期間及過往會計期間與本集團相關,且已反映在該等財務報表中者為限)。

(b) 財務報表的編製基準

截至二零一七年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the financial statements (continued)

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These financial statements are presented in Hong Kong dollars (“HKD”), rounded to the nearest thousand except for per share data. Hong Kong dollar is the Company’s functional and the Group’s presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for held-for-trading investments and financial assets designated as fair value through profit or loss see (note 3(m)), which are stated at their fair value, as explained in the accounting policies set out below.

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

3. 主要會計政策 (續)

(b) 財務報表的編製基準 (續)

本集團各實體的財務報表中項目均以該等實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。該等財務報表以港元(「港元」)呈列，並約整至最接近的千港元，每股數據除外。港元為本公司的功能貨幣及本集團的呈報貨幣。

編制財務報表使用的計量基準為歷史成本法，惟持作買賣投資及指定透過損益按公平值列賬之財務資產(見附註3(m))按公平值入賬除外(如下文所載會計政策解釋)。

編制符合香港財務報告準則的財務報表需要管理層作出影響政策應用及所申報資產及負債、收入及開支金額的判斷、估計及假設。估計及相關假設乃基於過往經驗及於有關情況下被認為屬合理之多項其他因素，其結果構成對未能從其他來源獲得之資產及負債賬面值作出判斷之基準。實際結果或會有別於該等估計。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the financial statements (continued)

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

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

(c) Basis of consolidation

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

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

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

3. 主要會計政策 (續)

(b) 財務報表的編製基準 (續)

估計及相關假設乃按持續基準進行審閱。倘會計估計之修訂僅影響估計獲修訂之期間，則有關修訂會於該期間確認，或倘修訂影響目前及未來期間，則會於修訂期間及未來期間確認。

管理層應用香港財務報告準則時作出的對財務報表具有重大影響的判斷及估計不確定性的主要來源於附註4討論。

(c) 綜合基準

綜合財務報表包括本公司及其所控制之實體及其附屬公司之財務報表。當本公司符合以下要素時，則本公司取得控制權：

- 對投資對象行使權力；
- 因參與投資對象業務而承擔浮動回報之風險或享有權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Basis of consolidation (continued)

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

3. 主要會計政策 (續)

(c) 綜合基準 (續)

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權時開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收入表，直至本集團不再控制有關附屬公司之日期為止。

非控股權益指附屬公司中並非由本公司直接或間接應佔的權益，且本集團並未與該等權益的持有人協定額外條款，以致本集團整體將對該等權益具有符合財務負債定義的合約義務。

非控股權益在綜合財務狀況表內呈報，與本公司擁有人應佔權益分開。本集團業績中的非控股權益在綜合損益表與綜合損益及其他全面收入表呈報，作為非控股權益與本公司擁有人之間年度總損益及全面收入總額的分配。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧結餘。非控股權益持有人提供的貸款及對該等持有人的其他合約義務，在綜合財務狀況表中呈報為財務負債。

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For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

3. 主要會計政策 (續)

(c) 綜合基準 (續)

本集團於現有附屬公司的擁有權變動

本集團於附屬公司的權益變動如未導致喪失控制權，作為股權交易入賬，據此綜合入賬實體內控股權益及非控股權益的金額作出調整，以反映相對權益變動，但不對商譽作出調整，不確認收益或虧損。

當本集團喪失附屬公司的控制權時，作為出售該附屬公司的全部權益入賬，因此產生的收益或虧損於損益確認。於控制權喪失日期在該前附屬公司保留的任何權益按公平值確認，該金額視為財務資產初步確認時的公平值或(如適用)於聯營公司或合營企業初步確認時的成本。

在本公司財務狀況表中，於附屬公司的投資按成本減去減值虧損入賬，除非投資分類為持作出售(或計入分類為持作出售的組別)。

倘有需要，附屬公司之財務報表予以調整，使其會計政策與本集團會計政策貫徹一致。

集團內公司間所有資產及負債、權益、收支及與本集團成員公司間交易有關之現金流已於綜合入賬時全數對銷。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Revenue recognition

Revenue is measured at the fair values of the consideration received or receivable.

Royalty income from the licensing of trademarks and copyrights is generally recognised in periods when royalties are reported by licensees about the related product sales.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Brokerage commission income is recognised on a trade date basis when the relevant transactions are executed.

(e) Property, plant and equipment

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

3. 主要會計政策 (續)

(d) 收入確認

收入按已收或應收代價之公平值計量。

來自分授商標及版權之專利費收入一般於獲授權方申報有關產品銷售之專利費期間確認。

來自財務資產之利息收入於經濟利益很可能流入本集團，且收入金額能可靠計量時確認。利息收入乃根據尚未償還本金及適用實際利率按時間基準計量，實際利率乃財務資產之賬面淨值於初步確認時因應預計年內估計日後現金收入之實際貼現比率。

來自投資的股息收入在收取付款的股東權利已確立時確認。

經紀佣金收入在訂立相關交易時按交易日期確認。

(e) 物業、廠房及設備

物業、廠房及設備(包括持作行政用途之樓宇及租賃土地(歸類為融資租賃))於綜合財務狀況表以成本值減其後累計折舊及其後累計減值虧損(如有)列賬。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(f) Leasing

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

3. 主要會計政策 (續)

(e) 物業、廠房及設備 (續)

折舊乃根據估計可用年期，以直線法將其成本減估計剩餘價值撇銷確認。估計可用年期、剩餘價值和折舊方法會在各報告期末審閱，並按預期基準計入任何估計變動之影響。

歷史成本包括收購項目直接產生的開支。

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額。

物業、廠房及設備項目於出售或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於物業、廠房及設備項目出售或報廢時產生之任何盈虧按出售所得款項淨額與資產賬面值間之差額釐定，並於損益中確認。

(f) 租賃

當租約條款將擁有權之絕大部分風險及回報轉嫁予承租人時，租賃被分類為融資租賃。所有其他租賃均列為營運租賃。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leasing (continued)

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

When the Group makes payment for a property interest which a lease includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

3. 主要會計政策 (續)

(f) 租賃 (續)

營運租賃之租金支付於有關租賃期間按直線法確認為開支，但如另有系統性基準較能代表時間性模式，從而租賃資產之經濟效益被消耗除外。經營租賃下之或然租金在產生當期作為開支確認。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠整體利益以直線法沖減租金開支確認，惟倘另有系統性基準較時間性模式更具代表性，租賃資產之經濟效益據此被消耗者除外。

倘本集團就物業權益付款(租賃包括租賃土地及樓宇部份)，則本集團根據對各部份之擁有權所附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立評估各部份的分類，除非兩部份明顯為營運租約，在該情況下，則整項物業被歸類為營運租約。具體而言，整個代價(包括任何一次過預付款項)乃按土地部份及樓宇部份於初步確認時的相對公平值之比例在租賃土地部份及樓宇部份中分配。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leasing (continued)

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straightline basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

(g) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

(f) 租賃 (續)

倘相關付款能可靠地分配，則入賬列為營運租賃之租賃土地權益於綜合財務狀況表內列作「預付租金」，並於租賃期內以直線法攤銷。倘租金未能可靠地於土地與樓宇部分之間分配，則整項物業一般會按假設租賃土地為融資租賃而分類。

(g) 外幣

編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易乃按交易日當時之匯率確認。於各報告期末，以外幣列值之貨幣項目以報告期末當日之匯率重新換算。以外幣列值按公平值列賬之非貨幣項目按釐定公平值之日當時之匯率重新換算。以歷史成本計算之非貨幣項目不予重新換算。

換算貨幣項目所產生兌換差額於產生期間於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Foreign currencies (continued)

Functional currency of a group entity is changed only if there is a change to the underlying transactions, events and conditions that are relevant to the entity. Such effect is accounted for prospectively at the date of change, the entity translates all items into the new functional currency using the prevailing exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost. Exchange differences arising from the translation of a foreign operation previously recognised in comprehensive income are not reclassified from equity to profit or loss until the disposal of the operation.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

(h) Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策 (續)

(g) 外幣 (續)

集團實體之功能貨幣僅於實體之相關交易、事件及狀況出現變動時方會更改，其影響於更改日期入賬，實體按更改日期當時匯率將所有項目換算為新功能貨幣。非貨幣項目之換算所得金額視作歷史成本處理。過往於全面收入確認之換算海外業務所產生兌換差額不會自權益重新分類至損益，直至出售有關業務為止。

就呈列綜合財務報表而言，本集團境外業務之資產及負債均按各報告期末當時之匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目乃按期內平均匯率換算，除非期內匯率大幅波動，則使用於交易日當時之匯率。所產生兌換差額(如有)於其他全面收入確認，並累計於權益中換算儲備項下。

(h) 退休福利成本

強制性公積金計劃(「強積金計劃」)之供款於僱員已提供可使彼等有權獲得供款之服務時確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Equity-settled share-based payment transactions

Share options granted to employees

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of option that will eventually vest, with a corresponding increase in equity (share option reserve).

Share options granted to individuals other than employees

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

At the end of each reporting period, the Group revises its estimate of the number of options that are expected to vest based on assessment of all relevant non-market vesting conditions. 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 (續)

(i) 以權益結算之股權支付交易

授予僱員之購股權

根據本集團對最終將歸屬的購股權的估計，於授出日期釐定的以權益結算之股權支付的公平值(未計及所有非市場歸屬條件)，於歸屬期按直線法支銷，於並相應增加權益(購股權儲備)。

授予僱員以外的個人之購股權

就授予僱員以外的個人之購股權而言，為交換商品或服務而發行的購股權乃按所收到商品或服務的公平值計量，除非公平值無法可靠計量，在此情況下，所收到商品或服務參考所授出購股權的公平值計量。當本集團取得商品或對手方提供服務時，所收到的商品或服務的公平值確認為開支，並相應增加權益(購股權計劃儲備)，除非商品或服務符合資格確認為資產。

於各報告期末，本集團根據對所有相關非市場歸屬條件的評估，修訂對預期歸屬的購股權數目的估計。修訂有關估計引致之影響(如有)於損益中確認以使累計開支反映已修訂估計，並於購股權儲備作出相應調整。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) **Equity-settled share-based payment transactions** (continued)
Share options granted to employees (continued)

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When 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 accumulated losses.

(j) **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

3. 主要會計政策 (續)

(i) 以權益結算之股權支付交易
(續)
授予僱員以外的個人之購股權
(續)

於授出日期即時歸屬之已授出購股權之公平值即時於損益支銷。

當購股權獲行使時，已於購股權儲備中確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，已於購股權儲備中確認之金額將轉撥至累計虧損。

(j) **稅項**

所得稅支出指即期應繳稅項及遞延稅項之總和。

即期應繳稅項乃按年內應課稅溢利計算。應課稅溢利有別於綜合損益及其他全面收入表申報之「除稅前溢利」，源於其他年度應課稅或可扣稅之收入或支出項目以及毋須課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已頒佈或實際頒佈之稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Taxation (continued)

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策 (續)

(j) 稅項 (續)

遞延稅項乃就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認入賬，而遞延稅項資產一般會於可能有應課稅溢利以抵銷可扣稅暫時差額時就所有可扣稅暫時差額確認入賬。倘在不影響應課稅溢利或會計溢利之交易中因初步確認(業務合併除外)之資產及負債而產生之暫時差額，則遞延稅項資產及負債不予確認。此外，倘暫時差額因初步確認商譽而產生，則遞延稅項負債不予確認。

遞延稅項負債乃就與於附屬公司之投資及於合營企業之權益相關之應課稅暫時差額確認，惟倘本集團能夠控制暫時差額撥回及暫時差額將不會於可見將來撥回之情況除外。與該等投資及權益相關之可扣除暫時差額所產生之遞延稅項資產僅於可能產生足夠應課稅溢利以動用暫時差額利益並預期可於可見將來撥回時方予確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Taxation (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策 (續)

(j) 稅項 (續)

遞延稅項資產之賬面值會於各報告期末審閱，並調減至應課稅溢利已沒可能足以收回全部或部分資產為止。

遞延稅項資產及負債按根據於報告期末已頒佈或實際頒佈之稅率（及稅法）於預期清償負債或變現資產期間適用之稅率計算。

計算遞延稅項負債及資產反映本集團預期於報告期末收回或償還資產及負債賬面值所採用處理方法之稅務影響。

即期及遞延稅項於損益中確認，除非與在其他全面收入中確認或直接於權益中確認之項目有關，於此情況下，即期及遞延稅項亦分別於其他全面收入中或直接於權益中確認。倘因來自業務合併之初步會計方法之即期稅項或遞延稅項，有關稅務影響會計入業務合併中。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

3. 主要會計政策 (續)

(k) 業務合併及商譽

業務合併使用收購法入賬。所轉讓代價按收購日期的公平值計量，即本集團轉讓的資產、本集團向原擁有人承擔的負債及本集團為交換被收購方控制權而發行的股權於收購日期的公平值總和。就各業務合併而言，本集團選擇被收購方中屬於現時擁有權且令持有人可在被收購方清盤時獲得該實體一定份額的非控股權益，按公平值或按佔被收購方的可識別資產淨值的比例計量。非控股權益的所有其他部分按公平值計量。收購相關成本於產生時列為開支。

當本集團收購業務時，其評估財務資產及所承擔負債，以按照合約條款、收購日期的經濟情況及相關狀況進行適當分類及指定。這包括將被收購方主合約中的嵌入式衍生工具分開。

如業務合併分階段實現，早前持有的股權按收購日期的公平值重新計量，因此產生的任何收益或虧損於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

(continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

3. 主要會計政策 (續)

(k) 業務合併及商譽 (續)

收購方將予轉讓的任何或然代價乃按收購日期的公平值確認。分類為資產或負債的或然代價按公平值計量，公平值變動於損益確認。分類為權益的或然代價不予重新計量，而其後結算於權益入賬。

商譽初步按成本(即所轉讓代價、就非控股權益確認的金額及本集團早前於被收購方持有的股權公平值的總額，超出所收購可識別資產淨值及所承擔負債的部分)計量。如該代價與其他項目的總和低於所收購淨資產的公平值，差額經重新評估後於損益確認為議價購買收益。

初步確認後，商譽按成本減任何累計減值虧損入賬。商譽每年進行減值測試，如有事件或情況變化表明賬面值可能減值，則更頻繁地進行減值測試。本集團於十二月三十一日對商譽進行年度減值測試。就減值測試而言，業務合併中收購的商譽自收購日期起分配至預期受益於合併協同效益的本集團各現金產生單位或現金產生單位組別(不論本集團其他資產或負債是否分配予該等單位或單位組別)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

(continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

An impairment loss recognised for goodwill is not reversed in a subsequent period. Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(l) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

3. 主要會計政策 (續)

(k) 業務合併及商譽 (續)

減值透過評估商譽涉及的現金產生單位(現金產生單位組別)的可收回金額而釐定。如現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。

就商譽確認的減值虧損不會於隨後期間撥回。如商譽分配予現金產生單位(或現金產生單位組別)，且該單位內部分經營被出售，則與被出售經營有關的商譽在釐定出售收益或虧損時計入經營的賬面值。在此情況下，被出售的商譽基於所出售經營及所保留現金產生單位部分的相對價值計量。

(l) 無形資產

單獨收購的無形資產

單獨收購的無形資產於初步確認時按成本計量。於業務合併中收購的無形資產成本指於收購日期的公平值。無形資產的可使用年期評估為有限或無限。可使用年期有限的無形資產於隨後可使用經濟壽命內攤銷，並在有跡象表明無形資產可能已減值時評估減值。可使用年期有限的無形資產的攤銷期及攤銷方法至少於各財政年度末檢討。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Intangible assets (continued) **Intangible assets acquired separately** (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Computer graphic imaging (“CGI”) animation pictures

CGI animation pictures, which represent CGI animation pictures in which the Group retains ownership, consist of film rights of completed CGI animation pictures and CGI animation pictures of which the productions are still in progress.

CGI animation pictures in progress are stated at costs incurred to date, including all the costs directly attributable to the CGI animation pictures in progress and borrowing costs capitalised, less accumulated impairment losses. Upon completion and release of the CGI animation pictures, the costs are amortised based on the proportion of actual income earned during the year to the estimated total income expected to be generated from the relevant CGI animation pictures.

Completed CGI animation pictures are stated at cost incurred to date, representing all the costs directly attributable to the completed CGI animation pictures and borrowing costs capitalised, less accumulated amortisation and accumulated impairment losses.

3. 主要會計政策 (續)

(I) 無形資產 (續) **單獨收購的無形資產 (續)**

可使用年期無限的無形資產每年個別或按現金產生單位級別測試減值。該等無形資產不予攤銷。可使用年期無限的無形資產之可使用年期每年進行檢討，以釐定無限可使用年期評估是否繼續得到支持。如否，則將可使用年期評估由無限至有限的變動按前瞻性基準入賬。

電腦造像（「電腦造像」）動畫

電腦造像動畫指本集團仍持有擁有權之電腦造像動畫，包括已完成電腦造像動畫及製作中之電腦造像動畫之影片權。

製作中之電腦造像動畫乃按照迄今已產生之成本，包括製作中之電腦造像動畫直接應佔之全部成本及已撥充資本之借貸成本，減累計減值虧損列賬。完成及發行電腦造像動畫時，成本按年內實際賺取收入佔預期將自有關電腦造像動畫產生之估計總收入之比例攤銷。

已完成電腦造像動畫乃按照迄今已產生之成本，即已完成電腦造像動畫直接應佔之全部成本及已撥充資本之借貸成本，減累計攤銷及累計減值虧損列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Intangible assets (continued)

Intangible assets acquired separately

(continued)

Computer graphic imaging ("CGI") animation pictures (continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. 主要會計政策 (續)

(I) 無形資產 (續)

單獨收購的無形資產 (續)

電腦造像 (「電腦造像」) 動畫 (續)

無形資產於出售時或於預期日後使用或出售不會產生經濟利益時終止確認。終止確認無形資產產生之損益按該資產出售所得收益淨額與其賬面值之差額計量，並於終止確認資產時在損益確認。

業務合併中收購的無形資產

業務合併中收購的無形資產與商譽分開確認，初步按收購日期的公平值(被視為成本)確認。

於初步確認後，業務合併中收購的無形資產按與單獨收購的無形資產相同之基準，以成本減累計攤銷及累計減值虧損入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(l) Intangible assets (continued)

Trading rights

Trading rights represent the eligibility rights to trade on or through The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Futures Exchange Limited with indefinite useful lives. They are carried at cost less accumulated impairment losses. 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 of the Group as having an indefinite useful life because they are expected to contribute to net cash flows indefinitely. The trading rights will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(m) Financial instruments

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

3. 主要會計政策 (續)

(l) 無形資產 (續)

交易權

交易權指於或透過香港聯合交易所有限公司(「聯交所」)及香港期貨交易所有限公司交易的資格權利，具有無限可使用年期。交易權按成本減累計減值虧損入賬。本集團使用交易權產生現金流量淨額的期間並無可預見的期限。因此，本集團管理層認為交易權具有無限可使用年期，原因是交易權預期將無限產生現金淨額。交易權不會攤銷，直到其可使用年期被認定有限為止。相反，交易權每年並在有跡象表明可能已減值時測試減值。

終止確認無形資產

無形資產於出售時或預期不會從使用或出售獲得未來經濟利益時終止確認。因終止確認無形資產產生的收益及虧損，按出售所得款項淨額與資產賬面值之間的差額計量，在資產終止確認時於損益確認。

(m) 財務工具

當一家集團實體成為工具合約條文之訂約方時確認財務資產及財務負債。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務資產及財務負債初步按公平值計算。因收購或發行財務資產及財務負債而直接產生之交易成本(透過損益按公平值列賬之財務資產或財務負債除外)·於初步確認時於財務資產或財務負債(按適用情況而定)之公平值中加入或扣除。收購按公平值計入損益之財務資產或財務負債直接應佔之交易成本即時於損益中確認。

財務資產

本集團之財務資產歸入下列三個類別之其中一個·包括透過損益按公平值列賬(「透過損益按公平值列賬」)之財務資產·可供出售(「可供出售」)財務資產以及貸款及應收款項。財務資產的分類取決於其性質和用途並在初步確認時予以確定。所有常規購買和出售財務資產於交易日確認及終止確認。常規購買或出售指購買或出售之財務資產·該等資產需要由法規或市場慣例確定期間內移交。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is

- (i) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies,
- (ii) held-for-trading, or
- (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務資產 (續)

實際利息法

實際利息法乃為計算有關期間債務工具之攤銷成本及分配利息收入之方法。實際利率為將債務工具之估計未來現金收入(包括於構成實際利率、交易成本及其他溢價或貼現之主要部分時所有已付或已收費用及點數)在估計年期或較短期間(按適用情況而定)實際貼現至初步確認之賬面淨值之利率。

債務工具之收入按實際利息法確認。

透過損益按公平值列賬之財務資產

當財務資產符合以下條件時，分類為透過損益按公平值列賬：

- (i) 收購方作為香港財務報告準則第3號適用的業務合併一部分而可能支付的或然代價，
- (ii) 持作買賣；或
- (iii) 指定透過損益按公平值列賬。

倘有下列情況，財務資產乃被分類為持作買賣：

- 購入主要目的為於短期內出售；或

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 "Financial Instruments: Recognition and Measurement" permits the entire combined contract (asset or liability) to be designated as at FVTPL.

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務資產 (續)

透過損益按公平值列賬之財務資產 (續)

- 於首次確認時，其為由本集團共同管理之已識別財務工具組合一部分，並具有最近短期獲利實際模式；或
- 為未被指定之衍生工具及可有效作為對沖工具。

財務資產(持作買賣之財務資產或收購方作為業務合併一部分而可能支付的或然代價除外)可於下列情況下於初步確認時指定透過損益按公平值列賬：

- 有關指定能消除或大幅減少另外可能出現之不一致計量或確認；或
- 該財務資產構成其表現可根據本集團之書面風險管理或投資策略按公平值評估之一組財務資產或一組財務負債或同時構成兩者，並按該基準在公司內部提供有關如何分組之資料；或
- 其構成載有一種或以上嵌入式衍生工具之合約，而香港會計準則第39號「財務工具確認及計量」准許全份經合併合約(資產或負債)指定為透過損益按公平值列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains or losses” line item.

AFS financial assets

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

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investment whose fair value cannot reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign rates, if applicable, are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務資產 (續)

透過損益按公平值列賬之財務資產 (續)

透過損益按公平值列賬的財務資產按公平值入賬，因重新計量錄得之任何收益或虧損於損益中確認。於損益確認之收益或虧損淨額，包括從該財務資產賺取之任何股息或利息，計入「其他收益或虧損」項目。

可供出售財務資產

可供出售財務資產乃指定可供出售或並未分類為(a)貸款及應收款項、(b)持至到期投資、(c)持作買賣或(d)按公平值計入損益之財務資產之非衍生工具。

本集團所持有的被分類為可供出售財務資產的股本及債務證券於各報告期末按公平值計量，公平值無法可靠計量的無報價股本投資除外。有關利息收入之可供出售債務工具賬面值變動及匯率變動(如適用)乃採用實際利率法計算，並於損益確認。可供出售財務資產賬面值的其他變動乃於其他全面收入中確認，並累計於投資重估儲備內。當投資被出售或被釐定出現減值時，先前累計於投資重估儲備中之累計盈虧乃重新分類至損益(見下文有關財務資產減值虧損之會計政策)。可供出售股本投資的股息在本集團收取股息的權利確立時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial assets (continued)

AFS financial assets (continued)

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

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 (including accounts receivable, other receivables, refundable deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

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

Impairment of financial assets

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

For AFS equity investments, a significant or prolonged decline in the fair value of security below its cost is considered to be objective evidence of impairment.

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務資產 (續)

可供出售財務資產 (續)

並無活躍市場報價且公平值無法可靠計量的可供出售股本投資，於各報告期末按成本減任何已識別的減值虧損計量。

貸款及應收款項

貸款及應收款項為具有固定或可確定付款金額及於活躍市場並無報價之非衍生財務資產。於初步確認後，貸款及應收款項(包括應收賬款、其他應收款項、可退還按金以及銀行結餘及現金)採用實際利息法之攤銷成本減任何減值計量。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項除外。

財務資產減值

財務資產(透過損益按公平值列賬者除外)於各報告期末就減值之跡象作出評估。倘具備客觀證據證明，於初步確認財務資產後發生之一項或多項事件導致財務資產之估計未來現金流量受到影響，則財務資產被考慮為已減值。

就可供出售股本投資而言，證券的公平值大幅或長期下跌至低於其成本會被視為減值的客觀證據。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

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

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務資產 (續)

財務資產減值 (續)

所有其他財務資產的客觀減值證據包括：

- 發行人或交易對手出現重大財務困難；或
- 違約，如拖欠或無法支付利息或本金；或
- 借方可能進行破產或財務重組；或
- 該財務資產的活躍市場因財務困難而不再存在。

就按攤銷成本列賬之財務資產而言，已確認減值虧損金額乃資產之賬面值與估計未來現金流量按財務資產之原本實際利率貼現之現值間之差額。

所有財務資產之減值虧損會直接於財務資產之賬面值中扣減。

當可供出售財務資產考慮需作減值時，先前於其他全面收入中累積之盈虧，將於該期間重新分類至損益中。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

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

Equity instruments

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

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務資產 (續)

財務資產減值 (續)

就按攤銷成本計量之財務資產而言，倘於隨後期間，減值虧損之金額減少，及減少可客觀地與減值虧損確認後發生之事件有關連，則先前確認之減值虧損透過損益撥回，直至於減值撥回日期該項投資之賬面值不得超出該項減值未獲確認之原有攤銷成本為止。

就可供出售債務投資而言，倘投資公平值的增幅在客觀而言與確認減值虧損後發生的事項有關，則減值虧損會於其後撥回至損益。

財務負債及權益工具

債務及由一家集團實體發行之權益工具按合約安排實質以及財務負債及權益工具之定義而分類為財務負債或權益工具。

權益工具

權益工具為證明一家實體資產經扣除其所有負債剩餘權益之任何合約。由本集團所發行權益工具按已收所得款項扣除直接發行成本後確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Equity instruments (continued)

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

Financial liabilities

Financial liabilities including accounts payable and other payables and accruals are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務負債及權益工具 (續)

權益工具 (續)

本公司購回本身之權益工具直接於權益確認及扣除。於購買、出售、發行或註銷本公司本身之權益工具時，不會於損益確認任何盈虧。

財務負債

財務負債(包括應付賬款、其他應付款項及應計費用)其後採用實際利息法按攤銷成本計量。

實際利息法

實際利息法乃為計算有關期間財務負債之攤銷成本及分配利息開支之方法。實際利率為將財務負債之估計未來現金付款(包括於構成實際利率、交易成本及其他溢價或貼現之主要部分時所有已付或已收費用及點數)在估計年期或較短期間(按適用情況而定)實際貼現至初步確認之賬面淨值之利率。

終止確認

當從資產收取現金流量之合約權利屆滿或當本集團轉移財務資產及有關資產擁有權之大部分全部風險及回報予另一實體時，本集團方會終止確認財務資產。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Derecognition (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

(n) Impairment on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. 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.

3. 主要會計政策 (續)

(m) 財務工具 (續)

財務負債及權益工具 (續)

終止確認 (續)

完全終止確認財務資產時，資產賬面值與已收及應收代價以及已於其他全面收入確認並於權益中累計的累計損益總和間之差額於損益中確認。

當且僅當本集團之債務獲解除、取消或屆滿時終止確認財務負債。終止確認財務負債之賬面值與已付及應付代價間之差額於損益中確認。

(n) 有形及無形資產之減值

本集團於報告期末審閱具備有限可使用年期之有形及無形資產之賬面值，以釐定是否有任何跡象表明該等資產已蒙受減值虧損。倘出現任何上述跡象，則會估計資產之可收回金額以釐定減值虧損之幅度(如有)。

倘不可能估計個別資產之可收回金額，則本集團會估計有關資產所屬之現金產生單位(「現金產生單位」)之可收回金額。倘可識別合理及一致之分配基準，企業資產可分配至個別現金產生單位，否則則將企業資產分配至能可識別合理及一致之分配基準之最小組別現金產生單位。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Impairment on tangible and intangible assets (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

(n) 有形及無形資產之減值 (續)

具備無限可使用年期之無形資產及尚未可供使用之無形資產會至少每年及在出現減值跡象之情況下隨時進行減值測試。若估計資產之可收回金額將低於其賬面值，該項資產之賬面值將下調至其可收回金額。減值虧損即時確認為開支。

可收回金額為公平值減出售成本與使用價值之間之較高者。就並未為未來現金流之估計予以調整的資產，於評估使用價值時，估計未來現金流量會採用反映現時市場對貨幣時間價值及資產特殊風險之評值之稅前貼現率貼現至其現有價值。

若資產(或現金產生單位)之可收回金額估計將低於其賬面值，該項資產(或現金產生單位)之賬面值將下調至其可收回金額。在分配減值虧損時，減值虧損先分配以減少任何商譽(如適用)的賬面值，然後按照單位中各資產賬面值的比例分配予其他資產。資產的賬面值不會減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零的最高者。原本將分配至資產的減值虧損金額按比例分配予單位中其他資產。減值虧損即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Impairment on tangible and intangible assets (continued)

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

Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

3. 主要會計政策 (續)

(n) 有形及無形資產之減值 (續)

倘減值虧損於其後撥回，資產(或現金產生單位)賬面值增加至其經修訂之估計可收回金額，惟所增加之賬面值不得超過未確認有關資產(或現金產生單位)過往年度減值虧損前所釐定該資產之賬面值。所撥回之減值虧損即時於損益中確認。

中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須遵照香港會計準則第34號「中期財務報告」就每個財政年度首六個月編制中期財務報告。於中期期末，本集團應用與財政年度末相同的減值測試、確認及撥回標準。

於中期期間就商譽及按成本入賬的可供出售股本證券確認的減值虧損，不於隨後期間撥回。即使倘若僅在中期期間涉及的財政年度末評估減值的情況下，不會確認虧損或確認的虧損較小，亦屬如此。因此，如年度期間餘下時間或隨後任何其他期間可供出售證券的公平值增加，增加亦於其他全面收益確認，而非於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(o) Related parties

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

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

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

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

3. 主要會計政策 (續)

(o) 有關連人士

(a) 如一名人士符合以下情況，則該人士或該人士的家庭近親屬與本集團有關聯：

- (i) 控制或共同控制本集團；
- (ii) 對本集團擁有重大影響力；或
- (iii) 為本集團或本集團母公司之主要管理人員。

(b) 一個實體如適用以下任何條件，則與本集團有關聯：

- (i) 該實體與本集團為同一集團的成員公司(指各自的母公司、附屬公司及同系附屬公司互相關連)。
- (ii) 一個實體為另一個實體之聯營公司或合營企業(或另一個實體所屬集團的成員公司的聯營公司或合營企業)。
- (iii) 兩個實體均為同一第三方之合營企業。
- (iv) 一個實體為第三方實體之合營企業，而另一個實體為該第三方實體之聯營公司。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(o) Related parties (continued)

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

(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.

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

(p) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's board of directors (the chief operating decision maker) for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

3. 主要會計政策 (續)

(o) 有關連人士 (續)

(b) 一個實體如適用以下任何條件，則與本集團有關聯：
(續)

(v) 該實體為本集團或與本集團有關聯之實體為其雇員福利而設立之退休福利計劃。

(vi) 該實體受(a)項中所指明的人士控制或共同控制。

(vii) (a)(i)項中所指明的人士對該實體有重大影響力，或該人士是該實體(或是該實體的母公司)的主要管理人員的成員。

(viii) 該實體或其所屬集團的任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

一名人士的近親屬指預期可能影響該人士與該實體的往來或受此影響的家庭成員。

(p) 分部報告

經營分部及各分部項目在財務報表中報告的金額，從定期提供予本集團董事會(主要經營決策者)以將資源分配予本集團各業務線並評估表現的財務資料及地理位置識別。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Segment reporting *(continued)*

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

(q) Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. 主要會計政策 (續)

(p) 分部報告 (續)

個別重大的經營分部不就財務申報進行匯總，除非該等分部具有類似的經濟特點，且產品及服務的性質、生產工藝的性質、客戶類型或類別、分銷產品或提供服務所使用的方式以及監管環境的性質類似。個別並不重大的經營分部如在該等標準上大部分相同，則可予匯總。

(q) 於合營企業的投資

合營企業是一項共同安排，據此，對安排具有共同控制權的各方有權享有共同安排的資產淨值。共同控制是按照合同約定共享對安排的控制權，只有在相關活動需要共享控制權的各方一致同意時才存在。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Investments in joint ventures (continued)

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture). Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), 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 joint venture.

3. 主要會計政策 (續)

(q) 於合營企業的投資 (續)

合營企業的業績與資產及負債使用權益會計法綜合入該等綜合財務報表。就權益會計法入賬的合營企業的財務報表，乃使用本集團有關類似情況下類似交易及事件的統一會計政策編製。根據權益法，於合營企業的投資初步按成本於綜合財務狀況表確認，此後作出調整，以反映本集團應佔該合營企業的損益及其他全面收益。當本集團應佔合營企業的虧損超過本集團於該合營企業的權益(包括實際上構成本集團於該合營企業投資淨額一部分的任何長期權益)。於該合營企業的資產淨值(損益及其他全面收入除外)變動不入賬，除非該等變動導致本集團持有的擁有權變動。當本集團應佔合營企業的虧損超過本集團於該合營企業的權益(包括實際上構成本集團於該合營企業投資淨額一部分的任何長期權益)時，本集團會終止確認其應佔的未來虧損。只有在本集團已產生代表該合營企業作出付款的法定或推定義務時，才會確認額外虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Investments in joint ventures (continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, 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 profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策 (續)

(q) 於合營企業的投資 (續)

於合營企業的投資由被投資方成為合營企業之日起使用權益法入賬。收購於合營企業的投資時，投資成本超過本集團應佔被投資公司的可識別資產及負債的公平淨值的任何部分確認為商譽，計入投資的賬面值。本集團應佔可識別資產及負債的公平淨值超出投資成本的部分，經重新評估後即時於收購投資期間在損益確認。

香港會計準則第39號用於釐定是否有必要就本集團於合營企業的投資確認減值虧損。如有必要，投資的全部賬面值(包括商譽)按照香港會計準則第36號資產減值作為單一資產測試減值，將其可收回金額與賬面值比較。所確認的任何減值虧損構成投資賬面值的一部分。如隨後投資的可收回金額增加，則按照香港會計準則第36號確認撥回減值虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Investments in joint ventures (continued)

When the Group ceases to have significant influence over joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant joint venture.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. 主要會計政策 (續)

(q) 於合營企業的投資 (續)

當本集團不再對合營企業具有重大影響時，作為出售被投資公司的全部權益入賬，因此產生的收益或虧損於損益確認。當本集團保留於前合營企業的權益，且保留權益為香港會計準則第39號範圍內的財務資產時，則本集團於當日按公平值計量保留權益，而公平值則被視為首次確認時的公平值。合營企業的賬面值與任何保留權益的公平值及出售合營企業相關權益所得任何款項之間的差額，乃計入釐定出售合營企業的損益。此外，倘該合營企業直接出售相關資產或負債，則本集團可能需要按相同基準計入有關該合營企業的以往於其他全面收入確認的所有金額。因此，倘該合營企業以往於其他全面收入確認的損益於出售相關資產或負債時重新分類為損益，則本集團將於出售／部分出售相關合營企業時將收益或虧損由權益重新分類為損益(列作重新分類調整)。

當本集團削減於合營企業的所有權權益但繼續使用權益法時，倘以往於其他全面收入確認有關削減所有權權益的盈虧部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Investments in joint ventures (continued)

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(s) Offsetting financial instruments

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

3. 主要會計政策 (續)

(q) 於合營企業的投資 (續)

倘一集團實體與合營企業交易，與該合營企業交易所產生之損益只會在有關合營企業之權益與本集團無關的情況下，才會在本集團綜合財務報表確認。

(r) 借貸成本

收購、建設或生產合資格資產(指需要大量期間才能實現擬定用途或銷售的資產)直接應佔的借貸成本，加入該等資產的成本，直至有關資產大致可作擬定用途或銷售為止。

特定借貸在就合資格資產支出前用於臨時投資所賺取的收入，從合資格資本化的借貸成本中扣除。

所有其他借貸成本於產生期間在損益確認。

(s) 抵銷財務工具

當有法定可執行權利可抵銷已確認金額，且有意按其淨額作結算或同時變現資產和結算負債時，有關財務資產與負債互相抵銷，並在綜合財務狀況表報告其淨值。法定可執行權利不得以發生未來事件為條件，且必須可在正常業務過程中及公司或對手方違約、無力償債或破產時強制執行。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and a suitable discount rate in order to calculate the present value of those cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 31 December 2017, the carrying amount of the goodwill is HK\$Nil (2016: HK\$Nil), net of accumulated impairment of HK\$5,878,000 (2016: HK\$Nil).

(b) Estimation of impairment of trading rights held in the Stock Exchange

Determining whether the trading rights held in the Stock Exchange, which are intangible assets with indefinite useful lives are impaired requires an estimation of the recoverable amount of the cash-generating unit ("CGU") to which intangible assets with indefinite useful lives have been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances result in a downward revision of future cash, a material impairment loss may arise.

4. 估計不確定因素的主要來源

以下為有關日後之主要假設以及於報告期末之其他主要估計不確定因素來源，該等假設及估計具有在下一個報告期間內導致資產及負債之賬面值作出重大調整之風險。

(a) 商譽減值

本集團每年釐定商譽是否已減值。這需要估計獲分配商譽的現金產生單位的價值。估計使用價值要求本集團估計現金產生單位的預期未來現金流量以及合適的貼現率，以計算該等現金流量的現值。當實際未來現金流量低於預期時，可能產生重大減值虧損。

於二零一七年十二月三十一日，商譽的賬面值為零港元(二零一六年：零港元)，扣除累計減值5,878,000港元(二零一六年：零港元)。

(b) 於聯交所持有的交易權估計減值

釐定於聯交所持有的交易權(為具有無限可使用年期的無形資產)需要估計具有無限可使用年期的無形資產獲分配的現金產生單位(「現金產生單位」)的可收回金額(為使用價值或公平值減出售成本中的較高者)。計算使用價值需要本集團估計預期因現金產生單位產生的未來現金流量及合適的貼現率，以計算現值。當實際未來現金流量低於預期時，或事實及情況變化導致向下修訂未來現金時，可能產生重大減值虧損。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Estimation of impairment of trading rights held in the Stock Exchange (continued)

As at 31 December 2017, the carrying amount of the trading rights held in the Stock Exchange is HK\$859,000. Details of the recoverable amount calculation are disclosed in note 21.

(c) Valuation of convertible notes receivable

The fair values of convertible notes that are not traded in an active market are determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

As at 31 December 2017, the carrying amount of the convertible notes receivable is HK\$19,293,000 (2016: HK\$43,466,000).

(d) Income tax expenses

Significant judgement is required in determining the provision for income taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax liabilities in the period in which such determination is made.

As at 31 December 2017, the carrying amount of the tax payable is HK\$Nil (2016: HK\$10,967,000).

4. 估計不確定因素的主要來源 (續)

(b) 於聯交所持有的交易權估計減值 (續)

於二零一七年十二月三十一日，於聯交所持有的交易權之賬面值為859,000港元。計算可收回金額的詳情披露於附註21。

(c) 應收可換股票據的估值

未在活躍市場上買賣的可換股票據的公平值採用估值技術釐定。本集團使用其判斷選擇多種方式，並主要基於各報告期末存在的市況作出假設。

於二零一七年十二月三十一日，應收可換股票據的賬面值為19,293,000港元(二零一六年：43,466,000港元)。

(d) 所得稅開支

釐定所得稅撥備需要作出重要判斷。日常業務過程中最終的稅務決定並不確定。本集團基於對是否須支付額外稅項的估計確認預期稅項負債。如有關事項的最終稅務結果不同於最初確認的金額，差額將影響釐定差異期間的即期所得稅負債。

於二零一七年十二月三十一日，應付稅項的賬面值為零港元(二零一六年：10,967,000港元)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(e) Business combination

On 28 February 2017, the Group acquired the entire equity interest in John & Wong Securities Company Limited (“John & Wong”). As at 28 February 2017 (date of acquisition), the goodwill and intangible assets allocated to the Group are HK\$5,878,000 and HK\$2,931,000 respectively. John & Wong is engaged in the provision of securities brokerage services to clients. Intangible assets acquired by the Group in the acquisition include trading rights held in the Stock Exchange. The residual portion of the purchase consideration was allocated as goodwill, which represents the balance of the purchase consideration over the fair value of identifiable net assets acquired by the Group. The purchase price allocation has involved significant management judgement and estimation, such as the valuation methodologies, budgeted gross profit margins, the discount rate and the growth rate adopted. Further details are given in note 39 to the financial statements.

4. 估計不確定因素的主要來源 (續)

(e) 業務合併

於二零一七年二月二十八日，本集團收購宏昌証券有限公司（「宏昌」）的全部股權。於二零一七年二月二十八日（收購日期），分配予本集團的商譽及無形資產分別為5,878,000港元及2,931,000港元。宏昌從事向客戶提供證券經紀服務。本集團於收購中獲得的無形資產包括於聯交所持有的交易權。購買代價的剩餘部分分配為商譽，指購買代價餘額超出本集團收購的可識別淨資產公平值的部分。購買價分配涉及管理層重大判斷及估計，如所採用的估值方法、預算毛利率、貼現率及增長率。進一步詳情載列於財務報表附註39。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. In addition, a subsidiary of the Group licensed by the Securities and Futures Commission (“SFC”) is obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules (“FRR”) at all times.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with share capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt. For the subsidiary licensed by the SFC, the Group ensures this licensed subsidiary maintains a liquid capital level adequate to support the level of activities with sufficient buffer to accommodate for increases in liquidity requirements arising from potential increases in the level of business activities. During the period from 28 February 2017 (date of acquisition of subsidiary) to 31 December 2017, this licensed subsidiary complied with the liquid capital requirements under the FRR at all times.

5. 資本風險管理

本集團管理其資本以確保本集團之實體有能力進行持續經營，並透過完善平衡其債務與權益為權益擁有人帶來最大回報。此外，本集團獲證券及期貨事務監察委員會（「證監會」）發牌的一間附屬公司須始終符合《證券及期貨（財政資源）規則》（「財政資源規則」）的監管流動資金規定。

本集團之資本結構包含本公司擁有人應佔權益，當中包括已發行股本及各項儲備。

本公司董事定期檢討資本架構。於檢討中，本公司董事考慮資本成本及與股本相關之風險。根據本公司董事的推薦，本集團將透過支付股息、發行新股份及股份購回以及發行新債務而平衡其整體資本架構。就獲證監會發牌的附屬公司而言，本集團確保該持牌附屬公司將流動資金維持在足以支持活動的水平，並具有可容納因業務活動水平潛在增加產生的流動資金要求增加的充足緩衝。於二零一七年二月二十八日（收購該附屬公司日期）至二零一七年十二月三十一日期間內，該持牌附屬公司一直遵守財政資源規則的流動資金規定。

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6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	財務資產		
At FVTPL	按公平值計入損益		
Held-for-trading investments	持作買賣投資	432,023	588,638
Convertible notes receivable	應收可換股票據	19,293	43,466
		451,316	632,104
Available-for-sale investments	可供出售投資	51,178	48,650
Loans and receivables (including bank balances and cash)	貸款及應收款項(包括銀行結餘及現金)	142,313	266,743
		644,807	947,497
Financial liabilities	財務負債		
At amortised cost	按攤銷成本	9,344	6,914

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, held-for-trading investments, convertible notes receivable, amount due from a joint venture, accounts receivable, other receivables, refundable deposits, bank balances-trust accounts, bank balances and cash, accounts payable and other payables and accruals. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(b) 財務風險管理目標及政策

本集團主要財務工具包括可供出售投資、持作買賣投資、應收可換股票據、應收一間合營企業款項、應收賬款、其他應收款項、可退還按金、銀行結餘—信託賬戶、銀行結餘及現金、應付賬款、其他應付款項及應計費用。有關該等財務工具之詳情於相關附註披露。與該等財務工具相關之風險包括市場風險(貨幣風險、利率風險及價格風險)、信貸風險及流動資金風險。減輕該等風險之政策載於下文。管理層積極管理及監察該等風險，確保適時採取有效措施。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

- (i) Currency risk
Several subsidiaries of the Group have foreign currency denominated monetary assets and liabilities, which expose the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
United State dollars ("USD")	美元(「美元」)	16,420	606	-	-
Euro ("EUR")	歐元(「歐元」)	119	4,640	-	-

Sensitivity analysis

The Group is mainly exposed to exchange rate fluctuations in HK\$ against USD and EUR. As HK\$ is pegged with USD under the Linked Exchange Rate System, the management of the Company is of the opinion that the Company's exposure to USD is minimal and accordingly, no foreign currency sensitivity analysis on USD is presented.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

- (i) 貨幣風險
本集團若干附屬公司擁有以外幣計值之貨幣資產及負債，使本集團面對外幣風險。以外幣計值之貨幣資產及負債於報告期末之賬面值如下：

敏感度分析

本集團主要面對港元兌美元及歐元之匯率波動風險。在香港聯繫匯率制度下，港元與美元掛鈎，管理層認為，本集團所面臨美元匯率波動之風險甚低，故並無就美元進行敏感性分析。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The following table details the Group's sensitivity to a 5% (2016: 5%) increase and decrease in EUR against 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items. A positive/negative number below indicates a decrease/(increase) in post-tax loss.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析

下表載列本集團對歐元兌港元上升及下跌5%(二零一六年: 5%)之敏感度詳情。5%(二零一六年: 5%)乃內部向主要管理人員呈報外幣風險時採用之敏感度比率,指管理層對外幣匯率可能合理變動之評估。敏感度分析僅包括以外幣計值之尚未支付貨幣項目。下列正數/負數顯示除稅後虧損減少/(增加)。

	EUR 歐元	
	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Increase in foreign exchange rates 匯率上升	6	232
Decrease in foreign exchange rates 匯率下跌	(6)	(232)

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate short term bank deposits (see note 31(a) for details of these short-term bank deposits), available-for-sale fixed rate instruments (see note 22 for details of these available-for-sale investments) and convertible notes receivable with fixed interest rate (see note 29) for the years ended 31 December 2016 and 2017.

The management considers the fair value interest rate risks are insignificant and therefore no sensitivity analysis on such risks has been prepared.

(iii) Price risk

The Group is exposed to equity price risk through its investment in equity securities listed in Hong Kong, convertible notes receivable designated as at FVTPL and debt securities listed in Singapore. The management manages its exposure by maintaining a portfolio of investments with different risk profiles.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險

本集團就定息短期銀行存款(有關該等短期銀行存款之詳情請參閱附註31(a))及於截至二零一六年及二零一七年十二月三十一日止年度就可供出售定息工具(有關該等可供出售投資之詳情請參閱附註22)及定息應收可換股票據(請參閱附註29)面對公平值利率風險。

管理層認為公平值利率風險微不足道，故並無就有關風險編製敏感度分析。

(iii) 價格風險

本集團因投資香港上市股本證券、指定透過損益按公平值列賬的應收可換股票據及於新加坡上市的債務證券而面臨股價風險。管理層透過維持風險不同的投資組合而管理風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Price risk (continued)

The Group's financial assets classified as held-for-trading investments and available-for-sale financial assets are listed on the Stock Exchange of Hong Kong Limited. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Hang Seng Index and Index of the Growth Enterprise Market on the Stock Exchange of Hong Kong Limited and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale portfolio have been chosen based on their long term growth potential and are monitored regularly for performance against expectation.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk arising from equity securities listed in Hong Kong, convertible notes receivable designated as at FVTPL and debt securities listed in Singapore at the end of the reporting period.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

本集團分類為持作買賣投資及可供出售財務資產的財務資產於香港聯合交易所有限公司上市。買賣交易證券的決定乃基於日常監察個別證券相比恒生指數及香港聯合交易所有限公司創業板指數的表現、其他行業指標及本集團流動資金需要作出。可供出售組合中持有的上市投資乃基於其長期增長潛力選擇，定期對照預期監察其表現。

敏感度分析

以下敏感度分析乃基於報告期末因香港上市股本證券、指定透過損益按公平值列賬的應收可換股票據以及於新加坡上市的債務證券產生的股價風險釐定。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Price risk (continued)

Sensitivity analysis (continued)

If the equity prices of convertible notes receivable had been 5% higher, and assuming other inputs to the valuation model of convertible notes receivable and held constant, post-tax loss for the year ended 31 December 2017 would decrease by HK\$22,000 (2016: HK\$4,015,000). If the equity prices of convertible notes receivable had been 5% lower, the post-tax loss would increase by HK\$21,000 (2016: HK\$3,748,000) for the year.

At 31 December 2017, it is estimated that an increase/decrease of 5% (2016: 5%) in the fair value of the Group's held-for-trading investments with all other variables held constant would have decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$21,601,000 (2016: decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$30,075,000).

At 31 December 2017, it is estimated that an increase/decrease of 5% (2016: 5%) in the fair value of the Group's equity securities classified as available-for-sale financial assets with all other variables held constant would have decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$2,155,000 (2016: Nil).

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

(iii) 價格風險 (續)

敏感度分析 (續)

如應收可換股票據的股價上升5%，並假設應收可換股票據估值模型的其他輸入數據維持不變，截至二零一七年十二月三十一日止年度的除稅後虧損將減少22,000港元(二零一六年：4,015,000港元)。如應收可換股票據的股價下降5%，本年度的除稅後虧損將增加21,000港元(二零一六年：3,748,000港元)。

於二零一七年十二月三十一日，假設本集團持作買賣投資的公平值增加／減少5%(二零一六年：5%)，而所有其他可變因素維持不變，則本集團的除稅後虧損將減少／增加(而累計虧損將減少／增加) 21,601,000港元(二零一六年：本集團的除稅後虧損將減少／增加(而累計虧損將減少／增加) 30,075,000港元)。

於二零一七年十二月三十一日，假設本集團分類為可供出售財務資產的股本證券的公平值增加／減少5%(二零一六年：5%)，而所有其他可變因素維持不變，則本集團的除稅後虧損將減少／增加(而累計虧損將增加／減少) 2,155,000港元(二零一六年：無)。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Price risk (continued)

Sensitivity analysis (continued)

At 31 December 2017, it is estimated that an increase/decrease of 5% (2016: 5%) in the fair value of the listed debt securities classified as available-for-sale financial assets with all other variables held constant would have increased/decreased in the Group's available-for-sale investment reserve by HK\$404,000 (2016: Nil).

In the opinion of directors of the Company, the sensitivity analysis is unrepresentative of the price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the financial assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of financial assets at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

(iii) 價格風險(續)

敏感度分析 (續)

於二零一七年十二月三十一日，假設本集團分類為可供出售財務資產的上市債務證券的公平值增加／減少5%（二零一六年：5%），而所有其他可變因素維持不變，則本集團的可供出售投資儲備將增加／減少404,000港元（二零一六年：無）。

本公司董事認為，敏感度分析不能代表價格風險，原因是報告期末的風險不反映年內的風險。

信貸風險

於二零一七年十二月三十一日，本集團因交易對手未能履行責任而使本集團須蒙受財務虧損所面對之最高信貸風險為於綜合財務狀況表所列財務資產之賬面值。

本集團於報告期末檢討財務資產的可收回金額，以確保就不可收回金額作出足夠的減值虧損撥備。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

In order to manage the credit risk in the accounts receivable arising in the ordinary course of business of dealing in securities, individual credit evaluation are performed on the cash clients. Accounts receivable from cash clients relate to customers who generally settle the accounts receivable in two days after trade date and are secured by the portfolio of securities of the cash clients, credit risk arising from the accounts receivable due from cash clients is therefore considered minimal.

The credit risk on the investment in debt securities listed in Singapore as at 31 December 2017 is limited because the counterparty is corporation with good reputations.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, convertible notes receivable, accounts receivable and investment in debt securities listed in Singapore the Group does not have any other significant concentration of credit risk.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

為管理買賣證券一般業務過程中產生的應收賬款信貸風險，就現金客戶進行個別信貸評估。應收現金客戶的賬款涉及一般於交易日期後兩日結算應收賬款的大量客戶，以現金客戶的證券組合抵押，因此，因應收現金客戶賬款產生的信貸風險被視為極低。

於二零一七年十二月三十一日於新加坡上市的債務證券投資信貸風險有限，原因是訂約方為具有良好聲譽的公司。

流動資金的信貸風險有限，原因是對手方為獲國際信用評級機構授予較高信用評級的銀行。

除存放於高信用評級之多家銀行之流動資金、應收可換股票據、應收賬款及於新加坡上市的債務證券投資有信貸風險集中之情況外，本集團並無任何其他明顯集中之信貸風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash 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 Group's remaining contractual maturity 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.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

在管理流動資金風險時，本集團監察及維持管理層視為足夠之一定數量銀行結餘及現金，以為本集團業務提供財力及緩和現金流量波動之影響。

下表詳列本集團非衍生財務負債之餘下合約到期情況。該表根據本集團可能被要求付款之最早日期之財務負債之未貼現現金流量編製。

		Less than 1 month	Total undiscounted cash flows	Carrying amount at 31 December 2017 於二零一七年 十二月三十一日 之賬面值
		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			
Non-derivative financial liabilities	非衍生財務負債			
Accounts payable	應付賬款	6,081	6,081	6,081
Other payables and accruals	其他應付款項及應計費用	3,263	3,263	3,263
		9,344	9,344	9,344

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)
Liquidity risk (continued)

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

		Total	Carrying
	Less than	undiscounted	amount at
	1 month	cash flows	31 December
			2016
		未貼現現金	於二零一六年
	一個月以內	流量總額	十二月三十一日
	HK\$'000	HK\$'000	之賬面值
	千港元	千港元	千港元
At 31 December 2016			
Non-derivative financial liabilities	於二零一六年十二月三十一日		
Other payables	非衍生財務負債		
	其他應付款項	6,914	6,914

(c) Fair value measurements of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

(c) 財務工具之公平值計量

本集團經常性按公平值計量之財務資產及財務負債之公平值

公平值級別

下表呈報於報告期末本集團按持續基準計量的財務工具之公平值(分為香港財務報告準則第13號公平值計量界定的三級公平值層級)。公平值計量分類的級別乃參考估值技術使用的輸入數據之可觀察性及重大性,按以下方式釐定:

- 第一級估值: 僅使用第一級輸入數據(即於計量日期活躍市場上相同資產或負債的未調整報價)計量的公平值。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis (continued)

Fair value hierarchy (continued)

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Valuation process

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The finance department works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Financial controller reports to the board of directors semi-annually to explain the cause of fluctuations in the fair value of the assets or liabilities.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

本集團經常性按公平值計量之財務資產及財務負債之公平值

(續)

公平值級別 (續)

- 第二級估值：僅使用第二級輸入數據(即不符合第一級計量的可觀察輸入數據)，不使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據指無市場數據的輸入數據。
- 第三級估值：使用重大不可觀察輸入數據計量的公平值。

估值程序

本集團財務部(由財務總監領導)負責釐定財務工具公平值計量的政策及程序。

在估計資產或負債的公平值時，本集團盡可能使用可獲得之市場可觀察資料。如並無第一級輸入數據，本集團委聘第三方合資格估值師進行估值。財務部與合資格外部估值師密切合作，制定適當的估值技術及模型輸入數據。財務總監每半年向董事會報告，解釋資產或負債公平值波動的原因。

本集團部分財務資產於各報告期末按公平值計量。下表提供釐定該等財務資產公平值的方法之資料(尤其是估值技術及所用輸入數據)。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued) Valuation process (continued)

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

	Fair value as at 於以下日期之公平值		Fair value hierarchy 公平值層級	Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入數據
	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元			
Available-for-sale investments 可供出售投資					
- equity shares listed in Hong Kong, at fair value - 香港上市股份，按公平值	43,092	-	Level 1 第一級	Quoted market closing prices in an active market 活躍市場所報收市價	N/A 不適用
- debt securities listed in Singapore, at fair value - 於新加坡上市的債務證券，按公平值	8,086	-	Level 2 第二級	Quoted prices from financial institutions 採用來自金融機構之報價	N/A 不適用
Held-for-trading investments 持作買賣投資	432,023	588,638	Level 1 第一級	Quoted market closing prices in an active market 活躍市場所報收市價	N/A 不適用
Convertible notes receivable 應收可換股票據					
- issued by China Agri-Products Exchange Limited - 由中國農產品交易所有限公司發行	19,293	41,299	Level 3 第三級	Binomial model 二項式模型	Discount rate: 14.65% (2016: 15.66%) Volatility: 63.30% (2016: 58.67%) 貼現率: 14.65% (二零一六年: 15.66%) 波幅: 63.30% (二零一六年: 58.67%)
- issued by Up Energy Development Group Limited - 由優派能源發展集團有限公司發行	-	2,167	Level 3 第三級	Binomial model 二項式模型	Discount rate: N/A (2016: 30.62%) Volatility: N/A (2016: 88.21%) Default Rate: N/A (2016: 35.54%) 貼現率: 不適用 (二零一六年: 30.62%) 波幅: 不適用 (二零一六年: 88.21%) 違約率: 不適用 (二零一六年: 35.54%)
	502,494	632,104			

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For the year ended 31 December 2017
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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Valuation process (continued)

During the years ended 31 December 2017 and 2016, there were no transfers between Level 1 and 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Note:

A 5% increase in volatility holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$37,000 (2016: approximately HK\$676,000). A 5% decrease in volatility holding all other variables constant would decrease the carrying amount of the convertible note receivables by approximately HK\$36,000 (2016: approximately HK\$617,000).

A 5% increase in discount rate holding all other variables constant would decrease the carrying amount of convertible notes receivable by approximately HK\$2,384,000 (2016: approximately HK\$6,615,000). A 5% decrease in discount rate holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$2,903,000 (2016: approximately HK\$7,409,000).

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

截至二零一七年及二零一六年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦並無轉入或轉出第三級。本集團的政策為於公平值等級級別之間的轉撥產生期間確認。

附註：

波幅增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約37,000港元（二零一六年：約676,000港元）。波幅減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約36,000港元（二零一六年：約617,000港元）。

貼現率增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約2,384,000港元（二零一六年：約6,615,000港元）。貼現率減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約2,903,000港元（二零一六年：約7,409,000港元）。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis

Reconciliation of Level 3 fair value measurement

Investment at fair value through profit or loss

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

本集團經常性按公平值計量之財務資產及財務負債之公平值

第三級公平值計量之對賬

透過損益按公平值列賬之投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the year	於年初	43,466	-
Disposal through a disposal of a subsidiary (note 40(b))	透過出售一間附屬公司而出售(附註40(b))	(2,167)	-
Additions	添置	-	25,367
Gain on derecognised of day-one gain	終止確認第一天收益之收益	25,700	-
(Loss)/gain recognised in profit or loss during the year	年內於損益確認的(虧損)/收益	(47,706)	18,099
At the end of the year	於年末	19,293	43,466
Net (loss)/gain for the year included in profit or loss for investments designated as at fair value through profit or loss (included in other (loss)/gain)	指定透過損益按公平值列賬之投資計入損益(計入其他(虧損)/收益)的本年度(虧損)/收益淨額	(22,006)	18,099

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

並非按公平值計量之財務資產及財務負債之公平值

本公司董事認為於綜合財務報表中按攤銷成本確認之其他財務資產與財務負債之賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 December 2017
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6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and the clearing house, the Group has a legally enforceable right to set off the money obligations receivable and payable with clearing house on the same settlement date and the Group intends to settle on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payables to cash clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to the clearing house and accounts receivable from and payables to cash clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group and deposit placed with clearing house do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債

下表所載披露包括受限於可執行總對銷安排或涵蓋類似財務工具的類似協議，並符合以下情況之一的財務資產及財務負債：

- 於本集團綜合財務狀況表內抵銷；或
- 由於不符合抵銷標準，未於本集團綜合財務狀況表內抵銷。

根據本集團與結算所訂立的持續淨額結算協議，本集團具有可依法執行的權利於相同結算日期抵銷應收及應付結算所的貨幣義務，本集團擬按淨額基準結算。

此外，本集團具有可依法執行的權利抵銷須於相同日期結算的應收及應付現金客戶的賬款，本集團擬按淨額基準結算。

除所抵銷的須於相同日期結算的結餘外，毋須於相同日期結算的應收／應付結算所款項及應收及應付現金客戶的款項、財務抵押品(包括本集團收取的現金及證券)以及存放於結算所的按金，不符合於綜合財務狀況表內抵銷的標準，原因是抵銷已確認款項的權利僅可在發生違約事件後執行。

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6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities (continued)

(a) **Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements**

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債 (續)

(a) 受限於抵銷、可執行總對銷安排或類似協議的財務資產

Related amounts
not offset in consolidated
statement of financial position
未於綜合財務狀況表內抵銷的相關款項

	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position 於綜合 財務狀況表內 已確認 抵銷的已確認 財務資產總額 HK\$'000 千港元	Gross amount of recognised financial assets in the consolidated statement of financial position 於綜合 財務狀況表內 已確認 抵銷的已確認 財務負債總額 HK\$'000 千港元	Net amount of financial assets presented in the consolidated statement of financial position 綜合 財務狀況表內 呈報的 財務資產淨額 HK\$'000 千港元	Financial instruments 財務工具 HK\$'000 千港元	Collateral received 已收抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
At 31 December 2017 於二零一七年 十二月三十一日						
Financial assets 財務資產						
Accounts receivable 應收賬款	3,197	(2,314)	883	-	-	883
At 31 December 2016 於二零一六年 十二月三十一日						
Financial assets 財務資產						
Accounts receivable 應收賬款	-	-	-	-	-	-

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6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities (continued)

(b) Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債 (續)

(b) 受限於抵銷、可執行總對銷安排或類似協議的財務負債

Related amounts
not offset in consolidated
statement of financial position
未於綜合財務狀況表內抵銷的相關款項

	Gross amounts of recognised financial assets set off	Gross amount of consolidated statement of financial position 於綜合 財務狀況表內 已確認 抵銷的已確認 財務資產總額	Net amount of financial liabilities presented in the consolidated statement of financial position 綜合 財務狀況表內 呈報的 財務負債淨額	Financial instruments	Collateral received	Net amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2017 於二零一七年 十二月三十一日						
Financial liabilities 財務負債						
Accounts payable 應付賬款	8,395	(2,314)	6,081	-	-	6,081
At 31 December 2016 於二零一六年 十二月三十一日						
Financial liabilities 財務負債						
Accounts payable 應付賬款	-	-	-	-	-	-

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7. SEGMENT INFORMATION

On 28 January 2016, the board of directors resolved to develop integrated financial services including provision of securities brokerage services, placing and underwriting services, corporate finance advisory services, investment advisory and asset management services, margin financing and money-lending business, securities investment and proprietary trading. During the year ended 31 December 2017, the Group continued its proprietary trading activities related to equity securities listed in Hong Kong, which become the principal business of the Group. The proprietary trading activities are carried out through wholly owned subsidiaries. For the year ended 31 December 2016, the Group has been operating with only one reportable and operating segment: trading of securities segment engaged in the purchase and sales of securities investments. For the year ended 31 December 2017, the Group acquired a subsidiary which is engaged in securities brokerage services. The chief operating decision maker (“CODM”) considers the performance of financial assets classified as held-for-trading investments, financial assets at fair value through profit or loss and securities brokerage as only one reportable and operating segment for the purpose of resources allocation and performance assessment. Accordingly, no further segment information has been presented.

7. 分部資料

於二零一六年一月二十八日，董事會決議發展綜合金融服務業務，包括提供證券經紀服務、配售及包銷服務、企業融資諮詢服務、投資諮詢及資產管理服務、保證金融資及放債業務、證券投資及自營交易。截至二零一七年十二月三十一日止年度內，本集團繼續其有關於香港上市股本證券之自營交易活動，並成為本集團之主要業務。自營交易業務透過全資附屬公司開展。截至二零一六年十二月三十一日止年度，本集團僅以一個可呈報及經營分部營運：證券買賣分部，從事證券投資之買賣。截至二零一七年十二月三十一日止年度，本集團收購一間從事證券經紀服務的附屬公司。主要營運決策者（「主要營運決策者」）將分類為持作買賣投資之財務資產、透過損益按公平值列賬之財務資產及證券經紀僅作為一個可報告及經營分部而考慮，以進行資源分配及表現評估。因此，概無呈列進一步分部資料。

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8. REVENUE AND NET REALISED LOSSES FROM SALES OF LISTED EQUITY INVESTMENTS CLASSIFIED AS HELD-FOR-TRADING

8. 收益及出售分類為持作買賣的上市股本投資之已變現虧損淨額

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Brokerage commission income	經紀佣金收入	1,071	-
Dividend income from held-for-trading investments	持作買賣投資之股息收入	751	1,132
		1,822	1,132
Net realised losses from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣的上市股本投資之已變現虧損淨額	(87,589)	(19,085)
		(85,767)	(17,953)

9. OTHER INCOME

9. 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
Clearing fee income	結算費收入	69	-
Interest income on convertible notes receivable	應收可換股票據之利息收入	1,753	523
Interest income on available-for-sale investments	可供出售投資之利息收入	350	1,097
Interest income on loan receivables and bank deposits	應收貸款及銀行存款之利息收入	-	403
Dividend income from available-for-sale investments	可供出售投資之股息收入	1,512	2,167
Royalty income	特許權費收入	264	436
Waive of tax penalty	豁免稅務罰款	1,528	-
Others	其他	250	-
		5,726	4,626

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10. OTHER (LOSS)/GAIN

10. 其他(虧損)/收益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fair value (loss)/gain on convertible notes receivable	應收可換股票據之公平值(虧損)/收益	(47,706)	18,099
(Loss)/gain on disposal of subsidiaries (note 40)	出售附屬公司之(虧損)/收益(附註40)	(7)	32,153
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(168)	-
Gain recognised upon disposal of available-for-sale investments	出售可供出售投資時確認之收益	-	1,761
Net foreign exchange gain/(loss)	匯兌淨收益/(虧損)	514	(1,016)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	-	(10,470)
Gain on derecognition of day-one gain on convertible notes	終止確認可換股票據第一天收益之收益	25,700	-
Gain on initial recognition available-for-sale investments	初步確認可供出售投資之收益	3,402	-
		(18,265)	40,527

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11. FORFEITURE OF A DEPOSIT PAID FOR ACQUISITION OF A TARGET COMPANY

On 10 March 2016, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement (the “Agreement”) with Freeman Financial Investment Corporation (the “Vendor”), an independent third party, for the acquisition of a target company engaging in the securities trading business (the “Acquisition”). The target company and the Vendor are wholly owned by Freeman Financial Corporation Limited (“Freeman”), an independent third party. The total consideration of the Acquisition is HK\$1,800 million which will be satisfied, among others, by a cash deposit of HK\$150 million (the “Deposit”) and the balance of HK\$1,650 million will be satisfied by the issuance of promissory notes by the Company on the date of completion of the Acquisition. The Deposit is not refundable except under the circumstances that (i) if the shareholders of Freeman shall have voted against the Acquisition in its extraordinary general meeting, the Vendor shall refund the Deposit in full, without interest, to the Company; or (ii) if the shareholders of the Company shall have voted against the Acquisition in the Company’s special general meeting, the Vendor shall be entitled to forfeit half of the Deposit. On 12 March 2016, the Company paid the Deposit to the Vendor. On 15 April 2016, the Listing Division of the Stock Exchange (the “Listing Division”) ruled that the Acquisition is a reverse takeover and would be treated as if it were a new listing applicant if the Company proceeded with the Acquisition. On 25 April 2016 and 3 June 2016, the Company seek advices from the Listing Committee and the Listing (Review) Committee of the Stock Exchange, respectively, to review the ruling of the Listing Division. The decision by both committees upholding the Listing Division’s decision. In this regard, the Company and the Vendor agreed the Acquisition cannot proceed and has to be terminated and the Deposit was forfeited in full in accordance with its terms in the Agreement. As a result, HK\$150 million was written off and charged to profit or loss for the year ended 31 December 2016.

11. 收購一間目標公司已付按金沒收

於二零一六年三月十日，本公司一間全資附屬公司與一名獨立第三方Freeman Financial Investment Corporation（「賣方」）訂立買賣協議（「該協議」），以收購一間從事證券買賣業務之目標公司（「收購事項」）。目標公司及賣方由獨立第三方民眾金服控股有限公司（「民眾」）全資擁有。收購事項之總代價為1,800,000,000港元，將（其中包括）按如下方式支付：按金150,000,000港元（「按金」）以現金支付，餘額1,650,000,000港元將由本公司於完成收購事項日期發行承兌票據支付。除下述情況外，按金不可退還：(i)如民眾股東於其股東特別大會上投票反對收購事項，則賣方須向本公司悉數退還按金（不計利息），或(ii)如本公司股東於本公司之股東特別大會上投票反對收購事項，則賣方有權沒收一半按金。於二零一六年三月十二日，本公司已向賣方支付按金。於二零一六年四月十五日，聯交所上市科（「上市科」）裁決收購事項為一項反收購行動及倘本公司進行收購事項，將被視為猶如一項新上市申請。於二零一六年四月二十五日及二零一六年六月三日，本公司分別尋求聯交所上市委員會及上市（覆核）委員會之意見，以覆核上市科之裁決。兩個委員會作出之決策均為支持上市委員會之決策。就此方面，本公司與賣方同意收購事項無法進行並須終止，而按金已根據該協議條款全部沒收。因此，150,000,000港元於截至二零一六年十二月三十一日年度撇銷並於損益中扣除。

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12. FINANCE COSTS

12. 財務成本

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on borrowings (total borrowing costs on financial liabilities that are not at fair value through profit or loss)	158	2,530
借貸利息(並非按公平值計入損益之財務負債之總借貸成本)		

13. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2017, nor has any dividend been proposed since the end of the reporting period (2016: HK\$Nil).

13. 股息

截至二零一七年十二月三十一日止年度並無派發或擬派任何股息，自報告期末以來亦無擬派任何股息(二零一六年：零港元)。

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14. LOSS BEFORE TAX

Loss before tax has been arrived at after charging the following:

14. 除稅前虧損

除稅前虧損已扣除下列項目：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	1,200	1,100
Directors' emoluments (note 16)	董事酬金(附註16)	4,278	12,858
Other staff costs	其他員工成本		
– Salaries and allowance	– 薪金及津貼	13,853	9,269
– Contribution to retirement benefit scheme	– 退休福利計劃供款	403	280
– Equity-settled share-based payment expenses	– 以權益結算之股權支付的支出	–	28,757
Total staff costs	員工成本總額	18,534	51,164
Equity-settled share-based payment expenses (other than employees and directors) included in administrative expenses (note)	以權益結算之股權支付的支出(不包括僱員及董事)(計入行政支出)(附註)	–	27,166
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,614	5,976
Operating lease payments in respect of rental properties	租賃物業之營運租賃付款	4,768	4,031
Changes in fair value of financial assets classified as held-for-trading	分類為持作買賣的財務資產之公平值變動		
– Realised losses from sale of listed equity investments	– 出售上市股本投資之已變現虧損	87,589	19,085
– Unrealised losses from changes in fair value of listed equity investments	– 上市股本投資公平值變動之未變現虧損	236,238	71,661
		323,827	90,746

Note:

Amount represent the fair value of share options granted to employees of service providers to motivate them to provide high quality services.

附註：

該金額指授予服務供應商員工以激勵其提供優質服務之購股權的公平值。

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15. INCOME TAX CREDIT/(EXPENSE)

(a) Income tax credit/(expense) recognised in profit or loss

15. 所得稅抵免／(開支)

(a) 於損益確認的所得稅抵免／(開支)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅		
Current tax	即期稅項	-	-
Overprovision/(underprovision) in respect of prior years	過往年度超額撥備／(撥備不足)	10,967	(10,967)
		10,967	(10,967)

The Group is subject to income tax on an entity basis on profits arising on derived from the jurisdictions in which the members domiciled and operate.

No provision for Hong Kong Profits Tax had been made in the financial statements as the Group did not have assessable profits arising in Hong Kong for the years ended 31 December 2016 and 2017.

Pursuant to rules and regulations of Bermuda and British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and BVI.

本集團須按實體就產生自或源自成員公司的住所及經營所在司法權區的溢利繳納所得稅。

由於截至二零一六年及二零一七年十二月三十一日止年度本集團並無產生自香港的應課稅溢利，因此並無作出香港利得稅撥備。

根據百慕達及英屬處女群島(「英屬處女群島」)的規則及法規，本集團毋須在百慕達及英屬處女群島繳納任何所得稅。

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15. INCOME TAX CREDIT/(EXPENSE)

(continued)

(a) Income tax credit/(expense) recognised in profit or loss (continued)

On 21 March 2016, Imagi Crystal Limited ("Imagi Crystal"), a wholly-owned subsidiary of the Company, received a time-barred tax demand note dated 14 March 2016 issued by the Hong Kong Inland Revenue Department (the "HKIRD") for approximately HK\$9,863,000 for the year of assessment 2009/10. On 23 February 2017, Imagi Crystal received a tax demand note dated 21 February 2017 issued by the HKIRD for approximately HK\$1,104,000 for the year assessment 2010/11. Since Imagi Crystal is in a net current liabilities position, Imagi Crystal did not purchase tax reserve certificates before the due date and the HKIRD had applied a 5% surcharge of approximately HK\$493,000 and another 10% additional surcharge of approximately HK\$1,035,000 to the outstanding amounts. The HKIRD considered that the impairment loss on graphic imaging animation pictures, classified as intangible assets and charged to profit or loss for the respective year was not deductible and the costs should have been treated as capital expenditure for the year of assessment of 2009/10. Furthermore, the HKIRD considered that the impairment loss on an amount due from a fellow subsidiary as a waiver to the fellow subsidiary in the year of assessment 2010/11 and should not be deductible as there were no documentary evidences to justify the claim for impairment loss. The directors of the Company reassessed the tax position of Imagi Crystal and recognised HK\$10,967,000 as income tax expense and HK\$1,528,000 as administrative expense for the year ended 31 December 2016.

15. 所得稅抵免／(開支) (續)

(a) 於損益確認的所得稅抵免／(開支) (續)

於二零一六年三月二十一日，意馬水晶有限公司(「意馬水晶」，本公司全資附屬公司)收到香港稅務局(「香港稅務局」)發出的日期為二零一六年三月十四日有關二零零九／一零年評稅年度金額約9,863,000港元的限期繳稅通知書。於二零一七年二月二十三日，意馬水晶收到香港稅務局發出的日期為二零一七年二月二十一日有關二零一零／一一年評稅年度金額約1,104,000港元的繳稅通知書。由於意馬水晶處於流動負債淨額狀況，意馬水晶並未於到期日前購買儲稅券，香港稅務局已徵收5%的附加費約493,000港元，並對餘額另外徵收10%的附加費約1,035,000港元。香港稅務局認為，電腦造像動畫的減值虧損(分類為無形資產，於有關年度的損益內扣除)不可扣除，該成本應被視為二零零九／一零年評稅年度資本開支。此外，香港稅務局認為，二零一零／一一年評稅年度應收一間同系附屬公司款項的減值虧損為豁免應收同系附屬公司款項，不應被視為可扣除，原因是並無文件證據證明應計提減值虧損。本公司董事已重新評估意馬水晶稅務狀況，並確認10,967,000港元為所得稅開支及1,528,000港元為截至二零一六年十二月三十一日止年度行政支出。

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15. INCOME TAX CREDIT/(EXPENSE)

(continued)

(a) Income tax credit/(expense) recognised in profit or loss (continued)

During the year ended 31 December 2017, Imagi Crystal received a confirmation from the HKIRD that the aforementioned impairment losses made on graphic imaging animation pictures should be deductible, and the Group reversed the tax provision of HK\$10,967,000 and the tax surcharge of HK\$1,528,000 accordingly.

(b) Reconciliation between tax expense and accounting loss at applicable tax rate:

15. 所得稅抵免／(開支) (續)

(a) 於損益確認的所得稅抵免／(開支) (續)

於截至二零一七年十二月三十一日止年度，意馬水晶收到香港稅務局的確認，上述就造像動畫作出的減值虧損應可予扣除，本集團已相應撥回稅項撥備10,967,000港元及稅項附加1,528,000港元。

(b) 稅項開支與按適用稅率計算之會計虧損對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax	除稅前虧損	(452,005)	(417,562)
Tax at the domestic income tax rate of 16.5%	按本地所得稅率16.5%計算之稅款	(74,581)	(68,898)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	77,962	54,360
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(5,956)	(9,550)
Tax effect of deductible temporary differences not recognised	尚未確認可扣除暫時差額之稅務影響	-	(288)
Tax effect of tax losses not recognised	尚未確認稅務虧損之稅務影響	2,575	24,376
Overprovision/(underprovision) in respect of prior years	過往年度超額撥備／(撥備不足)	10,967	(10,967)
Income tax credit/(expense) for the year	年內所得稅抵免／(開支)	10,967	(10,967)

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15. INCOME TAX CREDIT/(EXPENSE)

(continued)

(c) At the end of the reporting period, the Group has unused tax losses of approximately HK\$434,141,000 (2016: HK\$310,001,000) available for offset against future profits. No deferred tax assets has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

(d) The Group disposed of Infoport Management Limited and its subsidiaries (collectively referred to as “TE Group”) during the year ended 31 December 2013. Pursuant to the relevant tax laws in the PRC, the directors of the Company evaluated the probability of whether or not that a capital gain has arisen from the disposal of TE Group. Taking into account the advice obtained from tax advisor, the directors of the Company are of the opinion that its overall investment loss position is justifiable and accordingly, no capital gain tax needs to be recognised in respect of the disposal of TE Group.

15. 所得稅抵免／(開支) (續)

(c) 於報告期末，本集團有未動用稅務虧損約434,141,000港元(二零一六年：310,001,000港元)，可用以抵銷未來溢利。由於未來溢利來源不明朗，故並無確認遞延稅項資產。稅務虧損可予無限期結轉。

(d) 本集團於截至二零一三年十二月三十一日止年度出售資訊港管理有限公司及其附屬公司(統稱為「資訊港集團」)。根據中國相關稅務法例，本公司董事曾評估出售資訊港集團是否有產生資本收益之可能性。考慮到稅務顧問所提供之意見本公司董事認為整體投資虧損狀況乃屬合理，故此無須就出售資訊港集團確認資本收益稅。

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16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation are as follows:

31 December 2017

16. 董事及主要行政人員酬金

董事酬金根據《香港公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露如下：

二零一七年十二月三十一日

	Fees	Salaries and other benefits	Contributions to retirement benefit scheme	Equity-settled share-based payment expenses	Total
	袍金	薪金及其他福利	退休福利計劃供款	以權益結算之股權支付的支出	總計
	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
<i>Executive directors:</i>					
Mr. Wong Yat Fai (note a)	-	300	6	-	306
Mr. Kitchell Osman Bin (note b)	-	1,800	18	-	1,818
Mr. Shimazaki Koji (note b)	-	780	18	-	798
Ms. Choi Ka Wing (note c)	-	540	18	-	558
<i>Independent non-executive directors:</i>					
Mr. Chow Chi Wah Vincent (note d)	80	-	-	-	80
Dr. Kwong Kai Sing Benny (note e)	80	-	-	-	80
Dr. Santos Antonio Maria (note f)	240	-	-	-	240
Mr. Miu Frank H. (note g)	240	-	-	-	240
Ms. Liu Jianyi (note h)	158	-	-	-	158
	798	3,420	60	-	4,278

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16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued) 31 December 2016

16. 董事及主要行政人員酬金 (續)

二零一六年十二月三十一日

	Fees	Salaries to retirement benefits	Contributions share-based and other scheme	Equity-settled payment benefit expenses	Total
	袍金	薪金及其他福利	退休福利計劃供款	以權益結算之股權支付的支出	總計
	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
Executive directors: 執行董事:					
Mr. Suen Yick Lun Philip (note l)	-	534	23	-	557
Mr. Chung Yuk Lun (note i)	-	400	-	-	400
Mr. Wong Yat Fai (note a)	-	834	15	-	849
Mr. Kitchell Osman Bin (note b)	-	1,200	12	3,022	4,234
Mr. Shimazaki Koji (note b)	-	520	12	1,914	2,446
Ms. Choi Ka Wing (note c)	-	360	12	3,022	3,394
Non-executive director: 非執行董事:					
Mr. Leung Pak To (note j)	36	-	-	-	36
Independent non-executive directors: 獨立非執行董事:					
Mr. Chow Chi Wah Vincent (note d)	223	-	-	-	223
Dr. Kwong Kai Sing Benny (note e)	223	-	-	-	223
Dr. Santos Antonio Maria (note f)	223	-	-	-	223
Mr. Miu Frank H. (note g)	219	-	-	-	219
Mr. Chan Yuk Sang (note k)	18	-	-	-	18
Mr. Cheng Yuk Wo (note k)	18	-	-	-	18
Dr. Lam Lee G. (note k)	18	-	-	-	18
	978	3,848	74	7,958	12,858

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16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes:

- (a) Mr. Wong Yat Fai was appointed and resigned as an executive director on 28 January 2016 and 10 April 2017 respectively.
- (b) Mr. Kitchell Osman Bin and Mr. Shimazaki Koji were appointed as executive directors on 10 May 2016.
- (c) Ms. Choi Ka Wing was appointed as an executive director on 12 May 2016.
- (d) Mr. Chow Chi Wah Vincent was appointed and resigned as an independent non-executive director on 28 January 2016 and 10 April 2017 respectively.
- (e) Dr. Kwong Kai Sing Benny was appointed and resigned as an independent non-executive director 28 January 2016 and on 4 May 2017 respectively.
- (f) Dr. Santos Antonio Maria was appointed as an independent non-executive director on 28 January 2016.
- (g) Mr. Miu Frank H. was appointed as an independent non-executive director on 2 February 2016.
- (h) Ms. Liu Jianyi was appointed as an independent non-executive director on 4 May 2017.
- (i) Mr. Chung Yuk Lun was appointed and resigned as an executive directors on 1 May 2016 and 15 June 2016 respectively.
- (j) Mr. Leung Pak To was resigned as a non-executive director on 23 February 2016.
- (k) Mr. Chan Yuk Sang, Mr. Cheng Yuk Wo and Dr. Lam Lee G. were resigned as independent non-executive directors on 28 January 2016.
- (l) Mr. Suen Yick Lun Philip was appointed and resigned as an executive director on 28 January 2016 and 16 August 2016 respectively.

16. 董事及主要行政人員酬金 (續)

附註：

- (a) 王溢輝先生於二零一六年一月二十八日及二零一七年四月十日分別獲委任及辭任為執行董事。
- (b) Kitchell Osman Bin先生及嶋崎幸司先生於二零一六年五月十日獲委任為執行董事。
- (c) 蔡家穎女士於二零一六年五月十二日獲委任為執行董事。
- (d) 周志華先生於二零一六年一月二十八日及二零一七年四月十日分別獲委任及辭任為獨立非執行董事。
- (e) 鄺啟成博士於二零一六年一月二十八日及二零一七年五月四日分別獲委任及辭任為獨立非執行董事。
- (f) 杜東尼博士於二零一六年一月二十八日獲委任為獨立非執行董事。
- (g) 繆希先生於二零一六年二月二日獲委任為獨立非執行董事。
- (h) 劉簡怡女士於二零一七年五月四日獲委任為獨立非執行董事。
- (i) 鍾育麟先生於二零一六年五月一日及二零一六年六月十五日分別獲委任及辭任為執行董事。
- (j) 梁伯韜先生於二零一六年二月二十三日辭任為非執行董事。
- (k) 陳玉生先生、鄭毓和先生及林家禮博士於二零一六年一月二十八日辭任為獨立非執行董事。
- (l) 孫益麟先生於二零一六年一月二十八日及二零一六年八月十六日分別獲委任及辭任為執行董事。

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16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and the emoluments for non-executive directors, and independent non-executive directors shown above were mainly for their services as directors of the Company. The Company do not have chief executive.

No directors of the Company waived any emoluments for both reporting years and no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, nor as compensation for loss of office during the years.

17. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments, three (2016: four) were employees who are not directors of the Company and the remainder are directors of the Company whose emoluments are included in the disclosures in note 16 above. The emoluments of these three (2016: four) highest paid employees were as follows:

16. 董事及主要行政人員酬金 (續)

上文所示執行董事之酬金主要包括彼等就管理本公司及本集團之業務提供服務的酬金。而非執行董事及獨立非執行董事之薪酬主要包括彼等作為董事提供服務的酬金。本公司並無行政總裁。

於兩個報告年度內，本公司董事概無放棄任何酬金。於該兩個年度內，本集團並無向本公司董事支付任何酬金以吸引其加入本集團或作為加入本集團之獎勵或作為彼等離職的賠償。

17. 僱員酬金

本集團最高薪酬之五名人士中，三名(二零一六年：四名)為本公司董事以外之僱員，餘下為本公司董事，其酬金於上文附註16內披露。上述三名(二零一六年：四名)最高薪酬僱員之酬金如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,916	2,309
Equity-settled share-based payment expenses	以權益結算之股權支付的支出	-	19,107
Contributions to retirement benefit scheme	退休福利計劃供款	54	65
		2,970	21,481

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17. EMPLOYEES' EMOLUMENTS (continued)

Their emoluments were within the following bands:

17. 僱員酬金 (續)

上述人士之酬金介乎以下範圍：

		Number of employee 僱員人數	Number of employee 僱員人數
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	2	–
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	–
HK\$1,500,001 to HK\$3,500,000	1,500,001港元至3,500,000港元	–	–
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	–	1
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	–	1
HK\$6,000,001 to HK\$6,500,000	6,000,001港元至6,500,000港元	–	2
		3	4

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18. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

18. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃基於以下數據計算：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss	虧損		
Loss for the purposes of basic loss per share	用於計算每股基本虧損之虧損	(441,038)	(424,549)
Number of shares	股份數目		
Issued ordinary shares at 1 January	於一月一日之已發行普通股	4,548,172,578	9,968,812,720
Effect of shares issued	所發行股份之影響	139,010,959	2,350,256,147
Effect of share options exercised	所授出購股權之影響	-	625,204,918
Effect of share consolidations	股份合併之影響	(4,023,808,540)	(12,540,859,905)
Effect of open offer	公開發售之影響	-	46,104,443
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	663,374,997	449,518,323

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For the year ended 31 December 2017
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18. LOSS PER SHARE (continued)

(a) Basic loss per share (continued)

For the year ended 31 December 2017, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the share consolidation on 13 March 2017 (“Share consolidation II”).

For the year ended 31 December 2016, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the share consolidation on 31 May 2016 (“Share Consideration I”), open offer on 26 August 2016 and Share Consideration II on 13 March 2017.

Details of the share consolidations are set out in note 34(b) and 34(f).

(b) Diluted loss per share

For the years ended 31 December 2016 and 2017, diluted loss per share was the same as the basic loss per share because the exercises of the Company’s share options outstanding during the year would have an anti-dilutive effect.

18. 每股虧損 (續)

(a) 每股基本虧損 (續)

截至二零一七年十二月三十一日止年度，用於計算每股基本虧損的普通股加權平均數已就二零一七年三月十三日的股份合併（「股份合併二」）作出調整。

截至二零一六年十二月三十一日止年度，用於計算每股基本虧損的普通股加權平均數已就二零一六年五月三十一日的股份合併（「股份合併一」）、二零一六年八月二十六日的公開發售及二零一七年三月十三日的股份合併二作出調整。

股份合併之詳情載於附註34(b)及附註34(f)。

(b) 每股攤薄虧損

截至二零一六年及二零一七年十二月三十一日止年度，每股攤薄虧損與每股基本虧損相同，原因是年內行使本公司未行使購股權將具有反攤薄影響。

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19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、廠房及設備

		Leasehold land and buildings	Leasehold improvements	Motor vehicle	Yacht and boat	Furniture, fixtures and equipment 傢俬、裝置 及設備	Total
		租賃土地及樓宇 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	汽車 HK\$'000 千港元	遊艇及快艇 HK\$'000 千港元	及設備 HK\$'000 千港元	總計 HK\$'000 千港元
COST	成本						
At 1 January 2016	於二零一六年 一月一日	100,627	525	-	-	1,018	102,170
Additions	添置	-	2	2,184	45,000	705	47,891
Disposals of subsidiaries (note 40)	出售附屬公司 (附註40)	(100,627)	-	-	-	(1)	(100,628)
Disposals	出售	-	-	-	-	(712)	(712)
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	-	527	2,184	45,000	1,010	48,721
Additions	添置	-	-	-	250	559	809
Additions through acquisition of a subsidiary (note 39)	透過收購附屬公司 而添置(附註39)	-	-	94	-	60	154
Disposal of subsidiaries (note 40)	出售附屬公司 (附註40)	-	-	-	(250)	-	(250)
Disposals	出售	-	-	(94)	(45,000)	(275)	(45,369)
At 31 December 2017	於二零一七年 十二月三十一日	-	527	2,184	-	1,354	4,065

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

19. 物業、廠房及設備 (續)

		Leasehold land and buildings	Leasehold improvements	Motor vehicle	Yacht and boat	Furniture, fixtures and equipment	Total
		租賃土地及樓宇 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	汽車 HK\$'000 千港元	遊艇及快艇 HK\$'000 千港元	傢俬、裝置 及設備 HK\$'000 千港元	總計 HK\$'000 千港元
DEPRECIATION AND IMPAIRMENT	折舊及減值						
At 1 January 2016	於二零一六年一月一日	3,264	111	-	-	726	4,101
Charge for the year	年內扣除	1,632	176	255	3,750	163	5,976
Impairment loss recognised in the year (note)	年內確認的減值虧損 (附註)	-	-	-	10,470	-	10,470
Eliminated on disposals of subsidiaries (note 40)	於出售附屬公司時對銷 (附註40)	(4,896)	-	-	-	-	(4,896)
Eliminated on disposals	出售時對銷	-	-	-	-	(704)	(704)
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	-	287	255	14,220	185	14,947
Charge for the year	年內扣除	-	176	484	757	197	1,614
Eliminated on disposals of subsidiaries	於出售附屬公司時 對銷	-	-	-	(6)	-	(6)
Written back on disposals	出售時撥回	-	-	(47)	(14,971)	(98)	(15,116)
At 31 December 2017	於二零一七年 十二月三十一日	-	463	692	-	284	1,439
CARRYING VALUE	賬面值						
At 31 December 2017	於二零一七年 十二月三十一日	-	64	1,492	-	1,070	2,626
At 31 December 2016	於二零一六年 十二月三十一日	-	240	1,929	30,780	825	33,774

The leasehold land and buildings comprises commercial office units and car park spaces located in Hong Kong.

租賃土地及樓宇包括位於香港之商用辦公單位及泊車位。

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19. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of the term of the lease, or 50 years
Leasehold improvements	Over the shorter of the term of the lease, or 5 years
Motor vehicles	20%
Yacht and boat	10%
Furniture, fixtures and equipment	5% - 20%

Note:

On 21 February 2017, a wholly owned subsidiary of the Company (the "Vendor") entered into a sale and purchase agreement with an independent third party (the "Purchaser") pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the yacht and the net proceed from such disposal amounted to approximately HK\$30,030,000. As the selling price is lower than the carrying amount of the yacht as at 31 December 2016, the directors of the Company assessed the recoverable amount of the yacht as at 31 December 2016 and as a result the carrying amount of the yacht was written down to its recoverable amount of HK\$30,780,000. An impairment loss of HK\$10,470,000 was recognised as expense for the year ended 31 December 2016. The estimate of the recoverable amount was based on the fair value less costs of disposal using market approach by reference to the subsequent selling price of the yacht less costs of disposal.

19. 物業、廠房及設備 (續)

以上物業、廠房及設備項目乃以直線法按以下年率折舊：

租賃土地及樓宇	按有關租賃年期或五十年期兩者之較短者
租賃物業裝修	按有關租賃年期或五年期兩者之較短者
汽車	20%
遊艇及快艇	10%
傢俬、裝置及設備	5% - 20%

附註：

於二零一七年二月二十一日，本公司一間全資附屬公司（「賣方」）與一名獨立第三方（「買方」）訂立一份買賣協議，據此，賣方已有條件同意出售而買方已有條件同意購買遊艇，該出售事項的所得款項淨額約30,030,000港元。由於售價低於二零一六年十二月三十一日遊艇的賬面值，本公司董事已評估遊艇於二零一六年十二月三十一日的可收回金額，並將其賬面值削減至可收回金額30,780,000港元。截至二零一六年十二月三十一日止年度，減值虧損10,470,000港元確認為開支。對可收回金額的估計基於其公平值減出售成本，參考遊艇後續售價減出售成本按市場法計算。

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20. GOODWILL

20. 商譽

2017
二零一七年
HK\$'000
千港元

Cost	成本	
At 1 January	於一月一日	-
Arising on acquisition of a subsidiary (note 39)	因收購一間附屬公司而產生 (附註39)	5,878
At 31 December	於十二月三十一日	5,878
Impairment	減值	
At 1 January	於一月一日	-
Impairment loss recognised in the year	年內確認的減值虧損	5,878
At 31 December	於十二月三十一日	5,878
Carrying value	賬面值	
At 31 December	於十二月三十一日	-

Goodwill is allocated to the Group's cash-generating unit ("CGU") of the securities brokerage services business under the integrated financial services in Hong Kong.

商譽分配至本集團於香港綜合金融服務項下證券經紀服務業務的現金產生單位(「現金產生單位」)。

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20. GOODWILL (continued)

Impairment test for cash-generating unit containing goodwill

For the impairment testing, goodwill arising from the acquisition of John & Wong and trading rights held in the Stock Exchange classified as “intangible assets” are allocated to the Group’s CGU of the securities brokerage services business under the integrated financial services in Hong Kong.

The recoverable amount of the CGU was based on its value in use and was determined with the assistance of Asset Appraisal Limited, an independent professional qualified valuer not connected to the Group. The calculation used cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate stated below which does not exceed the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate stated below. The discount rates used are pre-tax and reflect specific risks relating to the relevant cash-generating unit.

Key assumptions used for the value-in-use calculations are as follows:

Growth rate	增長率
Gross profit margin	毛利率
Discount rate	貼現率

20. 商譽 (續)

含有商譽的現金產生單位減值測試

就減值測試而言，分類為「無形資產」的因收購宏昌及於聯交所持有的交易權產生的商譽，分配本集團於香港綜合金融服務項下證券經紀服務業務的現金產生單位。

現金產生單位的可收回金額基於使用價值，在中誠達資產評估顧問有限公司（一名獨立專業合資格估值師，與本集團並無關連）協助下釐定。計算使用基於管理層批准的涵蓋五年期間的財務預算作出的現金流預測。超過五年期間的現金流使用下述估計增長率（不超過行業報告中包含的預測）推算。所使用的增長率不超過現金產生單位經營所在業務的長期平均增長率。現金流使用下述貼現率貼現。所使用的貼現率為除稅前貼現率，反映與相關現金產生單位有關的特定風險。

使用價值計算所使用的主要假設如下：

2017
二零一七年

3%
75% – 81%
16%

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20. GOODWILL (continued)

Impairment test for cash-generating unit containing goodwill (continued)

Management determined the budgeted gross margin based on past performance and its expectation for market development. The cash flow projections has taken into account the deteriorating financial performance of the securities brokerage services business due to the unfavourable changes in recent months and the actual net cash flows generating thereon worse than those estimated in the previous impairment assessment. Accordingly, the cash flow projections have been revised downwards.

At 31 December 2017, the Group recognised an impairment loss of HK\$5,878,000 and HK\$2,072,000 on the goodwill and intangible assets respectively.

21. INTANGIBLE ASSETS

20. 商譽 (續)

含有商譽的現金產生單位減值測試 (續)

管理層基於過往表現及對市場發展的預期釐定預算毛利率。現金流預測已考慮到，由於最近數月市場不利變動，證券經紀服務業務的財務表現轉差，其產生的實際現金流量淨額低於早前減值評估中的估計。因此，現金流預測已下調。

於二零一七年十二月三十一日，本集團就商譽及無形資產分別確認減值虧損5,878,000港元及2,072,000港元。

21. 無形資產

	CGI animation pictures 電腦造像動畫 HK\$'000 千港元 (Note a) (附註a)	Trading rights held in the Stock Exchange 於聯交所持有 的交易權 HK\$'000 千港元 (note b) (附註b)	Total 總額 HK\$'000 千港元
Cost	成本		
At 1 January 2016, 31 December 2016 and 1 January 2017	於二零一六年一月 一日、二零一六年 十二月三十一日及 二零一七年一月一日	287,405	287,405
Addition through acquisition of a subsidiary (note 39)	透過收購一間附屬公司 而添置(附註39)	–	2,931
At 31 December 2017	於二零一七年十二月 三十一日	287,405	290,336

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21. INTANGIBLE ASSETS (continued)

21. 無形資產 (續)

		CGI animation pictures 電腦造像動畫 HK\$'000 千港元 (Note a) (附註a)	Trading rights held in the Stock Exchange 於聯交所持有 的交易權 HK\$'000 千港元 (note b) (附註b)	Total 總額 HK\$'000 千港元
Accumulated amortisation and impairment	累計攤銷及減值			
At 1 January 2016, 31 December 2016 and 1 January 2017	於二零一六年一月 一日、二零一六年 十二月三十一日及 二零一七年一月一日	287,405	-	287,405
Impairment loss recognised in the year	年內確認的減值虧損	-	2,072	2,072
At 31 December 2017	於二零一七年十二月 三十一日	287,405	2,072	289,477
Carrying value	賬面值			
At 31 December 2017	於二零一七年十二月 三十一日	-	859	859
At 31 December 2016	於二零一六年十二月 三十一日	-	-	-

Notes:

- (a) CGI animation pictures were internally generated and stated at production costs incurred to date, including borrowing costs capitalised, less accumulated amortisation and impairment losses, if any.
- (b) Trading rights was identified through acquisition of a subsidiary, John & Wong, and stated at cost less accumulated impairment losses, if any. Particulars of the impairment testing of trading rights held in the Stock Exchange are set out in note 20.

附註：

- (a) 電腦造像動畫由內部產生及按迄今為止已發生之製作成本列賬，包括撥充資本之借貸成本減累計減值虧損（如有）。
- (b) 交易權透過收購附屬公司宏昌而識別，按成本減累計減值虧損（如有）入賬。於聯交所持有的交易權減值測試詳情載列於附註20。

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22. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

22. 可供出售投資

可供出售投資包括：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Listed investments at fair value:	上市投資，按公平值：		
Equity shares listed in Hong Kong (note a)	於香港上市的股份(附註a)	43,092	-
Debt securities listed in Singapore (note b)	於新加坡上市的債務證券 (附註b)	8,086	-
		51,178	-
Unlisted equity securities, at cost (note c)	非上市股本證券，按成本 (附註c)	-	127,923
Less: Impairment loss	減：減值虧損	-	(79,273)
		-	48,650
		51,178	48,650
Analysed for reporting purposes as:	就申報目的分析為：		
Current assets	流動資產	-	48,650
Non-current assets	非流動資產	51,178	-
		51,178	48,650

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22. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

Notes:

- (a) On 22 March 2017, the Company issued shares in exchange for the shares of Enerchina Holdings Limited, a company listed on the Stock Exchange with a fair value of HK\$107,730,000 at the acquisition date.

During the year ended 31 December 2017, the Group identified significant decline in the stock price of the shares exchanged, and recognised impairment loss in the amount of HK\$64,638,000 accordingly. At 31 December 2017, the fair value was HK\$43,092,000 and such investments are pledged to a financial institution to secure the margin facilities. Details of the Group's investment in equity share listed in Hong Kong are as follows:

Name of investee company	Place of incorporation	Number of shares held by the Group	Percentage of total issued share capital of the investee company as at 31 December 2017	Market/Fair value as at 31 December 2017	Percentage to the Group's total assets as at 31 December 2017	Percentage to the Group's net assets as at 31 December 2017	Percentage to the Group's total available-for-sale financial assets as at 31 December 2017	Change in fair value recognised in other comprehensive income/(loss) for the year	Dividend income for the year
			於二零一七年十二月三十一日佔被投資公司全部已發行股本的百分比	於二零一七年十二月三十一日之市場價值/公平值	於二零一七年十二月三十一日佔本集團總資產的百分比	於二零一七年十二月三十一日佔本集團資產淨值的百分比	於二零一七年十二月三十一日佔本集團可供出售財務資產的百分比	年內於其他全面收入/(虧損)確認的公平值變動	年內股息收入
被投資公司名稱	註冊成立地點	本集團持有的股份數目	%	HK\$'000 千港元	%	%	%	HK\$'000 千港元	HK\$'000 千港元
Enerchina Holdings Limited*	Bermuda	75,600,000	2.60%	43,092	5.46%	5.53%	84.20%	(64,638)	1,512
威華達控股有限公司*	百慕達								

* Excluding the listed equity securities classified as held-for-trading investments as disclosed in note 28.

附註：

- (a) 於二零一七年三月二十二日，本公司發行股份，以交換威華達控股有限公司（聯交所上市公司）的股份，於收購日期的公平值為107,730,000港元。

截至二零一七年十二月三十一日止年度，本集團發現所交換股份的股價大幅下跌，因此確認減值虧損64,638,000港元。於二零一七年十二月三十一日，公平值為43,092,000港元，該等投資已抵押予一間金融機構，為孖展融資提供擔保。本集團於香港上市之投資股份詳情如下：

* 不包括附註28所披露的分類為持作買賣投資的上市股本證券。

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22. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

Notes: (continued)

- (b) On 21 June 2017, the Group subscribed for senior notes issued by China Evergrande Group at an aggregated principal amount of USD1,000,000 (equivalent to HK\$7,800,000). The senior notes carry coupon rate of 8.75% per annum, payable semi-annually in arrears and mature on 21 June 2025. The senior notes are listed on the Singapore Exchange Securities Trading Limited.
- (c) On 2 March 2016, the Group subscribed for (i) 6,200,000 shares of Joint Global Limited (“Joint Global”) and (ii) 450,000 shares of FreeOpt Holdings Limited (“FreeOpt”) at a consideration of HK\$45,198,000 and HK\$45,000,000, respectively. On 3 March 2016, the Group subscribed for 7,500,000 shares of Freewill Holdings Limited (“Freewill”) at a consideration of HK\$37,725,000. These companies all are incorporated in the Republic of the Marshall Islands. As at 31 December 2016, the Group held 2%, 12% and 1% equity interest in Joint Global, FreeOpt and Freewill, respectively. Details of the principal activities and accounting treatments of these three companies are mentioned in the 2016 annual report. On 20 January 2017, the Group entered in sale and purchase agreements with independent third parties to dispose of the subsidiaries of the Company holding the shares of Joint Global, FreeOpt and Freewill at a total consideration of HK\$51,000,000 (the “Disposals”). The Disposals were completed on 23 January 2017.

22. 可供出售投資 (續)

附註：(續)

- (b) 於二零一七年六月二十一日，本集團認購中國恒大集團發行的優先票據，本金總額為1,000,000美元（相當於7,800,000港元）。優先票據的票面利率為每年8.75%，須每半年期末支付，並將於二零二五年六月二十一日到期。優先票據於新加坡證券交易所有限公司上市。
- (c) 於二零一六年三月二日，本集團認購(i)6,200,000股Joint Global Limited（「Joint Global」）股份及(ii)450,000股FreeOpt Holdings Limited（「FreeOpt」）股份，代價分別為45,198,000港元及45,000,000港元。於二零一六年三月三日，本集團認購7,500,000股Freewill Holdings Limited（「Freewill」）股份，代價為37,725,000港元。該三家公司均於馬紹爾群島共和國註冊成立。於二零一六年十二月三十一日，本集團分別持有Joint Global、FreeOpt及Freewill的2%、12%及1%股權。該三間公司的主要業務及會計處理詳情見二零一六年年報。於二零一七年一月二十日，本集團與獨立第三方訂立買賣協議，以出售持有Joint Global、FreeOpt及Freewill股份之本公司附屬公司，總代價為51,000,000港元（「出售事項」）。出售事項已於二零一七年一月二十三日完成。

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23. CLUB DEBENTURE

The club debenture with indefinite useful life is tested for impairment annually and whenever there is an indication that it may be impaired. The directors of the Company are of the opinion that no impairment loss was identified with reference to market value.

23. 會籍債券

具有無限可使用年期之會籍債券每年及於出現減值跡象時進行減值測試。參考市值，本公司董事認為並無識別任何減值虧損。

24. INTEREST IN A JOINT VENTURE

24. 於一間合營企業之權益

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of interest in a joint venture 於合營企業權益之成本	150,000	150,000
Share of post-acquisition loss 分佔收購後虧損及其他 and other comprehensive 全面開支 expense	(10,619)	(7,311)
	139,381	142,689

On 26 February 2016, the Company entered into a joint venture agreement with Bob May Incorporated ("BMI"), pursuant to which the Company and BMI agreed to set-up a joint venture company, Imagination Holding Limited ("Imagination Holding"), for the purpose of carrying out the business of provision of finance and money lending by contributing HK\$150,000,000 each to the initial share capital of the joint venture company. As at 31 December 2017 and 2016, the Company and BMI both held 50% equity interest in Imagination Holding, which has two wholly-owned subsidiaries namely Jocasta Ventures Ltd and Simagi Finance Company Limited.

於二零一六年二月二十六日，本公司與Bob May Incorporated(「BMI」)訂立合資協議，據此，本公司與BMI同意透過各自向合營企業之初始股本注資150,000,000港元成立合營企業Imagination Holding Limited(「Imagination Holding」)，以經營提供融資及放債業務。於二零一七年及二零一六年十二月三十一日，本公司與BMI均持有Imagination Holding的50%股權，Imagination Holding有兩間全資附屬公司Jocasta Ventures Ltd及Simagi Finance Company Limited。

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24. INTEREST IN A JOINT VENTURE

(continued)

Details of the Group's interest in the joint venture as at 31 December 2017 is as follows:

Name of joint venture	Country of incorporation	Principal place of business	Proportion of ownership interest held by the Group 本集團持有之所有權權益比例	Proportion of voting rights held by the Group 本集團持有之投票權比例	Principal activity
合營企業名稱	註冊成立國家	主要營業地點			主要業務
Imagination Holding Limited	Republic of the Marshall Islands 馬紹爾群島共和國	Hong Kong 香港	50%	50%	Investment holding 投資控股
Jocasta Ventures Ltd	British Virgin Islands 英屬處女群島	Hong Kong 香港	50%	50%	Intermediate holding 中介控股
Simagi Finance Company Limited	Hong Kong 香港	Hong Kong 香港	50%	50%	Provision of finance and money lending business 提供融資及放債業務

Imagination Holding, the joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

On 2 February 2018, the Company entered a sale and purchase agreement with its joint venture partner to dispose its whole interests in Imagination Holding and its subsidiaries at a cash consideration of HK\$150 million. The details are set out in note 44.

24. 於一間合營企業之權益 (續)

於二零一七年十二月三十一日，本集團於該合營企業之權益詳情如下：

本集團參與的唯一合營企業Imagination Holding為一間非上市公司實體，並無市場報價。

於二零一八年二月二日，本公司與其合營夥伴訂立買賣協議，出售本公司於Imagination Holding及其附屬公司的全部權益，現金代價為150,000,000港元。詳情載於附註44。

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24. INTEREST IN A JOINT VENTURE

(continued)

Summarised financial information of the joint venture

Summarised financial information in respect of the Group's joint venture is set out below.

24. 於一間合營企業之權益 (續)

合營企業之財務資料概要

本集團之合營企業之財務資料概要載列如下。

		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	278,762	285,448
Current liabilities	流動負債	-	(71)
		278,762	285,377
Included in the above assets and liabilities:	計入上述資產及負債：		
Cash and cash equivalents	現金及現金等值項目	150,397	13,255
Current financial liabilities (excluding trade and other payables and provisions)	流動財務負債(不包括貿易及其他應付款項及撥備)	-	(71)
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收入	13,689	17,935
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(6,615)	(14,623)
Dividends received from the joint venture during the year	年內自合營企業收取之股息	-	-

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24. INTEREST IN A JOINT VENTURE

(continued)

Summarised financial information of the joint venture (continued)

24. 於一間合營企業之權益 (續)

合營企業之財務資料概要 (續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Included in above loss:	計入上述虧損：		
Interest income	利息收入	13,689	17,935
Impairment loss on available-for-sale investments (note i)	可供出售投資之減值虧損 (附註i)	(20,146)	-
Impairment loss on loan receivables and interest receivable (note ii)	應收貸款及應收利息減值虧損(附註ii)	-	(32,010)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表內確認之於合營企業權益之賬面值之對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net assets of the joint venture	合營企業之資產淨值	278,762	285,377
Proportion of the Group's ownership interest in the joint venture	本集團於合營企業之所有權益比例	50%	50%
Carrying amount of the Group's interest in the joint venture	本集團於合營企業之權益之賬面值	139,381	142,689

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24. INTEREST IN A JOINT VENTURE

(continued)

Summarised financial information of the joint venture (continued)

Notes:

- (i) During the year ended 31 December 2017, the management of the joint venture company reviewed the carrying amount of available-for-sale investments with reference to the business performance prepared by the investees' management. An impairment loss of HK\$20,146,000 in respect of available-for-sale investments has been recognised in profit or loss for the year ended 31 December 2017 in view of significant and prolonged decline in the carrying amount of available-for-sale investments.
- (ii) On 16 March 2016, Simagi Finance Company Limited ("Simagi"), a wholly-owned subsidiary of the joint venture company, entered into a deed of assignment with an independent third party (the "Assignor"), whereby a loan receivable of the Assignor of HK\$30,000,000 (the "Loan Receivable") and interest accrued thereon of HK\$1,197,000 were assigned to Simagi at a consideration of HK\$27,000,000. The borrower, Up Energy Trading Limited ("UETL"), is a subsidiary of Up Energy Development Group Limited ("Up Energy"), an exempted company incorporated in Bermuda with its shares listed on the Stock Exchange. The Loan Receivable and the accrued interest receivable are guaranteed by Up Energy and are repayable by 20 consecutive monthly instalments of HK\$1,500,000 each commencing from 17 December 2015. Simagi did not receive any settlements from UETL and Up Energy received a winding up petition in May 2016 filed by Credit Suisse AG, Singapore Branch against Up Energy in the Supreme Court of Bermuda for the outstanding balance of the matured convertible notes in the principal amount of HK\$150,000,000. Up Energy is currently undergoing restructuring. Based on the available information, including the unaudited financial information up to 31 March 2016 and the proposed restructuring plan of Up Energy, the management of the joint venture company considered that the recoverability of the Loan Receivable and the accrued interest receivable is uncertain and an impairment loss of HK\$32,010,000 was recognised in the year ended 31 December 2016.

24. 於一間合營企業之權益 (續)

合營企業之財務資料概要 (續)

附註：

- (i) 截至二零一七年十二月三十一日止年度，合營公司管理層已參考被投資公司管理層編製的業務表現檢討可供出售投資的賬面值。鑒於可供出售投資的賬面值大幅且長期下跌，已於截至二零一七年十二月三十一日止年度的損益中就可供出售投資確認減值虧損20,146,000港元。
- (ii) 於二零一六年三月十六日，合營企業之全資附屬公司Simagi Finance Company Limited (「Simagi」) 與一名獨立第三方 (「轉讓人」) 訂立一份轉讓契據，據此，轉讓人之30,000,000港元應收貸款 (「應收貸款」) 及其應計利息1,197,000港元乃按代價27,000,000港元轉讓予Simagi。借方優派能源貿易有限公司 (「優派能源貿易」) 為優派能源發展集團有限公司 (「優派能源」) 之附屬公司，優派能源為於百慕達註冊成立之獲豁免公司，其股份於聯交所上市。應收貸款及應收應計利息由優派能源擔保，須自二零一五年十二月十七日開始以連續20個月分期每次1,500,000港元償還。Simagi並無收到優派能源任何償付款項及優派能源於二零一六年五月收到一份清盤呈請，該呈請由Credit Suisse AG (新加坡分行) 針對優派能源就本金額150,000,000港元到期可換股票據之未付結餘向百慕達最高法院作出。優派能源現時正進行重組。根據現有資料 (包括截至二零一六年三月三十一日之未經審核財務資料) 及優派能源之建議重組計劃，合營企業管理層認為應收貸款及應收應計利息之可收回性存在不確定性，並於截至二零一六年十二月三十一日止年度確認減值虧損32,010,000港元。

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25. INVESTMENT IN AN UNCONSOLIDATED SUBSIDIARY

On 26 February 2015, the Group, through one of its wholly-owned subsidiaries, established 廈門盛福明德商務服務有限公司 (“Xiamen Sunflower”) in the People’s Republic of China (the “PRC”) for providing advisory services in relation to business information, enterprise management, investment and social economics (excluding financial business), as well as supply chain management, with Mr. Shan Jiuliang (“Mr. Shan”) being appointed as the legal representative and sole director of Xiamen Sunflower. On 26 June 2015, RMB71,000,000 (equivalent to approximately HK\$88,828,000) was deposited to a bank account of Xiamen Sunflower as paid up capital. As disclosed in the Company’s announcement dated 17 December 2015, Xiamen Sunflower entered into an unauthorised tenancy agreement (the “Tenancy Agreement”) in August 2015 to lease a property for a term of two years from a company (the “Sub-lessor”) in which Mr. Shan and his spouse, Ms. Zhang Peng (“Ms. Zhang”), the two former executive directors of the Company, collectively own 86.83% equity interest, at a rent of RMB2,688,000 per annum. A total sum of RMB6,000,000 (equivalent to approximately HK\$7,468,000), representing two years’ rent paid in advance and a deposit of RMB624,000 (equivalent to approximately HK\$777,000), under the Tenancy Agreement was paid to the Sub-lessor. The board of directors of the Company other than Ms. Zhang and Mr. Wen Di has subsequently resolved to revoke the transaction but the Company was advised by its PRC legal adviser that although (i) the board of directors of the Company other than Mr. Shan, Ms. Zhang and Mr. Wen Di (the “Board”) was not aware of the Tenancy Agreement at the time when it was executed; and (ii) the Board had not approved, authorised or ratified the transaction, this does not invalidate the Tenancy Agreement. The Group is not able to get in contact with Mr. Shan since November 2015. In addition, the Group has not been able to gain access to the books and records, including banks statements, of Xiamen Sunflower since then, or access to the funds in Xiamen Sunflower’s bank accounts.

25. 於未綜合入賬附屬公司之投資

於二零一五年二月二十六日，本集團透過一間全間附屬公司在中華人民共和國（「中國」）成立廈門盛福明德商務服務有限公司（「廈門盛福」），以提供有關商業資訊、企業管理、投資及社會經濟（不包括金融業務）的諮詢服務以及供應鏈管理，單九良先生（「單先生」）獲委任為廈門盛福的法定代表兼唯一董事。於二零一五年六月二十六日，廈門盛福的銀行賬戶獲存入人民幣71,000,000元（相當於約88,828,000港元）作為繳足股本。如本公司日期為二零一五年十二月十七日之公告所披露，廈門盛福於二零一五年八月訂立一份未經授權的租賃協議（「租賃協議」），以向一間公司（「分租人」）（本公司兩名前執行董事單先生及其配偶張鵬女士（「張女士」）於其中合共擁有86.83%股權）租賃物業，為期兩年，租金為每年人民幣2,688,000元。根據租賃協議，已向分租人支付合共人民幣6,000,000元（相當於約7,468,000港元），即預付之兩年租金及按金人民幣624,000元（相當於約777,000港元）。本公司董事會（張女士及溫笛先生除外）其後決議撤銷交易，但本公司獲其中國法律顧問告知，儘管(i)本公司董事會（單先生、張女士及溫笛先生除外）（「董事會」）於簽訂租賃協議時並不知情；及(ii)董事會並未批准、授權或追認交易，這不會使租賃協議無效。本集團自二零一五年十一月起無法聯絡單先生。此外，本集團此後一直未能獲取廈門盛福之賬冊及記錄（包括銀行結單），亦無法動用廈門盛福之銀行賬戶資金。

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25. INVESTMENT IN AN UNCONSOLIDATED SUBSIDIARY (continued)

As disclosed in the announcements of the Company dated 17 December 2015 and 23 February 2016, the Board has not been able to get in contact with Mr. Shan, Ms. Zhang and Mr. Wen Di (collectively the “Three Directors”) since November 2015, January 2016 and November 2015, respectively and they were the only two executive directors and one of the non-executive directors of the Company at that material time for the year ended 31 December 2015. In making their judgement, the Board, taking into account the legal opinion as advised by the Group’s legal advisor, considered that other than those relating to Xiamen Sunflower, all liabilities, both actual and contingent, of the Group have been properly recorded, accounted for or disclosed in the consolidated financial statements for the year ended 31 December 2015.

On 7 March 2016, the Company entered into a disposal agreement (the “Disposal Agreement”) with an independent third party (the “Purchaser”) to dispose Imagi Jue Ming Limited (which holds the entire equity interest in Po Hau Holdings Limited and Xiamen Sunflower), together with the shareholder’s loan amounting to HK\$100,000,000, at a cash consideration of HK\$25,000,000 (the “Consideration”). The transaction was completed on 9 March 2016 (the “date of disposal”) and the Purchaser confirmed that the conditions for Disposal Agreement were satisfied on the date of disposal.

25. 於未綜合入賬附屬公司之投資 (續)

誠如本公司於二零一五年十二月十七日及二零一六年二月二十三日之公告所披露，董事會分別自二零一五年十一月、二零一六年一月及二零一五年十一月以來，一直無法與單先生、張女士及溫笛先生(統稱「三名董事」)聯絡。彼等於截至二零一五年十二月三十一日止年度之相關時間為本公司僅有之兩名執行董事及一名非執行董事。於作出判斷時，考慮到本集團法律顧問之法律意見，董事會認為，除有關廈門盛福之項目外，本集團之所有負債(包括實際負債及或然負債)已於截至二零一五年十二月三十一日止年度的綜合財務報表內妥為記錄、入賬及披露。

於二零一六年三月七日，本公司與一名獨立第三方(「買方」)訂立出售協議(「出售協議」)，以按現金代價25,000,000港元(「代價」)出售意馬決明有限公司(其持有樸厚控股有限公司及廈門盛福之全部股權)，連同100,000,000港元之股東貸款。該交易於二零一六年三月九日(「出售日期」)完成，買方確認，出售協議的條件已於出售日期達成。

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25. INVESTMENT IN AN UNCONSOLIDATED SUBSIDIARY (continued)

Taking into account the facts and circumstances, the Group accounted for the investment in Xiamen Sunflower at cost less impairment as at 31 December 2015 and recognised an impairment loss of approximately HK\$64,985,000 on the carrying amount of its investment in Xiamen Sunflower during the year ended 31 December 2015 based on the Consideration less the amount attributable to the net assets (comprised only bank balances) of Imagi Jue Ming Limited and Po Hau Holdings Limited. When preparing the consolidated financial statements for the year ended 31 December 2016, the Group did not consolidate the results of Xiamen Sunflower for the period from 1 January 2016 to 9 March 2016. This non-consolidation of Xiamen Sunflower for the period from 1 January 2016 to 9 March 2016 is not in compliance with the requirements of HKFRS 10, which provides that consolidation of a subsidiary should begin when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. As such, the Board is unable to ascertain the impact of not consolidating the financial statements of Xiamen Sunflower on the consolidated financial statements.

25. 於未綜合入賬附屬公司之投資 (續)

經考慮有關事實及情況，於二零一五年十二月三十一日，本集團將於廈門盛福的投資按成本減去減值入賬，基於代價減去應佔意馬決明有限公司及樸厚控股有限公司的資產淨值（僅包括銀行結餘）的金額，截至二零一五年十二月三十一日止年度本集團就於廈門盛福的投資之賬面值確認減值虧損約64,985,000港元。在編製截至二零一六年十二月三十一日止年度的綜合財務報表時，本集團並未將廈門盛福於二零一六年一月一日至二零一六年三月九日期間的業績綜合入賬。不就二零一六年一月一日至二零一六年三月九日期間將廈門盛福綜合入賬不符合香港財務報告準則第10號的規定，該條規定，本集團應在取得控制權時開始將附屬公司綜合入賬，並在本集團喪失該附屬公司的控制權時停止綜合入賬。因此，董事會無法確定不將廈門盛福的財務報表綜合入賬對綜合財務報表的影響。

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26. ACCOUNTS RECEIVABLE

26. 應收賬款

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Accounts receivable arising from securities brokerage business		
– Cash clients	883	–

The ageing analysis of the accounts receivable which are neither past due nor impaired as of the end the reporting period is as follows:

於報告期末既未逾期亦未減值的應收賬款賬齡分析如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	883	–

The normal settlement terms of accounts receivable from cash clients are two days after the trade date. Accounts receivable from cash clients are repayable on demand subsequent to the settlement date.

應收現金客戶賬款的正常結算期限為交易日期後兩日。應收現金客戶之賬款須於結算日期後按要求償還。

Accounts receivable from cash clients as at 31 December 2017 relate to clients that have a good track record with the Group for whom there was no recent history of default.

於二零一七年十二月三十一日應收現金客戶的賬款涉及於本集團具有良好往績記錄且近期並無拖欠歷史的客戶。

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

當本集團現時具有依法可強制執行的權利抵銷若干應收賬款與應付賬款的餘額，並擬按淨額基準結算或同時變現餘額時，本集團將有關應收賬款與應付賬款抵銷。

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27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

27. 其他應收款項、按金及預付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other receivables	其他應收款項	465	18,442
Deposits and prepayments	按金及預付款項	1,979	4,729
		2,444	23,171

The amounts are expected to be recovered or recognised as expenses within one year.

該等款項預期於一年內收回或確認為開支。

28. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments represent the listed equity securities in Hong Kong of HK\$432,023,000 (2016: HK\$586,453,000) and rights issue for a listed equity security in Hong Kong of HK\$Nil (2016: HK\$2,185,000). All listed equity securities in Hong Kong are pledged to a financial institution to secure margin financing facilities obtained. Details of the Group's top ten investments are as follows:

28. 持作買賣投資

持作買賣投資即香港上市股本證券432,023,000港元(二零一六年: 586,453,000港元)及供股發行之上市股本證券零港元(二零一六年: 2,185,000港元)。所有香港上市股本證券已抵押予金融機構,以擔保取得的保證金融資貸款。本集團前十名投資詳情如下:

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28. HELD-FOR-TRADING INVESTMENTS (continued)

28. 持作買賣投資 (續)

Note	Stock code	Stock name	股份名稱	Number of	Closing	Market value	Realised	Unrealised	Approximate%		Number of
				shares held	price				Approximate%	shareholding	
				as at 31	as at 31	as at	gain/(loss)	gain/(loss)	to held-for-	in investee	issued share of
				December	December	31 December			trading as at	as at 31	investee as at
				2017	2017	2017			31 December	December	31 December
				於	於	於	已變現	未變現	於二零一七年	於二零一七年	於二零一七年
				二零一七年	二零一七年	二零一七年	收益/	收益/	十二月三十一日	十二月三十一日	十二月三十一日
				十二月三十一日	十二月三十一日	十二月三十一日	虧損)	虧損)	估持作買賣數量	估被投資公司的	被投資公司的
				持有的股份數目	的收市價	的市場價值	(虧損)	(虧損)	概約百分比	概約股權百分比	已發行股份數目
					HK\$	HK\$'000	HK\$'000	HK\$'000	%	%	
					港元	千港元	千港元	千港元			
(1)	996	Carnival Group International Holdings Limited	嘉年華國際控股有限公司	602,000,000	0.445	267,890	(1,491)	(229,466)	62.01%	2.80%	21,472,160,585
(2)	689	EPI (Holdings) Limited	長盈集團(控股)有限公司	145,785,000	0.540	78,724	-	51,462	18.22%	2.91%	5,018,121,822
(3)	1332	China Touyun Tech Group Limited	中國透雲科技集團有限公司	100,000,000	0.275	27,500	-	(4,500)	6.37%	1.02%	9,797,311,301
(4)	720	Auto Italia Holdings Limited	意達利控股有限公司	200,000,000	0.112	22,400	-	(1,600)	5.19%	3.83%	5,219,541,190
(5)	622	Enerchina Holdings Limited*	威華達控股有限公司*	37,540,449	0.570	21,398	(2,744)	(34,363)	4.95%	1.29%	2,905,883,141
(6)	943	eForce Holdings Limited	意科控股有限公司	60,000,000	0.104	6,240	-	660	1.44%	0.83%	7,213,997,000
(7)	1051	G-Resources Group Limited	國際資源集團有限公司	36,564,069	0.097	3,547	-	(1,645)	0.82%	0.14%	27,048,844,786
(8)	8153	Code Agriculture (Holdings) Limited	科地農業控股有限公司	14,400,000	0.190	2,736	-	(12,096)	0.63%	0.78%	1,850,274,675
(9)	2326	New Provenance Everlasting Holdings Limited	新源萬恒控股有限公司	10,000,000	0.156	1,560	-	(2,890)	0.36%	0.05%	21,084,072,140
(10)	8202	Inno-Tech Holdings Limited	匯創控股有限公司	174,000	0.160	28	-	(50)	0.01%	0.02%	997,949,099

* Excluding the listed equity securities classified as available-for-sale investments as disclosed in note 22.

* 不包括附註22所披露的分類為可供出售投資之上市股本證券。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

Notes:

- (1) Carnival Group International Holdings Limited (“Carnival Group”) was incorporated in Bermuda. Carnival Group is an investment holding company principally engaged in theme based leisure and consumption business, focusing on the design, development and operation of integrated large-scale tourist complex projects in key cities in and outside the People’s Republic of China (the “PRC”) that comprise of theme parks, hotels, shopping and leisure facilities as well as other theme based consumption. Carnival Group operates through four segments: (i) property development and investment segment – developing residential and commercial properties in China and Hong Kong for sales and leasing; (ii) catering segment – operating restaurants in China and Hong Kong; (iii) trading and investment business segment – investing on securities and financial instruments; and (iv) others segment – providing retail-related consultancy and management services, kids’ edutainment center and touring carnivals. According to the latest published financial statements, Carnival Group had net assets (excluding non-controlling interests) of approximately HK\$7,238 million attributed to its shareholders as at 30 June 2017.
- (2) EPI (Holdings) Limited (“EPI (Holdings)”) was incorporated in Bermuda. EPI (Holdings) is an investment holding company principally engaged in business of petroleum and production, money lending and investment in securities. EPI (Holdings) operates through three segments: (i) petroleum exploration and production segment – in the Chanares Herrados Area (“CHE Area”) and Puesto Pozo Cercado Area (“PPC Area”) (together the “Concessions”) in Cuyana Basin, Mendoza Province of Argentina; (ii) money lending segment; and (iii) investment in securities segment generally engaging in acquisition of securities listed on the Stock Exchange or other recognised stock exchange and over-the-counter market with good liquidity. According to the latest published financial statements, EPI (Holdings) had net assets of approximately HK\$356 million attributed to its shareholders as at 30 June 2017.

28. 持作買賣投資 (續)

附註：

- (1) 嘉年華國際控股有限公司(「嘉年華」)於百慕達註冊成立。嘉年華國際控股有限公司為一間投資控股公司，主要從事主題休閒及消費業務，集中於中華人民共和國(「中國」)之主要城市及境外城市為設計、開發及經營一體化大型旅遊綜合項目，當中包括有主題公園、酒店、購物及休閒設施，以及其他主題消費項目。嘉年華透過四個分部經營：(i)物業發展及投資分部－在中國及香港發展住宅及商業物業用於銷售及租賃；(ii)餐飲分部－在中國及香港經營餐廳；(iii)買賣及投資業務分部－投資證券及金融工具；及(iv)其他分部－提供零售相關諮詢及管理服務、兒童教育中心及旅遊嘉年華。根據最新刊發的財務報表，嘉年華於二零一七年六月三十日的股東應佔資產淨值(不包括非控股權益)約7,238,000,000港元。
- (2) 長盈集團(控股)有限公司(「長盈集團(控股)」)於百慕達註冊成立。長盈集團(控股)為一間投資控股公司，主要從事石油生產、放債及證券投資業務。長盈集團(控股)透過三個分部經營：(i)石油勘探及生產分部－在阿根廷門多薩省Cuyana盆地Chanares Herrados油田區(「CHE油田區」)及Puesto Pozo Cercado油田區(「PPC油田區」)(統稱「油田開採權區」)；(ii)放債分部；及(iii)證券投資分部，一般從事收購於聯交所或其他認可證券交易所及流動性好的場外市場上市的證券。根據最新刊發的財務報表，長盈集團(控股)於二零一七年六月三十日的股東應佔資產淨值約356,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

Notes: (continued)

- (3) China Touyun Tech Group Limited (“China Touyun”) was incorporated in Bermuda. China Touyun is an investment holding company principally engaged in provision of QR codes on product packaging and solutions and online advertising display services; the manufacture and sales of packaging products; and investments and trading in securities and money lending. The Company operates through three business segments: (i) QR codes business segment – provision of QR codes on product packaging and solution and online advertising display services; (ii) packaging products segment – manufacturing and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units; and (iii) treasury investment segment – investment and trading in securities and money lending business. According to the latest published financial statements, China Touyun had net assets (excluding non-controlling interests) of approximately HK\$1,100 million attributed to its shareholders as at 30 June 2017.
- (4) Auto Italia Holdings Limited (“Auto Italia”) was incorporated in Bermuda. Auto Italia is an investment holding company principally engaged in the import, marketing and distribution, and provision of after-sales service of branded cars (including Italian “Maserati”) in Hong Kong and Macau, the provision of pre-delivery inspection service in Shanghai, the PRC and Hong Kong as well as provision of financing and property investment. Auto Italia operates through three segments: (i) cars segment – trading of cars and related accessories and the provision of car repairing services; (ii) financial investments and services segment – investment in securities, provision for financing and corporate finance services; and (iii) property investment. According to the latest published financial statements, Auto Italia had net assets of approximately HK\$435 million attributed to its shareholders as at 30 June 2017.

28. 持作買賣投資 (續)

附註:(續)

- (3) 中國透雲科技集團有限公司(「中國透雲」)於百慕達註冊成立。中國透雲為一間投資控股公司，主要從事提供產品包裝上的二維碼及解決方案以及線上廣告展示服務；包裝產品的生產及銷售；及證券投資及買賣業務以及放債。該公司主要透過三個業務分部經營：(i)二維碼業務分部－提供產品包裝上的二維碼及解決方案以及線上廣告展示服務；(ii)包裝產品分部－製造及銷售鐘錶盒、珠寶盒、眼鏡盒、包裝袋及小袋以及陳列用品；及(iii)財務投資分部－證券投資及買賣業務及放債業務。根據最新刊發的財務報表，中國透雲於二零一七年六月三十日的股東應佔資產淨值(不包括非控股權益)約1,100,000,000港元。
- (4) 意達利控股有限公司(「意達利」)於百慕達註冊成立。意達利為一間投資控股公司，主要在香港及澳門從事品牌汽車的進口、營銷及分銷，以及提供售後服務(包括意大利「瑪莎拉蒂」)、在中國上海及香港提供交付前檢查服務，以及提供融資及物業投資。意達利透過三個分部經營：(i)汽車分部－買賣汽車及相關配件及提供汽車維修服務；(ii)金融投資及服務分部－證券投資、提供融資及企業財務服務；及(iii)物業投資。根據最新刊發的財務報表，意達利於二零一七年六月三十日的股東應佔資產淨值約435,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

Notes: (continued)

- (5) Enerchina Holdings Limited (“Enerchina”) was incorporated in Bermuda. Enerchina is an investment holding company principally engaged in the financial services sector, including the provision of securities brokerage services, placing and underwriting services, the provision of corporate finance advisory services, trading and investment of securities, provision of margin financing, money lending services, investment advisory and asset management services as well as investment holdings. Enerchina operates through three segments: (i) financial services segment – the provision of securities brokerage and provision of financial, consultancy and corporate financial advisory services; (ii) securities trading and investments segment; and (iii) money lending segment. According to the latest published annual results announcement, Enerchina had net assets (excluding non-controlling interests) of approximately HK\$6,082 million attributed to its shareholders as at 31 December 2017.
- (6) eForce Holdings Limited (“eForce Holdings”) was incorporated in Bermuda. eForce Holdings is an investment holding company principally engaged in the manufacture and trading of healthcare and household products, production and sale of organic agricultural and fertilisers products, money lending business and coal mining business. eForce Holdings operates through four segments: (i) healthcare and household business; (ii) coal mining business; (iii) trading of agricultural and fertilisers products; and (iv) money lending business. According to the latest published financial statements, eForce Holdings had net assets (excluding non-controlling interests) of approximately HK\$577 million attributed to its shareholders as at 30 June 2017.

28. 持作買賣投資 (續)

附註：(續)

- (5) 威華達控股有限公司(「威華達」)於百慕達註冊成立。威華達為一間投資控股公司，主要從事金融服務業，包括提供證券經紀服務、配售及包銷服務、提供企業融資顧問服務、證券買賣及投資、提供保證金融資、放債服務、投資顧問及資產管理服務，以及投資控股。威華達透過三個分部經營：(i)金融服務分部－提供證券經紀及提供金融、顧問及企業融資顧問服務；(ii)證券買賣及投資分部；及(iii)放債分部。根據最新刊發的全年業績公佈，威華達於二零一七年十二月三十一日的股東應佔資產淨值(不包括非控股權益)約6,082,000,000港元。
- (6) 意科控股有限公司(「意科控股」)於百慕達註冊成立。意科控股為一間投資控股公司，主要從事製造及銷售保健及家庭用品、生產及銷售有機農業及肥料產品、放債業務及煤炭開採業務。意科控股透過四個分部經營：(i)保健及家庭用品；(ii)煤炭開採業務；(iii)買賣農業及肥料產品；及(iv)放債業務。根據最新刊發的財務報表，意科控股於二零一七年六月三十日的股東應佔資產淨值(不包括非控股權益)約577,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

Notes: (continued)

- (7) G-Resources Group Ltd. (“G-Resources Group”) was incorporated in Bermuda. G-Resources Group is an investment holding company mainly engaged in the principal investment business, financial services business and real property business. G-Resources Group operates its business through three segments: (i) the principal investment business segment – involving in identifying of investment opportunities and investing in different industries, including mining, and in listed and unlisted financial assets such as shares, bonds, other security investments, managed investment funds, convertible bond and perpetual securities; (ii) the financial services business segment – providing financial services, including securities brokerage services, placing and underwriting services, corporate finance advisory services, provision of margin financing, money lending business and investment advisory and management services; and (iii) the real property business segment – involving in the investment of property portfolio on commercial properties in Hong Kong and other countries, but also in other types of properties. According to the latest published financial statements, G-Resources Group had net assets (excluding non-controlling interests) of approximately US\$1,377 million attributed to its shareholders as at 30 June 2017.
- (8) Code Agriculture (Holdings) Limited (“Code Agriculture”) was incorporated in Bermuda. Code Agriculture is an investment holding company principally engaged in the provision of digital television services in Hong Kong and the PRC, provision of car beauty services in Hong Kong, money lending business in Hong Kong and securities investments in Hong Kong. Code Agriculture operates its business through three business segments: (i) digital television segment – mainly engaged in the broadcasting and advertising of digital television in Hong Kong and the PRC; (ii) car beauty segment – provision of car beauty and maintenance services in Hong Kong; and (iii) money lending segment – provision of mortgage loans and short term loans in Hong Kong. According to the latest published financial statements, Code Agriculture had net liabilities (excluding non-controlling interests) of approximately HK\$151 million attributed to its shareholders as at 30 September 2017.

28. 持作買賣投資 (續)

附註：(續)

- (7) 國際資源集團有限公司(「國際資源集團」)於百慕達註冊成立。國際資源集團有限公司為一間投資控股公司，主要從事投資業務、金融服務業務及房地產業務。國際資源集團透過三個分部經營業務：(i)投資業務分部一涉及物色投資機會並投資不同行業(包括採礦)及上市與非上市金融資產，如股份、債券、其他證券投資、受管理投資基金、可換股債券及永續證券；(ii)金融服務業務分部一提供金融服務，包括證券經紀服務、配售及包銷服務、企業融資顧問服務、提供孖展融資、放債業務與投資顧問及管理服務；及(iii)房地產業務分部一涉及投資香港及其他國家的商業物業組合，但亦投資其他類型物業。根據最新刊發的財務報表，國際資源集團於二零一七年六月三十日的股東應佔資產淨值(不包括非控股權益)約1,377,000,000美元。
- (8) 科地農業控股有限公司(「科地農業」)於百慕達註冊成立。科地農業為一間投資控股公司，主要從事於香港及中國提供數字電視服務、於香港提供汽車美容服務、香港放債業務及香港證券投資業務。科地農業透過三個業務分部經營業務：(i)數字電視分部一主要從事於香港及中國提供數字電視廣播及廣告；(ii)汽車美容分部一於香港提供汽車美容及保養服務；及(iii)放債分部一於香港提供孖展貸款及短期貸款。根據最新刊發的財務報表，科地農業於二零一七年九月三十日的股東應佔負債淨額(不包括非控股權益)約151,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

Notes: (continued)

- (9) New Provenance Everlasting Holdings Limited (“New Provenance”) was incorporated in Bermuda. New Provenance is an investment holding company principally engaged in the sourcing and sale of metal minerals and related industrial materials, production and sale of industrial products and production and sale of utilities and provision of logistic services. New Provenance operates its business through four business segment: (i) sourcing and sale of metal minerals and related industrial materials; (ii) production and sale of industrial products; (iii) production and sales of utilities; and (vi) others segment that represents business activities and operating segments not separately reported, including provision of logistics services. According to the latest published financial statements, New Provenance had net assets (excluding non-controlling interests) of approximately HK\$481 million attributed to its shareholders as at 30 September 2017.
- (10) Inno-Tech Holdings Limited (“Inno-Tech”) was incorporated in Bermuda. Inno-Tech is an investment holding company principally engaged in the provision of outdoor advertising on buses and bus stations and television advertising operation in the PRC and event management and marketing services in Hong Kong. Inno-Tech operates its business through two segments: (i) outdoor advertising on buses and bus stations segment – operation of outdoor advertising businesses on buses and bus stations in the PRC; (ii) television advertisements – television advertising operations in the PRC; and (iii) event management and marketing services segment – tailor made event management in Hong Kong. According to the latest published financial statements, Inno-Tech had net liabilities of approximately HK\$127 million attributed to its shareholders as at 31 December 2017.

28. 持作買賣投資 (續)

附註：(續)

- (9) 新源萬恒控股有限公司(「新源」)於百慕達註冊成立。新源為一間投資控股公司，主要從事採購及銷售金屬礦物及相關工業原料、生產及銷售工業用產品、生產及銷售公用產品以及提供物流服務。新源透過四個業務分部經營業務：(i)採購及銷售金屬礦物及相關工業原料；(ii)生產及銷售工業產品；(iii)生產及銷售公用產品；及(vi)其他分部，指未單獨報告的業務活動及經營分部，包括提供物流服務。根據最新刊發的財務報表，新源於二零一七年九月三十日的股東應佔資產淨值(不包括非控股權益)約481,000,000港元。
- (10) 匯創控股有限公司(「匯創」)於百慕達註冊成立。匯創為一間投資控股公司，主要於中國從事提供巴士及巴士站戶外廣告以及電視廣告營運，以及於香港從事活動管理及營銷服務。匯創透過兩個分部經營業務：(i)巴士及巴士站戶外廣告分部－於中國經營巴士及巴士站戶外廣告業務；(ii)電視廣告－於中國經營電視廣告；及(iii)活動管理及營銷服務分部－於香港管理定制活動。根據最新刊發的財務報表，科地農業於二零一七年十二月三十一日的股東應佔負債淨額約127,000,000港元。

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29. CONVERTIBLE NOTES RECEIVABLE

29. 應收可換股票據

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Convertible notes receivable – designated at FVTPL		
Convertible Note I	19,293	41,299
Convertible Note II	–	2,167
	19,293	43,466

Convertible notes receivable acquired are designated as at fair value through profit or loss because the relevant financial assets constitute a group that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management and investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel.

Convertible Note I represented the fair value of an investment in convertible note issued by China Agri-Products Exchange Limited ("China Agri-Products"), a company listed on the Stock Exchange. The principal amount of the convertible notes is HK\$23,200,000, which can be converted into 58,000,000 ordinary shares of China Agri-Products at a conversion price of HK\$0.4 per share from the inception date until the date which is five business days preceding the maturity date on 18 October 2021. The convertible notes receivable carried interest at 7.5% per annum, payable semi-annually on 19 October and 19 April of each calendar year. The convertible notes could be redeemed by China Agri-Products any date on or before maturity date at its principal amount.

所收購的應收可換股票據指定透過損益按公平值列賬，原因是根據一份書面的風險管理及投資策略，相關財務資產構成一個組別，其表現按公平值評估，有關本集團的資料在內部按該基準提供予本集團的主要管理人員。

可換股票據一指於中國農產品交易有限公司（「中國農產品」，為於聯交所上市的公司）發行的可換股票據之投資的公平值。可換股票據的本金額為23,200,000港元，可自開始日期起至到期日二零二一年十月十八日前五個營業日之日止期間，按每股0.4港元的轉換價轉換成58,000,000股中國農產品普通股。應收可換股票據按每年7.5%計息，須於每曆年十月十九日及四月十九日每半年支付。可換股票據可由中國農產品於到期日或之前任何日期按本金額贖回。

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29. CONVERTIBLE NOTES RECEIVABLE

(continued)

During the year ended 31 December 2016, there is a day-one gain of approximately HK\$29,836,000 for Convertible Note I, which is deferred and amortised in the consolidated statement of profit or loss on a straight-line basis within the effective life of the convertible notes receivable.

Convertible Note II represented the fair value of 2.14% interest in convertible note issued by Up Energy, a company listed on the Stock Exchange. The principal amount of the convertible notes is HK\$100,000,000 and HK\$130,000,000, which can be converted into 134,138,162 and 174,379,611 ordinary shares of Up Energy respectively at a conversion price of HK\$0.7455 per share from the inception date until the date which is five business days preceding the maturity date on 31 December 2018. The convertible notes carried interest at 5% per annum, payable semi-annually on 30 June and 31 December of each calendar year. The convertible notes would be redeemed by Up Energy on maturity date at their principal amount. During the year ended 31 December 2017, the Group disposed of the Convertible Note II to an independent third party through the disposal of a subsidiary.

For the year ended 31 December 2016, the fair value gain of the convertible notes receivable amounting to HK\$16,922,000 plus the amortisation of day-one gain for Convertible Note I of HK\$1,177,000 for the period are recognised in “other loss or gain”.

For the year ended 31 December 2017, the fair value loss of the convertible notes receivable amounting to HK\$50,665,000, plus the amortisation of day-one gain for Convertible Note I of HK\$2,959,000 for the year is recognised in “other loss or gain”. For the remaining day-one gain of HK\$25,700,000 (note 10) as at 31 December 2017, was de-recognised due to the significant fluctuation in the stock price.

29. 應收可換股票據 (續)

截至二零一六年十二月三十一日止年度，可換股票據一存在第一天收益約29,836,000港元，該金額已遞延，並於應收可換股票據的有效期限內按直線法在綜合損益表中攤銷。

可換股票據二指於優派能源(於聯交所上市的公司)發行的利率2.14%可換股票據的公平值。可換股票據的本金額為100,000,000港元及130,000,000港元，可自開始日期起至到期日二零一八年十二月三十一日前五個營業日之日期間，按每股0.7455港元的轉換價分別轉換成134,138,162股及174,379,611股優派能源普通股。可換股票據按每年5%計息，須於每曆年六月三十日及十二月三十一日每半年支付。可換股票據可由優派能源於到期日按本金額贖回。於截至二零一七年十二月三十一日止年度內，本集團已透過出售一間附屬公司將可換股票據二出售予一名獨立第三方。

截至二零一六年十二月三十一日止年度，應收可換股票據的公平值收益16,922,000港元加上可換股票據一的第一天收益於該期間的攤銷1,177,000港元於「其他虧損或收益」確認。

截至二零一七年十二月三十一日止年度，應收可換股票據的公平值虧損50,665,000港元，加上年內可換股票據一的第一天收益攤銷2,959,000港元，於「其他虧損或收益」確認。於二零一七年十二月三十一日，餘下第一天收益25,700,000港元(附註10)因股價大幅波動而終止確認。

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30. BANK BALANCES – TRUST ACCOUNT

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of its securities brokerage business. These client's monies are maintained in one or more trust bank accounts. The Group has recognised the corresponding accounts payable to its respective clients and other institutions (note 32). However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

31. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(a) Bank balances and cash comprise:

30. 銀行結餘—信託賬戶

本集團在經營證券經紀業務受規管活動過程中收取並持有客戶及其他機構存放的款項。該等客戶的款項於一個或多個信託銀行賬戶持有。本集團已確認應付各客戶及其他機構的賬款(附註32)。然而，本集團現時並無將該等應付款項與已存放按金相抵銷的執行權。

31. 銀行結餘及現金以及其他現金流資料

(a) 銀行結餘及現金包括：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank balances and cash 銀行結餘及現金	134,477	246,446

The bank balances and cash include short-term bank deposits with an original maturity of three months or less. The bank balances carry interest at market rates which are as follows:

銀行結餘及現金包括原到期日為三個月或以下之短期銀行存款。按市場利率計息之銀行結餘如下：

	2017 二零一七年	2016 二零一六年
Range of interest rate per annum: 年利率範圍：		
Bank balances 銀行結餘	0.001% to 0.01%	0.001%

At the end of the reporting period, included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the relevant group entities.

於報告期末，銀行結餘及現金包括以下以有關集團實體功能貨幣以外貨幣計值之金額。

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31. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(continued)

(a) Bank balances and cash comprise: (continued)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
USD	美元	8,265	606
EUR	歐元	908	104

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

31. 銀行結餘及現金以及其他現金流資料 (續)

(a) 銀行結餘及現金包括：(續)

(b) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的負債變動，包括現金流量及非現金流量導致的變動。融資活動所產生的負債指本集團綜合現金流量表中現金流量過往分類為或未來現金流將分類為融資活動所產生的現金流的負債。

		Margin payable 應付孖展 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	-	-
Changes from financing cash flows:	融資現金流量變動：		
Margin interest paid	已付孖展利息	(158)	(158)
Total changes from financing cash flows	融資現金流量變動總額	(158)	(158)
Other changes:	其他變動：		
Interest expenses	利息開支	158	158
		158	158
At 31 December 2017	於二零一七年十二月三十一日	-	-

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32. ACCOUNTS PAYABLE

32. 應付賬款

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Accounts payable arising from securities brokerage business:		
– cash clients and clearing house	6,081	–

The settlement terms of accounts payable to cash clients and clearing house are two days after trade date. Accounts payable to cash clients are repayable on demand subsequent to settlement date. No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable amounting to HK\$5,209,000 as at 31 December 2017 (2016: HK\$Nil) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of conducting the regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

應付現金客戶及結算所之賬款的結算日期為交易日期後兩日。應付現金客戶之賬款須於結算日期後按要求償還。由於本公司董事認為，鑑於該業務的性質，賬齡分析並無額外意義，故並無披露相關賬齡分析。

於二零一七年十二月三十一日的應付賬款5,209,000港元(二零一六年：零港元)須就於經營受規管活動的過程中收到並為客戶持有的信託及獨立銀行結餘支付予客戶。然而，本集團現時並無將該等應付款項與已存放按金相抵銷的執行權。

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33. DEFERRED TAX LIABILITY

The component of deferred tax liability recognised in the consolidated statement of financial position and movement during the year ended 31 December 2017 are as follow:

33. 遞延稅項負債

截至二零一七年十二月三十一日止年度於綜合財務狀況表中確認的遞延稅項負債組成部分及變動如下：

		2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	-
Fair value adjustment on intangible asset – trading rights upon acquisition of a subsidiary (note 39)	無形資產之公平值調整－於收購一間附屬公司時的交易權(附註39)	484
At 31 December	於十二月三十一日	484

34. SHARE CAPITAL

34. 股本

		Nominal value 面值	Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Authorised:	法定：			
At 1 January 2016	於二零一六年一月一日	0.001	1,000,000,000	1,000,000
Share Consolidation I (note b)	股份合併一(附註b)		(800,000,000)	-
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	0.005	200,000,000	1,000,000
Share Consolidation II (note f)	股份合併二(附註f)		(175,000,000)	-
At 31 December 2017	於二零一七年十二月三十一日	0.040	25,000,000	1,000,000

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34. SHARE CAPITAL (continued)

34. 股本 (續)

		Nominal value 面值	Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Issued and fully paid:	已發行及繳足：			
At 1 January 2016	於二零一六年一月一日	0.001	9,968,812	9,969
Issued of new shares (note a)	發行新股份(附註a)	0.001	1,900,000	1,900
Exercise of share options	行使購股權	0.001	765,000	765
		0.001	12,633,812	12,634
Share Consolidation I (note b)	股份合併一(附註b)		(10,107,050)	-
		0.005	2,526,762	12,634
Placing of shares (note c)	配售股份(附註c)	0.005	505,353	2,527
Open offer (note d)	公開發售(附註d)	0.005	1,516,058	7,580
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	0.005	4,548,173	22,741
Issue of new shares (note e)	發行新股份(附註e)	0.005	60,000	300
		0.005	4,608,173	23,041
Share Consolidation II (note f)	股份合併二(附註f)		(4,032,151)	-
		0.040	576,022	23,041
Issue of new shares (note g)	發行新股份(附註g)	0.040	113,400	4,536
As at 31 December 2017	於二零一七年 十二月三十一日	0.040	689,422	27,577

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34. SHARE CAPITAL (continued)

Notes:

- (a) Pursuant to the share swap agreement dated 29 February 2016, 1,900,000,000 ordinary shares were allotted at HK\$0.09 per share, which approximated the closing bid price of the Company's share at the completion date of the share swap, and issued to Murtsa Capital Management Limited ("Murtsa") in exchange for 455,500,000 shares of HengTen Networks Group Limited from Murtsa on 8 March 2016. Such shares are recorded as held-for-trading investment. HengTen Networks Group Limited is principally engaged in the business of property investment, investment in securities trading and money-lending and manufacturing and sales of accessories for photographic and electrical products. Details of the shares swap were set out in the Company's announcement dated 29 February 2016.
- (b) Pursuant to an ordinary resolution passed by shareholders at the special general meeting held on 30 May 2016, the share consolidation of every five issued and unissued shares of HK\$0.001 each into one consolidated share of HK\$0.005 each became effective on 31 May 2016 (the "Share Consolidation I"). Details of the Share Consolidation I were set out in the Company's announcements dated 3 May 2016 and 30 May 2016 and the circular dated 13 May 2016.
- (c) On 30 June 2016, the Company allotted and issued an aggregate of 505,352,508 shares by way of placing to independent investors at a price of HK\$0.23 per share.
- (d) On 26 August 2016, the Company allotted and issued 1,516,057,526 ordinary shares at HK\$0.185 per share for cash as a result of the open offer on the basis of one offer share for every two shares held by qualifying shareholders as defined in the prospectus dated 5 August 2016.
- (e) On 28 February 2017, 60,000,000 shares were issued as part of the consideration for the acquisition of John & Wong, a subsidiary of the Company. The details are set out in note 39.

34. 股本 (續)

附註：

- (a) 根據日期為二零一六年二月二十九日之換股協議，於二零一六年三月八日，1,900,000,000股普通股按每股0.09港元（與換股完成日期本公司股份的收市報價相若）配發及發行予 Murtsa Capital Management Limited（「Murtsa」），以交換 Murtsa 持有的 455,500,000 股恒騰網絡集團有限公司股份，該等股份作為持作買賣投資入賬。恒騰網絡集團有限公司主要從事物業投資、投資買賣證券、提供融資及製造及銷售照相產品配件業務。換股的詳情載於本公司日期為二零一六年二月二十九日之公告。
- (b) 根據股東於二零一六年五月三十日舉行的股東特別大會上通過的普通決議案，每五股每股面值0.001港元的已發行及未發行股份合併為一股每股面值0.005港元的股份（「股份合併一」）於二零一六年五月三十一日生效。股份合併一的詳情載於本公司日期為二零一六年五月三日及二零一六年五月三十日之公告及日期為二零一六年五月十三日之通函。
- (c) 於二零一六年六月三十日，本公司透過按每股0.23港元之價格向獨立投資者配售而配發及發行合共 505,352,508 股股份。
- (d) 由於按合資格股東（定義見日期為二零一六年八月五日之發售章程）每持有兩股股份獲發一股發售股份之基準進行公開發售，於二零一六年八月二十六日，本公司按每股0.185港元之價格配發及發行1,516,057,526股普通股。
- (e) 於二零一七年二月二十八日，60,000,000股股份作為收購宏昌，本公司一間附屬公司的代價一部分而發行。詳情載於附註39。

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34. SHARE CAPITAL (continued)

Notes: (continued)

- (f) Pursuant to an ordinary resolution passed by shareholders at the special general meeting held on 10 March 2017, the share consolidation of every eight issued and unissued shares of HK\$0.005 each into one consolidated share of HK\$0.04 each became effective on 13 March 2017 (the “Share Consolidation II”). Details of the Share Consolidation II were set out in the Company’s announcements dated 26 January 2017 and 10 March 2017 and the circular dated 22 February 2017.
- (g) Pursuant to the share swap agreement dated 16 March 2017, 113,400,000 ordinary shares were allotted at HK\$0.9 per share, which approximated the closing bid price of the Company’s shares at the completion date of the share swap, and issued to a nominee of Enerchina Holdings Limited (“Enerchina”) in exchange for 378,000,000 shares of Enerchina on 22 March 2017. Such shares are recorded as available-for-sale investments as detailed in note 22.

35. SHARE-BASED PAYMENT TRANSACTIONS

On 16 August 2002, the Company adopted a share option scheme for the primary purpose of providing incentives to employees, executives or officers, directors of the Company or any of its subsidiaries and any business consultants, agents, legal or financial advisers or any supplier or provider of goods and services of the Company or any of its subsidiaries (the “Participants”) for their contribution to the Group (the “2002 Scheme”).

The 2002 Scheme was terminated on 11 June 2012 and a new share option scheme (the “2012 Scheme”) was adopted by the shareholder of the Company on the same date. All share options granted under 2002 Scheme remain effective until the end of the exercise period. The general terms and conditions of the two share option schemes are the same and listed as follow:

34. 股本 (續)

附註：(續)

- (f) 根據股東於二零一七年三月十日舉行的股東特別大會上通過的普通決議案，每八股每股面值0.005港元的已發行及未發行股份合併為一股每股面值0.04港元的合併股份(「股份合併二」)於二零一七年三月十三日生效。股份合併二的詳情載於本公司日期為二零一七年一月二十六日及二零一七年三月十日之公告及日期為二零一七年二月二十二日之通函。
- (g) 根據日期為二零一七年三月十六日之換股協議，於二零一七年三月二十二日，113,400,000股普通股按每股0.9港元(與換股完成日期本公司股份的收市報價相若)配發及發行予威華達控股有限公司(「威華達」)的一名代名人，以交換378,000,000股威華達股份。該等股份作為可供出售投資入賬(詳情見附註22)。

35. 以股份付款交易

於二零零二年八月十六日，本公司採納一項購股權計劃，主要目的在於獎勵對本集團作出貢獻之本公司或其任何附屬公司之僱員、行政人員或高級職員、董事及本公司或其任何附屬公司之任何業務顧問、代理、法律或財務顧問或貨品及服務之任何供應商(「參與人士」)(「二零零二年計劃」)。

二零零二年計劃於二零一二年六月十一日終止，本公司股東於同日採納一項新購股權計劃(「二零一二年計劃」)。所有根據二零零二年計劃授出之購股權仍然有效，直至行使期完結。兩份購股權計劃的一般條款及條件相同，列示如下：

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35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The directors of the Company may grant options to the Participants to subscribe for shares in the Company for a consideration of HK\$10 for each lot of share options granted. Options granted must be taken up within 28 days of date of grant. The exercise price is determined by the directors and shall not be less than the highest of:

- (i) the official closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of the grant which must be a business day;
- (ii) the average of the official closing prices of the shares as stated in the daily quotation sheet of the Stock Exchange for the 5 business days immediately preceding the offer date; and
- (iii) the nominal value of a share.

The maximum number of shares in the Company in respect of which options may be granted under the 2012 Scheme when aggregated with any other share option scheme of the Company is not permitted to exceed 10% of the issued share capital of the Company as at 11 June 2012. Subject to the approval of the shareholders of the Company in general meeting and such other requirements prescribed under the Listing Rules from time to time, the directors of the Company may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meetings. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2012 Scheme and any other share option scheme of the Company at any time shall not exceed 30% of the shares in issue from time to time.

35. 以股份付款交易 (續)

本公司董事可向參與人士以按每批授出購股權10港元之代價授出購股權以認購本公司股份。已授出之購股權必須於授出日期起計二十八日內接納。行使價由董事釐定，惟不得低於下列最高者：

- (i) 股份於授出日期(必須為營業日)在聯交所每日報價表所報官方收市價；
- (ii) 股份緊接要約日期前五個營業日在聯交所每日報價表所報官方收市價之平均值；及
- (iii) 股份面值。

根據二零一二年計劃授出之購股權涉及之本公司股份數目，當與本公司任何其他購股權計劃合併計算時，最多不得超過本公司於及二零一二年六月十一日之已發行股本10%。待取得本公司股東在股東大會批准及符合上市規則項下不時訂明之其他規定後，本公司董事可隨時更新限額至本公司股東在股東大會批准當日已發行股份總數10%。儘管有上述規定，二零一二年計劃及本公司任何其他購股權計劃項下所有已授出但尚未行使之購股權獲行使而可能發行之股份，於任何時間均不得超過當時已發行股份30%。

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35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12-month period up to and including the date of grant exceeding 1% of total number of shares in issue at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the approval of the shareholders in general meetings, with such Participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the directors of the Company are empowered to impose at their discretion any such minimum period at the time of grant of any particular options. The period during which an option may be exercised will be determined by the directors at their absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

35. 以股份付款交易 (續)

倘於截至及包括授出日期止任何十二個月期間，已經向任何人士發行及基於已授出之所有購股權而可以向彼發行之本公司股份總數，超過授出日期已發行股份總數1%，則不得向該人士授出任何購股權。

倘進一步授出超過1%限額之購股權，則須取得股東在股東大會批准，而該參與人士及其聯繫人士(定義見上市規則)須放棄投票及／或須遵守上市規則不時生效之其他規定。倘向主要股東或獨立非執行董事授出之購股權超過本公司股本0.1%或價值超過5,000,000港元，則須事先取得本公司股東之批准。

現時並無特別規定購股權須於行使前持有任何最短期限，惟本公司董事可行使酌情權於授出任何特定購股權時釐定須持有最短期限。購股權之行使期由董事按絕對酌情權釐定，惟購股權不得於授出日期十年後行使。

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35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The following table discloses movements of the share options held by directors and employees:

For the year ended 31 December 2017

	Grant date	Vesting period	Exercisable period	Number of shares issuable under options outstanding at 1/1/2017 根據於二零一七年一月一日的未行使購股權可發行的股份數目	Granted during the year 年內授出	Exercised during the year 年內行使	Adjusted for the share consolidation 就股份合併進行調整 (Note a) (附註a)	Cancelled during the year 年內註銷 (Note b) (附註b)	Number of shares issuable under options outstanding at 31/12/2017 根據於二零一七年十二月三十一日的未行使購股權可發行的股份數目	Exercise price as at 31/12/2017 於二零一七年十二月三十一日的每股行使價
	授出日期	歸屬期 (Note c) (附註c)	可行使期間							
Directors	13/5/2016	N/A	13/5/2016 to 12/5/2021	52,428,397	-	-	(45,874,848)	(6,553,549)	-	N/A
董事	二零一六年五月十三日	不適用	二零一六年五月十三日至二零一七年五月十二日							不適用
Employees	31/8/2016	N/A	31/8/2016 to 30/8/2021	84,000,000	-	-	(73,500,000)	(10,500,000)	-	N/A
僱員	二零一六年八月三十一日	不適用	二零一六年八月三十一日至二零一七年八月三十日							不適用
Other than employees and directors	31/8/2016	N/A	31/8/2016 to 30/8/2021	168,676,254	-	-	(147,591,722)	(18,584,532)	2,500,000	HK162.4 cents (note f)
並非僱員及董事	二零一六年八月三十一日	不適用	二零一六年八月三十一日至二零一七年八月三十日							162.4港仙 (附註f)
				305,104,651	-	-	(266,966,570)	(35,638,081)	2,500,000	

35. 以股份付款交易 (續)

下表披露由董事及僱員持有之購股權數目變動詳情：

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35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

For the year ended 31 December 2016

35. 以股份付款交易 (續)

截至二零一六年十二月三十一日止年度

	Grant date	Vesting period	Exercisable period	Number of shares issuable under options outstanding at 1/1/2016 根據於二零一六年一月一日的未行使購股權可發行的股份數目	Granted during the year 年內授出	Exercised during the year 年內行使	Adjusted for the share consolidation 就股份合併進行調整 (Note d) (附註d)	Adjusted for the Open Offer 年內註銷 (Note e) (附註e)	Number of shares issuable under options outstanding at 31/12/2016 根據於二零一六年十二月三十一日的未行使購股權可發行的股份數目	Exercise price per share as at 31/12/2016 於二零一六年十二月三十一日的每股行使價
	授出日期	歸屬期 (Note c) (附註c)	可行使期間							
Directors	13/5/2016	N/A	13/5/2016 to 12/5/2021	-	237,018,072	-	(189,614,458)	5,024,783	52,428,397	HK32.5 cents (note g)
董事	二零一六年五月十三日	不適用	二零一六年五月十三日至二零一六年五月十二日							32.5 港仙 (附註g)
Employees	5/2/2016	N/A	5/2/2016 to 4/2/2021	-	180,000,000	(180,000,000)	-	-	-	N/A
僱員	二零一六年二月五日	不適用	二零一六年二月五日至二零二一年二月四日							不適用
	23/2/2016	N/A	23/2/2016 to 22/2/2021	-	225,000,000	(225,000,000)	-	-	-	N/A
	二零一六年二月二十三日	不適用	二零一六年二月二十三日至二零二一年二月二十二日							不適用
	29/2/2016	N/A	29/2/2016 to 28/2/2021	-	60,000,000	(60,000,000)	-	-	-	N/A
	二零一六年二月二十九日	不適用	二零一六年二月二十九日至二零二一年二月二十八日							不適用
	31/8/2016	N/A	31/8/2016 to 30/8/2021	-	84,000,000	-	-	-	84,000,000	HK20.3 cents (note h)
	二零一六年八月三十一日	不適用	二零一六年八月三十一日至二零二一年八月三十日							20.3 港仙 (附註h)

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35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

For the year ended 31 December 2016 (continued)

35. 以股份付款交易 (續)

截至二零一六年十二月三十一日止年度
(續)

	Grant date	Vesting period	Exercisable period	Number of shares issuable under options outstanding at 1/1/2016 根據於二零一六年一月一日的未行使購股權可發行的股份數目	Granted during the year	Exercised during the year	Adjusted for the share consolidation	Adjusted for the Open Offer	Number of shares issuable under options outstanding at 31/12/2016 根據於二零一六年十二月三十一日的未行使購股權可發行的股份數目	Exercise price per share as at 31/12/2016 於二零一六年十二月三十一日的每股行使價
	授出日期	歸屬期 (Note c) (附註c)	可行使期間		年內授出	年內行使	就股份合併進行調整 (Note d) (附註d)	年內註銷 (Note e) (附註e)		
Other than employees and directors	5/2/2016	N/A	5/2/2016 to 4/2/2021	-	180,000,000	(180,000,000)	-	-	-	N/A
並非僱員及董事	二零一六年二月五日	不適用	二零一六年二月五日至二零二一年二月四日							不適用
	29/2/2016	N/A	29/2/2016 to 28/2/2021	-	120,000,000	(120,000,000)	-	-	-	N/A
	二零一六年二月二十九日	不適用	二零一六年二月二十九日至二零二一年二月二十八日							不適用
	31/8/2016	N/A	31/8/2016 to 30/8/2021	-	168,676,254	-	-	-	168,676,254	HK20.3 cents (note h) 20.3 港仙 (附註h)
	二零一六年八月三十一日	不適用	二零一六年八月三十一日至二零二一年八月三十日							
				-	1,254,694,326	(765,000,000)	(189,614,458)	5,024,783	305,104,651	

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截至二零一七年十二月三十一日止年度

35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

For the year ended 31 December 2016 (continued)

Notes:

- (a) The number of share options was adjusted for the Share Consolidation II on 13 March 2017.
- (b) The number of share options was cancelled on 3 April 2017 and 5 April 2017.
- (c) The share options granted during the year ended 31 December 2016 vested on the date of grant.
- (d) The number of share options was adjusted by the Share Consolidation I on 31 May 2016.
- (e) The number of share options was adjusted by the open offer on 29 August 2016 (the "Open Offer").
- (f) The exercise price per share as at 31 December 2017 has been adjusted with effect of Share Consolidation II.
- (g) The exercise price per share as at 31 December 2016 has been adjusted with effect of Share Consolidation I and Open Offer on 29 August 2016.
- (h) The exercise price per share as at 31 December 2016 has been adjusted with effect of Open Offer on 29 August 2016.

35. 以股份付款交易 (續)

截至二零一六年十二月三十一日止年度
(續)

附註：

- (a) 購股權數目已就二零一七年三月十三日的股份合併二而調整。
- (b) 購股權數目於二零一七年四月三日及二零一七年四月五日註銷。
- (c) 截至二零一六年十二月三十一日止年度授出的購股權於授出日期歸屬。
- (d) 購股權數目已就二零一六年五月三十一日的股份合併一而調整。
- (e) 購股權數目於二零一六年八月二十九日因公开发售而調整(「公开发售」)。
- (f) 於二零一七年十二月三十一日的每股行使價已就股份合併二的影響而調整。
- (g) 於二零一六年十二月三十一日的每股行使價已就股份合併一及二零一六年八月二十九日的公开发售的影響而調整。
- (h) 於二零一六年十二月三十一日的每股行使價已就二零一六年八月二十九日的公开发售的影響而調整。

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

35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Movements in the number of share options outstanding and their weighted average exercise prices for the years ended 31 December 2017 and 2016 are as follows:

35. 以股份付款交易 (續)

截至二零一七年及二零一六年十二月三十一日止年度未行使的購股權數目變動及其加權平均行使價如下：

		Weighted average exercise price HK\$ 加權平均行使價 港元	No. of shares issuable under options granted 根據已授出購 股權可發行的 股份數目
At 1 January 2016	於二零一六年一月一日	-	-
Granted during the year	年內授出	0.1156	1,254,694,326
Exercised during the year	年內行使	0.1002	(765,000,000)
Adjustments arising from:	因以下各項產生的調整：		
- Share Consolidation I	- 股份合併一	-	(189,614,458)
- Open Offer	- 公开发售	0.3255	5,024,783
Outstanding and exercisable 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 未行使及可行使	0.2240	305,104,651
Cancelled during the year	年內註銷	1.8042	(35,638,081)
Adjustment arising from:	因以下各項產生的調整：		
- Share Consolidation II	- 股份合併二	-	(266,966,570)
Outstanding and exercisable at 31 December 2017	於二零一七年十二月三十一日 未行使及可行使	1.6240	2,500,000

No share option was exercised during the year ended 31 December 2017.

截至二零一七年十二月三十一日止年度並無購股權獲行使。

The weighted average remaining contractual life of the outstanding share options is 3.67 years (2016: 4.62 years).

未行使購股權的加權平均餘下合約期限為3.67年(二零一六年：4.62年)。

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

35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

For the year ended 31 December 2016, the adjusted closing price of the Company's shares, before adjusting the effect of the Share Consolidation I and Open Offer, immediate before 5 February 2016, 23 February 2016, 29 February 2016, 13 May 2016 and 31 August 2016, dates of grants, were HK10.20 cents, HK10.00 cents, HK9.70 cents and HK7.20 cents and HK20.30 cents, respectively.

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised during the year ended 31 December 2016 was HK\$3.609 (adjusted for Share Consolidation I and II and Open Offer) (note 34).

The following assumptions were used to calculate the fair values of share options:

		5/2/2016 二零一六年二月五日	23/2/2016 二零一六年 二月二十三日	29/2/2016 二零一六年 二月二十九日	13/5/2016 二零一六年五月 十三日	31/8/2016 二零一六年 八月三十一日
Fair value at measurement date	計量日期的公平值	HK4.605 cents 4.605港仙	HK4.506 cents 4.506港仙	HK4.303 cents 4.303港仙	HK3.357 cents 3.357港仙	HK9.288 cents 9.288港仙
Grant date share price	授出日期股價	HK10.10 cents 10.10港仙	HK9.90 cents 9.90港仙	HK9.50 cents 9.50港仙	HK6.80 cents 6.80港仙	HK20.3 cents 20.3港仙
Exercise price (Note)	行使價(附註)	HK10.18 cents 10.18港仙	HK10.00 cents 10.00港仙	HK9.72 cents 9.72港仙	HK7.20 cents 7.20港仙	HK20.3 cents 20.3港仙
Expected life	預期年期	5 years 5年	5 years 5年	5 years 5年	5 years 5年	5 years 5年
Expected volatility	預期波幅	67.47%	67.46%	67.46%	67.23%	67.37%
Dividend yield	股息收益率	0%	0%	0%	0%	0%
Risk-free interest rate	無風險利率	1.211%	1.078%	0.989%	0.891%	0.588%

35. 以股份付款交易 (續)

截至二零一六年十二月三十一日止年度，在調整股份合併一及公開發售的影響前，本公司股份的經調整收市價於緊接授出日期二零一六年二月五日、二零一六年二月二十三日、二零一六年二月二十九日、二零一六年五月十三日及二零一六年八月三十一日前的經調整收市價分別為10.20港仙、10.00港仙、9.70港仙、7.20港仙及20.30港仙。

截至二零一六年十二月三十一日止年度緊接購股權行使日期前本公司股份的加權平均收市價為3.609港元(已就股份合併一及二以及公開發售作出調整)(附註34)。

下表披露用於計算購股權公平值之假設：

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35. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Note:

The exercise price of the share options granted on 13 May 2016 was adjusted from HK7.2 cents to HK36 cents due to the Share Consolidation I on 31 May 2016 and the exercise price was then adjusted to HK32.50 cents as a result of the Open Offer on 29 August 2016 and further adjusted to HK\$2.6 as a result of the Share Consolidation II on 13 March 2017. The exercise price of the share options granted on 31 August 2016 was adjusted from HK20.3 cents to HK\$1.624 as a result of the Share Consolidation II on 13 March 2017.

The share options granted on 5 February 2016, 23 February 2016 and 29 February 2016 were fully exercised before the Share Consolidation I and II (note 34).

The fair value for the share options granted during the year ended 31 December 2016 of HK\$65,726,000 were calculated by Assets Appraised Limited, independent qualified professional valuers. The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in fair value of the share options.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option granted.

35. 以股份付款交易 (續)

附註：

於二零一六年五月十三日授出的購股權之行使價，因股份合併一而於二零一六年五月三十一日由7.2港仙調整為36港仙。行使價因公開發售而於二零一六年八月二十九日調整為32.50港仙，並因股份合併二而於二零一七年三月十三日進一步調整為2.6港元。於二零一六年八月三十一日授出的購股權之行使價，因股份合併二而於二零一七年三月十三日由20.3港仙調整為1.624港元。

於二零一六年二月五日、二零一六年二月二十三日及二零一六年二月二十九日授出的購股權已於股份合併一及二前獲悉數行使(附註34)。

截至二零一六年十二月三十一日止年度授出的購股權之公平值為65,726,000港元，乃由獨立合資格專業估值師Assets Appraised Limited計算。購股權之公平值乃使用二項式模型估計。用於計算購股權公平值之變數及假設乃根據董事之最佳估計而得出。變數及假設之變動可能導致購股權公平值變動。

預期波幅基於歷史波幅(基於購股權的餘下平均期限計算)，並基於公開資料就未來波幅的任何預期變化作出調整。主觀輸入數據假設的變動可能對公平值估計造成重大不利影響。

購股權乃根據一項服務條件作出。在所收取服務於授出日期的公平值計量時，並未計及該條件。並無與授出購股權相關的市場條件。

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36. OPERATING LEASE COMMITMENTS

The Group as lessee

Minimum lease payments paid under operating leases in respect of rented premises were approximately HK\$4,768,000 (2016: HK\$4,031,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under a non-cancellable operating lease which fall due 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	2,053	3,721
In the second to fifth years inclusive	一年後但於五年內	200	853
		2,253	4,574

The Group is the lessee in respect of two office premises. The leases typically run for an initial period of 1 to 3 years, with an option to renew the leases when all terms are renegotiated. None of the leases includes contingent rentals.

36. 營運租賃承擔

本集團作為承租人

根據營運租約就租賃物業支付之最低租金約為4,768,000港元(二零一六年：4,031,000港元)。

於報告期末，根據不可撤銷營運租約，本集團支付未來最低租金之承擔的到期情況如下：

本集團為兩項辦公物業之承租人。租約一般初步為期1至3年，可選擇在重新磋商所有條款後續期。概無租約包括或然租金。

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37. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme.

The total expenses recognised in profit or loss of HK\$463,000 (2016: HK\$354,000) represents contribution payable to the plan by the Group at rate specified in the rules of the plan.

38. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	8,154	7,647
Contributions to pension schemes	退休金計劃供款	168	153
Equity-settled share-based payment expenses	以權益結算之股權支付的支出	-	30,444
		8,322	38,244

37. 退休福利計劃

本集團根據強制性公積金計劃條例為所有香港合資格僱員設立強積金計劃。由獨立受託人控制下，強積金計劃的資產與本集團持有的基金是分開的。根據強積金計劃的規則，僱主及其僱員均須各自向該計劃按規則規定之比率供款。本集團就強積金計劃的唯一責任是根據計劃作出所需供款。

於損益中確認之總開支為463,000港元（二零一六年：354,000港元），乃指依照計劃所列明之比率計算之本集團應付計劃供款額。

38. 有關連人士交易

(a) 主要管理人員報酬

年內，董事及其他主要管理人員之酬金如下：

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38. RELATED PARTY TRANSACTIONS

(continued)

(b) Related party transaction

The Company disposed of its indirect wholly-owned subsidiary, namely High Gear Holdings Limited, to Global Value Group Limited, a subsidiary of Enerchina Holdings Limited, of which Enerchina Holdings Limited is a substantial shareholder of the Company. Details of this disposal transaction is stated in note 40(c) to the consolidated financial statement.

39. ACQUISITION OF A SUBSIDIARY

On 30 August 2016, the Company entered into an agreement with three independent third parties (the "Vendors") to acquire the entire interest in John & Wong at a consideration of HK\$14.5 million, of which approximately HK\$6.1 million was settled by cash, the remaining consideration was settled by the Company by the issuance of 60,000,000 shares of the Company at fair value of HK\$6.48 million which were issued and allotted on 28 February 2017 and share options granted to the former owners of John & Wong. John & Wong is a licensed corporation under the Securities and Futures Ordinance and authorised to engage in Type 1 activity, which are dealing in securities. The principal activities of John & Wong are the provision of securities brokerage services to clients. The management considers that such acquisition will enable the Group to expand the range of its principal activities to include the provision of financial services for diversification of business. The acquisition was completed on 28 February 2017.

38. 有關連人士交易 (續)

(b) 有關連人士交易

本公司已將其間接全資附屬公司 High Gear Holdings Limited 出售予威華達控股有限公司的附屬公司 Global Value Group Limited，威華達控股有限公司為本公司主要股東。出售交易的詳情列示於綜合財務報表附註 40(c)。

39. 收購一間附屬公司

於二零一六年八月三十日，本公司與三名獨立第三方（「賣方」）訂立一份協議，以收購宏昌的全部權益，代價為 14,500,000 港元，其中約 6,100,000 港元已以現金結算，餘下代價已由本公司透過於二零一七年二月二十八日按公平值 6,480,000 港元發行及配發 60,000,000 股本公司股份及向宏昌的原擁有人授予購股權而結算。宏昌為證券及期貨條例項下持牌法團，獲授權從事第 1 類活動，即證券交易。宏昌的主要業務為向客戶提供證券經紀服務。管理層認為，該收購將令本集團可將主要業務範圍擴展至包括提供金融服務，以分散業務。收購於二零一七年二月二十八日完成。

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綜合財務報表附註

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. ACQUISITION OF A SUBSIDIARY

(continued)

The following summarises the total consideration and the amounts of the assets acquired and liabilities assumed, as well as the amount of intangible asset and goodwill arising from the acquisition recognised at 28 February 2017 (the date of acquisition):

39. 收購附屬公司 (續)

總代價及所收購資產及所承擔負債的金額，以及於二零一七年二月二十八日(收購日期)確認的因收購產生的無形資產及商譽金額概述如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	154
Other intangible asset – trading rights (note 21)	其他無形資產－交易權(附註21)	2,931
Accounts receivable	應收賬款	1,989
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	415
Bank balances and cash	銀行結餘及現金	5,676
Bank balances – trust accounts	銀行結餘－信託賬戶	2,030
Accounts payable	應付賬款	(4,080)
Deferred tax liability	遞延稅項負債	(484)
Total identifiable net assets at fair value	可識別資產淨值總額，按公平值	8,631
Goodwill arising on acquisition (note 20)	收購時產生的商譽(附註20)	5,878
Total consideration	總代價	14,509
Total consideration:	總代價：	
At acquisition date	於收購日期	
Cash and cash equivalents	現金及現金等值項目	6,184
Issuance of shares	發行股份	6,480
Share options granted to the former owners	授予前擁有人之購股權	1,845
		14,509

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39. ACQUISITION OF A SUBSIDIARY

(continued)

The fair values and gross contractual amount of accounts receivable and other receivables as at the date of acquisition amounted to HK\$1,989,000 and HK\$415,000 respectively. No accounts receivable and other receivables were expected to be uncollectible.

39. 收購附屬公司 (續)

應收賬款及其他應收款項於收購日期之公平值及總合約金額分別為1,989,000港元及415,000港元。概無應收賬款及其他應收款項預期不可收回。

		HK\$'000 千港元
Net cash outflow on acquisition:	收購時的現金流出淨額：	
Cash consideration paid	已付現金代價	(6,184)
Net cash acquired from the subsidiary	來自附屬公司的已獲得現金淨額	5,676
		(508)

The transaction costs of HK\$269,000 have been excluded from the consideration transferred and included in “administrative expenses” in the consolidated statement of comprehensive income.

交易成本269,000港元已從所轉讓代價中排除，並計入綜合全面收入表的「行政支出」。

The goodwill arising from the acquisition of John & Wong is attributable to the future growth and profitability in relation to the provision of securities brokerage services to clients. None of the goodwill recognised is expected to be deductible for income tax purposes.

因收購宏昌產生的商譽來自有關向客戶提供證券經紀服務的未來增長及盈利。所確認的商譽預期概不可就所得稅進行扣除。

John & Wong contributed approximately HK\$1,071,000 to the Group's total revenue and approximately HK\$3,248,000 loss to the Group's loss after tax, for the period between the date of acquisition and the end of the reporting period.

於收購日期至報告期末期間，宏昌為本集團總收益貢獻約1,071,000港元，並為本集團除稅後虧損貢獻虧損約3,248,000港元。

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39. ACQUISITION OF A SUBSIDIARY

(continued)

If the acquisition of John & Wong had been completed on 1 January 2017, the Group's total revenue and loss after tax for the year would have been HK\$2,280,000 and HK\$441,613,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the total revenue and income and loss after tax of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is intended to be a projection of future results.

40. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2017

(a) Emperor Investments Limited ("Emperor Investments")

On 23 January 2017, the Group completed the disposal of the entire interest in Emperor Investments, to an independent third party, for a consideration of HK\$20,000,000. Emperor Investments was principally engaged in holding of unlisted investments.

39. 收購附屬公司 (續)

如收購宏昌於二零一七年一月一日已完成，年內本集團的總收益以及除稅後虧損將分別為2,280,000港元及441,613,000港元。備考資料僅作說明用途，並不一定反映倘若收購於二零一七年一月一日已完成的情況下實際可實現的本集團總收益及收入以及除稅後虧損，亦並非擬用於預測未來業績。

40. 出售附屬公司

截至二零一七年十二月三十一日止年度

(a) Emperor Investments Limited (「Emperor Investments」)

於二零一七年一月二十三日，本集團完成向一名獨立第三方出售Emperor Investments的全部權益，代價為20,000,000港元。Emperor Investments主要從事持有非上市投資。

		HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Available-for-sale investments	可供出售投資	20,000
Gain/(loss) on disposal of a subsidiary	出售一間附屬公司之收益／(虧損)	-
		20,000
Satisfied by cash and cash equivalents	以現金及現金等值項目結算	20,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. DISPOSAL OF SUBSIDIARIES (continued) For the year ended 31 December 2017 (continued)

(a) Emperor Investments Limited (“Emperor Investments”) (continued)

An analysis of the net inflow of cash and cash equivalents during the year ended 31 December 2017 in respect of the disposal of a subsidiary is as follows:

	HK\$'000 千港元
Cash consideration	20,000
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	20,000

(b) Top Gate Holdings Ltd. (“Top Gate”)

On 23 January 2017, the Company completed the disposal of the entire interest in Top Gate to an independent third party, for a consideration of HK\$31,000,000. Top Gate was principally engaged in holding of unlisted investments.

	HK\$'000 千港元
Net assets disposed of:	
Available-for-sales investments	28,650
Convertible notes receivable	2,167
Other receivables, deposits and prepayments	183
Gain/(loss) on disposal of a subsidiary	–
	31,000
Satisfied by cash and cash equivalents	31,000

40. 出售附屬公司 (續) 截至二零一七年十二月三十一日止年度 (續)

(a) Emperor Investments Limited (「Emperor Investments」) (續)

截至二零一七年十二月三十一日止年度有關出售一間附屬公司的現金及現金等值項目流入淨額分析如下：

	HK\$'000 千港元
Cash consideration	20,000
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	20,000

(b) Top Gate Holdings Ltd. (「Top Gate」)

於二零一七年一月二十三日，本公司完成向一名獨立第三方出售 Top Gate 的全部權益，代價為 31,000,000 港元，Top Gate 主要從事持有非上市投資。

	HK\$'000 千港元
Net assets disposed of:	
Available-for-sales investments	28,650
Convertible notes receivable	2,167
Other receivables, deposits and prepayments	183
Gain/(loss) on disposal of a subsidiary	–
	31,000
Satisfied by cash and cash equivalents	31,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. DISPOSAL OF SUBSIDIARIES (continued) For the year ended 31 December 2017 (continued)

(b) Top Gate Holdings Ltd. ("Top Gate") (continued)

An analysis of the net inflow of cash and cash equivalents during the year ended 31 December 2017 in respect of the disposal of a subsidiary is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	31,000
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司的現金及現金等值項目流入淨額	31,000

(c) High Gear Holdings Limited ("High Gear")

On 23 June 2017, the Group completed the disposal of the entire interest in High Gear to Global Value Group Limited (a subsidiary of Enerchina Holdings Limited), for a consideration of HK\$490,000. High Gear was principally engaged in holding of marine facilities.

40. 出售附屬公司 (續) 截至二零一七年十二月三十一日止年度 (續)

(b) Top Gate Holdings Ltd. (「Top Gate」) (續)

截至二零一七年十二月三十一日止年度有關出售一間附屬公司的現金及現金等值項目流入淨額分析如下：

(c) High Gear Holdings Limited (「High Gear」)

於二零一七年六月二十三日，本集團完成向Global Value Group Limited(威華達控股有限公司之附屬公司)出售High Gear的全部權益，代價為490,000港元。High Gear主要從事持有一處船用設施。

		HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	244
Prepayment and deposits	預付款項及按金	253
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	(7)
		490
Satisfied by cash and cash equivalents	以現金及現金等值項目結算	490

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

40. DISPOSAL OF SUBSIDIARIES (continued) For the year ended 31 December 2017 (continued)

(c) High Gear Holdings Limited (“High Gear”) (continued)

An analysis of the net inflow of cash and cash equivalents during the year ended 31 December 2017 in respect of the disposal of a subsidiary is as follows:

	HK\$'000 千港元
Cash consideration	490
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	490

For the year ended 31 December 2016 Cicero Capital Ltd. (“Cicero Capital”)

On 8 August 2016, a wholly-owned subsidiary of the Company (“the Vendor”) entered into a sale and purchase agreement with an independent third party (“the Purchaser”), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire 100% equity interest in its subsidiary, Cicero Capital Ltd., for a cash consideration of HK\$128,000,000. The disposal was completed on 12 October 2016. The net assets of the subsidiary at the date of disposal were as follows:

40. 出售附屬公司 (續) 截至二零一七年十二月三十一日止年度 (續)

(c) High Gear Holdings Limited (「High Gear」) (續)

截至二零一七年十二月三十一日止年度有關出售一間附屬公司的現金及現金等值項目流入淨額分析如下：

截至二零一六年十二月三十一日止年度 Cicero Capital Ltd. (「Cicero Capital」)

於二零一六年八月八日，本公司一間全資附屬公司(「賣方」)與一名獨立第三方(「買方」)訂立一份買賣協議，據此，賣方已有條件同意出售而買方已有條件同意購買其附屬公司Cicero Capital Ltd.的100%股權，現金代價為128,000,000港元。該出售已於二零一六年十月十二日完成。於出售日期附屬公司之資產淨值如下：

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40. DISPOSAL OF SUBSIDIARIES (continued) For the year ended 31 December 2016 (continued)

Cicero Capital Ltd. ("Cicero Capital") (continued)

40. 出售附屬公司 (續) 截至二零一六年十二月三十一日止年度 (續)

Cicero Capital Ltd. (「Cicero Capital」) (續)

		HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	95,732
Prepayment and deposits	預付款項及按金	99
		95,831
Total consideration	總代價	128,000
Expenses paid in connection with the disposal	就出售已付之開支	(16)
Net assets disposal of	出售之資產淨值	(95,831)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	32,153
Satisfied by:	由以下償付：	
Cash	現金	128,000
Analysis of the net inflow of cash and cash equivalents in respect of disposal of a subsidiary:	就出售一間附屬公司之現金及 現金等值項目之流入淨額分析：	
Cash	現金	128,000

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41. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2016 and 2017, the Company entered into share swap arrangements that both the Company and the counterparties issued new shares and exchanged with each other. Further details are set out in note 34(a) and 34(g).
- (b) During the year ended 31 December 2017, the Company acquired John & Wong whereby part of the considerations comprised of issuance of new shares and share options to the former owners of John & Wong. Further details of the acquisition is set out in note 39.

41. 主要非現金交易

- (a) 截至二零一六年及二零一七年十二月三十一日止年度，本公司訂立換股安排，本公司及對手方均發行新股份並互相交換。進一步詳情載於附註34(a)及34(g)。
- (b) 截至二零一七年十二月三十一日止年度，本公司收購宏昌，據此，部分代價包括向宏昌的原擁有人發行新股份及購股權。進一步詳情載於附註39。

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

42. 本公司財務狀況表及儲備

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Plant, property and equipment	廠房、物業及設備	1,616	2,085
Interest in a joint venture	於一間合營企業之權益	142,689	142,689
Investments in subsidiaries	於附屬公司之投資	452,244	26,656
Club debenture	會籍債券	1,300	1,300
Amounts due from subsidiaries	應收附屬公司款項	162,226	705,375
		760,075	878,105
Current assets	流動資產		
Other receivables and prepayments	其他應收款項及預付款	503	2,636
Amounts due from a joint venture	應收一間合營企業款項	-	71
Bank and cash balances	銀行及現金結餘	21,980	239,887
		22,483	242,594

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42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

42. 本公司財務狀況表及儲備 (續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current liability	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,998	5,281
Net current assets	流動資產淨值	19,485	237,313
Total assets less current liability	總資產減流動負債	779,560	1,115,418
Capital and reserves	資本及儲備		
Share capital	股本	27,577	22,741
Reserves	儲備	751,983	1,092,677
		779,560	1,115,418

Approved and authorised for issue by the board of directors on 23 March 2018.

由董事會於二零一八年三月二十三日批准及授權刊發。

**Mr. Kitchell Osman Bin
Kitchell Osman Bin**先生
Director
董事

Mr. Shimazaki Koji
嶋崎幸司先生
Director
董事

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42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

Movement of the Company's reserve

42. 本公司財務狀況表及儲備 (續)

本公司儲備之變動

		Contributed surplus 實繳盈餘 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	1,039,140	-	(208,616)	830,524
Loss for the year	年內虧損	-	-	(424,637)	(424,637)
Equity-settled share-based transactions	以權益結算之股權交易	-	65,726	-	65,726
Exercise of share options	行使購股權	110,342	(34,464)	-	75,878
Shares issued	已發行股份	557,596	-	-	557,596
Transaction cost attributable to issue of new ordinary shares	發行新普通股應佔交易成本	(12,410)	-	-	(12,410)
At 31 December 2016	於二零一六年十二月三十一日	1,694,668	31,262	(633,253)	1,092,677
At 1 January 2017	於二零一七年一月一日	1,694,668	31,262	(633,253)	1,092,677
Loss for the year	年內虧損	-	-	(446,665)	(446,665)
Cancellation of share options	註銷購股權	-	(29,417)	29,417	-
Share issued	已發行股份	105,971	-	-	105,971
At 31 December 2017	於二零一七年十二月三十一日	1,800,639	1,845	(1,050,501)	751,983

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43. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The particulars of subsidiaries of the Company for the years ended 31 December 2017 are listed as follows:

43. 本公司附屬公司詳情

截至二零一七年十二月三十一日止年度，本公司主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或登記／營運地點	Paid up issued share capital 繳足已發行股本	Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
China Resources Enterprise Ltd.	British Virgin Islands 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Comanche Limited	British Virgin Islands 英屬處女群島	HK\$1 1港元	100	-	Intermediate holding 中介控股
Dai Gor Capital Ltd.	British Virgin Islands 英屬處女群島	HK\$750,014,141.40 750,014,141.40港元	-	100	Intermediate holding 中介控股
Divine Kings Limited	British Virgin Islands 英屬處女群島	HK\$864,832,564.46 864,832,564.46 港元	100	-	Intermediate holding 中介控股
Hurricane Fly Limited	British Virgin Islands 英屬處女群島	HK\$1 1港元	100	-	Intermediate holding 中介控股
Imagi Character Licensing B.V.	Netherlands 荷蘭	EUR18,100 18,100歐元	-	100	Sub-Licensing of intellectual property rights in respect of CGI animation pictures 有關電腦造像動畫的知識產權轉特許

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43. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

43. 本公司附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或登記/營運地點	Paid up issued share capital 繳足已發行股本	Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
			%	%	
Imagi Core Company Limited 香港	Hong Kong 香港	HK\$1 1港元	-	100	Provision of administrative services 提供行政服務
Imagi Crystal Limited 意馬水晶有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Holding and licensing of intellect property assets in respect of CGI animation pictures 有關電腦造像動畫的知識產權的持有及許可
Imagi Holdings Limited 意馬控股有限公司	Hong Kong 香港	HK\$1 1港元	100	-	Inactive 暫無營業
Imagi International Holdings Limited	British Virgin Islands 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Imagi Management Limited 意馬管理有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Provision of administrative services 提供行政服務

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43. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

43. 本公司附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或登記/營運地點	Paid up issued share capital 繳足已發行股本	Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Imagi Management Services Limited	British Virgin Islands 英屬處女群島	HK\$1 1港元	-	100	Provision of administrative services 提供行政服務
Imagi Platinum Limited	Hong Kong 香港	HK\$1 1港元	-	100	Holding and licensing of intellectual property assets in respect of CGI Animation picture 有關電腦造像動畫的知識產權的持有及許可
Imagi Wealth Limited 意馬匯富有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment in securities 證券投資
Infinite Lake Limited	British Virgin Islands 英屬處女群島	HK\$61,500,000 61,500,000港元	100	-	Inactive 暫無營業
Intellefund Finance Limited	Hong Kong 香港	HK\$1 1港元	-	100	Inactive 暫無營業
John & Wong Securities Company Limited 宏昌証券有限公司	Hong Kong 香港	HK\$122,000,000 122,000,000港元	-	100	Securities brokerage 證券經紀
Macallan Fine Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100	-	Intermediate holding 中介控股

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43. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

43. 本公司附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或登記/營運地點	Paid up issued share capital 繳足已發行股本	Proportion of ownership interest and voting power held by the Company		Principal activities 主要業務
			Directly	Indirectly	
			直接 %	間接 %	
Magmagous Corporation	British Virgin Islands 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Main Events Inc.	British Virgin Islands 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Raytheon Investments Ltd.	British Virgin Islands 英屬處女群島	USD100 100美元	100	-	Inactive 暫無營業
Sky Field Holdings Limited 天域控股有限公司	British Virgin Islands 英屬處女群島	USD1 1美元	100	-	Intermediate holding 中介控股
Step Goal Limited 階高有限公司	British Virgin Islands 英屬處女群島	USD1 1美元	100	-	Intermediate holding 中介控股
Turbo Money Investments Limited	British Virgin Islands 英屬處女群島	USD4 4美元	-	100	Inactive 暫無營業
Unimagi Investment Limited	British Virgin Islands 英屬處女群島	HK\$750,000,000 750,000,000港元	-	100	Trading of securities 買賣證券
Unimagi Investment (HK) Limited	Hong Kong 香港	HK\$1 1港元	-	100	Inactive 暫無營業

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44. EVENTS AFTER THE REPORTING PERIOD

On 2 February 2018, the Company entered a sale and purchase agreement with its joint venture partner to dispose its whole interests in Imagination Holding Limited and its subsidiaries, a joint venture company at a cash consideration of HK\$150 million. The transaction is subject to the shareholders' approval and not yet complete as at the date of this report.

44. 報告日後事件

於二零一八年二月二日，本公司與其合營夥伴訂立買賣協議出售合營企業Imagination Holding Limited及其附屬公司的全部權益，現金代價為150,000,000港元。該交易須獲股東批准，且截至本報告日期尚未完成。

FINANCIAL SUMMARY

財務概要

RESULTS

業績

		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
Revenue	收益	92,806	-	-	1,132	1,822
Realised losses from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣的上市股本投資的已變現虧損	-	-	-	(19,085)	(87,589)
		92,806	-	-	(17,953)	(85,767)
(Loss)/profit before tax	除稅前(虧損)/溢利	(89,612)	3,455	(81,238)	(417,562)	(452,005)
Income tax credit/(expense)	所得稅抵免/(開支)	67,728	-	-	(10,967)	10,967
(Loss)/profit for the year	年內(虧損)/溢利	(21,884)	3,455	(81,238)	(428,529)	(441,038)
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利	(21,884)	3,455	(81,238)	(424,529)	(441,038)

ASSETS AND LIABILITIES

資產及負債

		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
Total assets	資產總值	926,640	923,396	845,364	1,128,205	789,673
Total liabilities	負債總額	(3,904)	(3,042)	(3,983)	(17,976)	(9,828)
		922,736	920,354	841,381	1,110,229	779,845
Equity attributable to owners of the Company	本公司擁有人應佔權益	922,736	920,354	841,381	1,110,229	779,845

