

2017

Annual Report

二零一七年度年報

STOCK CODE 股份代號:376



云锋金融

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Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "**Corporate Communications**") via the Company Website and who for any reason have difficulty in receiving or gaining access to the annual report posted on the Company Website will promptly upon request be sent the annual report in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) of Corporate Communications.

Shareholders may send their request to receive the annual report in printed form, and/or to change their choice of the means of receipt of Corporate Communications by notice in writing to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by sending an email to the share registrar of the Company at yunfeng.ecom@computershare.com.hk.

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股東可以書面通知本公司的股份過戶登記處，香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17M樓，或以電郵致本公司的股份過戶登記處(電郵地址為 yunfeng.ecom@computershare.com.hk)提出收取本年度報告印刷本的要求，及／或更改收取公司通訊的方式。

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Corporate Information

公司資料

BOARD OF DIRECTORS

Chairman

Mr. Yu Feng (*Non-Executive Director*)

Executive Directors

Ms. Li Ting (*Chief Executive Officer*)
Mr. Huang Xin

Non-Executive Directors

Mr. Ko Chun Shun, Johnson
Ms. Hai Olivia Ou

Independent Non-Executive Directors

Mr. Lin Lijun
Mr. Qi Daqing
Mr. Chu Chung Yue, Howard

AUDIT COMMITTEE

Mr. Chu Chung Yue, Howard (*Chairman*)
Mr. Lin Lijun
Mr. Qi Daqing

REMUNERATION COMMITTEE

Mr. Lin Lijun (*Chairman*)
Mr. Qi Daqing
Mr. Huang Xin
Mr. Chu Chung Yue, Howard

NOMINATION COMMITTEE

Mr. Yu Feng (*Chairman*)
Mr. Lin Lijun
Mr. Qi Daqing
Mr. Chu Chung Yue, Howard

AUTHORISED REPRESENTATIVES

Ms. Li Ting
Mr. Chan Man Ko

董事會

主席

虞鋒先生 (*非執行董事*)

執行董事

李婷女士 (*行政總裁*)
黃鑫先生

非執行董事

高振順先生
海歐女士

獨立非執行董事

林利軍先生
齊大慶先生
朱宗宇先生

審核委員會

朱宗宇先生 (*主席*)
林利軍先生
齊大慶先生

薪酬委員會

林利軍先生 (*主席*)
齊大慶先生
黃鑫先生
朱宗宇先生

提名委員會

虞鋒先生 (*主席*)
林利軍先生
齊大慶先生
朱宗宇先生

授權代表

李婷女士
陳文告先生

COMPANY SECRETARY

Mr. Chan Man Ko

AUDITOR

KPMG
Certified Public Accountants

BANKERS

The Hongkong and Shanghai Banking Corporation
Limited
China Citic Bank International
China Construction Bank (Asia)
Bank of China (Hong Kong)
Bank of Communications

REGISTERED AND PRINCIPAL OFFICE

Suites 3201-3204
One Exchange Square
8 Connaught Place
Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

WEBSITE

www.yff.com

STOCK CODE

376

公司秘書

陳文告先生

核數師

畢馬威會計師事務所
執業會計師

主要往來銀行

滙豐銀行
中信銀行(國際)
中國建設銀行(亞洲)
中國銀行(香港)
交通銀行

註冊及主要辦事處

香港
康樂廣場八號
交易廣場一座
3201至3204室

股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716室

網站

www.yff.com

股票代號

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CEO's Statement

行政總裁報告

We believe year 2017 was one of the best performing years in terms of global economy and also a year of turning point for the Hong Kong financial market. During the year, the Company continued to improve its financial technology business and established its presence in the insurance industry while increasing its market influence. The business lines generated a synergistic effect. The asset end created distinctive product lines. The user end achieved an echelon from institutional customers and high-net-worth customers to retail customers. In 2018, the Company will continue to make breakthroughs in the differentiation of financial services and strive to achieve rapid growth in the number of customers and asset size.

RIDING THE WAVE AMIDST THE GLOBAL ECONOMIC RECOVERY TIDE

In 2017, the expansion of the U.S. economy accelerated. Europe saw a temporary pause in political "Black Swan". Benefiting from a pickup in the global trade recovery, emerging markets got out of the recession caused by the bear market for bulk commodities. The economy of China gained ground and recovered, with its growth exceeding market expectations.

The recovery of the economy has brought about an improvement in corporate profits. In 2017, global stock markets ushered in a bullish spectacle. This year, stock markets in developed regions rose by more than 20%, among them the U.S. stock market ushered in the eye-catching performance after the crisis, with the Dow Jones Index rising by 24%. Among the emerging markets, the Hong Kong stock market posted remarkable performance, with the Hang Seng Index rising by more than 37%. The MSCI China Index covering Chinese concept stocks listed in the United States soared by 51%.

The opening of the big era for the Hong Kong stock market cannot be separated from a pickup in the economy of China, and even more, is inseparable from the in-depth and frequent interactions between the Mainland and overseas markets. With the help of Hong Kong Stock Connect, "North Capital" has become a force that cannot be ignored in the Hong Kong stock market. The main board reform plan and the policy of the full circulation of H shares launched by the HKEx at the end of the year will bring even more vitality to the market. The business lines of the Company are ready for ushering in a new era of capital access with Hong Kong as a bridge.

2017年相信是金融危機後全球經濟表現較好的一年，也是香港金融市場的轉折年。公司在本年度不斷完善金融科技業務，提高市場影響力的同時佈局保險行業。各條業務線形成協同效應，資產端打造了特色產品線，用戶端實現了從機構客戶，高淨值客戶到零售客戶的梯隊。2018年，公司將繼續在金融服務的差異化方向實現突破，力爭在客戶數量和資產規模實現快速增長。

在全球經濟復蘇潮中乘風破浪

2017年，美國經濟加速擴張，歐洲政治「黑天鵝」暫歇，新興市場受益於全球貿易回暖，從大宗商品熊市帶來的衰退中走出，中國經濟更企穩回升，增速超出市場預期。

經濟復蘇帶來企業盈利改善，2017年全球股市迎來牛市景象。這一年，發達地區股市漲幅逾兩成，其中美股迎來危機後奪目的表現，道瓊斯指數漲幅達24%。而在新興市場中，表現較亮眼的莫過香港股市，恒生指數漲幅逾37%，涵蓋美國上市中概股的MSCI China指數飆升51%。

港股大時代的開啟，離不開中國經濟的回暖，更離不開內地與境外市場深入頻繁的互動。借助港股通，「北水」已成為港股市場一支不可忽視的力量，而年底港交所推出的主板改革方案和H股全流通政策，更將為市場增添充沛活力。公司各條業務線已經做好準備，迎接以香港為橋樑的資本開放新時代的到來。

REVIEW OF THE BUSINESS DEVELOPMENT OF THE COMPANY IN 2017

In 2017, the business lines of the Company continued to lay a solid foundation. All product APPs were officially launched, and functions and experience were continuously improved amidst customers' feedback.

Youyu Stock achieved the iteration of 10 versions with a substantial improvement in user experience. The Hong Kong stock investment simulation system self-developed by the team covers derivatives and played an active role in educating investors at the Hong Kong stock investment simulation contest supported by the Hong Kong Stock Exchange. Meanwhile, functions such as bank securities transfer and IPO shares subscription were successively launched, making customer transactions more convenient.

Youyu Wealth was updated for 11 versions and entered into distribution agreements with a total of 18 global fund managers. More than 300 selected funds were launched on the platform. Youyu Wealth broke through the restrictions of lacking customized functions and financial expertise for existing similar products in the market. The team established a database for as many as 10,000 mutual funds registered in Hong Kong and carried out screening and rating by adopting the five-dimensional model and conducting interviews with managers so that retail investors and professional investors without global investment experience can receive tailor-made services.

The ESOP Admin (Employee Stock Ownership Plan Administration) business line established a solid customer base in 2017. Tailor-made and automated services won very high recognition from customers and increased the working efficiency of the HR and finance departments of corporate customers.

Breakthroughs have also been made in the offline products of wealth management. The three private equity funds of funds correspond to three different types of alternative credit investment respectively, and were actively subscribed by institutional investors and high net worth customers, raising more than HKD1 billion. Meanwhile, the Company and Chinese state-owned bank co-issued the first note with bank loans as the underlying assets, which made up the market gap. The differentiation of offline products has reflected the Company's ability to invest in international markets and innovate products.

2017 年公司業務發展回顧

2017年，公司各條業務線繼續夯實基礎，產品APP均正式上線，功能和體驗在客戶的回饋中不斷完善。

有魚股票實現了10個版本的反覆運算，用戶體驗大幅提高。團隊自研的港股類比投資系統涵蓋衍生品，在香港聯交所支持的港股模擬投資大賽中起到了投資者教育的積極作用。同時，銀證轉帳、新股認購等功能陸續上線，令客戶交易更加便捷。

有魚智投更新11個版本，共和18家家全球基金管理人簽訂基金銷售協議，平台上線的精選基金超過300支。有魚智投突破了市場現有同類產品缺乏定制化功能和金融專業能力的限制，團隊為香港註冊的上萬支共同基金建立了資料庫，並採用五維模型和經理人訪談的方式進行篩選和評級，令沒有全球投資經驗的零售客戶及專業投資者都可以得到個性化服務。

員工持股業務線在2017年建立了堅實的客戶積累，個性化和自動化的服務得到非常高的客戶認可度，提高了企業客戶人事和財務部門的工作效率。

財富管理的線下產品也取得了突破，三支私募基金分別對應三種不同的另類債權投資類別，獲得機構投資者和高淨值客戶的踴躍認購，募集規模超過10億港幣。同時，公司和中資國有銀行合作發行了第一支以銀行貸款為底層資產的票據，彌補了市場空白。線下產品的差異化體現了公司對國際市場的投資能力和產品的創新能力。

CEO's Statement

行政總裁報告

Corporate finance team provided advisory services to 23 corporate clients in addition to providing financial advisory services on the Group's acquisition of the share capital of MassMutual Asia Limited. We are committed to providing high quality corporate finance advisory services to our clients and our corporate finance team will continue to focus on providing advisory work in respect of mergers and acquisitions and fund raising activities as well as providing in-house support to the Group's other lines of business.

The asset allocation plan provided by the investment research team to customers in 2017 demonstrated the team's ability to make decisions on global investment. The timely tracking of market focuses and the in-depth analysis of industries and individual companies struck a balance between professionalism and readability, winning unanimous favourable comments from both the industry and non-professionals. Its influence on new media platforms such as WeChat and Zhihu was constantly expanding.

In order to provide customers with better and more diversified financial services, the Company, together with other investors, initiated the acquisition of MassMutual Asia and issued a shareholders' circular in December 2017.

LOOKING FORWARD TO 2018

The Company will further strengthen the integration advantages of internet technology and financial expertise, and actively cooperate with other financial institutions to enhance the financial service standard of the industry. In the meantime, the Company will continue to seek cross-sectoral cooperation opportunities and realize the vision of financial investment services entering the life scene.

The brokerage business line will further strengthen characteristic services, especially information and investor education, to help customers make better investment decisions. For intelligent investment consulting, continued efforts will be made to increase new investment products and services, further reduce the investment barriers and provide institutionalized professional services to ordinary investors. Offline products will be continuously enriched and sales pipelines will be broadened. The ESOP Admin business line strives to achieve an explosive growth in the number of customers and enhance its interaction with other business lines. The Corporate Finance Department will actively pursue opportunities in the merger and acquisition sector and help customers to go global by fully leveraging its understanding of overseas markets. The Company will also strive to complete the transaction in relation to MassMutual Asia as soon as possible so as to realize synergetic development as soon as possible.

企業融資團隊除就本集團收購美國萬通保險亞洲有限公司股本外，亦為23家企業客戶提供諮詢服務。團隊致力為客戶提供優質的企業融資諮詢服務，而我們的企業融資團隊將繼續專注於提供有關並購及集資活動的諮詢工作，並為本集團的其他業務線提供內部支援。

投資研究團隊2017年給客戶提供的資產配置方案展現了團隊對全球投資的決策能力。針對市場熱點的及時追蹤，行業及個別公司的深度分析都做到了專業性和可讀性的平衡，得到了業內和非專業人士的一致好評，在微信、知乎等新媒體平臺的影響力持續擴大。

為了給客戶提供更佳豐富的金融服務，公司聯合其他投資人發起了對萬通保險亞洲的收購，並在2017年12月發佈股東通函。

2018年業務展望

公司將進一步強化互聯網技術和金融專業能力的融合優勢，積極與其他金融機構合作，提升行業的金融服務水準。同時，公司會繼續尋求跨行業的合作機會，實現金融投資服務進入生活場景的願景。

經紀業務線會進一步加強特色化服務，尤其是資訊和投資者教育方面，說明客戶更好的進行投資決策；智慧投顧會持續增加新的投資品種和服務，進一步降低投資門檻，為普通投資者提供機構化的專業服務；繼續豐富線下產品，並拓寬銷售管道；員工持股線力爭實現客戶數的爆發式增長，並加強與其他業務線的互動；企業融資部會積極佈局併購領域機會，充分發揮對境外市場的瞭解，協助客戶走出去；公司也會力爭儘快完成萬通保險亞洲的收購工作，儘早實現協同發展。

CEO's Statement 行政總裁報告

2017 was the first year of the development of each new business line of Yunfeng Financial and we made a solid start. In the new year, we will carry forward our efforts to continuously promote innovation in financial technology, create distinctive services and build a one-stop online financial service platform. We will also actively seek partners to jointly drive the intelligence level of the financial services industry. In 2018, as the global monetary policy tightening cycle approaches, volatility in the financial market will increase dramatically. We will exercise stringent risk control and continue steady operation. I would like to express my gratitude to our shareholders for their patience and support, and would also like to express my gratitude to our partners and customers for their trust.

2017年是雲鋒金融各條新業務線的發展元年，我們取得了扎實的開局。新的一年我們會繼往開來，持續推動金融科技創新，形成特色服務，打造一站式線上金融服務平台。我們也會積極尋找合作夥伴，共同推動金融服務業智慧化水準。2018年，隨著全球貨幣政策緊縮週期來臨，金融市場的波動會大幅提高，我們會做好嚴格的風險控制，持續穩健經營。感謝各位股東的耐心和支持，也感謝合作夥伴和客戶的信任。

Management Discussion and Analysis

管理層討論及分析

MATERIAL EVENT

As disclosed in the announcement of the Company dated 17 August 2017, the Company and the other Asia investors and MassMutual International LLC, entered into the Share Purchase Agreement pursuant to which the Company has conditionally agreed to acquire 60% of the issued share capital of MassMutual Asia Limited (“MassMutual Asia”). The portion of the consideration payable by the Company is HK\$7,860 million of which HK\$5,200 million will be satisfied by the issue of an aggregate of 800,000,000 shares of the Company at the issue price of HK\$6.50 per share representing approximately 24.8% of the issued share capital of the Company as enlarged by the issue of the shares.

On 21 December 2017, the Company issued a circular related to the above mentioned transaction to its shareholders. The transaction was approved by the independent shareholders at the extraordinary general meeting held on 10 January 2018 and the details were disclosed in the announcement of the Company dated 10 January 2018.

The long term vision of the Group is to leverage its fintech capabilities to develop a financial services ecosystem comprising information technology and online and offline platforms that offer a broad range of financial services and products along with high quality expert advice. This transaction is a milestone for the Group’s integration of existing financial technology services and traditional insurance business as well as its growth into a large financial group.

OVERVIEW

The Group’s major sources of revenue includes subscription fees and management fees for products launched by the Group, platform fees for distribution of third-parties products, administration fee for employees stock ownership plan management services, brokerage commission income and corporate advisory fee income, etc. In addition, the Group generates other operating income and gains from its own general capital. The Group is still in the process of building its client base and scale of asset under management. The Group’s revenue and other operating income and gains including disposal gain of available for sales investment were HK\$21.1 million and HK\$106.2 million respectively, representing a decrease of 54.2% and an increase of 203.4% compared to the prior year respectively. The decrease of revenue was mainly attributable to the decrease of consultancy and advisory revenue and securities brokerage commission. However, the operating income (mainly derived from Group’s own capital fund management) increased significantly.

重大事項

如於本公司日期為二零一七年八月十七日之公告所披露，本集團和美國萬通國際公司達成交易，本集團和其他幾家亞洲投資者將收購美國萬通國際位於香港的美國萬通保險亞洲有限公司(萬通亞洲)。本集團有條件同意收購萬通亞洲已發行的60%股本，對價78.6億港元，當中52億港元以本集團發行8億股新股(每股6.50港元)支付，相當於本集團經擴大後發行股本約24.8%。

本公司已於二零一七年十二月二十一日發出關於上述交易的股東通函。上述交易亦已於二零一八年一月十日舉行之股東特別大會上獲獨立股東表決通過，詳細內容已載於本公司日期為二零一八年一月十日之公告。

本集團的長期願景是利用其金融科技能力，開發涵蓋信息技術、在線和線下平台的金融服務生態圈，提供廣泛的金融服務和產品及高質量的專家諮詢服務。本次交易是本集團融合現有的金融科技服務與傳統的保險業務，成為大型金融集團的里程碑。

業務回顧

本集團的主營業務收入來源包括發行產品的認購費及管理費、分銷第三方產品的平台費、員工持股服務管理費、經紀佣金收入及企業諮詢服務費等。除此之外，本集團自有資金亦產生若干收益。本集團仍在建立客戶量及擴大資產管理規模當中。二零一七年上半年，本集團之主營業務收入及其他經營收入及收益包括出售可供出售金融資產收益分別為2,110萬港元及1.06億港元，分別較去年同期下跌54.2%及上升203.4%。主營業務收入下跌主要是企業融資的顧問及諮詢服務收入大幅下跌以及期內證券經紀佣金收入下跌。但其他經營收入(主要來自自營資金收益)大幅上升。

Management Discussion and Analysis

管理層討論及分析

OVERVIEW (Continued)

The amortization expense in relation to share awards granted by the Company in January 2017 is recorded in year 2017. As disclosed in the announcement of the Company dated 17 August 2017, the legal and professional fees incurred in relation to the acquisition of 60% of the issued share capital of MassMutual Asia Limited are recorded in 2017. As the fair values of certain financial assets (measured at fair value through profit or loss) held and disposed by the Group in 2017 are lower than their values as at 31 December 2016, a net loss is recognised in 2017 as a result. Taking into account of the above factors, the loss attributable to equity shareholders of the Company for the year is HK\$379.0 million compared to HK\$316.7 million in prior year.

BROKERAGE BUSINESS

In 2017, the Group launched new version of “Youyu Stock” mobile application and upgraded the “Youyu Stock” website with the primary objective of improving the transaction process and presenting account information in a more concise manner. Our new user interface design for both the mobile application and the website is able to 1) enhance the stability of the market price quotation function 2) provide more comprehensive information on companies and 3) improve the user experiences. The Group proactively increases promotion effort of “Youyu Stock”. During the year, the turnover of brokerage business amounted to HK\$1,539.9 million, representing a decrease of 36.3% as compared with prior year.

CORPORATE FINANCE CONSULTANCY SERVICE

The Group’s corporate finance business provides financial consultancy service primarily to Hong Kong listed companies. In 2017, the Group has completed 33 financial consultancy projects. During the year, this business segment recorded an income derived from external customer of HK\$11.1 million, representing a decrease of 73.8% as compared with the prior year.

業務回顧(續)

二零一七年一月公司授出的員工股份獎勵計劃相關的費用攤銷在二零一七年年開始入賬、收購美國萬通保險亞洲有限公司60%已發行股本(誠如本公司日期為二零一七年八月十七日之公告所披露)所產生之法律及專業顧問費用於二零一七年年入賬,以及本集團持有及已處置的若干金融資產(按公平值計入損益表),其公平值低於二零一六年十二月三十一日的公平值,導致2017年年需確認虧損。綜合上述原因,本公司本年度的權益持有人應佔虧損為3.79億港元(去年:3.17億港元)。

經紀業務

於二零一七年,本集團推出「有魚股票」移動客戶端新版本以及為「有魚股票」網頁版本升級,以交易便捷、賬戶清晰為核心。我們在「有魚股票」移動客戶端及「有魚股票」網頁的全新的用戶界面設計同時全面提升(1)行情報價穩定性(2)公司資料全面性及(3)用戶操作順暢性。本集團正積極推廣「有魚股票」,本集團期內證券經紀業務的交易總值為15.4億港元,較去年下跌36.3%。

財務顧問及諮詢業務

本集團的企業融資業務主要為香港上市公司提供財務顧問服務。年內,本集團已完成33個財務顧問項目,該業務板塊的收入為1,110萬港元,較上年下降73.8%。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEE STOCK OWNERSHIP PLAN ADMINISTRATION

In 2017, the Group launched the “Youyu ekeeper” website to provide employee stock ownership plan administration service and complete a system connection with our strategic partner. The long-term business plan is to develop the sustainable business model and create synergistic impact for other business lines. The external employees under the employee stock ownership plan administration service are able to open accounts and inject their assets with Youyu Stock and Youyu Wealth for investment purpose. Overall, the Group considers Youyu ekeeper to be able to provide positive impact to trading volume and amount of asset under securities brokerage business and, as well as enhance customer loyalty to other business line of the Group.

WEALTH MANAGEMENT

The Group successfully launched the “Youyu Wealth” online mobile application in 2017. The application has received positive feedback and support from fund managers in the market as well as the social media. For the long-term development strategy, the “Youyu Wealth” mobile application will continue to enhance the fund product trading process and user experience by providing different investment performance data and up-to-date investment portfolio information.

On the other hand, our wealth management business has made substantive progress offline in fund management, investing and financing solution services. In 2017, the Group has offered the following three offline fund products for subscriptions:

Name of offline fund products 自營基金名稱	Investment focus 投資重點
Majik Access USD Fund 1 LP 有魚錦鯉美元基金1號	Third-party managed private credit funds — directly or indirectly invest in credit and real estate-related debt market sectors 第三方管理私募債權基金 — 直接或間接投資於信用及房地產相關債券市場
Majik Access USD Fund 2 LP 有魚錦鯉美元基金2號	Third-party managed distressed assets funds — specialising in different distressed credit strategies 第三方管理不良資產基金 — 從事不同的不良信貸策略
Majik Access USD Fund 3 LP 有魚錦鯉美元基金3號	Third-party managed collateralised loan obligations — investing in senior secured first lien bank loans, second lien loans, unsecured loans, and other debt obligations 第三方管理信貸掛鉤產品 — 投資優先擔保第一留置權銀行貸款，第二留置權貸款，無擔保貸款和其他債務

員工持股計劃管理

於二零一七年，本集團成功推出「有魚持股」網頁版本與策略性夥伴完成對接，為首批公司及個人客戶提供員工持股服務。長期經營方向是發展可複製和延伸的業務模式，客戶員工亦開立個人的「有魚股票」及「有魚智投」賬戶，並注入資產作投資。總體而言，本集團認為，有魚持股將對證券經紀業務的交易量和資產金額產生積極影響，並提升客戶對本集團其他業務線的忠誠度。

財富管理

於二零一七年，本集團成功推出「有魚智投」線上移動客戶端(APP)。「有魚智投」得到市場基金經理以及社交媒體的積極反饋和支持。對於長期經營發展，「有魚智投」繼續通過提供不同的投資業績數據和最新的投資組合信息，增強基金產品交易流程和用戶體驗。

另一方面，我們的財富管理業務在線下基金管理和投資融資解決方案服務方面取得了實質性進展。在二零一七年，我們有三個線下基金產品可供認購如下：

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WEALTH MANAGEMENT (Continued)

For the above fund products, we continued to attract new professional investors. For further growth in offline wealth management operation, we have successfully locked in a handful of rare investment targets including credit linked note and distressed fund investment opportunities being managed by the top tier managers in the field. As at 31 December 2017, the total investment capital commitment of the three offline products amounted to US\$151.3 million.

GENERAL CAPITAL MANAGEMENT

The Group adopted the following capital usage and management strategies:

- (1) To achieve positive synergies between the Company's capital management and growth of its asset management business, and to facilitate external fundraising for such products, the Company intends to provide seed capital, as a direct investor or co-investor in fund products and high-quality early-stage private equity products developed by the Company;
- (2) Used as standby capital to support the securities brokerage business and the securities financing business when needed;
- (3) Towards acquisition or development of projects related to the Company's personal wealth management business or financial technologies development or into opportunities that provide synergies with other businesses of the Company; and
- (4) For better effectiveness and returns in respect of the Company's capital management, and to improve cash flow management, the Company shall adopt a treasury management model that may involve (but shall not be limited to) holding fixed income instruments, high grade equity instruments and other financial investments.

財富管理(續)

上述產品適合專業投資者，我們將繼續引入新投資者。為了進一步發展離線財富管理業務，我們已經成功地鎖定了一些罕見的投資目標，包括由該領域的頂級經理管理的投資機會。截至二零一七年十二月三十一日，上述產品合計投資承諾金額為1.51億美元。

自有資金管理

本集團自有資金的使用及管理策略如下：

- (1) 為使自有資金與基金管理業務實現良性互動，藉此推動基金向外募資，本公司擬通過種子資金、先期投入及共投或跟投本公司發起的基金產品及尚處於成長期的高品質的私募基金產品；
- (2) 適時用於支持證券經紀業務及證券融資業務所需的資金；
- (3) 適時用於收購或開設與個人財富管理業務相關、金融科技領域相關，及為現有業務帶來協力的項目；及
- (4) 為提升公司資金使用效率及收益，優化現金流，將通過司庫的形式持有包括(但不限於)固定收益債券、優質的股本投資及其他財務投資。

Management Discussion and Analysis

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GENERAL CAPITAL MANAGEMENT (Continued)

自有資金管理(續)

For the year 2017, the use of Group's general capital is as follows:

二零一七年，本集團自有資金使用概述如下：

HK\$ million

百萬港元

		At 31 December 2017 二零一七年 十二月三十一日	At 31 December 2016 二零一六年 十二月三十一日	Change 變化
Fixed bank deposits and cash (note 1)	銀行定期存款及現金 (附註1)	3,544.7	4,164.7	-14.9%
Mutual fund investment (note 2)	共同投資基金(附註2)	326.7	—	—
Fixed income type of investment (note 3)	固定收入類投資 (附註3)	77.3	75.4	2.5%
Equity and option	權益類投資及權益工具	5.9	210.3	-97.2%
Majik Access USD Fund 1 LP	有魚錦鯉美元基金1號投資	11.0	—	—
Majik Access USD Fund 2 LP	有魚錦鯉美元基金2號投資	(3.0)	—	—
Majik Access USD Fund 3 LP	有魚錦鯉美元基金3號投資	199.0	—	—
		4,161.6	4,450.4	-6.5%

Note 1: The amount includes US\$25 million committed for investing in Majik Access USD Fund 1 LP and US\$19.5 million committed for investing in Majik Access USD Fund 2 LP.

附註1：其中包括自有資金對有魚錦鯉美元基金1號2,500萬美元投入承諾金額及自有資金對有魚錦鯉美元基金2號1,950萬美元投入承諾金額。

Note 2: This includes investments in five mutual fund investments managed by different fund management companies with abundant international investment experiences. The investment portfolio of the mutual funds mainly comprised of fixed income securities and equity, with a higher proportion being fixed-income securities. The mutual funds are liquid assets and can be converted into cash upon request.

附註2：共投資五個共同基金，由不同且具有豐富國際投資經驗的資產管理公司管理。上述基金的投資組合包括固定收益證券及股票，當中固定收益證券的比重較高。共同基金具流動性且可隨時兌換成現金。

Note 3: This includes perpetual capital.

附註3：包括永續性資本債券。

Management Discussion and Analysis

管理層討論及分析

CONSOLIDATED FINANCIAL RESULTS REVIEW

The financial highlights of the Group were as follows:

Consolidated profit and loss analysis for the year ended 31 December

HK\$ million

綜合財務表現

本集團年內重點財務表現如下：

截至十二月三十一日止年度的綜合損益分析

百萬港元

		2017 二零一七年	2016 二零一六年	Change 變化
Revenue	收益	21.1	46.1	-54.2%
Other operating income and gains	其他經營收入及收益	91.2	35.0	160.6%
Disposal gains of available-for-sales financial assets	出售可供出售金融資產收益	15.0	—	—
Net loss on financial assets and financial liabilities at fair value through profit or loss	按公平值計入損益之金融資產及金融負債虧損淨額	(89.2)	(75.7)	17.8%
Staff costs (excluding staff share award amortisation expense)	員工成本(不含員工股份獎勵計劃攤銷)	(190.4)	(198.0)	-3.8%
Staff share award amortisation expense	員工股份獎勵計劃攤銷	(56.7)	(2.1)	26 times 倍
Depreciation and amortisation	折舊及攤銷	(18.5)	(8.0)	131.3%
Finance cost	融資成本	(9.5)	(0.1)	94 times 倍
Other operating expenses (including net provision for impairment loss)	其他經營支出(含淨減值虧損之撥備)	(141.2)	(122.1)	15.6%
Loss before taxation	除稅前虧損	(378.2)	(324.9)	16.4%
Income tax	所得稅	(1.1)	8.3	—
Loss for the year	本年度虧損	(379.3)	(316.6)	19.8%
Loss for the year attributable to:	應佔本年度虧損：			
Equity shareholders of the Company	本公司權益持有人	(379.0)	(316.7)	19.7%
Non-controlling interests	非控股權益	(0.3)	0.1	—
		(379.3)	(316.6)	19.8%

Management Discussion and Analysis

管理層討論及分析

ANALYSIS ON LOSS FOR THE YEAR

本年度虧損分析

		2017 二零一七年	2016 二零一六年	Change 變化
Loss for the year	本年度虧損	(379.3)	(316.6)	19.8%
Adjust for the following profit or loss and expenses impact:	調整以下損益及費用影響：			
Less: Net loss on financial assets and financial liabilities at fair value through profit or loss	減：按公平值計入損益之金融資產及金融負債虧損淨額	89.2	75.7	17.8%
Less: Staff share award amortisation expense	減：員工股份獎勵計劃攤銷	56.7	2.1	26 times 倍
Less: Legal and professional fee for acquisition of MassMutual Asia	減：收購萬通亞洲法律及專業顧問費	47.3	—	—
		(186.1)	(238.8)	-22.1%

Revenue

收益

For the year 2017, revenue amounted to HK\$21.1 million, representing a 54.2% decrease compared to that of the prior year as follows:

二零一七年之收入為2,110萬港元，較上年度減少54.2%。收益概述如下：

HK\$ million

百萬港元

		2017 二零一七年	2016 二零一六年	Change 變化
Brokerage commission	經紀佣金	2.0	3.8	-47.4%
Consultancy and advisory fees	顧問及諮詢費	11.1	42.3	-73.8%
Subscription, management and rebate fees income	認購、管理及回扣費收入	3.8	—	—
Interest income from loan receivable	應收貸款利息收入	3.7	—	—
Other service revenue	其他服務收入	0.5	—	—
		21.1	46.1	-54.2%

Management Discussion and Analysis

管理層討論及分析

ANALYSIS ON LOSS FOR THE YEAR

(Continued)

Other operating income and gains

For the year 2017, other operating income and gains amounted to HK\$91.2 million, representing a 160.6% increase compared to that of the prior year as follows:

HK\$ million

		2017 二零一七年	2016 二零一六年	Change 變化
Handling and settlement fees	手續費及結算費用	2.3	0.5	3.6 times 倍
Bank and other interest income	銀行及其他利息收入	72.5	32.9	120.4%
Dividend and distribution income from available-for-sale financial assets	可供出售金融資產的股息及分配收入	14.3	—	—
Other income	其他收入	2.1	1.6	31.3%
		91.2	35.0	160.6%

本年度虧損分析(續)

其他經營收入及收益

二零一七年年其他經營收入及收益為9,120萬港元，較去年增加160.6%，收益概述如下：

百萬港元

Net loss on financial assets and financial liabilities at fair value through profit or loss

For the year 2017, the net loss on financial assets and financial liabilities at fair value through profit or loss amounted to HK\$89.2 million, representing 17.8% increase compared to that of prior year as follows:

HK\$ million

		2017 二零一七年	2016 二零一六年	Change 變化
Net unrealised loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產未變現虧損淨額	(16.8)	(32.1)	-47.7%
Net realised loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產已變現虧損淨額	(64.7)	(43.6)	48.4%
Fair value change of financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之虧損淨額	(7.7)	—	—
Total net loss on financial assets and financial liabilities at fair value through profit or loss	按公平值計入損益之金融資產及金融負債虧損淨額總額	(89.2)	(75.7)	17.8%

按公平值計入損益之金融資產未變現虧損淨額

二零一七按公平值計入損益之金融資產虧損為8,920萬港元，較去年增加17.8%，虧損概述如下：

百萬港元

Management Discussion and Analysis

管理層討論及分析

ANALYSIS ON LOSS FOR THE YEAR

(Continued)

The financial assets at fair value through profit or loss investments held by the Group are mainly listed equity instruments and derivative financial instruments. When comparing the historical acquisition cost to the fair value of the financial assets, the net realised gain on financial asset would have been HK\$73.1 million by the Group. However, all the financial assets were recorded and measured at fair value through profit or loss. For the year, the fair values of financial assets at fair value through profit or loss held as at 31 December 2017 or disposed by the Group during the year were lower than their fair values as at 31 December 2016.

STAFF COSTS AND STAFF SHARE AWARD AMORTISATION EXPENSE

For the year 2017, the staff costs amounted to HK\$190.4 million and the amortisation of share based payment expense amounted to HK\$56.7 million respectively. The staff cost decreased by 3.8% compared to last year.

Other operating expenses

For the year 2017, other operating expenses amounted to HK\$141.2 million, representing a 15.6% increase compared to that of the prior year as follows:

HK\$ million

		2017 二零一七年	2016 二零一六年	Change 變化
Information, data and communication expenses	資訊、數據及通訊開支	33.0	30.5	8.2%
Legal and professional fee expenses	法律及專業費用	66.2	20.6	221.4%
Operating lease and related charges in respect of properties	物業之經營租約及相關費用	26.0	19.9	30.7%
Business promotion and marketing expenses	業務推廣及市場宣傳費用	5.9	18.2	-67.6%
Net exchange (gain) loss	淨外匯(收益)虧損	(16.2)	3.6	—
Net provision for impairment	淨減值虧損之撥備	2.1	8.2	-74.4%
Others	其他費用	24.2	21.1	14.7%
		141.2	122.1	15.6%

Legal and professional fee expenses increase mainly due to as the legal and professional fees incurred in relation to the acquisition of 60% of the issued share capital of MassMutual Asia Limited are recorded in 2017.

本年度虧損分析(續)

本集團持有之金融資產投資(按公平值計入損益)的公平值主要為上市權益及衍生金融工具類資產。按購入的歷史成本與其公平值差異的口徑計算，投資組合為本集團帶來「已變現收益」7,310萬港元。但按照現行會計準則計算，然而投資組合的收益或虧損是基於2017年12月31日的公平值或年中出售時所得款與2016年12月31日的公平值作比較計算。

員工成本及員工股份獎勵計劃攤銷

於二零一七年，員工成本分別為1.9億港元及港元員工股份獎勵計劃相關的費用攤銷為5,670萬。與上年相比，員工成本降低了3.8%。

其他經營開支

於二零一七年，其他營業支出為1.41億港元，較去年增加15.6%，支出概述如下：

百萬港元

	2017 二零一七年	2016 二零一六年	Change 變化
Information, data and communication expenses	33.0	30.5	8.2%
Legal and professional fee expenses	66.2	20.6	221.4%
Operating lease and related charges in respect of properties	26.0	19.9	30.7%
Business promotion and marketing expenses	5.9	18.2	-67.6%
Net exchange (gain) loss	(16.2)	3.6	—
Net provision for impairment	2.1	8.2	-74.4%
Others	24.2	21.1	14.7%
	141.2	122.1	15.6%

法律和專業費用增加的原因主要是由於收購美國萬通保險亞洲有限公司60%已發行股本所產生之法律及專業顧問費用於二零一七年度入賬。

Management Discussion and Analysis

管理層討論及分析

STAFF COSTS AND STAFF SHARE AWARD AMORTISATION EXPENSE (Continued)

員工成本及員工股份獎勵計劃攤銷(續)

Changes in owner's equity

股東權益變動

HK\$ million

百萬港元

		2017 二零一七年	2016 二零一六年
Balance at 1 January	一月一日之結存	4,444.1	4,761.3
Share based payment transaction	以股份權益為結算基礎的交易	56.4	2.1
Loss for the year	本年度虧損	(379.3)	(316.5)
Other comprehensive income and others	其他	18.1	(2.8)
Balance at 31 December		4,139.3	4,444.1
Attributable to:	應佔權益：		
— equity shareholders of the Company	— 本公司權益持有人應佔	4,139.3	4,443.0
— non-controlling interests	— 非控股權益	—	1.1
Total equity	權益總值	4,139.3	4,444.1

The Group's total shareholders' equity amounted to approximately HK\$4,139.3 million as at 31 December 2017 as compared to the total shareholders' equity of HK\$4,444.1 million reported at the end of last year. The decrease is mainly due to the operating loss and the decrease in fair value of financial asset at fair value through profit or loss.

於二零一七年十二月三十一日，本集團之股東權益總額約為41.4億港元，而去年底錄得之股東權益總額則為44.4億港元。股東權益減少主要是由經營虧損及按公平值計入損益之金融資產減值所致。

PROSPECTS

The Company will further strengthen the integration advantages of internet technology and financial expertise, and actively cooperate with other financial institutions to enhance the financial service standard of the industry. In the meantime, the Company will continue to seek cross-sectoral cooperation opportunities and realize the vision of financial investment services entering the life scene.

展望

公司將進一步強化互聯網技術和金融專業能力的融合優勢，積極與其他金融機構合作，提升行業的金融服務水準。同時，公司會繼續尋求跨行業的合作機會，實現金融投資服務進入生活場景的願景。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS (Continued)

The brokerage business line will further strengthen characteristic services, especially information and investor education, to help customers make better investment decisions. For intelligent investment consulting, continued efforts will be made to increase new investment products and services, further reduce the investment barriers and provide institutionalized professional services to ordinary investors. Offline products will be continuously enriched and sales pipelines will be broadened. The ESOP Admin business line strives to achieve an explosive growth in the number of customers and enhance its interaction with other business lines. The Corporate Finance Department will actively pursue opportunities in the merger and acquisition sector and help customers to go global by fully leveraging its understanding of overseas markets. The Company will also strive to complete the transaction in relation to MassMutual Asia as soon as possible so as to realize synergistic development as soon as possible.

2017 was the first year of the development of each new business line of Yunfeng Financial and we made a solid start. In the new year, we will carry forward our efforts to continuously promote innovation in financial technology, create distinctive services and build a one-stop online financial service platform. We will also actively seek partners to jointly drive the intelligence level of the financial services industry. In 2018, as the global monetary policy tightening cycle approaches, volatility in the financial market will increase dramatically. We will exercise stringent risk control and continue steady operation. I would like to express my gratitude to our shareholders for their patience and support, and would also like to express my gratitude to our partners and customers for their trust.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group had fixed bank deposits with original maturity over 3 months and cash and cash equivalents amounting to HK\$3,762.7 million (31 December 2016: HK\$4,164.7 million). The Group generally financed its daily operations with internal resources. As at 31 December 2017 and during the year of 2017, the Group has no bank or other external borrowings.

展望(續)

經紀業務線會進一步加強特色化服務，尤其是資訊和投資者教育方面，說明客戶更好的進行投資決策；智慧投顧會持續增加新的投資品種和服務，進一步降低投資門檻，為普通投資者提供機構化的專業服務；繼續豐富線下產品，並拓寬銷售管道；員工持股線力爭實現客戶數的爆發式增長，並加強與其他業務線的互動；企業融資部會積極佈局併購領域機會，充分發揮對境外市場的瞭解，協助客戶走出去；公司也會力爭儘快完成萬通保險亞洲的收購工作，儘早實現協同發展。

2017年是雲鋒金融各條新業務線的發展元年，我們取得了扎實的開局，新的一年我們會繼續往開來，持續推動金融科技創新，形成特色服務，打造一站式線上金融服務平台。我們也會積極尋找合作夥伴，共同推動金融服務業智慧化水準。2018年，隨著全球貨幣政策緊縮週期來臨，金融市場的波動會大幅提高，我們會做好嚴格的風險控制，持續穩健經營。感謝各位股東的耐心和支持，也感謝合作夥伴和客戶的信任。

流動資金及財務資源

於二零一七年十二月三十一日，本集團之到期期限多於三個月的銀行存款和現金及現金等值項目合共為3,762,700,000港元(二零一六年：4,164,700,000港元)。本集團一般以內部資源作為其日常營運資金。於二零一七年十二月三十一日及於報告期內，本集團沒有銀行或其他對外借貸。

Management Discussion and Analysis

管理層討論及分析

CAPITAL STRUCTURE

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

EQUITY PRICE RISK

The Group is exposed to market price changes from equity investments and derivative instruments classified as financial assets at fair value through profit or loss held by the Group. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are dealt with in the consolidated income statement. On the other hand, the Group has invested in fund investments classified as available for sale financial assets with the fair value change going through reserve. The investment performance is monitored regularly as set out in note 33(e) to the financial statements, together with an assessment of its relevance to the Group's strategic plans.

FOREIGN EXCHANGE RISK

The Group has assets and liabilities denominated in currencies other than its functional currency and that are subject to fluctuation in foreign exchange amounts in the different currencies. The Group is exposed to currency risk arising from various currency exposures mainly to the extent of its bank balances in US dollar ("USD") and Renminbi as set out in note 33(d) to the financial statements. Management of the Group monitors the foreign exchange exposure and will hedge significant foreign currency exposure should the need arise.

During the year 2017, the Group did not engage in the use of other financial instruments for hedging purposes, and there were no hedging instruments outstanding as at 31 December 2017.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

Except for those set out in note 15(c), the Group did not have any material acquisitions and disposals of subsidiaries and associates during the year ended 31 December 2017.

資本架構

本年度本公司股本變動詳情載於財務報表附註29。

股權價格風險

本集團面對股權投資及衍生工具歸類為以公平價值計量之金融資產的市場價格變動，損益以公平價值變動計量且其變動計入當期損益計入本集團損益表。在綜合收益表中列示。另一方面，本集團已投資於基金組合及歸類為可供出售投資，其公平價值變動於儲備反映。如附註33(e)所披露，其投資表現連同其與本集團戰略相關性的評估，受到定期監測。

外匯風險

本集團擁有以其功能貨幣以外的貨幣計值的資產和負債，並受外匯匯率變動的影響。本集團面臨各種貨幣風險產生的貨幣風險，主要是由於其在美元（「美元」）和人民幣的銀行結餘，如財務報表附註33(d)所示。本集團管理層監控外匯風險並在需要時對沖重大外匯風險。

截至二零一七年十二月三十一日止年度，本集團並無運用任何金融工具作對沖用途，於二零一七年十二月三十一日亦無任何未平倉對沖工具。

附屬公司及聯營公司之重大收購及出售

除詳情載於財務報表附註15(c)外，本集團於截至二零一七年十二月三十一日止年度並無任何附屬公司及聯營公司之重大收購及出售。

Management Discussion and Analysis

管理層討論及分析

CHARGES ON ASSETS

At the year ended December 2017, the Group did not have any charges on assets, other than a security deposit of HK\$30 million (2016: HK\$45.6 million) for banking facilities and a HK\$78.1million bank deposit (2016: Nil) were deposited as collateral for performance linked note, a financial product, issued by the Group.

COMMITMENTS

Details of commitments are set out in note 31 to the financial statements.

SEGMENT INFORMATION

Details of segments are set out in note 12 to the financial statements.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2017.

STAFFING AND REMUNERATIONS

As at 31 December 2017, the Group employed 240 (2016: 229) full time employees, 96 (2016: 82) of which were located in Hong Kong, 2 (2016: 2) in the United States and 142 (2016: 145) in the People's Republic of China. The remuneration of employees includes salary and discretionary bonus. The Group also adopted share option and share award schemes to provide an incentive to the employees.

The remuneration policy and package, including the share option and share awards, of the Group's employees are maintained at market level and reviewed annually by the management.

資產抵押

於二零一七年十二月三十一日，除就銀行融資額度提供之保證金3,000萬港元(二零一六：4,560萬港元)港元及7,810萬港元銀行存款被存放為本集團發行業績掛鉤票據的抵押品外，本集團並無任何資產抵押。

承擔

承擔詳情載於財務報表附註31。

分部信息

分部信息詳情載於財務報表附註12。

或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債。

員工及薪酬

於二零一七年十二月三十一日，本集團僱用240(二零一六：229)名全職僱員，當中96(二零一六：82)名位於香港，2(二零一六：2)名位於美國及142(二零一六：145)名位於中華人民共和國。僱員薪酬包括薪金及酌情花紅。本集團亦採納購股權及股份獎勵計劃，向僱員提供獎勵。

本集團僱員之薪酬政策及待遇(包括購股權及股份獎勵)維持於市場水平，並每年由管理層進行檢討。

Management Discussion and Analysis

管理層討論及分析

USE OF NET PROCEEDS FROM SUBSCRIPTION SHARES

The proceeds from subscription shares have been utilised subsequent to the subscription as set out under the section “Use of Proceeds” of the Company’s circular dated 18 August 2015 (the “Circular”) and subsequent adjustment in use of proceeds as set out in the announcement of the Company dated 18 October 2016. The below table sets out the proposed application of net proceeds after adjustments and usage up to 31 December 2017:

股份認購所得款項用途

根據本公司於二零一五年八月十八日通函「所得款項用途」之擬定用途使用及本公司於日期為二零一六年十月十八日公告所載之「調整所得款項用途」使用。下表載列截至以下日期止的調整後所得款項淨額擬定用途及使用情况：

		Use of Proceeds after adjustments	Unutilised Proceeds up to 31 December 2016	Actual usage from 1 January 2017 to 31 December 2017	Unutilised Proceeds up to 31 December 2017
		調整後所得款項用途	自二零一六年十二月三十一日 止尚未使用款項	自二零一七年一月一日至二零一七年十二月三十一日 止使用情況	自二零一七年十二月三十一日 止尚未使用款項
		HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
Setting up new branches and IT infrastructure	設立新分行及資訊科技基礎建設	333.2	312.3	101.6	210.7
Recruitment of professionals (note 1)	招聘專業人士(附註1)	59.9	41.1	36.3	4.8
Establishment of a private wealth management platform (note 2)	設立私人財富管理平台(附註2)	179.0	174.3	38.0	136.3
Development of a financial services ecosystem (note 3)	金融服務生態系統之發展(附註3)	135.0	120.8	12.0	108.8
General capital management (note 4)	自有資金管理(附註4)	2,970.9	2,868.9	727.4	2,141.5
Total:	總計	3,678.0	3,517.4	915.3	2,602.1

Management Discussion and Analysis

管理層討論及分析

USE OF NET PROCEEDS FROM SUBSCRIPTION SHARES *(Continued)*

Notes:

1. mainly utilised on the recruitment and employment of internet products and technology development professionals to assist on the expansion of retail brokerage businesses.
2. mainly utilised on recruitment and employment of professionals specialising in asset and wealth management.
3. mainly utilised on marketing and setting up of online sales platform.
4. mainly utilised on seek capital provided for financial product launched by the Group, capital to support securities brokerage and financing business, investment holding for capital management purpose.

EVENT AFTER THE REPORTING PERIOD

Details of event after the reporting period are set out in note 40 to the financial statements.

股份認購所得款項用途(續)

附註：

1. 主要用於招聘及僱用互聯網產品、技術開發的技術人員，以支援零售經紀業務擴展。
2. 主要用於招聘及僱用擁有資產及財富管理專業知識之專業人士。
3. 主要用於市場推廣及網上銷售平台建設。
4. 主要用於為集團推出的金融產品融資，支援證券經紀和融資業務，投資控股為資本經營目的項目資金。

報告期後的事件

報告期後的事件信息詳情載於財務報表附註40。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

CHAIRMAN

Mr. Yu Feng, aged 54, was appointed as the Chairman and a non-executive Director of the Company and the chairman of Nomination Committee of the Company in November 2015. Mr. Yu is the founder and chairman of Yunfeng Capital, a private equity firm founded by Mr. Yu together with other entrepreneurs in 2010. Mr. Yu served as an executive director of Media Asia Group Holdings Limited (stock code: 08075), a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) from June 2011 to September 2015. Mr. Yu served as a non-executive director of Alibaba Health Information Technology Limited (stock code: 00241), a company listed on the Main Board of the Stock Exchange from April 2014 to September 2015, a director of Huayi Brothers Media Corporation (stock code: 300027), a company listed on the Growth Enterprise Market of the Shenzhen Stock Exchange, from August 2014 to June 2015 and a director of Shanghai Guangdian Electric Group Co., Ltd (stock code: 601616), a company listed on the Shanghai Stock Exchange, from December 2010 to April 2014. Mr. Yu served as a co-chairman of Focus Media Holding Limited from February 2006 to May 2008 and as chairman and chief executive officer of Target Media Holdings Limited prior to its acquisition by Focus Media Holding Limited.

Mr. Yu is a director of Yunfeng Financial Holdings Limited (“YFHL”), Key Imagination Limited (“Key Imagination”) and Jade Passion Limited (“Jade Passion”), YFHL, Key Imagination and Jade Passion are substantial shareholders of the Company.

Mr. Yu obtained an EMBA degree from China Europe International Business School, the PRC in March 2001 and a master of arts degree in philosophy from Fudan University, the PRC in July 1991.

EXECUTIVE DIRECTORS

Ms. Li Ting, aged 45, was appointed as an executive Director of the Company in November 2015. Ms. Li is currently the Chief Executive Officer of the Company. Ms. Li has over 20 years of experience in the financial industry, including fixed income and derivatives analytics, risk management, portfolio management, sales and market developments, and strategic planning and execution, in the U.S.A., the PRC and Hong Kong. Prior to joining the Group, Ms. Li was a senior managing director and head of Asia ex-Japan of State Street Global Advisors.

Ms. Li holds a bachelor’s degree in finance from Nankai University, the PRC, and a master’s degree in finance from Boston College, the U.S.A..

主席

虞鋒先生，54歲，於二零一五年十一月獲委任為本公司主席兼非執行董事，以及本公司提名委員會主席。虞先生為雲鋒基金創辦人及主席，該私募基金由虞先生與其他企業家於二零一零年成立。虞先生於二零一一年六月至二零一五年九月擔任寰亞傳媒集團有限公司(股份代號：08075)之執行董事，該公司於香港聯合交易所香港有限公司(「聯交所」)創業板上市。虞先生於二零一四年四月至二零一五年九月擔任阿里健康信息技術有限公司(股份代號：00241)之非執行董事，該公司於聯交所主板上市。虞先生亦於二零一四年八月至二零一五年六月擔任華誼兄弟傳媒股份有限公司(股份代號：300027，為深圳證券交易所創業板上市之公司)之董事及於二零一零年十二月至二零一四年四月出任上海廣電電氣(集團)股份有限公司(股份代號：601616，為上海證券交易所上市之公司)之董事。二零零六年二月至二零零八年五月期間，虞先生曾任分眾傳媒控股有限公司聯席主席，及在分眾傳媒控股有限公司收購聚眾傳媒控股有限公司之前，擔任聚眾傳媒控股有限公司主席兼行政總裁。

虞先生為雲鋒金融控股有限公司(「雲鋒金融控股」)，Key Imagination Limited(「Key Imagination」)及Jade Passion Limited(「Jade Passion」)之董事，雲鋒金融控股，Key Imagination及Jade Passion為本公司之主要股東。

虞先生於二零零一年三月獲授中國中歐國際工商學院高級管理人員工商管理碩士學位，並於一九九一年七月獲授中國復旦大學哲學碩士學位。

執行董事

李婷女士，45歲，於二零一五年十一月獲委任為本公司執行董事。李女士為本公司現任行政總裁。李女士於美國、中國及香港金融行業擁有超過二十年經驗，當中包括定息收入及衍生工具分析、風險管理、投資組合管理、銷售及市場發展以及戰略規劃及執行。加入本集團前，李女士曾任道富環球投資管理之高級董事總經理及亞洲區(日本除外)主管。

李女士持有中國南開大學金融學學士學位及美國波士頓學院金融學碩士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

EXECUTIVE DIRECTORS (Continued)

Mr. Huang Xin, aged 42, was appointed as an executive Director of the Company and a member of the Remuneration Committee of the Company in November 2015. Mr. Huang is a partner and a member of the investment committee of Yunfeng Capital. Mr. Huang served as vice president of Shanghai Kaituo Capital Limited from 2006 to 2010, where he was in charge of various investments. Mr. Huang was vice president of finance at Target Media Holdings Limited from 2005 to 2006, where Mr. Huang managed its daily financial operations and led its equity financing and merger and integration with Focus Media Holding Limited. Mr. Huang worked at General Electric Company from 1997 to 2005.

Mr. Huang is a director of Jade Passion, the substantial shareholder of the Company.

Mr. Huang obtained a master of business administration degree from China Europe International Business School, the PRC in October 2011 and a bachelor's degree in accounting from Fudan University, the PRC in July 1997.

NON-EXECUTIVE DIRECTORS

Mr. Ko Chun Shun, Johnson, aged 66, joined the Board in August 2011 as an executive Director and has been re-designated from an executive Director to a non-executive Director of the Company in April 2016. He was the Chairman of the Company, the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company until he resigned from these positions in November 2015.

Mr. Ko beneficially holds 100% interest in Gainhigh Holdings Limited ("Gainhigh"). He is also a director of Gainhigh and Insula Holdings Limited, the substantial shareholders of the Company. Mr. Ko has been re-designated from an executive director to a non-executive director of KuangChi Science Limited (stock code: 00439) on 16 May 2017. Currently, Mr. Ko is the deputy chairman and an executive director of Frontier Services Group Limited (stock code: 00500) and an independent non-executive director of Meitu, Inc. (stock code: 01357). Mr. Ko had also been the chairman and an executive director of BOE Varitronix Limited (Stock Code: 00710) until April 2016, and the vice chairman and an executive director of Concord New Energy Group Limited (Stock Code: 00182) until June 2015, the shares of which are all listed on the Stock Exchange.

Mr. Ko has extensive experience in corporate finance, corporate restructuring, and mergers and acquisitions, and also has extensive experience in international trade, investment, media and technology businesses.

執行董事(續)

黃鑫先生，42歲，於二零一五年十一月獲委任為本公司執行董事，以及本公司薪酬委員會成員。黃先生為雲鋒基金合夥人及其投資委員會成員。黃先生於二零零六年至二零一零年擔任上海開拓投資有限公司副總裁，負責多個投資項目。黃先生於二零零五年至二零零六年出任聚眾傳媒控股有限公司財務副總裁，負責其日常財務運作事宜並主導其股權融資及與分眾傳媒控股有限公司的併購與整合。黃先生曾在一九九七年至二零零五年任職通用電氣公司。

黃先生為Jade Passion之董事，該公司為本公司之主要股東。

黃先生於二零一一年十月自中國中歐國際工商學院取得工商管理碩士學位，並於一九九七年七月自中國復旦大學取得會計學學士學位。

非執行董事

高振順先生，66歲，於二零一一年八月加入董事會，為本公司執行董事，並於二零一六年四月由執事董事調任為非執行董事。彼曾任本公司主席，本公司提名委員會主席及薪酬委員會成員，直至二零一五年十一月辭任上述職位為止。

高先生於Gainhigh Holdings Limited (「Gainhigh」) 實益持有100%權益。彼亦為Gainhigh及Insula Holdings Limited之董事，該等公司為本公司之主要股東。高先生於二零一七年五月十六日由光啟科學有限公司(股份代號：00439)執行董事調任為非執行董事。高先生現為先豐服務集團有限公司(股份代號：00500)之副主席兼執行董事，及美圖公司(股份代號：01357)之獨立非執行董事。高先生亦曾任京東方精電有限公司(股份代號：00710)之主席兼執行董事直至二零一六年四月為止，以及協合新能源集團有限公司(股份代號：00182)之副主席兼執行董事至二零一五年六月為止，該等公司之股份均於聯交所上市。

高先生於企業融資、企業重組及併購方面擁有豐富經驗，亦於國際貿易、投資、媒體及科技等業務上擁有豐富經驗。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

NON-EXECUTIVE DIRECTORS (Continued)

Ms. Hai, Olivia Ou, aged 38, was appointed as a non-executive Director of the Company in November 2015. Ms. Hai is a managing director of Yunfeng Capital and specialises in investments related to the financial services industry. Prior to joining Yunfeng Capital, Ms. Hai was an actuarial partner at Deloitte China from 2012, and was engaged in the provision of consulting services to overseas and domestic insurance companies. Ms. Hai has also worked at HSBC Insurance (Asia) Limited in Hong Kong from 2010 to 2012 and PricewaterhouseCoopers LLP in the United Kingdom from 2002 to 2010.

Ms. Hai is a qualified fellow member of the Institute and Faculty of Actuaries in the United Kingdom and is a board representative of both the Life Board and the Education Board of the Institute and Faculty of Actuaries in the United Kingdom. She is also a fellow member of the China Association of Actuaries.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lin Lijun, aged 44, was appointed as an independent non-executive Director of the Company and a member of the Audit Committee and Nomination Committee and the chairman of the Remuneration Committee of the Company in November 2015. Mr. Lin was the founder of China Universal Asset Management Co., Ltd., an award-winning and diverse asset management company founded by Mr. Lin in April 2004 and at which he had served as chief executive officer until April 2015. Mr. Lin has extensive experience in investment management as well as risk management. Mr. Lin is currently founder and partner of Loyal Valley Capital, a leading PE fund in China.

Mr. Lin was appointed as a non-executive director of Wenzhou Kangning Hospital Co., Ltd (Stock code: 02120) on 14 June 2017, a company listed on the Stock Exchange. Currently, Mr. Lin is an independent non-executive director of TANSI Global Food Group Co., Ltd (Stock code: 03666), a company listed on the Stock Exchange.

Mr. Lin obtained a bachelor's degree and a master's degree in economics from Fudan University, the PRC, in 1994 and 1997 respectively, and a master of business administration degree from Harvard University, the U.S.A. in 2003.

非執行董事(續)

海歐女士，38歲，於二零一五年十一月獲委任為本公司非執行董事。海女士為雲鋒基金的董事總經理，並專注於金融服務行業的投資。在加入雲鋒基金之前，海女士自二零一二年起擔任德勤華永會計師事務所的精算合夥人，為中國內地及海外的保險公司提供諮詢服務。海女士亦曾於二零一零年至二零一二年於香港滙豐保險(亞洲)有限公司任職，及於二零零二年至二零一零年於英國普華永道會計師事務所任職。

海女士為英國精算師協會資深會員，且為英國精算師協會壽險委員會及教育委員會的理事會代表。海女士也是中國精算師協會的資深會員。

獨立非執行董事

林利軍先生，44歲，於二零一五年十一月獲委任為本公司獨立非執行董事，以及本公司審核委員會及提名委員會成員兼薪酬委員會主席。林先生是匯添富基金管理有限公司的創辦人，並一直擔任其首席執行官直至二零一五年四月。匯添富基金管理有限公司是林先生於二零零四年四月創立的一家屢獲殊榮的多元化資產管理公司。林先生於投資管理及風險管理方面具備豐富經驗。林先生現為正心谷創新資本創始人和合夥人，其為中國領先的股權投資機構。

林先生於二零一七年六月十四日獲委任為溫州康寧醫院股份有限公司(股份代號：02120)之非執行董事，該公司於聯交所上市。林先生現為國際天食集團有限公司(股份代號：03666)之獨立非執行董事，該公司於聯交所上市。

林先生於一九九四年及一九九七年分別自中國復旦大學取得經濟學學士及碩士學位，並於二零零三年自美國哈佛大學取得工商管理碩士。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Qi Daqing, aged 53, was appointed as an independent non-executive Director of the Company, and a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company in February 2016. Mr. Qi is currently a professor of Cheung Kong Graduate School of Business. He previously served as director and associate dean of the executive master of business administration department. Mr. Qi's research interests primarily focus on financial accounting, financial reporting and their impact on corporate business strategy. Mr. Qi has published many articles in accounting and finance journals. Mr. Qi worked at The Chinese University of Hong Kong and the Feature Syndicate of the Department of Home News for Overseas, Xinhua News Agency prior to joining Cheung Kong Graduate School of Business in 2002.

Mr. Qi was appointed as an independent non-executive director of RoadShow Holdings Limited (stock code: 00888) on 21 November 2017, a company listed on the Stock Exchange. Currently Mr. Qi serves as independent director of Sohu.com Inc. (NASDAQ: SOHU), iKang Healthcare Group, Inc. (NASDAQ: KANG) and Momo Inc. (NASDAQ: MOMO), all of which are listed on NASDAQ; and independent non-executive director of SinoMedia Holding Limited (stock code: 00623) and Jutal Offshore Oil Services Limited (stock code: 03303), all of which are listed on the Stock Exchange. Mr. Qi served as an independent non-executive director of Honghua Group Limited (stock code: 00196) from 18 January 2008 to 1 January 2018, a company listed on the Stock Exchange, and an independent non-executive director of Dalian Wanda Commercial Properties Co., Ltd. (stock code: 03699) from 29 January 2016 to 20 September 2016, a company delisted from the Stock Exchange on 20 September 2016. Mr. Qi had also been an independent director of Focus Media Holding Limited (NASDAQ: FMCN) and AutoNavi Holdings Ltd. (NASDAQ: AMAP), all of which were listed on NASDAQ, an independent director of Bona Film Group Limited which was listed on NASDAQ and ceased to be a public company in April 2016, and an independent director of China Vanke Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000002; and listed on the Stock Exchange, stock code: 02202).

Mr. Qi graduated with a doctoral degree in accounting from The Eli Broad Graduate School of Management of Michigan State University in the U.S.A. in 1996. He also obtained a master's degree in management from University of Hawaii in the U.S.A in 1992 and dual bachelor's degrees (in biophysics and international news) from Fudan University in 1985 and 1987 respectively.

獨立非執行董事(續)

齊大慶先生，53歲，於二零一六年二月獲委任為本公司獨立非執行董事，以及本公司審核委員會、提名委員會及薪酬委員會成員。齊先生現為長江商學院教授，曾任該學院高級管理人員工商管理碩士主任及副院長，齊先生的主要研究領域為財務會計、財務報告及其對企業業務戰略的影響。齊先生曾在財務及會計刊物上發表過多篇論文。齊先生於二零零二年加入長江商學院前曾任職於香港中文大學及新華社對外特稿社。

齊先生於二零一七年十一月二十一日獲委任為路訊通控股有限公司(股份代號：00888)之獨立非執行董事，該公司於聯交所上市。齊先生現任在美國納斯達克上市的搜狐網絡有限公司(股份代號：SOHU)、愛康國寶健康體檢管理集團有限公司(股份代號：KANG)及陌陌科技公司(股份代號：MOMO)的獨立董事；以及在聯交所上市的中視金橋國際傳媒控股有限公司(股份代號：00623)及巨濤海洋石油服務有限公司(股份代號：03303)的獨立非執行董事。齊先生曾於二零零八年一月十八日至二零一八年一月一日擔任宏華集團有限公司(股份代號：00196)之獨立非執行董事，該公司於聯交所上市；及於二零一六年一月二十九日至二零一六年九月二十日擔任大連萬達商業地產股份有限公司(股份代號：03699)之獨立非執行董事，該公司於二零一六年九月二十日於聯交所除牌。齊先生亦曾任在美國納斯達克上市的分眾傳媒控股有限公司(股份代號：FMCN)和高德軟件有限公司(股份代號：AMAP)之獨立董事、博納影業集團有限公司(曾於美國納斯達克上市，於二零一六年四月不再為上市公司)之獨立董事及在深圳證券交易所及在聯交所上市的萬科企業股份有限公司(深圳證券交易所股份代號：000002和聯交所股份代號：02202)之獨立董事。

齊先生於一九九六年取得美國密歇根州立大學艾利布羅管理研究院會計學博士學位，並於一九九二年取得美國夏威夷大學的管理碩士學位及於一九八五年及一九八七年取得復旦大學的雙學士學位(生物物理及國際新聞)。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Chu Chung Yue, Howard, aged 69, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company in August 2011.

Mr. Chu was the vice president, Asia and chief representative, China of Teck Resources Limited. Mr. Chu was responsible for the development of an Asian strategy for the company, monitoring China's economic performance and promoting business development opportunities in China. Mr. Chu held various positions including corporate controller for Teck Resources Limited from 1978 to 2007 and was the vice president, Asia and chief representative, China from 2007 to April 2011.

Mr. Chu holds a bachelor degree in commerce from University of British Columbia and was a member of the Chartered Professional Accountants of Canada.

SENIOR MANAGEMENT

Mr. Chan Man Ko, aged 43, joined the Group in November 2015, is the Chief Financial Officer, Company Secretary and a Senior Managing Director of the Group. Before joining the Group, Mr. Chan worked for China Taiping Insurance Holdings Company Limited (stock code: 00966) for over 11 years and had served several positions including deputy general manager of finance department, chief financial officer and company secretary. Prior to this, he worked for Deloitte Touche Tohmatsu for 7 years.

Mr. Chan is an associate member of Institute of Chartered Accountants in England and Wales, and associate member and practicing member of Hong Kong Institute of Certified Public Accountants.

Mr. He Shiqiang, aged 48, joined the Group in September 2015, as Head of I.T. and Operations. Prior to joining the Group, Mr. He was the head of operations of Shanghai-based Pacific Asset Management Co. 2013 to 2015. Before that, Mr. He worked, from 2009 to 2013, for Shanghai-based BNY Mellon Western Fund Management Co. as CTO, CRO and COO and served on the company supervisory board. Prior to moving to Shanghai, Mr. He worked in various technology and consulting roles in the U.S., including software architect for Maple Securities and senior consultant in PA Consulting Group. Mr. He received a B.S. degree from Peking University and a master degree from Massachusetts Institute of Technology.

獨立非執行董事(續)

朱宗宇先生，69歲，於二零一一年八月獲委任為本公司之獨立非執行董事、審核委員會主席，以及薪酬委員會及提名委員會成員。

朱先生為Teck Resources Limited之亞洲區副總裁兼中國區首席代表。朱先生負責發展該公司之亞洲策略、監察中國之經濟表現及促進中國之業務發展機會。朱先生自一九七八年至二零零七年間曾擔任Teck Resources Limited之多個職務(包括財務審計總監)，及自二零零七年至二零一一年四月間曾出任亞洲區副總裁及中國區首席代表。

朱先生持有英屬哥倫比亞大學之商業學士學位，並為加拿大特許專業會計師公會之會員。

高級管理人員

陳文告先生，43歲，於二零一五年十一月加入本集團，為本集團之首席財務總監、公司秘書及高級董事總經理。加入本集團之前，陳先生於中國太平保險控股有限公司(股份代號：00966)工作超過11年，並曾擔任財務部副總經理、財務總監及公司秘書等職位。此前，彼曾於德勤·關黃陳方會計師行工作7年。

陳先生為英格蘭及威爾斯特許會計師協會會員、香港會計師公會會員及執業會計師。

何世強先生，48歲，於二零一五年九月加入本集團，為本集團信息科技及運營總監。加入本集團前，何先生於2013年至2015年在上海供職於太平洋保險集團資產管理公司，任營運部總經理。在此之前，何先生於2009年至2013年任職於紐銀梅隆西部基金，歷任首席技術官／首席風控官／首席運營官，擔任公司監事。在遷居上海之前，何先生在美國多家機構擔任技術和諮詢職位，包括在紐約地區的楓葉證券公司任軟件架構師，和波士頓地區的博安諮詢高級諮詢師。何先生擁有北京大學學士學位以及美國麻省理工學院碩士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

SENIOR MANAGEMENT (Continued)

Mr. John Maguire, aged 54, joined the Group in September 2011. Mr. Maguire is the Head of Corporate Finance and Senior Managing Director of the Group. Prior to joining the Group, Mr. Maguire was the managing director and a co-founder of a boutique corporate finance firm from 2000 to 2011. Before that, Mr. Maguire was, from 1995 to 2000, an executive director in the corporate finance arm of an international broking and corporate finance group, responsible for the Group's corporate finance activities in Hong Kong and South East Asia. From 1991 to 1995, Mr. Maguire worked as a solicitor in Hong Kong. Prior to relocating to Hong Kong in 1991, Mr. Maguire worked as a solicitor in the City of London.

Mr. Maguire is a member of the Listing Committee of the Stock Exchange. Mr. Maguire is a deputy chairman of the Takeovers and Mergers Panel and a member of the Takeovers Appeal Committee of the Securities and Futures Commission. Mr. Maguire is the chairman of the Hong Kong Securities and Investment Institute and a senior fellow of the Institute. Mr. Maguire is a member of the HKTDC Financial Services Advisory Committee and is a member of the Asian Financial Forum Steering Committee.

Mr. Maguire is a solicitor admitted in England and Wales (non-practicing) and in Hong Kong. Mr. Maguire is a member of the Law Society of Hong Kong's Company Law Committee.

高級管理人員(續)

John Maguire 先生，54歲，於二零一一年九月加入本集團。Maguire 先生為本集團之企業融資部主管及高級董事總經理。加入本集團前，Maguire 先生於二零零零年至二零一一年為一家精品企業融資公司之董事總經理及聯席創辦人。Maguire 先生於一九九五年至二零零零年為一家國際性之經紀及企業融資集團之企業融資部執行董事，負責集團於香港及東南亞之企業融資活動。Maguire 先生於一九九一年至一九九五年於香港任職律師。於一九九一年遷居香港前，Maguire 先生於倫敦市任職律師。

Maguire 先生現為聯交所上市委員會之委員。Maguire 先生亦為證券及期貨事務監察委員會收購及合併委員會副主席以及收購上訴委員會委員。Maguire 先生亦為香港證券及投資學會之主席及傑出資深會員。Maguire 先生亦為香港貿易發展局金融服務諮詢委員會委員及亞洲金融論壇策劃委員會委員。

Maguire 先生為英格蘭及威爾士及香港認許之律師(非執業)。Maguire 先生為香港律師會公司法委員會委員。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

SENIOR MANAGEMENT (Continued)

Ms. Li Yuan, aged 40, joined the Group in April 2016, is the Head of Wealth Management and a Senior Managing Director of the Group. Ms. Li has around 15 years' experience in the asset management industry. Prior to joining the Group, Ms. Li was the managing director of State Street Global Advisors in Hong Kong, leading both the sales and client services team to develop and maintain business relationships with financial institutions of North Asia. Before that, Ms. Li served as an executive director of the global portfolio investment department and the private equity department at Goldman Sachs (Tokyo) and Goldman Sachs (Hong Kong). Ms. Li has extensive experience in business development and excellent sales capability. Ms. Li has a deep insight in global assets allocation and multi-asset allocation strategy. Ms. Li is very skilled in designing and executing customized investment plans. Ms. Li also has rich experience in creating investment strategies with quantitative models. She was also a member of an investment team with combined assets under management of approximately US\$50 billion.

Ms. Li graduated from Tokyo Institute of Technology, and obtained a Bachelor degree in Computer Science and a Master degree in Communication Engineering.

Ms. Qin Li, aged 45, joined the Group in June 2017, is a Senior Managing Director of the Group. With nearly two decades of experience working in the PRC banking industry, Ms. Qin took up employment with China Investment Bank and China CITIC Bank respectively and took part in foreign government loans, custody, retailing, private banking and bank financial management businesses in their chronological order, thereby enjoying a wealth of experience in wealth management and asset management. Prior to joining the Group, Ms. Qin was an assistant to the general manager of the department of financial management business at the headquarter of China CITIC Bank, tasked with product development and investment management for the bank's financial management business and leading a team with a portfolio of assets in excess of RMB 600 billion with the scope of investments covering debentures, stocks, derivatives, and alternative assets.

Ms. Qin graduated from Nankai University in the PRC with a bachelor's degree in finance and received her master's degree in business administration from the University of Wyoming in the United States of America.

高級管理人員(續)

李瓊女士，40歲，於二零一六年四月加入本集團，為本集團財富管理主管兼高級董事總經理。李女士擁有約15年的資產管理行業工作經驗。加入本集團前，李女士曾在香港出任道富環球投資管理(State Street Global Advisors)的董事總經理，帶領銷售和客戶服務團隊開拓及維護北亞區域金融機構的業務關係。在此之前，李女士也曾任職高盛資產管理(東京)及高盛資產管理(香港)，擔任其全球組合投資部門及私募部門的執行董事。李女士擁有豐富的業務開拓實戰經歷和出色的銷售能力。李女士對全球資產配置和多資產投資組合策略有深入的瞭解，熟悉為客戶量身定制的投資方案的設計執行，並在開發投資方案的計量模型方面有豐富經驗，所在團隊共同管理約500億美元投資組合。

李女士畢業於日本東京工業大學，獲得電腦科學的學士學位及通信工程的碩士學位。

秦莉女士，45歲，於二零一七年六月加入本集團，為本集團高級董事總經理。秦女士擁有中國銀行業近20年工作經驗，分別在中國投資銀行和中信銀行任職，先後從事外國政府貸款、託管、零售、私人銀行和銀行理財業務，在財富管理和資產管理方面擁有豐富的經驗。加入本集團前，秦女士任中信銀行總行理財業務管理部總經理助理，負責該行理財業務的產品開發和投資管理業務，其所帶領的團隊所管理的資產逾人民幣6000億元，投資領域覆蓋債券、股票、衍生品及另類資產。

秦女士持有中國南開大學金融學學士學位及美國懷俄明大學工商管理碩士學位。

Corporate Governance Report

企業管治報告

The board of directors (the “Board”) of Yunfeng Financial Group Limited (the “Company”) is committed to maintaining high standards of corporate governance. It believes that a high standard of corporate governance provides a framework and solid foundation for attracting and retaining high calibre and talented management, promoting high standards of accountability and transparency and meeting the expectations of all the shareholders of the Company (the “Shareholders”).

The principles of corporate governance adopted by the Company and its subsidiaries (collectively the “Group”) stress the importance of a quality board, sound internal controls, and transparency and accountability to all the Shareholders.

Throughout year ended 31 December 2017 (the “Year”), the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”), as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), except for certain deviations which are summarised below:

(a) Code Provision A.4.1

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from this provision because the non-executive Directors and independent non-executive Directors do not currently have specific terms of appointment. However, the articles of association of the Company states that one-third of the Directors for the time being or, if the number is not a multiple of three, then, the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Directors shall be subject to retirement by rotation at least once every three years at each annual general meeting, and offer themselves for re-election. As such, the Board considers that sufficient measures have been put in place to ensure the Company’s corporate governance practice in this aspect provides sufficient protection for the interests of Shareholders to a standard commensurate with that of the code.

(b) Code Provision E.1.2

Due to other engagement, Mr. Yu Feng, the Chairman of the Group, was unable to attend the annual general meeting of the Company held on 21 June 2017.

雲鋒金融集團有限公司(「本公司」)董事會(「董事會」)致力維持高水準之企業管治，相信高水準之企業管治能提供有效架構及穩固根基，吸引及挽留能力出眾及富有才幹之管理層、促進高標準之問責及透明度及達致本公司全體股東(「股東」)之期望。

本公司及其附屬公司(統稱「本集團」)採納之企業管治原則著重高質素之董事會、健全之內部監控以及對全體股東保持透明及問責。

於二零一七年十二月三十一日止年度(「本年度」)內，本公司已遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之相關企業管治守則(「企管守則」)條文，惟下文所述之偏離除外：

(a) 守則條文第A.4.1條

根據守則條文第A.4.1條，非執行董事應以指定任期聘任並須接受重選。由於目前本公司之非執行董事及獨立非執行董事並無指定任期，故本公司偏離此條文。然而，根據本公司之組織章程細則，當時三分之一之在任董事(倘人數並非三之倍數，則最接近但不少於三分之一之人數)須輪值卸任。於每屆股東週年大會上，每位董事需要至少每三年須輪席退任一次，並膺選連任。因此，董事會認為此方面已採取足夠措施確保本公司之企業管治常規可充分保障股東之權益，並符合守則所規定的標準。

(b) 守則條文第E.1.2條

由於其他事務，主席虞鋒先生未能出席於二零一七年六月二十一日舉行之股東週年大會。

(c) Code Provision C.2.5

Internal and external audit are regarded as the third line of defence in the Group's risk management and internal control systems and therefore the importance of such is highly regarded. Currently, the internal audit function is absent as the Group is still in transitional period in which internal policies and procedures are being formulated and established. Internal reviews are being conducted quite frequently, details are disclosed in the section headed "Risk Management and Internal Control" of this corporate governance report. The Group also relies on any reports from the external audit to the management and the Audit Committee in relation to any detected significant deficiencies in the Group's internal control systems.

(c) 守則條文第 C.2.5 條

內部及外部審核被視為本集團風險管理及內部控制系統的第三道防線，因此，其重要性受到高度重視。目前，由於本集團仍然處於過渡期，其正在制訂及設立內部政策及程序，故仍然缺乏內部審核職能。內部檢討頻繁地進行，詳情載於本企業管治報告「風險管理及內部控制」一節。本集團還依靠外部審計向管理層和審計委員會提供的有關任何已發現的內部控制系統的重大缺陷報告。

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding director's securities transactions with terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Following specific enquiry by the Company, all the directors of the Company (the "Directors") have confirmed that they have complied with the required standards as stated in the Model Code throughout the Year.

進行證券交易之行為守則

本公司已採納一套有關董事進行證券交易之行為守則，其條款不遜於上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）所規定的標準。經本公司作出具體查詢後，本公司全體董事（「董事」）已確認，彼等於本年度內一直遵守標準守則規定的標準。

THE BOARD

The Board is responsible for the formulation of the Group's strategies, policies and business plans, regulating and reviewing risk management and internal control systems, formulating the Group's corporate governance policy, and supervising the management of the business operations of the Group to ensure that its business objectives are met. The Board also ensures adequacy of resources, qualifications and experience of the Board members. The senior management of the Group is responsible for the day-to-day operations of the Group and accountable to the Board.

董事會

董事會負責制訂本集團之策略、政策及業務規劃、規範及檢討風險管理及內部監控體系、制訂本集團之企業管治政策，及監督本集團之業務營運管理，確保實現業務目標。董事會亦確保董事會成員具備充足的資源、資歷及經驗。本集團管理層負責本集團之日常營運，並對董事會負責。

Corporate Governance Report

企業管治報告

THE BOARD *(Continued)*

The Board has a balance of skills and experience appropriate for the requirements of the business of the Group. As at the date of this report, the Board comprises the following Directors:

Chairman

Mr. Yu Feng *(Non-executive Director)*

Executive Directors

Ms. Li Ting *(Chief Executive Officer)*
Mr. Huang Xin

Non-executive Directors

Mr. Ko Chun Shun, Johnson
Ms. Hai Olivia Ou

Independent non-executive Directors

Mr. Lin Lijun
Mr. Qi Daqing
Mr. Chu Chung Yue, Howard

The current Directors and their brief biographical details are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

There are no financial, business, family or other material/relevant relationships between Board members and between the Chairman and the chief executive officer (the “CEO”).

The Company has been maintaining the number of independent non-executive Directors at not less than one-third of the number of the Board members and has ensured that at least one of the independent non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. The participation of independent non-executive Directors in the Board brings independent judgement to ensure the interests of all Shareholders have been duly considered.

董事會(續)

董事會兼具本集團業務所需之適當技能和經驗。於報告日期，董事會由以下董事組成：

主席

虞鋒先生(非執行董事)

執行董事

李婷女士(行政總裁)
黃鑫先生

非執行董事

高振順先生
海歐女士

獨立非執行董事

林利軍先生
齊大慶先生
朱宗宇先生

現任董事及其簡歷載於本年報「董事及高級管理人員履歷」一節。

董事之間及主席與行政總裁(「行政總裁」)之間並無任何財務、業務、家屬或其他重大／相關關係。

本公司一直維持獨立非執行董事人數不少於董事人數三分之一，並確保至少有一名獨立非執行董事具備上市規則規定之適當專業資格或會計或相關財務管理專長。獨立非執行董事之參與賦予董事會獨立判斷，確保全體股東之利益得到妥善考慮。

THE BOARD (Continued)

For a Director to be considered independent, that Director should not have any direct or indirect material interest in the Group. In determining the independence of Directors, the Board follows the requirement set out in the Listing Rules. The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules in respect of the year ended 31 December 2017 and the Company considers that they are independent.

The roles of the Chairman and the CEO are complementary, but importantly they are distinct and separate with a clear and well established division of responsibilities.

The Chairman (assumed by Mr. Yu Feng) is responsible for setting strategic targets, providing leadership to the Board, monitoring Board effectiveness and fostering constructive relationship between Directors.

The CEO (assumed by Ms. Li Ting) is responsible for managing the business of the Group, attending to the formulation and implementation of Group's policies, and assuming full accountability for the Group's operations. Acting as the principal manager of the Group's business, the CEO develops a strategic operating plan that reflects the long-term objectives and priorities established by the Board, and is directly responsible for maintaining the operational performance of the Group. Working with the senior management and the Board, the CEO ensures that the funding requirements of the business are met and closely monitors the operating and financial results against the plans. The CEO also takes remedial actions when necessary and advises the Board of any significant developments and issues of the Group.

董事會(續)

就被視為獨立之董事而言，其不得於本集團擁有任何直接或間接重大權益。於釐定董事之獨立性時，董事會遵循上市規則之規定。本公司已收到各獨立非執行董事根據上市規則第3.13條發出的截至二零一七年十二月三十一日止年度的獨立性確認函，而本公司認為彼等均屬獨立。

主席與行政總裁兩個角色有互補作用，但重要的是兩者獨立分明、分工清晰妥當。

主席(由虞鋒先生擔任)負責制定戰略目標、領導董事會、確保董事會具成效及促進董事良好關係。

行政總裁(由李婷女士擔任)負責管理本集團業務，參與制訂及實行本集團政策，並全權負責本集團營運。身為本集團業務之主要管理人，行政總裁切合董事會所訂立的長期目標及發展重點制訂策略性經營規劃，並直接負責維持本集團之營運表現。行政總裁與高級管理人員及董事會合作，確保滿足業務之資金要求，並密切監督經營及財務業績是否符合規劃。行政總裁亦於有需要時採取補救措施，並就本集團之任何重大發展及事項向董事會提供建議。

Corporate Governance Report

企業管治報告

THE BOARD (Continued)

The Board meets regularly and at least 4 times a year. Between scheduled meetings, senior management of the Group provides to the Directors the information on the activities and developments in the businesses of the Group on a timely basis and, when required, additional Board meetings are held. In addition, the Directors have full access to the information of the Group and to independent professional advice whenever should they consider necessary. During the year ended 31 December 2017, a total of 4 Board meetings and 1 general meeting (“2017 AGM”), were held and the attendance of each Director is set out below:

董事會(續)

董事會定期召開會議，每年至少舉行4次。於已定會期的會議之間，本集團高級管理人員及時向董事提供有關本集團業務活動和發展之資料，並於有需要時舉行額外的董事會會議。此外，董事可於彼等認為有需要時全面獲得本集團資料及獨立的專業意見。於截至二零一七年十二月三十一日止年度，本公司合共舉行4次董事會會議及1次股東大會(「二零一七年股東週年大會」)，各董事之出席情況載列如下：

Number of meetings attended in the year ended
31 December 2017/Number of meeting eligible to attend
截至二零一七年十二月三十一日出席
會議次數/合資格參加的會議次數

	Board 董事會	NC 提名 委員會	RC 薪酬 委員會	AC 審核 委員會	2017 AGM 二零一七年 股東 週年大會
Chairman 主席					
Mr. Yu Feng 虞鋒先生	4/4	2/2	—	—	0/1
Executive Directors 執行董事					
Ms. Li Ting 李婷女士	4/4	—	—	—	1/1
Mr. Huang Xin 黃鑫先生	4/4	—	1/1	—	0/1
Non-executive Directors 非執行董事					
Mr. Ko Chun Shun, Johnson 高振順先生	4/4	—	—	—	0/1
Ms. Hai Olivia Ou 海歐女士	4/4	—	—	—	1/1
Mr. Huang Youlong (resigned on 11 January 2018) 黃有龍先生 (於二零一八年一月十一日辭任)	0/4	—	—	—	0/1
Independent non-executive Directors 獨立非執行董事					
Mr. Lin Lijun 林利軍先生	1/4	0/2	0/1	0/2	0/1
Mr. Qi Daqing 齊大慶先生	2/4	1/2	1/1	0/2	0/1
Mr. Chu Chung Yue, Howard 朱宗宇先生	4/4	2/2	1/1	2/2	0/1
Dr. Wong Yau Kar, David, GBS, JP (resigned on 3 November 2017) 黃友嘉博士, GBS, JP (於二零一七年十一月三日辭任)	2/3	—	—	2/2	1/1

Note:

NC – Nomination Committee
RC – Remuneration Committee
AC – Audit Committee

附註：

NC – 提名委員會
RC – 薪酬委員會
AC – 審核委員會

PROFESSIONAL TRAINING FOR DIRECTORS

All Directors, including independent non-executive Directors, should always know their collective responsibilities as Directors and of the businesses and activities of the Group. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company.

During the year ended 31 December 2017, all Directors have received the following trainings:

董事專業培訓

全體董事(包括獨立非執行董事)應清楚彼等身為董事之共同責任並了解本集團的業務及活動。每名新上任之董事將收到一套入職資料，涵蓋本集團業務及上市公司董事須承擔之法定及監管責任。

於截至二零一七年十二月三十一日止年度，全體董事已接受下列培訓：

Directors		Training on corporate governance, regulatory development and other relevant topics
董事		有關企業管治、監管發展及其他相關課題之培訓
Chairman	主席	
Mr. Yu Feng	虞鋒先生	✓
Executive Directors	執行董事	
Ms. Li Ting	李婷女士	✓
Mr. Huang Xin	黃鑫先生	✓
Non-executive Directors	非執行董事	
Mr. Ko Chun Shun, Johnson	高振順先生	✓
Ms. Hai Olivia Ou	海歐女士	✓
Mr. Huang Youlong (resigned on 11 January 2018)	黃有龍先生(於二零一八年一月十一日辭任)	✓
Independent non-executive Directors	獨立非執行董事	
Mr. Lin Lijun	林利軍先生	✓
Mr. Qi Daqing	齊大慶先生	✓
Mr. Chu Chung Yue, Howard	朱宗宇先生	✓
Dr. Wong Yau Kar, David, GBS, JP (resigned on 3 November 2017)	黃友嘉博士, GBS, JP (於二零一七年十一月三日辭任)	✓

Corporate Governance Report

企業管治報告

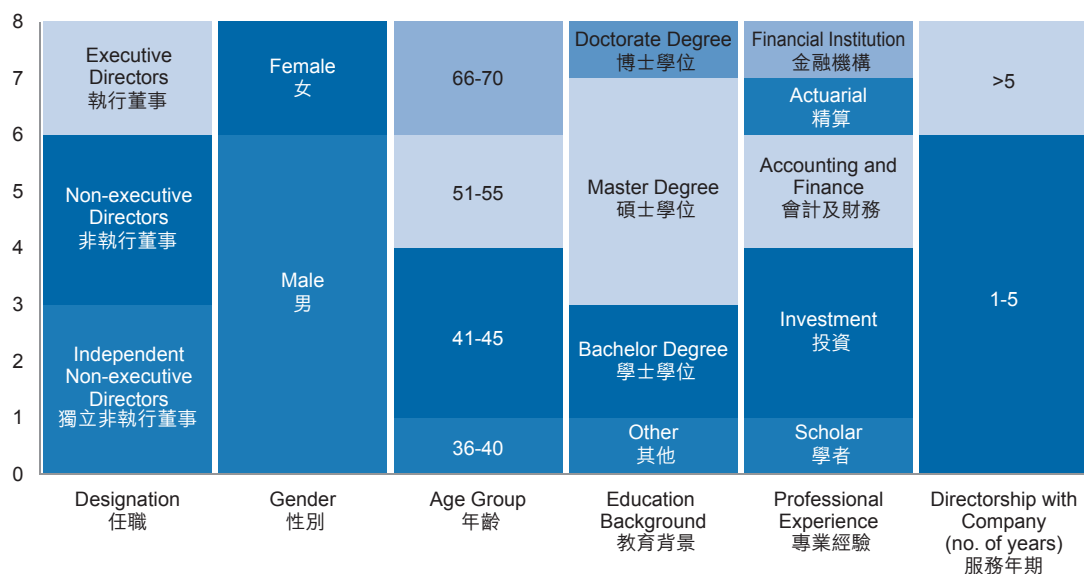
BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy in October 2013 which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company recognises the benefits of a Board that possesses an appropriate balance and levels of skills, experience, expertise and diversity of perspectives essential to support the execution of its corporate and business strategies and to enhance the quality and effectiveness of its performance. Board diversity will strengthen the Company's strategic objectives in driving business results; enhancing good corporate governance and reputation; and attracting and retaining talent for the Board.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, race and ethnicity, gender, age and length of service. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

As at the date of this report, the Board composition under major criteria for diversity was summarised as follows:



董事會成員多元化政策

公司於二零一三年十月採納董事會成員多元化政策，當中載列為達致及維持董事會成員多元化，提升董事會運作效率而採取之方針。

本公司了解，具備平衡之結構及適當水平之技能、經驗、專長及不同觀點，對支持董事會執行企業及業務策略及提升其運作質素及效率至關重要。董事會成員多元化將增強本公司提升經營業績、完善良好的企業管治及聲譽及為董事會吸引及挽留人才之策略目標。

本公司力求考慮多項因素(包括專業資格及經驗、文化及教育背景、種族、性別、年齡及服務時間)，貫徹董事會成員多元化。於釐定董事會之最優配置時，本公司亦會根據自身業務模式及不時之需考慮其他因素。

於報告日期，按主要的多元角度之董事會的組成概覽如下：

BOARD DIVERSITY POLICY (Continued)

The Board considers that the current board composition is diverse and meets the criteria of the board diversity policy. Accordingly, no measurable objectives have been set for implementing the said policy. The Board will review the policy from time to time to ensure that the board diversity policy is complied with.

A copy of the board diversity policy is published on the Company's website for public information.

BOARD COMMITTEES

Regarding the corporate governance function, during the year ended 31 December 2017, the Board has reviewed and monitored the training and continuous professional development of Directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory requirements, the code of conducts, corporate governance policies and practices and the disclosure in the Corporate Governance Report. Besides, the Company has set up three committees including, the nomination committee, the remuneration committee and the audit committee. Each committee has its specific terms of reference with reference to the CG Code.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was chaired by Mr. Lin Lijun with existing members of Mr. Huang Xin, Mr. Chu Chung Yue, Howard and Mr. Qi Daqing. The Remuneration Committee is responsible to make recommendation to the Board on the remuneration packages of Directors and senior management of the Group. In addition, the Remuneration Committee shall meet as and when required to consider remuneration related matters such as making recommendations to the Board on the Group's policy and structure for the remuneration of Directors and senior management, and to assist the Group in the administration of the fair and transparent procedure for setting policies on the remuneration of Directors and senior management of the Group. The written terms of reference are posted on the websites of the Company and the Stock Exchange, Code provision B.1.2(c)(ii) was adopted by the Remuneration Committee.

董事會成員多元化政策(續)

董事會認為現行董事會的組成是多樣的，符合董事會多元化政策的標準。據此，概無制定可計量目標對該政策加以落實。董事會將不時檢討董事會的多樣性，以確保符合董事會的多元化政策。

董事會成員多元化政策之文本載於本公司網站，供公眾查閱。

董事委員會

就企業管治職能而言，於截至二零一七年十二月三十一日止年度，董事會已檢討及監察董事及高級管理人員之培訓及持續職業發展。董事會亦已檢討及確保遵守相關法律及監管規定、行為守則，企業管理政策及實務及企業管治報告之披露。此外，本公司已設立三個委員會，包括提名委員會、薪酬委員會及審核委員會。各委員會均已參考企管守則制定明確的職權範圍。

薪酬委員會

本公司之薪酬委員會(「薪酬委員會」)由林利軍先生擔任主席，現有成員包括黃鑫先生、朱宗宇先生及齊大慶先生。薪酬委員會負責就本集團董事及高級管理人員之薪酬待遇向董事會提供建議。此外，薪酬委員會須於有需要時舉行會議，考慮薪酬相關事宜(如就本集團之董事及高級管理人員薪酬政策及架構向董事會提供建議)，及協助本集團於制訂董事及本集團高級管理人員之薪酬政策時落實公平透明之程序。書面職權範圍載於本公司及聯交所網站。薪酬委員會已採納守則條文B.1.2(c)(ii)。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE (Continued)

During the Year, the Remuneration Committee held 1 meeting. The Remuneration Committee reviewed the remuneration packages for Directors and senior management of the Group.

Details of the remuneration of the Directors during the Year are set out in note 8 to the financial statements. The remuneration of the senior management during the Year falls within the following bands:

		Number of Individual 僱員人數
Nil to HK\$5,000,000	5,000,000 港元以下	3
HK\$5,000,001 to HK\$6,000,000	5,000,001 港元至 6,000,000 港元	1
HK\$16,000,001 to HK\$17,000,000	16,000,001 港元至 17,000,000 港元	1

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was chaired by Mr. Yu Feng with existing members of Mr. Lin Lijun, Mr. Chu Chung Yue, Howard and Mr. Qi Daqing. The terms of reference of the Nomination Committee have been determined with reference to the CG Code and posted on the websites of the Company and the Stock Exchange.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board at least once every year, making recommendations on any proposed changes to the Board to complement the Group's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the chief executive officers. In considering the nomination of new directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates.

The Nomination Committee is also responsible for the review of the board's diversity policy, considering factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service of Board members, and review the measurable objectives that the Board has set for implementing the board diversity policy (if any), and monitor the progress on achieving the measurable objectives (if any).

薪酬委員會(續)

本年度內，薪酬委員會舉行1次會議。薪酬委員會已審閱本集團董事及高級管理人員之薪酬待遇。

年內，有關董事的薪酬披露載於綜合財務報表附註8，高級管理層的薪酬介乎下列範圍：

提名委員會

本公司之提名委員會(「提名委員會」)由虞鋒先生擔任主席，現有成員包括林利軍先生、朱宗宇先生及齊大慶先生。提名委員會之職權範圍乃參考企管守則釐定，並載於本公司及聯交所網站。

提名委員會之角色及職能包括至少每年檢討董事會之架構、人數及組成一次，就擬對董事會作出調整以補充本集團之企業策略的事項提供建議，物色合資格擔任董事者及甄選獲提名擔任董事者(如需要)，評核獨立非執行董事之獨立性，及就董事之委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提供建議。考慮提名新董事時，董事會將考慮候選人之資歷、能力、工作經驗、領導才能及職業操守。

提名委員會亦負責檢討董事會成員多元化政策，所考慮因素包括(但不限於)董事之性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務時間，並會檢討董事會為實施董事會成員多元化政策而制定之可計量目標(如有)，以及監督可計量目標(如有)之完成進度。

NOMINATION COMMITTEE (Continued)

During the Year, the Nomination Committee held 2 meetings. The committee considered the re-election of the retiring Directors and assessed the independence of each independent non-executive Director. The committee also considered the nomination of appointment of non-executive Directors after completion of the very substantial acquisition in relation to acquisition of 60% of the issued share capital of MassMutual Asia Limited (definition and detailed information referred to circular of the Company dated 21 December 2017). In considering the nomination of appointment of directors, the Nomination Committee assessed the relevant candidates on criteria such as integrity, experience, skill, professional qualifications and ability to commit time etc, and made recommendation to the Board for approval.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) is chaired by Mr. Chu Chung Yue, Howard, with existing and former members of Mr. Lin Lijun, Mr. Qi Daqing, and Dr. Wong Yau Kar, David, GBS, JP. Dr. Wong Yau Kar, David, GBS, JP resigned as a member of the Audit Committee on 3 November 2017.

Mr. Chu holds a bachelor’s degree in commerce from University of British Columbia and is a member of the Chartered Professional Accountants of Canada. Mr. Chu has appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are in line with the CG Code and are posted on the websites of the Company and the Stock Exchange. Under its amended terms of reference, dated 21 December 2015, the Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group’s preliminary results, interim results and annual financial statements and to monitor the integrity of the financial statements of the Group, to review the scope, extent and effectiveness of the Company’s financial controls, risk management and internal control systems, internal audit and to review the Group’s financial and accounting policies.

提名委員會(續)

本年度內，提名委員會舉行2次會議。委員會已考慮重選退任董事及評估獨立非執行董事的獨立性。提名委員會亦考慮了於完成關於收購美國萬通保險亞洲有限公司已發行股本60%之非常重大的收購事項(定義及詳細資料見本公司日期為二零一七年十二月二十一日之通函)後提名委任非執行董事。考慮提名委任董事時，提名委員會已對相關候選人進行評估，以其誠信、經驗、技能、專業資格及所能付出的時間等作為標準，並向董事會提出建議。

審核委員會

本公司之審核委員會(「審核委員會」)由朱宗宇先生擔任主席，現有成員及前成員包括林利軍先生、齊大慶先生及黃友嘉博士，GBS，JP。黃友嘉博士，GBS，JP於二零一七年十一月三日辭任審核委員會成員。

朱先生持有英屬哥倫比亞大學之商業學士學位，並為加拿大特許專業會計師公會會員。朱先生具備上市規則第3.10(2)及第3.21條規定之適當專業資格。

審核委員會之職權範圍符合企管守則，並載於本公司及聯交所網站。根據其於二零一五年十二月二十一日之經修訂職權範圍，審核委員會須(其中包括)監督與外聘核數師之關係，審閱本集團之初步業績、中期業績及年度財務報表，監察本集團財務報表之完整性，檢討本公司財務監控、風險管理、內部監控及體系及內部審計之範圍、程度及成效，以及審閱本集團之財務及會計政策。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE (Continued)

The Audit Committee held 2 meetings during the Year. There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors. The Audit Committee has reviewed, inter alia, the accounting principles and practices adopted by the Group and discussed internal controls, financial reporting and risk management matters of the Group. The Audit Committee has also reviewed, and had discussions with external auditors, on the interim and annual consolidated financial statements of the Group.

AUDITOR'S REMUNERATION

A summary of fees for audit and non-audit services is as follows:

Nature of services	服務性質	31 December	31 December
		2017	2016
		於二零一七年	於二零一六年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Audit services	審計服務	2,220	1,850
Other services	其他服務	6,340	910
Total	總計	8,560	2,760

RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The directors acknowledge that it is their responsibility for preparing financial statements which give a true and fair view.

The statement of the auditor of the Company on their responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

While Yunfeng Financial Group pursues growth in business, it also recognises the importance of effectively managing various risks associated with its operations. The Group aims to achieve a good balance between risks and growth by implementing appropriate risk management and internal control.

審核委員會(續)

本年度內，審核委員會舉行2次會議。董事會與審核委員會對於挑選、委任、辭退或罷免外聘核數師並無分歧。審核委員會已審閱(其中包括)本集團採納之會計原則和實務，並已討論本集團之內部監控、財務報告及風險管理事宜。審核委員會亦已審閱並與外聘核數師討論本集團之中期及年度綜合財務報表。

核數師酬金

審計與非審計服務之費用概列如下：

Nature of services	服務性質	31 December	31 December
		2017	2016
		於二零一七年	於二零一六年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Audit services	審計服務	2,220	1,850
Other services	其他服務	6,340	910
Total	總計	8,560	2,760

編製財務報表的責任

董事確認編製真實與公平的財務報表是彼等的責任。

本公司的核數師就財務報表應承擔的責任聲明，詳列於該年報之獨立核數師報告書內。

風險管理及內部監控

雲鋒金融集團在追求業務增長的同時，也認識到有效管理與經營相關的各種風險的重要性。本集團旨在通過實施適當風險管理及內部監控，在風險及增長間實現良好的平衡。

ORGANISATION

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems (including reviewing their effectiveness) to safeguard Shareholders' investment and the Group's assets. To this end, management continues to allocate resources for a risk management and internal control systems to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives.

Corporate governance committee of the Group (the "Corporate Governance Committee") is made up of the Chief Executive Officer and members who represent each of the key departments or business units, including finance, technology, risk management, operations, legal, compliance and project management with the responsibility to oversee the Group's overall risk management and internal control systems and has the ultimate responsibility for the establishment and implementation of risk governance framework, appetite/tolerances, strategies, policies and procedures. The compliance manual sets out the guidelines on reporting and disseminating inside information, and the Corporate Governance Committee is delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. The Risk Oversight Committee (ROC) is a sub-committee under the Corporate Governance Committee, responsible for the risk management and internal control.

The ROC comprises business heads, general counsel, head of compliance and head of risk management and is chaired by the Chief Executive Officer. Authority is delegated from the Corporate Governance Committee and the function of the committee is risk governance for the Group.

The Chief Risk Officer (the "CRO") is responsible for maintaining the effectiveness of the risk management framework and for supervision of daily operation of the risk management department.

組織

董事會全面負責評估及釐定為達成本集團戰略目標所願承擔風險的性質及程度，以及維持穩健及有效的風險管理及內部監控系統(包括檢討有關成效)，以保障股東投資及本集團資產。為此，管理層繼續分配資源予風險管理及內部監控系統，為不會有重大的失實陳述或損失作出合理(而非絕對)的保證，並管理(而非消除)未能達到業務目標的風險。

本集團企業管治委員會(「企業管治委員會」)由行政總裁及各主要部門或業務單位(包括財務、技術、風險管理、營運、法律、合規及項目管理)之成員組成，負責監督本集團的整體風險管理及內部監控系統，並負有最終責任設立及實施風險管治框架、偏向／承受能力、戰略、政策及程序。合規手冊載列有關報告及發佈內幕消息的指引，而企業管治委員會獲授權持續負責監督貫徹執行及遵守所有重大法律及監管規定。風險監督委員會(「風險監督委員會」)為隸屬企業管治委員會的小組委員會，負責風險管理及內部監控。

風險監督委員會由業務主管、總法務顧問、合規主管及風險管理主管組成，由行政總裁擔任主席。授權由企業管治委員會授出，該委員會的職責為行使本集團風險管治職能。

首席風險官(「首席風險官」)負責維持風險管理框架的有效性，並負責監督風險管理部門的日常營運。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Based on industry practice, the Group adopts the industry standard “Three Lines of Defense” for the management of risks, comprising the following elements:

- (1) 1st Line of Defence: The business which owns and manages its risks;
- (2) 2nd Line of Defence: The risk management and operation function, which defines and coordinates the operational risk strategy and framework; and
- (3) 3rd Line of Defence: Internal and external audit, who provide independent assurance.

Each of the Group’s departments conducts risk management and internal control that responds to the risk profile and size of each business in accordance with basic policies. Risk management department, together with other concerned management functions, monitor and communicate the risk exposures and issues to the management. Critical issues will be escalated to different committees according to pre-set rules, discussions will be held and resolutions will be found by responsible committees. The process used to identify, evaluate and manage significant risks is set out in the Report of the Directors on pages 47 to 51 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL REVIEW

Risk management department, led by the Chief Risk Officer, working under the guidance of risk management policies, has developed various procedures to manage, monitor and report identified risk factors that the Group’s might encounter on a daily basis. Apart from periodic risk reports that are sent out to major management members and stakeholders, communications are also conducted through regular Corporate Governance Committee meetings. Ad hoc risk reports would also be produced, whenever there are risk issues that need to be addressed immediately.

2017 has been a successful year in terms of risk management under the current control framework built in the past year, focusing on identifying potential risks, risk reporting as well as improving and fixing procedures. As of the time when the annual review is composed, there are no any risk incidents that have caused significant financial losses to the Group due to control failures.

風險管理及內部控制系統

根據行業慣例，本集團就管理風險採納「三道防線」的行業標準，其包括以下元素：

- (1) 第一道防線：業務部門擁有並管理其風險；
- (2) 第二道防線：風險管理及營運職能，定義並協調營運風險戰略及框架；及
- (3) 第三道防線：內部及外部審核，提供獨立保證。

本集團各部門按照基本方針進行風險管理及內部監控，以對各業務的風險狀況及規模作出反應。風險管理部門連同其他相關管理職能監督並向管理層傳達風險敞口及問題。重要議題將根據預先設定的規則上呈不同的委員會，負責委員會將進行討論並作出決議。用於識別、評估和管理重大風險的過程載於本年度報告的董事會報告47至51頁。

風險管理及內部控制檢討

風險管理部門由首席風險官領導，該部門根據風險管理政策指引工作，並已制定各種程序管理、監察及報告本集團每天可能遇到的已識別風險因素。除發送予主要管理層成員及利益相關者的定期風險報告外，亦舉行定期企業管治委員會會議。每當出現需要即時處理的風險問題時，亦將編製特定風險報告。

就過去一年建立的現有內部控制框架下的風險管理而言，二零一七年實為成功的一年，集中於識別潛在風險，風險報告以及改進和確定程序。截至編製年度審閱報告時，概無因控制失當而對本集團造成重大財務損失的任何風險事件。

RISK MANAGEMENT AND INTERNAL CONTROL REVIEW (Continued)

The review of the effectiveness of the Group's risk management and internal control systems has been conducted annually by the Board. During the Year, the Board and the Audit Committee, through the Corporate Governance Committee, has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems and considered that the risk management and internal control systems are effective and adequate. The Group's Risk Management and Internal Control Report for 2017 was compiled to cover (i) the key risks of the Group; (ii) developments in business and extent of the risks in 2017, and responses to changes in its business and the external environment; (iii) associated action plans and controls designated to mitigate the key risks, where applicable, at appropriate level; (iv) the adequacy of resources, qualifications and experience, training programs and budget of accounting, and financial reporting functions; and (v) the compliance with relevant laws and regulations that have a significant impact on the business and operation of the Group. The Risk Management and Internal Control Report was presented to the Audit Committee and the Board for review in March 2018.

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently details disclosure of material information about the Group. With the guidelines of the Company regarding the disclosure of inside information, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- is well aware of its obligations under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that information which is considered as inside information should be announced promptly when it is the subject of a decision

風險管理及內部控制檢討(續)

董事會每年檢討一次本集團風險管理和內部控制系統的有效性。於本年內，董事會及審核委員會已通過企業管治委員會，檢討本集團風險管理及內部監控系統的充分性及有效性，並認為風險管理及內部監控系統屬有效及充分。本集團已編製二零一七年風險管理及內部監控報告，以匯報(i)本集團的主要風險；(ii)二零一七年的業務發展及風險幅度，以及應對其業務及外部環境變化的能力；(iii)在適當層面(如適用)用以減輕主要風險的相關行動計劃及監控措施；(iv)資源、資格及經驗、培訓計劃及會計及財務報告職能預算的充足性；及(v)遵守對本集團業務及營運有重大影響的相關法律法規。風險管理及內部監控報告於二零一八年三月提交審核委員會及董事會審閱。

發佈內幕消息

本公司致力貫徹執行及時、準確及充份詳細地披露本集團之重大消息。在本公司有關內幕消息披露指引之基礎下，本集團已設有管理監控，確保可即時識別、評估及提交潛在內幕消息以供董事會決定是否需要作出披露。

就有關處理及發佈內幕消息的程序及內部監控措施而言，本公司：

- 清楚了解根據證券及期貨條例以及上市規則所應履行的責任，及內幕消息須在決定時立即公佈的重大原則

Corporate Governance Report

企業管治報告

DISSEMINATION OF INSIDE INFORMATION (Continued)

- conducts its affairs with close regard to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission
- informs all Directors, senior management and related staff of the latest regulations and requirements according to the letters issued or announcements published by the Securities and Futures Commission and the Stock Exchange
- has developed procedures and mechanisms for the disclosure of inside information
- has included in its Compliance Manual a strict prohibition on the unauthorised use of confidential, sensitive or inside information, and has communicated this to all staff
- has established and implemented procedures for responding to external enquiries about the Company’s affairs. Only directors and delegated management of the Company can act as the Company’s spokespersons and respond to enquiries on designated areas

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Board, and is responsible for ensuring that Board procedures are followed and for facilitating information flows and communications among Directors as well as with Shareholders and the management.

Mr. Chan Man Ko, the company secretary of the Company, has complied with the training requirement of the Listing Rules during the Year.

發佈內幕消息(續)

- 於處理有關事務時恪守證券及期貨事務監察委員會頒佈的「內幕消息披露指引」
- 根據證券及期貨事務監察委員會及聯交所發出的函件或所刊發的公告，將最新的規則及規定知會所有董事、高級管理層及有關員工
- 已建立內幕消息披露流程及機制
- 合規手冊已明確訂明嚴禁未經授權使用機密、敏感或內幕消息，並已將此項行為守則傳達予全體員工
- 就外界對本公司事務作出的查詢訂立及實施回應程序。僅本公司董事及指定管理人員能擔任本公司發言人，回應指定範疇內的查詢

公司秘書

所有董事均可以取得公司秘書的建議和享用其服務。公司秘書向董事會匯報，並負責確保董事會程序得到遵守、促進董事之間的信息流和相互溝通、以及股東與管理層之溝通。

於本年度，本公司之公司秘書，陳文告先生已遵守上市規則的培訓要求。

SHAREHOLDERS' RIGHT

How Shareholders Can Convene an Extraordinary General Meeting ("EGM")

An EGM may be convened by the Directors on requisition of Shareholders holding not less than one-twentieth (5%) of the total voting rights of all Shareholders or by such Shareholder(s) who made the requisition (as the case may be) pursuant to section 566 to 568 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) (the "Companies Ordinance") and the articles of association of the Company. The objects of the meeting must be stated in the requisition which must be signed by the requisitioner(s) and deposited at the registered office of the Company. Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for convening an EGM.

Procedures for Putting Forward Proposals at a General Meeting

Pursuant to the Companies Ordinance, Shareholders representing not less than one-fortieth (2.5%) of the total voting rights of all Shareholders; or not less than 50 Shareholders on which there has been paid up an average sum, per Shareholder, of not less than HK\$2,000, may make requisition in writing for proposing resolution or business to be dealt with at the next general meeting. Shareholders should follow the requirements and procedures as set out in section 615 of the Companies Ordinance for putting forward a proposal at a general meeting.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details are as follows:

Suites 3201-3204, One Exchange Square,
8 Connaught Place, Central, Hong Kong

Fax: (852) 2845 9036/(852) 3102 9022
Email: ir@yff.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

股東權利

股東召開股東特別大會(「股東特別大會」)之條件

股東特別大會可由董事因應持有不少於本公司所有股東總投票權二十分之一(5%)的本公司股東之要求召開，或由根據香港法例第622章公司條例(「公司條例」)第566至568條及本公司組織章程細則提出要求(視情況而定)之股東召開。大會之目的必須於請求書中說明，並由請求人簽署後存放於本公司之註冊辦事處。股東必須遵守公司條例所載有關召開股東特別大會之規定及程序。

於股東大會上提出建議之程序

根據公司條例，持有不少於全體股東總投票權四十分之一(2.5%)之股東，或不少於50名本公司股東，且每人已繳足平均款項不少於2,000港元，可書面要求於下屆股東大會上提呈審議決議案或事項。股東於股東大會上提出建議須遵守公司條例第615條所載之規定及程序。

股東向董事會作出查詢之程序

股東可隨時以書面形式透過公司秘書向董事會提出查詢及問題，公司秘書之聯絡方式如下：

香港中環康樂廣場8號交易廣場一座3201至3204室

傳真：(852) 2845 9036 / (852) 3102 9022
電郵：ir@yff.com

股東亦可於本公司股東大會上向董事會作出查詢。

Corporate Governance Report

企業管治報告

INVESTOR RELATIONS

The Board is committed to providing clear and full performance information of the Group to the Shareholders through the publication of interim and annual reports. In addition to the circulars, notices and financial reports sent to the Shareholders, additional information of the Group is also available to the Shareholders on the Group's website.

Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The Chairman and Directors (including chairman/members of the Audit Committee, the Nomination Committee and the Remuneration Committee) as well as the representative of external auditor, should attend and answer questions on the Group's business at the meeting. All resolutions at the general meeting are decided by a poll which is conducted by the Group's share registrar.

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

CONSTITUTIONAL DOCUMENTS

There are no changes in the constitutional documents of the Company during the Year. The latest version of the articles of association of the Company is posted on the website of the Company and the Stock Exchange.

投資者關係

董事會透過刊發中期及年度報告，致力向股東提供有關本集團表現的清晰及全面之資料。除向股東寄發的通函、通告及財務報告外，股東亦可登入本集團網站，查詢本集團之其他資料。

本集團鼓勵股東出席股東週年大會，並會至少提前20個完整營業日發出通告。主席與董事（包括審核委員會、提名委員會及薪酬委員會主席／成員）以及外聘核數師代表需要出席大會，解答有關本集團業務之問題。股東大會上提呈之所有決議案均以投票方式表決，票數由本集團之股份過戶登記處點算。

本集團致力提高透明度及鞏固投資者關係，十分重視股東之反饋意見。歡迎股東隨時提供寶貴的意見與建議。

憲章文件

於本年度內，本公司之憲章文件並無變動。本公司之組織章程細則之最新版本刊載於本公司及聯交所網站。

The directors of Yunfeng Financial Group Limited (the “Director”) submit herewith their report together with the audited consolidated financial statements for the year ended 31 December 2017 (the “Year”).

PRINCIPAL ACTIVITIES

The principal activity of Yunfeng Financial Group Limited (the “Company”) is investment holding. The activities of the principal subsidiaries are set out in note 15 to the financial statements. An analysis of the revenue and the results of the Company and its subsidiaries (collectively the “Group”) by business segments during the Year are set out in note 12 to the financial statements.

BUSINESS REVIEW

Detailed business review is set out in “Management Discussion and Analysis (“MD&A”)” section in this annual report from pages 8 to 17. Future development of the Company’s business is set out in the “CEO’s Statement” section and MD&A in this annual report from pages 4 to 7 and pages 17 to 18 respectively. An analysis of the Group’s performance during the Year using financial key performance indicators is provided in MD&A in this annual report from pages 8 to 20. Discussions on the Group’s environmental policies and performance, compliance with relevant laws and regulations that have a significant impact on the Group and key relationships with employees, customers, suppliers and other stakeholders are set out in the Environmental, Social and Governance Report of this annual report.

KEY RISKS AND UNCERTAINTIES

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in our businesses and operations as efficiently and effectively as possible. The Board delegates some of this responsibility to various operational departments.

The Group’s financial position, operations, business and prospects may be affected by the following identified risks and uncertainties. The Group adopts risk management policies, measures and monitoring systems to pre-empt and contain exposures associated with the identified risks.

雲鋒金融集團有限公司董事(「董事」)提呈彼等之報告連同截至二零一七年十二月三十一日止年度(「本年度」)之經審核綜合財務報表。

主要業務

雲鋒金融集團有限公司(「本公司」)之主要業務為投資控股。主要附屬公司之業務載於財務報表附註15。本公司及其附屬公司(統稱「本集團」)於本年度之業務分部收入及業績分析載於財務報表附註12。

業務回顧

詳細業務回顧載於本年報「管理層討論及分析」一節第8至17頁。本公司業務之未來發展分別載於本年報「行政總裁報告」第4至7頁及「管理層討論及分析」一節第17至18頁。本年報「管理層討論及分析」第8至20頁提供了本集團採用財務主要表現指標衡量本年度之表現分析。關於本集團環境政策和表現，遵守對本集團以及對員工，客戶，供應商和其他利益相關者的主要關係有重大影響的相關法律法規，載於本年度報告的環境，社會與管治報告。

主要風險與不確定因素

董事會最終負責保障本集團有充足的風險管理常規，能盡可能直接有效地減低業務營運中的風險。董事會將部分職責下放予各個經營部門。

本集團的財務狀況、經營、業務及前景會受以下已識別風險及不確定因素影響。本集團採用風險管理政策、措施及監控系統，防範及控制所面臨的相應已識別風險。

Report of the Directors

董事會報告

KEY RISKS AND UNCERTAINTIES (Continued)

Regulatory risk

Our businesses operate in highly-regulated markets and our success and operations can be impacted by changes to the regulatory environment and the structure of these markets. The Group pays close attention to financial regulatory and legislative developments of the markets it operates and actively monitors and consults with regulators of the markets on changes which could impact our business. Many of our key businesses are also subject to direct regulatory oversight and we are required to maintain the appropriate regulatory approvals and licenses to operate, and in some cases adhere to certain stringent financial and capital covenants.

Operational risk

This is the risk of loss resulting from inadequate or failed internal processes, people or system issues and from unforeseen external events. Operational risk usually includes the risks resulted from human error in internal operation, imperfection of internal process, information system fault or imperfection, trading failure and other reasons.

Our business and operations are at risk of disruption from technologies and processes. Information technology and systems is critical to the Group's operation and business development of securities trading, settlement and service, etc. The unreliability of system, imperfection of network technology and data error will inflict damage and economic losses to the Company.

The Group is responsible for managing client data and undertakes volumes of transactional processes via information technology and systems. There is a risk that failure to process these transactions correctly could result in loss and liabilities being incurred to third parties, and result in breach of certain regulations of the Securities & Futures Commission ("SFC"), namely, the SFC (Client Money) Rules under the Securities and Futures Ordinance, which stipulates that clients' money held-in-trust by the Group's relevant operating subsidiaries must be reconciled, restored daily and segregated from those of the Group.

主要風險與不確定因素(續)

監管風險

我們在受到高度監管的市場經營業務，而我們的成功與營運會受監管環境及市場結構的變動影響。本集團密切關注經營所在市場的金融監管及立法發展，積極監測並向市場監管機構諮詢可能影響我們業務的變化。我們的許多核心業務亦受監管機構的直接監督，須取得經營所需的適當監管批文及牌照，且在一些情況下還須遵循一些嚴格的金融及資本契諾。

經營風險

該風險指因內部流程不足或無效、人員或系統問題及無法預見的外部事件引起損失的風險。經營風險通常包括由內部操作中的人為錯誤、內部流程存在缺陷、資訊系統故障或不完善、交易錯誤及其他原因造成的風險。

我們的業務及經營面臨技術及流程中斷的風險。資訊科技及系統對本集團證券交易、交收及服務等的經營及業務發展至關重要。系統不可靠、網絡技術有缺陷及數據錯誤將導致本公司蒙受損害及經濟損失。

本集團負責管理客戶數據，並利用資訊科技及系統進行大量交易程序。無法正確處理該等交易有可能導致第三方產生損失及法律責任，並造成違反證券及期貨事務監察委員會的特定規例，即《證券及期貨條例》下的《證券及期貨(客戶款項)規則》，該規則規定本集團的相關營運附屬公司以信託方式持有的客戶款項須每日核對、補還並與本集團之資金劃分開來。

KEY RISKS AND UNCERTAINTIES (Continued)

Operational risk (Continued)

In order to manage these risks, the Group invests significantly in technology, human resources and automated processes, business continuity plans to cope with events of operation and system failures and disaster recovery, and has also established, a dedicated I.T. team which is responsible for handling and responding rapidly to emergencies in a systematic manner to eliminate disruptions and disasters, and to ensure business continuity. The I.T. team also plays an important role in assessing the technological requirements and their viability of new business ideas and initiatives of the Group.

The Group remains proactive in its monitoring and improving the internal control mechanisms, limits on authority and reporting of operational processes, strengthening the inspection and audit, intensifying the compliance and accountability system, to reduce the possibility of operational risks and actively and properly dealing with the adverse effects. The responsibility for managing operational risks rests with each and every employee, functions, divisions and departments of the Group. The responsibility is continuous and we adapt our response accordingly to the changing operating environment.

The Group recognises that operational risks cannot be eliminated completely, but will strive to persist in its strengthening and implementation of robust compliance and risk management measures, improve business processes, strengthen the professional integrity and ethics of staff through education and training to avoid, detect and identify risks, prevent money-laundering, insider dealing, conflict of interest and other possible violations, to pre-empt, manage and reduce these operational risks exposure.

Credit Risk

Credit risks will arise when a client/counterparty fails to perform its financial and contractual obligations. To minimise and control this risk, the Group has established and enforced stringent due diligence assessment and credit control procedures to evaluate the creditworthiness of its clients and counterparties. Preventatively and clearly defined risk control measures have been deployed to screen, evaluate potential clients and determine and assess the relevant creditworthiness and credit ratings which are used to determine appropriate trading and credit limits for all clients/counterparties, including existing clients/counterparties.

主要風險與不確定因素(續)

經營風險(續)

為管理該等風險，本集團大力投資技術、人力資源及自動化流程、應對運作及系統故障的業務持續性計劃以及災難復原，並已建立專責資訊科技團隊，負責有條不紊地處理及及時應對突發狀況，排解干擾與災難及確保業務持續性。資訊科技團隊亦在評估本集團的新業務構思與計劃的技術要求及可行性中發揮重要角色。

本集團堅持積極監測及完善內部監控機制、權限及經營流程報告，加強監察與審核，強化合規及問責體系以降低發生經營風險的可能性，並積極妥善處理不利影響。管理經營風險之職責依賴本集團每位僱員及所有職能、機構及部門。這是一項持續性職責，我們會因應不斷變化的經營環境調整應對措施。

本集團深知經營風險無法完全消除，惟仍將竭盡全力，堅持鞏固與實施穩健的合規及風險管理措施、完善業務流程以及透過教育和培訓加強員工的職業誠信與道德，以避免、偵測及識別風險，防止洗錢、內幕交易、利益衝突及其他潛在的違規行為，以及防範、管理及減低所面臨的經營風險。

信用風險

倘客戶／對手方未能履行財務及合約責任將引致信用風險。為最大程度減低及控制該風險，本集團已制訂並執行嚴格的盡職審查評估及信用監控程序，評定客戶及對手方的信譽度；實施明確界定的防範性風險控制措施，篩選和評估潛在客戶，並釐定和評定相關信譽度及信用評級，用於為所有客戶／對手方(包括現有客戶／對手方)釐定適當的交易及信貸額度。

Report of the Directors

董事會報告

KEY RISKS AND UNCERTAINTIES (Continued)

Credit Risk (Continued)

The safeguard and risk control measures include performing pre-screening and assess the client's credit rating by reputable credit rating agencies; identify and review client's investment objectives, investment history, trading frequency and risk appetite; examine and review client's/counterparty's past payment records and history of defaults; identify and review the client's capital base and the existence and amount of guarantees and by whom such guarantees are given, if any; identify and review any known events which may have an adverse impact on the client's/counterparty's financial status, potential for default or accuracy of information stored regarding the client/counterparty. Trading and credit limits, subject to the enforced and pre-determined maximum, are set specifically for each client in accordance with our assessments and their respective credit rating and trading needs. The Group's exposure to the client's and counterparties' credit risks is continually monitored.

Liquidity Risk

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due because of an ability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group continually monitors cash flows and maintains an adequate level of cash and credit facilities to ensure the ability to finance the Group's operations and reduce the effects of cash flow fluctuations.

Certain principal operating subsidiaries of the Group are regulated by the SFC, the financial market regulators and are subject to various liquidity and capital requirements as prescribed by the rules of the SFC. The Group has established procedures and monitoring systems, monitoring on a daily basis, to ensure that it maintains adequate and necessary liquid capital to facilitate its operating capability, to fund its business commitments as well as to comply with the relevant rules including the Financial Resources Rules.

The Group has maintained banking facilities and financing arrangement to meet cash flow contingencies in its operations. The Company will also consider the need to raise capital funding in order to meet the Group's expansion and growth in its business operations. The management believes that the Group's current level of working capital is adequate to meet its operational and financial obligations.

主要風險與不確定因素(續)

信用風險(續)

安全保障及風險控制措施包括預先篩選並由知名的信用評級機構評定客戶的信用評級；識別及審閱客戶的投資目標、投資歷史、交易頻率及風險偏好；檢查和審閱客戶／對手方的過往還款記錄及違約記錄；識別及審查客戶的資本基礎，是否有擔保，以及擔保金額與擔保人(如有)；識別及審查可能對客戶／對手方的財務狀況、違約可能性或已存置的客戶／對手方資料的準確性產生不利影響的任何已知事件。每名客戶的交易及信用額度(以已執行及預設的最大值為限)乃根據我們的評估結果與客戶的信用評級及交易需求具體設定。本集團將持續監察所面臨其客戶及對手方的信貸風險。

流動資金風險

流動資金風險指本集團因未能獲得足夠資金或將資產變現而無法履行到期責任的風險。於管理流動資金風險時，本集團持續監察現金流量並維持水平充足的現金及信貸額度，以確保能夠撥支本集團之經營所需及降低現金流量波動之影響。

本集團多間主要營運附屬公司受證監會及多個金融市場監管機構規管，須遵循證監會規則所規定的多項流動資金及資本要求。本集團已制訂多項程序及監測機制進行日常監測，確保維持充足及必要的流動資本支持其經營能力，撥支業務承擔及遵循相關規則(包括財政資源規則)。

本集團維持銀行授信及融資安排，應對營運過程中出現的現金流量突然不足。本公司亦將考慮籌措股本融資之需要，以配合本集團業務營運之擴張及增長。管理層認為，本集團目前的營運資金水平足以應付其營運及財務責任。

KEY RISKS AND UNCERTAINTIES (Continued)

Market Risk

The operating performance of the Group highly relates to the changes in the economy, sentiments of the investors and securities market and has risks, volatility and uncertainties.

Market risk is the risk that the Group's earnings and capital or its ability to meet its business objectives will be adversely affected by movement in foreign exchange rates, interest rates and equity prices.

Price risks of the Group include equity price risk, interest rate and exchange rate and fluctuation risks involved in the brokerage business, financial advisory and underwriting business and other business.

The Group currently has minimal exposure to foreign currency risk, but continues to monitor the relative foreign exchange positions of the mix of its assets and liabilities. When appropriate, hedging instruments including forward contracts, swaps and currency loans would be used to manage the foreign exchange exposure. The foreign currency risk is managed and monitored on an on-going basis by senior management and relevant operation staff of the Group.

Equity price risk arises from fluctuation in market prices of the Group's investment in financial assets. Senior management regularly reviews and monitors the mix of securities in its investment portfolio based on its fair value to ensure the loss arising from the changes in the market values of the investment portfolios is minimised and contained within an acceptable range.

RESULTS AND DIVIDENDS

The results of the Group for the Year, and the statement of financial position of the Group as of 31 December 2017 are set out in the financial statements on pages 86 to 89.

The Directors do not recommend the payment of a final dividend for the Year (2016: nil).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 29 (e) to the financial statements.

主要風險與不確定因素(續)

市場風險

本集團的營運表現與經濟、投資者情緒及證券市場的變動密切相關，並承受風險、波動及不確定因素。

市場風險指本集團的盈利和資本或其達致業務目標之能力受到匯率、利率及股價波動的不利影響之風險。

本集團的價格風險包括經紀業務、財務顧問及承銷業務及其他業務涉及的股價風險、利率和匯率波動風險。

本集團目前已將外匯風險敞口降至最低，惟仍將繼續監察資產負債組合的相對外匯頭寸，並將於適當時採用對沖工具(包括遠期合約、掉期及貨幣貸款)管理匯兌風險。外匯風險由本集團高級管理層及相關營運人員持續管理及監察。

股權價格風險產生自本集團所投資金融資產的市場價格波動。高級管理層定期按公平值審查及監察投資組合內的證券，確保將由投資組合市值變動產生的損失將至最低並控制在可接受範圍內。

業績及股息

本集團於本年度之業績以及本集團於二零一七年十二月三十一日之財務狀況表載於財務報表第86至89頁。

董事不建議派付本年度末期股息(二零一六年：無)。

股本

本公司於本年度之股本變動詳情載於財務報表附註29(e)。

Report of the Directors

董事會報告

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2017 are set out in note 29 (c) to the financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 208.

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

During the Year, other than acting as an agent for clients of the Group and purchase of a total of 48,000 shares of the Company ("Shares") on-market by trustee under the share award scheme of the Company adopted by the Board on 12 December 2016, neither the Company or any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

EQUITY LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the Year or subsisting at the end of the Year are set out below:

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 21 July 2011 (the "Share Option Scheme").

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to the participants (being any employee (whether full-time or part-time), Directors or consultants of each member of the Group, provided that the board of Directors may have absolute discretion to determine whether or not one falls within the above category) and for such other purposes as the Board may approve from time to time.

Pursuant to this 10-year term Share Option Scheme, the Company can grant options to participants for a consideration of HK\$1.00 for each grant payable by the participant.

可分派儲備

本公司於二零一七年十二月三十一日之可分派儲備詳情載於財務報表附註29(c)。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第208頁。

購買、出售或贖回本公司上市證券

於本年度內，除作為本集團客戶之代理及信託人根據董事會於二零一六年十二月十二日採納的本公司股份獎勵計劃於市場上購入合共48,000股本公司股份(「股份」)外，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

股票掛鈎協議

於年內訂立或於年末續存之股票掛鈎協議詳情載列如下：

購股權計劃

本公司於二零一一年七月二十一日採納一項購股權計劃(「購股權計劃」)。

購股權計劃旨在為本公司提供靈活之激勵方法，以獎賞、酬謝、補償及／或提供福利予參與者(即本集團各成員公司之任何僱員(不論全職或兼職)、董事或顧問，惟董事會可全權釐定有關人士是否屬於上述類別)，以及為董事會可不時批准之其他目的而設。

根據此10年期購股權計劃，本公司可向參與者授出購股權，代價為參與者須就每次授出支付1.00港元。

SHARE OPTION SCHEME (Continued)

No participant shall be granted an option, if the total number of shares issued and to be issued upon exercise of all the options granted and to be granted to such participant under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant would exceed 1% of the shares in issue unless such further grant has been approved by the shareholders of the Company ("Shareholders") in general meeting with the participant and his associates abstaining from voting.

Where the Board proposes to grant any option to a participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate more than 0.1% of the total number of Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such proposed grant of options must be approved by the Shareholders in general meeting. In such a case, the Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. The participant concerned and all connected persons of the Company must abstain from voting in favour of the resolution at such general meeting. Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

Subscription price in respect of each share issued pursuant to the exercise of options granted hereunder shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange daily quotation sheet on the date on which the option is offered to a participant, which must be a trading day; (b) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediately preceding the date of offer; and (c) the nominal value of a share.

購股權計劃(續)

倘於截至授出購股權當日止(包括該日)任何12個月期間，根據購股權計劃及本公司任何其他購股權計劃，已授予及將授予某參與者之所有購股權(包括已行使、已註銷及尚未行使之購股權)獲行使後所發行及將發行之股份總數超過已發行股份之1%，則不得向參與者授出購股權，除非該進一步授出已在參與者及其聯繫人士放棄投票之股東大會上獲本公司股東(「股東」)批准。

倘董事會建議向主要股東或獨立非執行董事或任何其相關聯繫人授予任何購股權，會令至有關人士根據購股權計劃及本公司任何其他購股權計劃獲授購股權當日止之12個月內所有已授予或將授予之購股權(包括已行使、已註銷及尚未行使之購股權)予以行使後所發行及將發行之股份：

- (i) 合共超過已發行股份總數之0.1%；及
- (ii) 根據各授出日期之股份收市價計算之總價值超過5,000,000港元，

則有關授予購股權之建議必須經股東於股東大會上批准，方可作實。在此情況下，本公司須向其股東發出一份載有所有上市規則規定該等條款之通函。於有關股東大會上，有關參與者及所有本公司關連人士須就決議案放棄投贊成票。任何於股東大會上就批准授出有關購股權進行的表決須以投票表決方式進行。

因行使根據購股權計劃授出之購股權而發行之每股股份之認購價由董事會全權決定及通知參與者，且至少為下列各項中的最高者：(a)於向參與者提呈購股權要約之日(該日須為交易日)股份在聯交所日報表所載之收市價；(b)於要約日期前5個交易日股份在聯交所日報表所載收市價之均價；及(c)股份面值。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

According to the Share Option Scheme, unless otherwise determined by the Board, there shall be no minimum holding period for the exercise of the options but the options are exercisable within the option period as determined by the Board and in any event such period shall not be longer than 10 years from the date upon which any particular option is granted.

The total number of share option that could be granted was 38,449,452, representing approximately 10% of the total issued shares of the Company on the date of passing the resolution to refresh the Share Option Scheme limit at the annual general meeting on 26 March 2012.

As at the date of this report, the total number of share option that can be granted was 27,954,040, representing approximately 1.15% of the total issued shares of the Company.

During the year, no share options had been granted, exercised, cancelled or lapsed or were outstanding.

SHARE AWARD SCHEMES

The Board had approved the adoption of two share award schemes respectively on 30 October 2014 (the "2014 Share Award Scheme") and on 12 December 2016 (the "2016 Share Award Scheme").

The purposes of the above share award schemes are to (i) encourage or facilitate the holding of Shares by the selected participants; (ii) encourage and retain such individual to work with the Group; and (iii) provide additional incentive for them to achieve performance goals.

The maximum number of shares can be issued or purchased under the 2016 Share Award Scheme and the 2014 Share Award Scheme is 10% of the Shares in issue from time to time (i.e. 242,332,639 Shares, representing 10% of total issued Shares as at the date of this report).

購股權計劃(續)

根據購股權計劃，除非由董事會另行釐定，概無行使購股權前須持有購股權之最短期限。購股權可在董事會釐定之購股權期限內行使，惟自授出任何特定購股權之日起的上述期限無論如何不得超過10年。

可授出之購股權總數為38,449,452份，相當於本公司於二零一二年三月二十六日之股東週年大會上通過更新購股權計劃上限之決議案當日之已發行股本約10%。

於本報告日期，可予授出之購股權數目總數為27,954,040份，佔本公司已發行股本約1.15%。

於年內，概無購股權獲授出，行使，取消或失效或尚未行使。

股份獎勵計劃

董事會分別於二零一四年十月三十日(「二零一四年股份獎勵計劃」)及二零一六年十二月十二日(「二零一六年股份獎勵計劃」)批准通過兩項股份獎勵計劃。

股份獎勵計劃旨在(i)鼓勵或促進獲選參與者持有本公司股份；(ii)鼓勵及挽留有關個人於本集團工作；及(iii)向彼等提供額外獎勵，激勵其達成表現目標。

根據二零一六年股份獎勵計劃及二零一四年股份獎勵計劃可發行或購買之最高股份數目為本公司不時發行股份數目的10%(即242,332,639股股份，相當於本報告日期已發行股份之10%)。

SHARE AWARD SCHEMES (Continued)

2014 Share Award Scheme

Since the date of adoption of 2014 Share Award Scheme (i.e. 30 October 2014) (the “2014 Adoption Date”) and up to the date of this report, a total of 9,330,239 Shares have been awarded under the 2014 Share Award Scheme, representing about 2.09% of the total number of Shares in issue as at the 2014 Adoption Date and about 0.39% of the total issued Shares as at the date of this report.

During the Year, no Shares had been awarded under the 2014 Share Award Scheme and as at 31 December 2017, 26,667 Shares were held by the trustee under the 2014 Share Award Scheme.

Further details of the 2014 Share Award Scheme are set out in Note 30 to the consolidated financial statements. Details and other principal terms of the 2014 Share Award Scheme are set out in the announcement of the Company dated 30 October 2014.

2016 Share Award Scheme

Since the date of adoption of 2016 Share Award Scheme (i.e. 12 December 2016) (the “2016 Adoption Date”) and up to the date of this report, 23,990,000 Shares have been awarded pursuant to the 2016 Share Award Scheme together with 9,330,239 Shares awarded under the 2014 Share Award Scheme, representing in aggregate about 1.39% of the total number of Shares in issue as at the 2016 Adoption Date and about 1.37% of the total issued shares as at the date of this report.

TMF Trust (HK) Limited (“TMF Trustee”) and Bank of Communications Trustee Limited (“BoCom Trustee”) have been appointed as the trustees for the administration of the 2016 Share Award Scheme. TMF Trustee shall hold the Shares for the benefit of the selected participants who are not connected persons (as defined under the Listing Rules) of the Company. BoCom Trustee shall hold the Shares for the benefit of the selected participants who are connected persons of the Company. BoCom Trustee and/or TMF Trustee shall not be entitled to exercise any voting rights in respect of any Shares held under the trust.

During the Year, 20,190,000 Shares had been awarded under the 2016 Share Award Scheme and as at 31 December 2017, 19,480,000 and 48,000 Shares had been held by TMF Trustee and BoCom Trustee respectively under the 2016 Share Award Scheme.

Further details of the 2016 Share Award Scheme are set out in Note 30 to the consolidated financial statements. Details and other principal terms of the 2016 Share Award Scheme are set out in the announcements of the Company dated 12 December 2016, 11 January 2017 and 24 January 2017.

股份獎勵計劃(續)

二零一四年股份獎勵計劃

自採納二零一四年股份獎勵計劃日期起(即二零一四年十月三十日)(「二零一四年採納日期」)及截至本報告日期,已根據二零一四年股份獎勵計劃授出合共9,330,239股股份,相當於二零一四年採納日期已發行股份數目總數約2.09%,及於報告日期已發行股份數目總數約0.39%。

於本年度,概無根據二零一四年股份獎勵計劃授出股份,且於二零一七年十二月三十一日,信託人根據二零一四年股份獎勵計劃持有26,667股股份。

二零一四年股份獎勵計劃之進一步詳情載於綜合財務報表附註30。二零一四年股份獎勵計劃之詳情及其他主要條款載於本公司日期為二零一四年十月三十日之公告。

二零一六年股份獎勵計劃

自採納二零一六年股份獎勵計劃日期起(即二零一六年十二月十二日)(「二零一六年採納日期」)及截至本報告日期,根據二零一六年股份獎勵計劃授出23,990,000股股份連同根據二零一四年股份獎勵計劃授出9,330,239股股份,合共相當於約二零一六年採納日期已發行股份數目總數約1.39%,及於報告日期已發行股份數目總數約1.37%。

達盟信託服務(香港)有限公司(「達盟信託人」)及交通銀行信託有限公司(「交通銀行信託人」)已獲委任為管理二零一六年股份獎勵計劃之信託人。達盟信託人將為非本公司關連人士(定義見上市規則)之獲選參與者持有股份。交通銀行信託人將為屬本公司關連人士之獲選參與者持有股份。交通銀行信託人及/或達盟信託人不得行使於信託項下持有之任何股份之任何投票權。

於本年度,根據二零一六年股份獎勵計劃授出20,190,000股股份及於二零一七年十二月三十一日,19,480,000及48,000股股份分別由達盟信託人及交通銀行信託人持有。

二零一六年股份獎勵計劃之進一步詳情載於綜合財務報表附註30。二零一六年股份獎勵計劃之詳情及其他主要條款載於本公司日期為二零一六年十二月十二日、二零一七年一月十一日及二零一七年一月二十四日之公告。

Report of the Directors

董事會報告

DIRECTORS

The directors of the Company during the Year and up to the date of this report are:

Chairman

Mr. Yu Feng (*Non-executive Director*)

Executive Directors

Ms. Li Ting (*Chief Executive Officer*)
Mr. Huang Xin

Non-executive Directors

Mr. Ko Chun Shun, Johnson
Ms. Hai Olivia Ou
Mr. Huang Youlong
(resigned on 11 January 2018)

Independent non-executive Directors

Mr. Lin Lijun
Mr. Qi Daqing
Mr. Chu Chung Yue, Howard
Dr. Wong Yau Kar, David, *GBS, JP*
(resigned on 3 November 2017)

In accordance with article 103(A) of the Company's articles of association, Mr. Ko Chun Shun, Johnson, Ms. Li Ting and Mr. Qi Daqing shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules in respect of the Year and the Company considers that they are independent.

CHANGES OF DIRECTORS' INFORMATION

The Change of directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Mr. Ko Chun Shun, Johnson was re-designated from an executive director to a non-executive director of KuangChi Science Limited (stock code: 00439) on 16 May 2017, a company listed on the Stock Exchange.

董事

本公司於本年度內及截至本報告日期之董事包括：

主席

虞鋒先生(*非執行董事*)

執行董事

李婷女士(*行政總裁*)
黃鑫先生

非執行董事

高振順先生
海歐女士
黃有龍先生
(於二零一八年一月十一日辭任)

獨立非執行董事

林利軍先生
齊大慶先生
朱宗宇先生
黃友嘉博士, *GBS, JP*
(於二零一七年十一月三日辭任)

根據本公司組織章程細則第103(A)條，高振順先生、李婷女士及齊大慶先生須於本公司應屆股東週年大會上輪值告退，並符合資格及願膺選連任。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其於本年度之獨立性提交之確認函，而本公司認為彼等均屬獨立。

董事資料之變動

根據上市規則第13.51B(1)條須予披露之董事資料變動載列如下：

高振順先生於二零一七年五月十六日由光啟科學有限公司(於聯交所上市之公司，股份代號：00439)執行董事調任為非執行董事。

CHANGES OF DIRECTORS' INFORMATION (Continued)

Mr. Lin Lijun resigned as an independent director of Shanghai Chengtou Holding Co. Ltd (Stock code: 600649) on 27 March 2017, a company listed on the Shanghai Stock Exchange; and was appointed as a non-executive director of Wenzhou Kangning Hospital Co., Ltd (Stock code: 02120) on 14 June 2017, a company listed on the Stock Exchange.

Mr. Qi Daqing was appointed as an independent non-executive director of RoadShow Holdings Limited (stock code: 00888) on 21 November 2017, and resigned as an independent non-executive director of Honghua Group Limited (stock code: 00196) on 1 January 2018, both companies are listed on the Stock Exchange.

DIRECTORS OF SUBSIDIARIES

The names of directors who have served on the boards of the subsidiaries of the Company (the "subsidiaries") during the year ended 31 December 2017 and up to the date of this report included: Mr. Yu Feng, Mr. Huang Xin, Ms. Li Ting, Mr. John Maguire, Mr. Szeto Winston¹, Ms. Liao Yee Ching, Mr. He Shiqiang¹, Mr. Chan Man Ko, Mr. Lo Ming Kit¹, Mr. Wang Yanzheng¹, Mr. Cai Junyi², Ms. Chow Ming Chee Ada, Ms. Qin Li², Ms. Wen Jie², Mr. Leung Pui Hong, Ms. Lai Angela Waiyin², Mr. Brian Eden², Mr. Neil Gray², Mr. Thomas Parsons JR², and Mr. Leon Rhule².

Notes:

1. No longer directors of the subsidiaries as at the date of this report
2. Companies in which they serve as directors are incorporated in places other than Hong Kong

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which requires the Company to give a period of notice of more than one year, or to pay compensation or make other payments equivalent to more than one year's emolument.

董事資料之變動(續)

林利軍先生於二零一七年三月二十七日辭任上海城投控股股份有限公司(股份代號: 600649)之獨立董事, 該公司為上海證券交易所上市之公司; 及於二零一七年六月十四日獲委任為溫州康寧醫院股份有限公司(股份代號: 02120)之非執行董事, 該公司於聯交所上市。

齊大慶先生於二零一七年十一月二十一日獲委任為路訊通控股有限公司(股份代號: 00888)之獨立非執行董事, 及於二零一八年一月一日辭任宏華集團有限公司(股份代號: 00196)之獨立非執行董事, 該等公司均於聯交所上市。

附屬公司董事

於截至二零一七年十二月三十一日止年度至本報告日期, 曾於本公司附屬公司服務之董事包括: 虞鋒先生、黃鑫先生、李婷女士、John Maguire先生、司徒治權先生¹、廖義禎女士、何世強先生¹、陳文告先生、盧銘傑先生¹、王延正先生¹、蔡俊毅先生²、周銘慈女士、秦莉女士²、文潔女士²、梁沛康先生、Angela Waiyin女士²、Brian Eden先生²、Neil Gray先生²、Thomas Parsons JR先生²及 Leon Rhule先生²。

附註:

1. 於本報告日期已不再擔任附屬公司董事
2. 彼等擔任董事之公司乃於香港以外地方註冊成立

董事之服務合約

概無董事與本公司訂有規定本公司須給予超過一年之通知期, 或支付相等於超過一年酬金之報酬或其他付款之服務合約。

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2017, the interests and short positions of each director of the Company and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, or known to the Company, were as follows:

Long positions in the ordinary shares of the Company and the underlying Shares:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券中擁有之權益及／或淡倉

於二零一七年十二月三十一日，本公司各董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有已記錄於本公司須根據證券及期貨條例第352條存置之登記冊內，或已根據證券及期貨條例第XV部或聯交所證券上市規則（「上市規則」）下上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及香港聯合交易所有限公司（「聯交所」），或本公司已知悉之權益及淡倉如下：

於本公司普通股及相關股份之好倉：

Name of Director 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	
		Long position 好倉	Percentage of shareholding 持股百分比
Mr. Yu Feng (<i>note 1</i>) 虞鋒先生(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	55.42%
Mr. Ko Chun Shun, Johnson (<i>note 2</i>) 高振順先生(附註2)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	229,180,726	9.46%

Notes:

附註：

- Mr. Yu Feng, Chairman of the Group and non-executive Director, was interested in 1,342,976,000 Shares through Jade Passion Limited ("Jade Passion"), a company which is owned as to 73.21% of its issued share capital by Key Imagination Limited ("Key Imagination"). 91% of the issued share capital of Key Imagination is owned by Yunfeng Financial Holdings Limited ("YFHL"), the issued share capital of which in turn, is owned as to 70.15% by Mr. Yu Feng.
- Mr. Ko Chun Shun, Johnson, a non-executive Director, was interested in 229,180,726 Shares through Gainhigh Holdings Limited ("Gainhigh"). 100% of the issued share capital of Gainhigh was held by Insula Holdings Limited, a company wholly-owned by Mr. Ko Chun Shun, Johnson.

- 本集團主席兼本公司非執行董事虞鋒先生透過 Jade Passion Limited (「Jade Passion」) 於 1,342,976,000 股股份中擁有權益，Key Imagination Limited (「Key Imagination」) 擁有 Jade Passion 已發行股本之 73.21%，雲鋒金融控股有限公司 (「雲鋒金融控股」) 擁有 Key Imagination 已發行股本之 91%，而虞鋒先生擁有雲鋒金融控股已發行股本之 70.15%。
- 本公司非執行董事高振順先生透過 Gainhigh Holdings Limited (「Gainhigh」) 於 229,180,726 股股份中擁有權益，而 Insula Holdings Limited (由高先生全資擁有) 持有 Gainhigh 之 100% 已發行股本。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (Continued)

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券中擁有之權益及／或淡倉(續)

Long positions in the shares and the underlying shares of associated corporations:

於相聯法團股份及相關股份之好倉：

Name of Associated Corporation 相聯法團名稱	Name of Director 董事姓名	Capacity/ Nature of Interests 身份／權益性質	Number of Shares held in Associated Corporation 於相聯法團所持股份數目 Percentage of shareholding 持股百分比	
			Long position 好倉	
Yunfeng Financial Holdings Limited 雲鋒金融控股有限公司	Mr. Yu Feng 虞鋒先生	Beneficial owner/ Beneficial interest 實益擁有人／實益權益	94	70.15%
Key Imagination Limited	Mr. Yu Feng (Note 1) 虞鋒先生(附註1)	Held by controlled corporation/Corporate interest 由受控制法團持有／法團權益	9,100	91%
	Mr. Huang Xin (Note 2) 黃鑫先生(附註2)	Held by controlled corporation/Corporate interest 由受控制法團持有／法團權益	900	9%
Jade Passion Limited	Mr. Yu Feng (Note 1) 虞鋒先生(附註1)	Held by controlled corporation/Corporate interest 由受控制法團持有／法團權益	7,321	73.21%
	Mr. Huang Youlong (Note 3) 黃有龍先生(附註3)	Held by controlled corporation/Corporate interest 由受控制法團持有／法團權益	2,679	26.79%

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (Continued)

Notes:

- (1) Mr. Yu Feng, Chairman of the Group and non-executive Director was interested in 9,100 shares, representing 91% of equity interest in Key Imagination through YFHL, the substantial shareholder of the Company. Mr. Yu Feng was also interested in 7,321 shares, representing 73.21% of equity interest in Jade Passion through Key Imagination. Both Key Imagination and Jade Passion are substantial shareholders of the Company.
- (2) Mr. Huang Xin, an executive Director, is the sole shareholder of Perfect Merit Limited which owns 900 shares, representing 9% of the equity interest in Key Imagination.
- (3) Mr. Huang Youlong, a non-executive Director, is the sole shareholder of Gold Ocean Investments Group Inc. which owns 2,679 shares, representing 26.79% equity interest in Jade Passion. Mr. Huang Youlong resigned as a non-executive Director on 11 January 2018.

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above and in this report, at no time during the Year was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors (including their respective spouses and children under the age of 18) to acquire benefits by the means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any other body corporations.

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券中擁有之權益及／或淡倉(續)

附註：

- (1) 本集團主席兼本公司非執行董事虞鋒先生透過本公司之主要股東雲鋒金融控股於Key Imagination擁有9,100股股份，佔Key Imagination之91%股權。虞鋒先生亦透過Key Imagination於Jade Passion擁有7,321股股份，佔Jade Passion之73.21%股權。Key Imagination及Jade Passion均為本公司之主要股東。
- (2) 本公司之執行董事黃鑫先生為Perfect Merit Limited之唯一股東，Perfect Merit Limited擁有Key Imagination 900股股份，佔Key Imagination之9%股權。
- (3) 本公司非執行董事黃有龍先生為Gold Ocean Investments Group Inc.之唯一股東，Gold Ocean Investments Group Inc.擁有Jade Passion 2,679股股份，佔Jade Passion之26.79%股權。黃有龍先生於二零一八年一月十一日辭任本公司非執行董事。

除上文所披露者外，於二零一七年十二月三十一日，概無本公司董事及主要行政人員及／或任何彼等各自之聯繫人士於本公司及／或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有任何已記錄於本公司須根據證券及期貨條例第352條存置之登記冊內，或已根據證券及期貨條例第XV部或本公司採納之標準守則已知會本公司及聯交所之權益或淡倉。

董事收購股份之權利

除上文及本報告所披露者外，本公司或其任何附屬公司或相聯法團概無訂立任何安排，致令董事(包括彼等各自之配偶及18歲以下子女)可藉購入本公司或其他法團之股份或相關股份或債券而獲利。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

主要股東及其他人士於股份之權益

As at 31 December 2017, the Company was notified of the following substantial Shareholders' and other persons' interests, being 5% or more of the Company's issued shares and recorded in the register kept under Section 336 of the SFO.

於二零一七年十二月三十一日，本公司獲知會下列主要股東及其他人士權益，即根據證券及期貨條例第336條存置之登記冊內本公司已發行股份中5%或以上之權益。

Name of Substantial Shareholder 主要股東姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	
		Long position 好倉	Percentage of shareholding 持股百分比
Mr. Yu Feng (Note 1) 虞鋒先生(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	55.42%
Yunfeng Financial Holdings Limited (Note 1) 雲鋒金融控股有限公司(附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	55.42%
Key Imagination Limited (Note 1) Key Imagination Limited (附註1)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	1,342,976,000	55.42%
Jade Passion Limited (Note 1) Jade Passion Limited (附註1)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	1,342,976,000	55.42%
Massachusetts Mutual Life Insurance Company (Note 2) Massachusetts Mutual Life Insurance Company (附註2)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	800,000,000	33.01%
MassMutual International LLC (Note 2) MassMutual International LLC (附註2)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	800,000,000	33.01%
Mr. Ko Chun Shun, Johnson (Note 3) 高振順先生(附註3)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	229,180,726	9.46%
Insula Holdings Limited (Note 3) Insula Holdings Limited (附註3)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	229,180,726	9.46%
Gainhigh Holdings Limited (Note 3) Gainhigh Holdings Limited (附註3)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	229,180,726	9.46%
Ms. Lian Yi (Note 4) 連軼女士(附註4)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	167,872,000	6.93%
Clear Expert Limited (Note 4) Clear Expert Limited (附註4)	Held by controlled corporation/ Corporate interest 由受控制法團持有／法團權益	167,872,000	6.93%
Violet Passion Holdings Limited (Note 4) Violet Passion Holdings Limited (附註4)	Beneficial owner/Beneficial interest 實益擁有人／實益權益	167,872,000	6.93%

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES (Continued)

Notes:

1. Mr. Yu Feng, Chairman of the Group and a non-executive Director was interested in 1,342,976,000 shares through Jade Passion, a company which is owned as to 73.21% of its issued share capital by Key Imagination. 91% of the issued share capital of Key Imagination is owned by YFHL, the issued share capital of which in turn, is owned as to 70.15% by Mr. Yu Feng.
2. MassMutual International LLC was interested in 800,000,000 shares, being the consideration shares to be allotted and issued to MassMutual International LLC upon completion of the Acquisition (definition refers to circular of the Company dated 21 December 2017). Massachusetts Mutual Life Insurance Company is the sole member of MassMutual International LLC.
3. Mr. Ko Chun Shun, Johnson, a non-executive Director, was interested in 229,180,726 shares through Gainhigh. 100% of the issued share capital of Gainhigh was held by Insula Holdings Limited, a company wholly-owned by Mr. Ko Chun Shun, Johnson.
4. Ms. Lian Yi was interested in 167,872,000 shares through Violet Passion Holdings Limited, a wholly-owned subsidiary of Clear Expert Limited, which in turn is a company wholly-owned by Ms. Lian Yi.

Save as disclosed above, as at 31 December 2017, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under divisions 2 and 3 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed elsewhere in this report, no transactions, arrangements or contracts of significance (i) to which the Company, its holding company or any of their subsidiaries was a party, and in which a Director or his connected entities was materially interested, whether directly or indirectly, subsisted at any time during the Year or at the end of the Year, nor (ii) between the Company, or one of its subsidiaries, and a controlling shareholder or any of its subsidiaries.

主要股東及其他人士於股份之權益(續)

附註：

1. 本集團主席兼本公司非執行董事虞鋒先生透過 Jade Passion 擁有 1,342,976,000 股股份之權益，Key Imagination 擁有 Jade Passion 已發行股本之 73.21%，雲鋒金融控股擁有 Key Imagination 已發行股本之 91%，而虞鋒先生擁有雲鋒金融控股已發行股本之 70.15%。
2. MassMutual International LLC 擁有 800,000,000 股股份(即將於收購事項完成後向 MassMutual International LLC 配發及發行的對價股份，定義見本公司日期為二零一七年十二月二十一日的通函)。Massachusetts Mutual Life Insurance Company 為 MassMutual International LLC 的唯一成員公司。
3. 本公司非執行董事高振順先生透過 Gainhigh 於 229,180,726 股股份中擁有權益。Insula Holdings Limited (由高先生全資擁有之公司)持有 Gainhigh 之 100% 已發行股本。
4. 連軼女士透過 Violet Passion Holdings Limited (Clear Expert Limited 之全資附屬公司)於 167,872,000 股股份中擁有權益，而 Clear Expert Limited 則由連軼女士全資擁有。

除上文所披露者外，於二零一七年十二月三十一日，概無其他人士於本公司之股份或相關股份中擁有須根據證券及期貨條例第 2 及第 3 部向本公司披露，或根據證券及期貨條例第 336 條記錄於本公司存置之登記冊內之權益或淡倉。

董事於交易、安排或合約之權益

除本報告其他部分所披露者外，概無 (i) 由本公司、其控股公司或其任何附屬公司所訂立、董事直接或間接在其中擁有重大權益，且於本年度內任何時間或於本年度末仍然生效；或 (ii) 由本公司或其附屬公司與控股股東或其任何附屬公司訂立的重大合約。

CONNECTED TRANSACTIONS/RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the Year, which may also constitute connected transactions under the Listing Rules, are disclosed in Note 35 to the financial statements.

During the Year, the Group did not have any connected transactions that were subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND MAJOR CUSTOMERS

During the Year, revenue derived from the Group's 5 largest customers accounted for approximately 40% of the total revenue for the Year, with the single largest customer contributing approximately 13.5%.

The Group is a provider of financial services. In the opinion of the Board, it is therefore of no value to disclose details of the Group's suppliers.

Save as disclosed elsewhere in this report, none of the Directors, their close associates or any shareholders, which to the knowledge of the Directors own more than 5% of the Company's issued shares, had an interest in the major customers.

CHARITABLE DONATIONS

During the year, no charitable donations is made by the Group (2016: nil).

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practice of the Company is set out in the Corporate Governance Report of this annual report.

關連交易／關連人士交易

本集團於截至本年度進行之重大關連人士交易（其根據上市規則亦有可能構成關連交易），已載於財務報表附註35。

於本年度內，本集團並無任何須遵守上市規則第14A章有關申報、公告及獨立股東批准之規定的關連交易。

管理合約

於本年度內，並無訂立或存有有關本公司全部或任何重大業務之管理及行政的合約。

主要供應商及主要客戶

於本年度內，來自本集團五大客戶之收入佔本年度總收入約40%，其中單一最大客戶約佔13.5%。

本集團為金融服務供應商。因此，董事會認為披露本集團供應商之詳情並無意義。

除上文所披露者外，概無董事、彼等之聯繫人士或據董事所知擁有本公司5%以上股本之任何股東於主要客戶中擁有權益。

慈善捐款

本集團於本年度內並無作出慈善捐款（二零一六年：無）。

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納企業管治守則之資料載於年報之企業管治報告內。

Report of the Directors

董事會報告

INDEMNITY OF DIRECTORS

A permitted indemnity provision as set out in the articles of association of the Company that provides for indemnity against liability incurred by directors and executive officers of the Group is currently in force and was in force throughout the Year.

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 report, there was sufficient public float of the Company's securities as required under the Listing Rules.

INDEPENDENT AUDITORS

The consolidated financial statements have been audited by KPMG who will retire at the forthcoming annual general meeting of the Company. A resolution for reappointment of KPMG will be proposed for Shareholders' approval at the forthcoming annual general meeting.

REVIEW BY AUDIT COMMITTEE

As at the date of this report, the Audit Committee comprised three independent non-executive Directors. The Audit Committee is chaired by Mr. Chu Chung Yue, Howard with Mr. Lin Lijun and Mr. Qi Daqing being the other members. The terms of reference of the Audit Committee are in line with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The Group's consolidated financial statements for the Year have been reviewed by the Audit Committee.

By order of the Board

Li Ting

Executive Director and Chief Executive Officer

Hong Kong, 29 March 2018

董事彌償

載有對本集團及其附屬公司之董事及高級職員所產生的負債進行彌償之經批准彌償條文(如本公司組織章程細則所載)現仍有效，且於本年度內持續有效。

足夠公眾持股量

按本公司可公開取得之資料及據董事所知，於本報告日期，本公司證券擁有上市規則所規定之足夠公眾持股量。

獨立核數師

綜合財務報表由畢馬威會計師事務所審核，彼將於本公司應屆股東週年大會上退任。續聘畢馬威會計師事務所之議案將於下屆股東週年大會上提呈供股東批准。

審核委員會審閱

於報告日期，審核委員會由三名獨立非執行董事組成。主席由朱宗宇先生擔任，成員包括林利軍先生及齊大慶先生。審核委員會之職權範圍符合上市規則附錄十四所載之企業管治守則。本集團截至本年度之綜合財務報表已由審核委員會審閱。

代表董事會

執行董事兼行政總裁

李婷

香港，二零一八年三月二十九日

Environmental, Social and Governance Report

環境、社會及管治報告

The Group is committed to maintaining a high standard of corporate social governance to establish and implement a framework for constantly improving our effort in improving environmental and social surroundings of the Group and creating a sustainable return to our shareholders with deliberate decision making process. This environmental, social and governance report has been prepared in accordance with Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide. The report covers all business sectors within the Group operated in Hong Kong and other jurisdictions for the year ended 31 December 2017.

In daily operation, we have regular engagement with our identified stakeholder groups. Through our interaction with different stakeholder groups, we have summarised below topics of discussion presented in table below which covering all material environmental, social and governance issues identified in terms of their impact on business growth, profitability, capital efficiency and risk related to Group's business operation and validated by management.

本集團致力維持高水平之企業社會管治，以建立及實施一個不斷提升我們在改善本集團環保及社會環境方面之努力，並通過深思熟慮之決策過程為股東創造可持續回報之框架。本環境、社會及管治報告乃根據香港聯交所環境、社會及管治報告指引編製。本報告涵蓋了截至2017年底本集團在香港及其它司法管轄區內經營的所有業務部門的信息。

於日常營運中，我們與我們之利益相關者團體定期互動。通過與我們利益相關者團體之互動，我們在以下表格總結討論主題，其中涵蓋所有已識別並由管理層驗證對本集團業務增長、盈利能力、資本效率之影響及業務營運之風險之重大環境、社會及管治問題。

Stakeholder Groups 利益相關者團體	Communication and feedback channels 溝通及反饋渠道	Frequency 頻率	Topics of discussion 討論主題
– Employees	– Meeting – Performance review – Internal email correspondences	– Annually – Monthly – Event driven basis	– Talent attraction, development and retention
– 員工	– 會議 – 表現評估 – 內部電郵往來	– 每年 – 每月 – 事件驅動基準	– 人才吸引、發展及挽留
– Shareholders	– Annual general meeting (“AGM”), extraordinary general meeting (“EGM”) – Announcements, annual report, interim report, circular	– Annually for AGM – The other channels are on event driven basis	– Business development – Financial performance – Corporate governance – Major corporate actions and transactions
– 股東	– 股東週年大會(「股東週年大會」)、股東特別大會(「股東特別大會」) – 公告、年報、中期報告及通函	– 每年召開股東週年大會 – 按事件驅動基準之其他渠道	– 業務發展 – 財務表現 – 企業管治 – 主要公司行動及交易
– Regulators	– Correspondence mail/email – Phone call – Site visit	– Event driven basis	– Compliance with regulations – Business development
– 監管部門	– 郵件 / 電郵往來 – 電話 – 實地視察	– 事件驅動基準	– 遵守法規 – 業務發展

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholder Groups 利益相關者團體	Communication and feedback channels 溝通及反饋渠道	Frequency 頻率	Topics of discussion 討論主題
<ul style="list-style-type: none"> – Clients 	<ul style="list-style-type: none"> – Know your client onboarding process – Face to face meeting our business representative – Phone call and email with our client service representatives 	<ul style="list-style-type: none"> – Meeting/phone call, emails on event driven basis – Electronic trading platform on event driven basis 	<ul style="list-style-type: none"> – Product and trading system quality and development – Fair and transparent dealing practice – Enterprise branding
<ul style="list-style-type: none"> – 客戶 	<ul style="list-style-type: none"> – 了解客戶引導流程 – 與業務代表之面對面會議 – 與客戶服務代表之電話及電郵往來 	<ul style="list-style-type: none"> – 按事件驅動基準之會議／電話、電郵 – 按事件驅動基準之電子交易平台 	<ul style="list-style-type: none"> – 產品及交易系統質素及發展 – 公平透明之交易慣例 – 企業品牌
<ul style="list-style-type: none"> – Business partners 	<ul style="list-style-type: none"> – On site visit – Meetings – Conference call 	<ul style="list-style-type: none"> – Event driven basis 	<ul style="list-style-type: none"> – Business development – Fair business practice and market reputation – Sounded financial strength and management
<ul style="list-style-type: none"> – 商業夥伴 	<ul style="list-style-type: none"> – 實地視察 – 會議 – 電話會議 	<ul style="list-style-type: none"> – 事件驅動基準 	<ul style="list-style-type: none"> – 業務發展 – 公平商業慣例及市場聲譽 – 健全之財務管理
<ul style="list-style-type: none"> – Media 	<ul style="list-style-type: none"> – Press released – Marketing campaign – Exhibitions 	<ul style="list-style-type: none"> – Event driven basis 	<ul style="list-style-type: none"> – Business development and strategies – Product and service promotion
<ul style="list-style-type: none"> – 媒體 	<ul style="list-style-type: none"> – 新聞稿 – 營銷活動 – 展覽 	<ul style="list-style-type: none"> – 事件驅動基準 	<ul style="list-style-type: none"> – 業務發展及戰略 – 產品及服務推廣
<ul style="list-style-type: none"> – Communities 	<ul style="list-style-type: none"> – On site visit – Meetings 	<ul style="list-style-type: none"> – Event driven basis 	<ul style="list-style-type: none"> – Policy and commitment to communities
<ul style="list-style-type: none"> – 社區 	<ul style="list-style-type: none"> – 實地視察 – 會議 	<ul style="list-style-type: none"> – 事件驅動基準 	<ul style="list-style-type: none"> – 對社區之政策及承諾

BUSINESS DEVELOPMENT, FINANCIAL PERFORMANCE AND CORPORATE GOVERNANCE

In relation to the business development and financial performance discussion, please refer to CEO's Statement and Business Review under Management Discussion and Analysis section of the annual report. In relation to the corporate governance discussion, please refer to Corporate Governance Report section of the annual report.

業務發展、財務業績及企業管治

關於業務發展及財務業績討論，請分別參閱年報之行政總裁報告及管理層討論及分析部分之業務回顧。關於企業管治討論，請參閱年報之企業管治報告部分。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL

Emissions

The current businesses of the Group focused on financial technologies development, financial advisory services and securities broking with low impact on carbon emission and no hazardous waste produced. No data regarding air emissions, greenhouse gas emissions, hazardous waste and non-hazardous waste is available as they are not material to our business nature. Although the Group advocate the principle of environmental protection, we have not prepared any specific policy related to air and greenhouse gas emissions, discharges into water and land and generating of hazardous and non-hazardous waste in view of the Group's current operation model. We shall continue monitoring our operation and assess if relevant policy needed to be implemented.

Use of Resources

The Group commits to the principle and practice of recycling and reducing consumption of resources. To help conserve the environment, we implement green office practices such as encourage use of recycled paper for printing and copying, double-sided printing and copying, setting up recycling bins, reduce energy consumption by switching off idle lightings, air conditioning and electrical appliances. It includes the policy of switching off all lights after working/non office hours, during weekends and public holidays, maintaining recycle bins in office areas and encourage our own employees and business partners to opt for electronic media and billing. Whenever we note there is any malfunction and leakage with the water supply system within the office building, we notify the office property management company to fix problem promptly. Management also put up signs in office to remind staff to save water use and avoid blockage of sewage system to avoid wastage of water. Our water usage is supplied by the municipals and we do not anticipate any potential risk in sourcing for water.

During the year, the Group consumed 389 (kWh in '000s) of electricity and 517,500 sheets of blank paper in A4 and A3 sizes. For water usage measurement, some of the data is not made available as it is either included in the office building management fee charge or electricity bill charge leased by the Group. The only available data for water usage is 931 tons consumed by our Shenzhen office. There is no packaging material used in relation to our Group's financial service operation. Despite the increase of level of activities and business scope of the Group, management is committed to maintaining minimum wastage approach with on-going monitoring and exploring ways to further reduce the consumption of resources wherever possible.

環境

排放

本集團目前之業務集中於之金融科技開發、金融諮詢服務及證券經紀，對碳排放影響較小。沒有關於空氣排放、溫室氣體排放、危險廢物和無害廢物的數據，因為它們對我們的業務性質不重要。雖然集團倡導環保原則，但鑒於本集團目前之營運模式，我們並無制定任何有關空氣及溫室氣體排放、向水及土地排污及產生有害及無害廢物之具體政策。我們將繼續監測我們的運作，並評估是否需要實施相關政策。

使用資源

本集團致力於循環再造及減少資源消耗之原則及實踐。為保護環境，我們落實綠色辦公室實踐，例如鼓勵使用再生紙進行打印及複印、雙面打印及複印、設置回收箱、通過關閉閒置照明、空調及電器來減少能源消耗。其包括於辦公時間後、周末及公眾假期關閉所有燈光之政策，在辦公區域放置回收箱，鼓勵我們之員工及業務夥伴選擇電子媒介及賬單。每當我們注意到辦公樓內的供水系統出現任何故障和洩漏時，我們都會通知辦公室物業管理公司及時解決問題。管理層還在辦公室佈置提醒標誌，提醒員工節約用水，避免污水系統堵塞，避免浪費水源。我們的用水量由市政提供，我們預計水資源採購不會有任何潛在風險。

於本年度內，本集團消耗389(以千位算每小時千瓦)電力和517,500張以A4及A3尺寸的空白紙。對於耗水量測量，部分數據無法提供，因為它包含在本集團租用的辦公樓管理費用或電費賬單費用中。我們深圳辦事處唯一用於測量用水量的數據是931噸。本集團的金融服務業務並無使用任何包裝材料。儘管本集團的業務活動水平和業務範圍有所增加，管理層致力於通過持續監控致力於保持維持最低浪費方法，並探索盡可能進一步減少資源消耗的方法。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL *(Continued)*

The environmental and natural resources

The Group considers protection of our environment being imperative for the well-being of society and also our next generation. The Group strives to raise the awareness of minimizing consumption of natural resources and adopts the environmental best practices across the Group's businesses. The Group regularly reviews its environmental practices including sending reminder to employee using double sided printing and reducing the use of colour print, from time to time and considers implementing further eco-friendly measures, sustainability targets and practices in the operation of the Group's businesses to reinforce the principles of reduce, recycle and reuse, and further minimise our already low impact on the natural environment.

SOCIAL

Employment and Labour Practice

To enable us to deliver value to our shareholders and serve our clients, we endeavor attracting and retaining best talents, which reflects in our recruitment and ongoing staff development effort.

The Group considered itself to be an equal opportunity employer and encourages diversity regardless of age, gender, marital status and race. A well-established board diversity policy, as further discussed under the Corporate Governance Report, with the aim of enhancing the quality of the Board's performance by promoting diversity in the composition of board members based on their experiences and background considered relevant to the Group's operation and strategies, is adopted. During the year, the nomination committee of the Company has followed the policy when considers appointing new director to the Board.

To recruit and retain premier talents, we provided competitive remuneration package to attract and motivate our employees. We offered competitive remuneration, share option and share award schemes, retirement and medical benefits, insurance coverage and leave entitlement commensurate to market standards. The remuneration package of employees is reviewed regularly based on individual performance and market conditions.

環境(續)

環境及自然資源

本集團認為保護我們之環境就社會福祉及下一代而言勢在必行。本集團致力提高最大限度減少自然資源消耗之意識，並採納本集團業務過程中之環保最佳實踐。本集團不時定期檢討其環保實務，並考慮在本集團業務營運中實施進一步環保措施、可持續發展目標及實務，以強化減少、循環及再利用之原則，並進一步最大限度減少其對自然環境已經較低之影響。

社會

僱傭及勞工常規

為使我們能夠為股東創造價值並為客戶服務，我們努力吸引及挽留最優秀之人才，此舉反映於我們之招聘及持續之員工發展工作。

本集團認為自身是一個給予均等機會之僱主，並鼓勵多樣化，而不論年齡、性別、婚姻狀況及種族。本集團採納完善之董事會多元化政策，誠如企業管治部分之進一步討論，旨在通過基於董事會成員的多元化營運及戰略相關之經驗及背景，促進董事會成員組成之多樣性，從而提高董事會績效之質量。於本年度，提名委員會於考慮委任新董事進入董事會時遵循該政策。

為招聘及挽留優秀人才，我們提供有競爭力之薪酬計劃吸引及激勵我們之員工。我們提供相比市場標準具競爭性之薪酬、購股權及股份獎勵計劃、退休及醫療福利、保險範圍及休假權利。根據個人績效及市場條件定期檢討員工之薪酬計劃。

Environmental, Social and Governance Report

環境、社會及管治報告

SOCIAL (Continued)

Employment and Labour Practice (Continued)

As part of the effort to retain talent, we offer the internal mobility opportunities, which is able to drive the overall efficiency of operation through better matching of required skills with talents. During the year, some of our employees have taken advantage of internal mobility opportunities.

During the year, the Group is fully committed to complying with the Employment Ordinance and other relevant regulations without identifying any non-compliance incidence in 2017.

Key statistics

The Group has 240 (2016: 229) employees.

Female represents 27% (2016: 23%) as senior management and 41% (2016: 39%) of total workforce. Geographically, around 40% (2016: 35%) of our employees resides in Hong Kong and the remaining resides in PRC and USA.

Demographic information of different employees age group within the Group

Age Group 年齡組別	2017	2016
	二零一七年 %	二零一六年 %
• 16-24	5	16
• 25-44	86	74
• 45-64	9	10

Turnover rate by gender, age group and geographical region.

Turnover rate of male employee is 18% (2016: 21%) and female employee is 13% (2016: 20%).

Turnover rate of employee resides in Hong Kong is 11% (2016: 19%) with 21% (2016: 22%) for employee resides in PRC.

Demographic turnover rate information of different employees age group within the Group

Age Group 年齡組別	2017	2016
	二零一七年 %	二零一六年 %
• 16-24	2	6
• 25-44	26	31
• 45-64	4	4

社會(續)

僱傭及勞工常規(續)

作為挽留人才工作之一部分，我們提供內部流動機會，可通過更好地匹配所需之技能及人才，提高整體營運效率。於本年度，我們一些員工已利用內部流動機會。

於本年度，本集團全面承諾遵守「僱傭條例」及其他有關規例，而於二零一七年未發現任何違規事件。

主要統計數字

本集團有240(2016: 229)名員工。

女性員工佔高級管理層之27%(2016: 23%)及總勞動力之41%(2016: 39%)。地區方面，40%(2016: 35%)員工居住於香港，餘下員工居住於中國及美國。

本集團內不同員工年齡組別之人口統計資料

按性別、年齡組別及地理區域劃分之流動率。

男性員工之流動率為18%(2016: 21%)，女性員工之流動率為13%(2016: 20%)。

居住於香港之員工流動率為11%(2016: 19%)，而居住於中國之員工流動率為21%(2016: 22%)。

本集團內不同員工年齡組別之人口統計流動率資料

Environmental, Social and Governance Report

環境、社會及管治報告

HEALTH AND SAFETY

Management emphasize the importance of the health of employee and convey the message to all department heads at meetings to exuberate the awareness of occupational health and safety issues to all staff within the Group. Policies related to upgrades and maintenance of office and I.T. equipment, regular office hygiene keepings are implemented regularly to cope with the needs of employees. To provide a hygienic and healthy working environment to all staff cleaning of carpets are carried out at regular intervals. When there is a fire drill initiated by the office building management, we encourage our staff to participate in such fire drill.

Employees are also expected to take all practical measures to ensure a safe and healthy working environment, in keeping with their defined responsibilities and applicable laws.

To improve the well-being of its employees, the Group provides sufficient health coverage. Staff is entitled to medical insurance benefits as well as other health awareness programs. As part of the monitoring process and policy, our human resources department has observed if the existing health coverage can cover the average employee's claim per year and also seek for employee's feedback in the process to further enhance the existing health program to make it more staff benefit oriented.

During the year, there is not any work-related fatality. We have followed the implemented relevant polices without identifying any non-compliance incidence in 2017.

DEVELOPMENT AND TRAINING

Regarding to staff development and training, we provide on-the-job training and development opportunities to enhance our employees' career progression implemented by different department heads. We encourage staff participation of external seminars, lectures and industrial events to keep up with abreast of changes in areas of legal, compliance and market industry practices. Through relevant, systematic and organised training platform, our goal is to align staff knowledge and skills sets with our Group's business objectives and operations requirement, which all are conducive to promote efficiency and productivity. With staffs equipped with better skill set, we believe it can reduce the overall operation risk of the Group in the long run.

健康及安全

管理層強調員工健康之重要性，並於會議上向所有部門負責人傳達信息，以提高本集團內所有員工對職業健康及安全問題之意識。定期實施與辦公室及信息科技設備升級及維護以及保持辦公室衛生相關之政策，以應付員工所需。為提供衛生及健康之工作環境予所有員工，定期清潔地毯。當辦公樓管理處發起消防演習時，我們鼓勵員工參加有關消防演習。

員工還應採取一切可行措施，確保安全健康之工作環境，以履行其界定責任及遵守適用之法律。

為提升員工之福祉，本集團提供充足之醫療保障。員工有權享受醫療保險福利及其他健康意識計劃。作為監測過程及政策之一部分，我們之人力資源部門已觀察現有醫療保障是否可以負擔每年平均員工索賠，並尋求員工之反饋意見，以進一步加強現有之健康計劃，使福利更加以員工為本。

於本年度沒有任何與工作有關之死亡個案。於二零一七年，我們遵循已實施之相關政策，未發現任何違規事件。

發展及培訓

關於員工發展及培訓方面，我們提供在職培訓及發展機會，以提升由不同部門主管實施之員工職業發展。我們鼓勵員工參與外部研討會、講座及行業活動，以跟上法律、合規及市場行業實務方面之變化。通過相關、系統化及有組織之培訓平台，我們之目標是使員工之知識及技能組合與本集團之業務目標及營運要求保持一致，其有利於提高效率及生產力。隨著員工具備更佳技能，我們相信其可減少本集團之長期整體經營風險。

Environmental, Social and Governance Report

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DEVELOPMENT AND TRAINING (Continued)

On the other hand, the Group emphasise the importance of continuous professional development training for the directors to develop and refresh their knowledge and skills on regulatory requirements and development and corporate governance practices.

To promote and cultivate the ongoing professional development of all employees, the Group offers seminar including various team building training, FATCA and CRS updates, SFC seminars with regulation updates, financial reporting updates which staff could join on voluntarily basis. The Group has also financed and reimbursed the external training courses attended by our staff, which is relevant in their career development and enhancement of their job performance approved by business head and senior management.

LABOUR STANDARDS

Our Group strictly adheres to Employment of Children Regulations and other regulations made under the Employment Ordinance or other relevant laws in other jurisdiction, which prohibits any illegal employment of children, forced or compulsory labor. The Group has implemented comprehensive human resources policy through our human resources department to verify candidates' relevant information filled in their respective job application including personal identification, curriculum checking and other documents checking considered necessary. On the other hand, the Group has distributed employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees' rights and benefits. We establish and implement policies that promote a harmonious and productive workplace. We have followed the implemented human resources polices without identifying any non-compliance incidence in 2017.

發展及培訓(續)

另一方面，本集團強調董事透過持續專業發展培訓以開發及更新對於監管要求及發展以及企業管治實務方面之知識及技能之重要性。

為促進慮及培養所有員工之持續專業發展，本集團提供研討會，包括員工可自願參加之各種團隊建設培訓、海外帳戶稅收合規法案及共同匯報標準更新，以及證監會有關法規更新之研討會、財務報告更新等。本集團亦資助及報銷我們員工參加由業務主管及高級管理層批准之外部培訓課程，其與彼等之職業發展及提升彼等之業務表現相關。

勞工標準

本集團嚴格遵守僱用兒童條例及僱傭條例項下作出之其他法規或其他司法轄區之相關法例，其禁止非法僱用兒童、強迫或強制勞工。本集團透過人力資源部門實施全面之人力資源政策，以核實應徵者於彼等各自職位申請中填入之有關資料，包括個人身份、簡歷檢查及認為必要之其他文件檢查。另一方面，本集團分發員工手冊，概述僱用條款及條件，對員工表現及行為之期望，以及員工之權利及福利。我們制定並實施促進工作場所之和諧及生產力之政策。我們遵循已實施之人力資源政策，於二零一七年未發現任何違規事件。

Environmental, Social and Governance Report

環境、社會及管治報告

OPERATING PRACTICE

Supply Chain and Counterparties Management

The Group recognize one of the crucial elements of operation risk management being counterparties and transaction due diligence. The overall governance effort is led by Corporate Governance Committee for the establishment and implementation of the operational risk governance framework, strategies, policies and procedure and the implementation is coordinated through Risk Oversight Committee (“ROC”). The ROC is a sub-committee under the Corporate Governance Committee, it is chaired by chief executive officer comprising our business heads, legal counsel, head of compliance and head of risk management.

Effective counterparties and transaction due diligence processes are the foundation of our approach to form long-term partnerships with our valued business partners, by working together to manage risks in our business activities. To implement the policy, we promote an ownership system within our Group, which counterparties to be selected and transaction to be entered being the responsibilities of service/business user within the Group. The user is responsible for gathering sufficient information and use appropriate mechanism to address different business, financial and legal and compliance related concerns raised by relevant internal functions. Upon all concerns are being addressed and cleared by all relevant internal functions governed by internal new business approval process, the proposed transactions are then recommended to senior management for final approval and execution. When significant concerns and issues are identified, the proposed transactions together with department heads’ recommendation will be escalated to Group’s senior management and Risk Oversight Committee for thorough review and discussion to determine next course of actions to be taken.

As part of the implementation of counterparties management policy, our risk management, finance and legal and compliance team review transaction terms and related documents and determine the need for, and depth of, additional due diligence of counterparties including counterparties risk and corresponding the extent of onboarding procedures required. We have outlined activities and type of counterparties that our Group does not associate with, such as those where there is evidence of forced or child labor, illegal logging and certain transactions involving market misconduct, mis-selling or those with negative publicity. For service quality maintenance purpose, we continue monitoring the market reputation and business practice of all existing counterparties.

經營規範

供應鍊及交易對手管理

本集團認識到經營風險管理之關鍵要素之一是對交易對手及交易之盡職調查。整體管治工作由企業管治委員會牽頭，負責建立及實施經營風險管治框架、戰略、政策及程序，並通過風險監督委員會（「風險監督委員會」）協調實施。風險監督委員會（「風險監督委員會」）為隸屬企業管治委員會的小組委員會，由業務主管、總法務顧問、合規主管及風險管理主管組成，由行政總裁擔任主席。

通過共同管理我們業務活動中之風險，有效之交易對手及交易盡職調查流程是我們與我們尊貴之商業夥伴建立長期合作關係之基礎。為實施該政策，我們在本集團內推行所有權制度，將選擇之交易對手及將進行之交易為本集團內之服務／業務用戶的責任。該用戶有責任收集足夠之信息並使用適當之機制來解決集團內部職能部門提出之不同業務、財務、法律及合規性相關問題。跟據新業務審批流程，在內部職能部門確認解決所有關注事項後，建議交易屆時由高級管理層推薦以作最終批准及執行。當確定重大關注事項及問題時，建議交易連同部門主管之建議將提交至本集團高級管理層及風險監督委員會進行徹底審查及討論，以確定下一步行動。

作為執行交易對手管理政策之一部分，我們之風險管理、財務、法律及合規團隊審查交易條款及相關文件，並確定交易對手之額外盡職調查之需要及深度，包括交易對手風險及相應引導程序之程度要求。我們概述與本集團無關聯之交易對手之活動及類型，例如有證據表明存在強迫或童工勞動、非法採伐及若干涉及市場失當、誤銷或負面宣傳之交易。為維持服務質素，我們繼續監控所有現有交易對手之市場聲譽及商業慣例。

OPERATING PRACTICE (Continued)

Supply Chain and Counterparties Management (Continued)

In relation to the sourcing of professional service and financial data providers, the Group has established proper tendering and quotation procedures to engage the most suitable service providers with criteria tailored for covering areas such as products/services quality together with internal control and risk management requirements to manage various operational risk including credit, reputational and concentration risks. Consequently, the selection of counterparties/service providers will factor in all relevant factors in addition to pricing evaluation.

For internal developed service provision process with the aim to maximize automation and segregation of duties to reduce human error, our Group has set up project management and quality control team to liaise among different areas of operation including the development of different products initiatives, financial infrastructure and applications by developing procedural manual and regular progress meetings. The teams ensure the quality services and product delivered at the standard set by senior management on a timely manner.

Lastly, business continuity plan (“BCP”) are also established and tested in preparation for major financial events or operational disruption occur with our counterparties in the supply chain to ensure the going concern of our Group business and serve our customers.

During the year 2017, the Group has engaged more than 60 (2016: 60) counterparties, professional service providers and financial data suppliers mainly from Hong Kong and China. We have not identified any non-compliance incidence against our counterparties management and professional sourcing policy in 2017.

經營規範(續)

供應鍊及交易對手管理(續)

關於專業服務及金融數據提供商之採購，本集團已經建立了適當之招標及報價程序，按為涵蓋如產品／服務質量連同內部控制及風險管理要求所制定之標準委聘最適合之服務提供商，以管理各種營運風險，包括信用、聲譽及集中風險。因此，除定價評估外，選擇交易對手／服務提供商將考慮所有相關因素。

就旨在最大限度地實現自動化及職責分離以減少人為錯誤之內部開發服務提供過程而言，本集團設立項目管理及質量控制團隊，於不同運營領域進行聯絡，包括通過制定程序手冊及定期舉行進度會議開發不同產品計劃、金融基礎設施及應用。團隊確保高質素服務及按照高級管理層設定之標準及時交付產品。

最後，倘發生重大財務事件及與供應鍊之交易對手發生中斷，本集團亦已建立業務連續性計劃(「業務連續性計」)並經過測試，以確保業務持續進行，並為我們之客戶提供服務。

於二零一七年，本集團主要從香港及中國吸納60(二零一六：60)多家交易對手、專業服務提供商及金融數據供應商。我們於二零一七年並無發現交易對手管理及專業採購政策之任何不合規事件。

Environmental, Social and Governance Report

環境、社會及管治報告

OPERATING PRACTICE (Continued)

Product Responsibility

Business integrity and treating customers fairly are the Group's core values. The investment committee, chaired by chief executive officer of the Group with committee members, oversees all the investment decision and financial products/services launching process. To mitigate risks in the new products, the Group governs the process of introducing new products with an internal approval process, which requires approvals from all relevant middle and back office functions to ensure that our products can meet high standards based on market practices and related regulation requirement. All employees are required to maintain a high level of business ethics and adhere to all relevant regulations and best practice in the industry. Throughout different operational regions, the Group strives to comply with local laws and regulations imposed by different regulators in the areas including sales practice, know-your-client check, credit control, compliance, risk disclosure, information protection and data security as well as trademarks and intellectual property. For instance, we have laid out policies and procedures required under the Securities and Futures Ordinance and other relevant regulations, which reviewed by our legal and compliance department and approved by Corporate Governance Committee to enable us to live up to the expectation from our valued customer and community. During the year, we have successfully launched the mobile phone application, with three new fund investment product opened for subscription, a co-issued note with bank loans as the underlying assets and launch a wealth management financial product trading platform.

For our commitment to deliver quality products and services to our valued customers, we have taken steps to receive customers' direct feedbacks through our website, customer service hotline or via a range of other channels. In addition, we have put mechanisms including regular meetings in place to seek inputs from our front-line business units with first hand daily interactions with our customers to look for area of improvement required. During the year, we have promptly handled all inquire from our clients mainly handled by our customer service team with satisfactory result.

經營規範(續)

產品責任

誠信經營及公平對待客戶是本集團之核心價值觀。由本集團行政總裁擔任主席之投資委員會負責監督所有投資決策及金融產品／服務發佈流程。為降低新產品之風險，本集團管理採用新產品推出的內部審批流程，該流程需要所有相關中後台職能之審批。集團所有員工須保持高水平之商業道德，並遵守行業中之所有相關法規及最佳業務標準，以確保我們之產品於市場實務中達致高標準要求。在不同經營區域，本集團致力於嚴格遵守不同監管機構於銷售實務、「認識你的客戶」檢查、信用控制、合規、風險披露、信息保護及數據安全以及商標及知識產權等領域施當地相關法律法規。例如，我們已跟據「證券及期貨條例」及其他有關規例所規定制定政策及程序，由我們之法律及合規部門審查，並獲企業管治委員會批准，使我們能夠達到我們尊貴客戶及社區之期望。於本年度，我們已成功推出手機應用程式，三個新的基金投資產品開始接受認購，合作發行以銀行貸款為底層資產的票據，並推出理財金融產品交易平台。

就承諾為我們尊貴客戶提供優質產品及服務而言，我們已採取措施，通過我們之網站、客戶服務熱線或通過一系列其他渠道接收客戶直接反饋。此外，我們還建立包括定期會議等機制向我們的前線業務部門了解與我們之客戶日常互動情況，尋找業務需要改進的方向。於本年度，客戶所有查詢已獲得處理並得到滿意結果。

Environmental, Social and Governance Report

環境、社會及管治報告

OPERATING PRACTICE (Continued)

Product Responsibility (Continued)

Throughout our promotion campaign and press release, we value the importance of making clear, concise and transparent information disclosures. It serves as the key of developing our financial products and services, which empowers our customers to make informed choices with their personal wealth and future growth opportunities.

To serve all of our valued customers, we are committed to develop innovative solution and user-friendly technology to offer all clients with high-quality, affordable products and services tailored for their needs on a consistent basis. We have not identified any non-compliance incidence against the relevant laws and regulations relating to our products and services in 2017.

Anti-corruption, compliance with law and regulation

Our Group mainly operates in financial service sector in Hong Kong and we need to be in full compliance with all related law and regulation including the Securities and Futures Ordinances. The overall governance effort is led by Corporate Governance Committee and implemented primarily through our legal, compliance and risk management team. During the year, we have invested our compliance team and encourage our employee in relevant business functions to attend different regulatory training courses for our employees attaining the up-to-date knowledge with the new regulations and market practices. We keep ourselves informed of the law and regulations applicable to our business as well as their changes, and also take consideration of the principals set forth in the applicable laws and regulations when conducting our business. Where necessary, we further implement internal policies to strengthen the internal controls and compliance regime of the Group e.g. in areas of data privacy, anti-bribery, anti-money laundering.

At the corporate level, we adhere to the requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "Listing Rules") requirement. There is reported non-compliance incidence related to corruption in 2017.

經營規範(續)

產品責任(續)

於我們之宣傳活動及新聞稿中，我們重視清晰、簡潔及透明資料披露之重要性，並作為我們發展金融產品及服務之關鍵，促使客戶能夠根據個人財富及未來增長的機會作出知情選擇。

我們致力於服務所有來自不同市場客戶群，並開發創新之新產品及服務。為更好地服務我們尊貴之客戶，我們致力開發創新解決方案和開發高品質及方便使用的技術，為所有客戶的需求量身定制價格合理的產品。我們於二零一七年並無發現違反有關我們產品及服務的相關法律及法規的違規的事件。

反貪污、遵守法律法規

本集團主要於香港經營金融服務業，我們需要完全遵守所有相關法律法規，包括證券及期貨條例。整體管治工作由企業管治委員會領導，主要通過我們之法律、合規及風險管理團隊執行。於本年度，我們投資合規團隊，並鼓勵我們之員工參加不同監管培訓課程，讓我們之員工獲得最新法規及市場實務知識。我們隨時了解適用於我們業務之法律法規及其變更，並在開展業務時考慮相關法律法規中規定之原則。在必要時，我們進一步實施內部政策，以加強本集團在數據隱私、反賄賂、反洗錢等領域之內部控制及合規制度。

於企業層面，我們遵守香港公司條例及香港聯合交易所有限公司證券上市規則（「上市規則」）之規定。二零一七年沒有與報告貪污有關的違規事件。

Environmental, Social and Governance Report

環境、社會及管治報告

OPERATING PRACTICE *(Continued)*

Community Investment

The Group is committed to participating in community events. When we are approached by the charitable organisation, we would perform due diligence covering their background, mission and plan. If they are matched with the vision of the Group for those in need for help, we will provide financial and other assistance to maximum practicable extent for us on a case by case basis.

經營規範(續)

社區投資

本集團致力於參與社區活動。當慈善組織聯絡我們時，我們將進行盡職調查，涵蓋相關之組織背景、使命及計劃。倘彼等符合本集團對有需要幫助之人之願景，我們將根據具體情況為相關慈善組織提供最大可行範圍內之財務及其他援助。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Yunfeng Financial Group Limited ("the Company") and its subsidiaries ("the Group") set out on pages 86 to 207, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for 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 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.

致雲鋒金融集團有限公司成員

(於香港註冊成立的有限公司)

意見

我們已審計列載於第86至第207頁雲鋒金融集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及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》妥為擬備。

意見基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Assessing the fair value of financial instruments

Refer to notes 18, 19 and 26 to the consolidated financial statements and the accounting policies on pages 107 to 112.

The Key Audit Matter

How the matter was addressed in our audit

As at 31 December 2017, the fair value of the Group's financial assets totalled HK\$898 million of which HK\$330 million, HK\$80 million and HK\$488 million were classified under the fair value hierarchy as level 1, 2 and 3 financial instruments respectively.

As at 31 December 2017, the fair value of the Group's financial liabilities totalled HK\$442 million of which HK\$78 million and HK\$364 million were classified under the fair value hierarchy as level 2 and 3 financial instruments respectively.

The valuation of the Group's financial instruments is based on a combination of market data and valuation models which often require judgement.

Some of the inputs used in the valuation models are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement.

Our audit procedures to assess the fair value of financial instruments included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the valuation and valuation model approval for financial instruments;
- assessing the fair values of all level 1 financial instruments by comparing the fair values applied by the Group with publicly available market data;
- reading investment agreements entered into during the current year, for level 2 and level 3 financial instruments to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments;
- engaging our internal valuation specialists to assist us in evaluating the valuation models used by the Group to value certain level 2 financial instruments and to perform independent valuations of level 2 financial instruments and compare these valuation with the Group's valuations. This included comparing the Group's valuation models with our knowledge of current market practice, testing inputs to the fair value calculations and establishing our own valuation models to perform revaluations.

致雲鋒金融集團有限公司成員(續)

評估金融工具的公允價值

請參閱綜合財務報表附注18、19和26和第107至112頁的會計政策。

關鍵審計事項

我們的審計如何處理該事項

於2017年12月31日，貴集團的金融資產的公允價值總計8.98億港元，其中3.30億港元、8,000萬港元和4.88億港元分別劃分為公允價值層級下的第一層級、第二層級和第三層級金融工具。

於2017年12月31日，貴集團的金融負債的公允價值總計4.42億港元，其中7,800萬港元和3.64億港元分別劃分為公允價值層級下的第二層級和第三層級金融工具。

貴集團金融工具的估值是基於市場資料及通常需要判斷的估值模型的組合確定。

估值模型中使用的部分輸入值取自於流動市場即時可得的資料。如果無法即時取得這些可觀察資料，即屬第三層級金融工具的情況，管理層需要制定估算，當涉及了重大管理層判斷。

我們就金融工具公允價值評估的審計程式包括以下程式：

- 評估金融工具估值和批准估值模型方面的關鍵內部控制在設計、實施及運作上的成效；
- 通過比較貴集團運用的公允價值與公開可得的市場資料，評估所有第一層級金融工具的公允價值；
- 閱讀本年就第二層級和第三層級金融工具訂立的投資協定，以瞭解相關投資條款和識別與金融工具估值有關的任何條件；
- 聘用我們的內部估值專家，協助我們評價貴集團在評估若干第二層級金融工具時運用的估值模型，以及對第二層級的金融工具執行獨立的估值，並將這些估值結果與貴集團的估值進行比較。這包括將貴集團的估值模型與我們所知悉的當前實踐進行比較，測試公允價值計算的輸入值及建立我們自身的估值模型來執行重估。

Independent Auditor's Report 獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

致雲鋒金融集團有限公司成員(續)

Assessing the fair value of financial instruments (Continued)

評估金融工具的公允價值(續)

The Key Audit Matter

How the matter was addressed in our audit

We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models.

- assessing the appropriateness of the use of the net asset value reports provided by external fund administrators or the quoted price provided by external calculation agent as the fair value of the level 3 financial instrument at reporting date. This included comparing the fair value movements against available market information. For the valuation of fund interests we obtained and agreed the latest reported net asset values from the fund managers. Our procedures also included obtaining audited financial statements of the funds where applicable and checking the historical accuracy of the net asset values;
- assessing whether the disclosures in the consolidated financial statements reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.

關鍵審計事項

我們的審計如何處理該事項

我們把金融工具的公允價值評估列為關鍵審計事項，是因為某些金融工具估值所涉及的複雜程度，同時也因為管理層在確定估值模型所使用的輸入值時需要作出重大判斷。

- 評估使用由外部基金管理人提供的資產淨值報告，或外部計算代理機構提供的報價作為金融工具於報告日的第三層級公允價值的適當性。這包括公允價值變動與可用市場訊息進行比較。就基金權益的估值而言，我們已取得並認同基金管理人的最新呈報的資產淨值。我們的程式還包括取得該基金的經審計的財務報表(如適用)，並核對資產淨值的歷史準確性；
- 根據現行會計準則的要求，評估綜合財務報表中的披露是否反映了貴集團對金融工具估值風險的敞口。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Consolidation of structured entities

Refer to note 32 to the consolidated financial statements and the accounting policies on pages 96 to 98.

The Key Audit Matter

Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in, or act as a sponsor of, a structured entity through issuing or acquiring a wealth management product, an investment fund, an asset management scheme, a trust scheme or an asset-backed security.

In determining whether a structured entity is required to be consolidated by the Group, management consider the power the Group is able to exercise over the activities of the entity and its exposure to and ability to influence its own returns from the entity. The factors which management needs to consider when determining whether a structured entity should be consolidated or not are not purely quantitative and need to be considered collectively.

How the matter was addressed in our audit

Our audit procedures to assess the consolidation of structured entities included the following:

- making enquiries of management and inspecting relevant documents used by management relating to the judgement process over whether a structured entity is consolidated or not to assess whether the Group has a robust process in this regard;
- performing the following procedures for each significant structured entity set up during the year, to evaluate management's judgement over whether the structured entity should be consolidated or not:
 - inspecting the related contracts and internal documents to understand the purpose of the structured entity and the involvement of the Group in order to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;

致雲鋒金融集團有限公司成員(續)

結構化主體的合併

請參閱綜合財務報表附注32和第96至98頁的會計政策。

關鍵審計事項

建立結構化主體的目的一般是圍繞結構化主體活動的限制，實現範圍有限和明確界定的目標。貴集團可通過發行或購入理財產品、投資基金、資產管理計畫、信託計畫或資產擔保證券，購入或保留於結構化主體的權益，或充當結構化主體的發起人。

貴集團在確定是否需要合併結構化主體時，管理層會考慮貴集團對該實體活動行使權力的能力及其影響該實體產生的回報的能力。管理層在確定是否合併結構化主體時需要考慮的因素並不限於定量因素，而是需要綜合考慮。

我們的審計如何處理該事項

我們就評估結構化主體合併的審計程式包括以下程式：

- 徵詢管理層及檢查與管理層判斷是否合併結構化主體相關的檔，以評價貴集團在此方面是否訂有穩健的流程；
- 就年內設立的重大的結構化主體執行如下程式，評估管理層對結構化主體是否應該合併作出的判斷：
 - 檢查相關合同和內部檔，以瞭解設立結構化主體的目的和貴集團的參與情況，以評價管理層針對貴集團是否對結構化主體具有行使權力的能力而作出的判斷；

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

致雲鋒金融集團有限公司成員(續)

Consolidation of structured entities (Continued)

結構化主體的合併(續)

The Key Audit Matter

How the matter was addressed in our audit

關鍵審計事項

我們的審計如何處理該事項

As at 31 December 2017, the net assets of consolidated fund entities amounted to HK\$574 million with net carrying interest held by the Group being HK\$417 million. Third parties' interests in the consolidated structured entities amounting to HK\$157 million is presented as financial liabilities at fair value through profit or loss in the consolidated statement of financial position.

We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement in determining whether a structured entity is required to be consolidated by the Group and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.

- inspecting the risk and reward structure of the structured entity including any capital or return guarantee, commission paid and distribution of the returns to assess management's judgement as to the Group's exposure, or rights, to variable returns from the Group's involvement in such an entity;
- evaluating management's analysis of the structured entity including qualitative analysis and calculations of the magnitude and variability associated with its economic interests in the structured entity to assess management's judgement over the Group's ability to influence its own returns from the structured entity;
- assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.

於2017年12月31日，合併基金實體的資產淨值為5.74億港元。其中，由貴集團持有的帳面權益為4.17億港元。協力廠商於合併結構化主體的權益為1.57億港元，並作為按公允價值計量且其變動計入當期損益的金融負債在綜合財務狀況表內列報。

我們把結構化主體的合併列為關鍵審計事項，因為在確定貴集團是否需要合併結構化主體時涉及了重大管理層判斷，以及合併結構化主體對綜合財務報表的影響重大。

- 檢查結構化主體的風險和回報結構，包括任何資本或回報保證、已付傭金和回報的分配情況，以評價管理層對貴集團參與該結構化實體的風險或可變回報的判斷；
- 評估管理層對結構化主體的分析，包括品質分析和於結構化主體經濟利益相關的範圍和變動情況計算，以評價管理層在影響結構化主體回報的能力方面作出的判斷；
- 根據現行會計準則的規定，評估綜合財務報表中與結構化主體相關的披露。

Information other than the consolidated financial statements and auditor's report thereon

綜合財務報表及其核數師報告以外的信息

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

董事須對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Information other than the consolidated financial statements and auditor's report thereon (Continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 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 Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

致雲鋒金融集團有限公司成員(續)

綜合財務報表及其核數師報告以外的信息(續)

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

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

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

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 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

致雲鋒金融集團有限公司成員(續)

核數師就綜合財務報表審計承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向全體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's 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.

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.

致雲鋒金融集團有限公司成員(續)

核數師就綜合財務報表審計承擔的責任(續)

- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報中的相關披露。假若有關的披露不足，則我們應當修改我們的意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNFENG FINANCIAL GROUP LIMITED (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Liu Yun Bonn.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 March 2018

致雲鋒金融集團有限公司成員(續)

核數師就綜合財務報表審計承擔的責任(續)

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是廖潤邦。

畢馬威會計師事務所
執業會計師

香港中環
遮打道10號
太子大廈8樓

二零一八年三月二十九日

Consolidated Income Statement

綜合收益表

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

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	3	21,064	46,120
Other operating income and gains	其他經營收入及收益	4	91,152	34,981
Disposal gains of available-for-sale financial assets	出售可供出售金融資產收益		14,961	—
Net loss on financial assets and financial liabilities at fair value through profit or loss	按公平值計入損益之金融資產及金融負債之虧損淨額	5	(89,168)	(75,688)
Staff costs	員工成本	6(a)	(247,134)	(200,094)
Depreciation and amortisation	折舊和攤銷		(18,531)	(7,992)
Other operating expenses	其他經營開支	6(b)	(138,907)	(113,888)
Loss from operations	經營虧損		(366,563)	(316,561)
Finance costs	融資成本	6(c)	(9,473)	(97)
Net provision for impairment loss	淨減值虧損之撥備	6(d)	(2,132)	(8,211)
Loss before taxation	除稅前虧損	6	(378,168)	(324,869)
Income tax	所得稅	7(a)	(1,138)	8,327
Loss for the year	本年度虧損		(379,306)	(316,542)
Loss attributable to equity shareholders of the Company	本公司權益持有人應佔虧損		(379,054)	(316,688)
(Loss)/profit attributable to non-controlling interests	非控股權益應佔(虧損)/溢利		(252)	146
Loss per share attributable to equity shareholders of the Company	本公司權益持有人應佔每股虧損			
Basic (HK\$)	基本(港元)	11(a)	(0.16)	(0.13)
Diluted (HK\$)	攤薄(港元)	11(b)	(0.16)	(0.13)

The notes on pages 93 to 207 form part of these financial statements. Details of dividends declared for the year are set out in note 29(d) to the financial statements.

第93至207頁之附註組成本財務報表一部份。年內已宣派之股息詳情載於附註29(d)。

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the year	本年度虧損	(379,306)	(316,542)
Other comprehensive income for the year (after tax and reclassification adjustments)	本年度其他全面收益 (稅後和重新分類調整)		
Item that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目：		
Available-for-sale financial assets:	可供出售金融資產：		
— net movement in fair value reserve	— 公平值儲備的淨變動	30,260	(2,141)
— deferred taxation	— 遞延所得稅	(820)	—
— reclassification adjustments for amounts transferred to profit or loss on gains on disposal	— 重新分類調整對處置收益轉入損益的金額	(14,961)	—
— reclassification adjustments for amounts transferred to profit or loss on impairment	— 重新分類調整對減值損失轉入損益的金額	1,980	—
Foreign operations	外國業務：		
— Exchange differences arising on translation of results	— 換算業務業績產生之匯兌差額	2,321	(621)
Total comprehensive income for the year	本年度全面收益總額	(360,526)	(319,304)
Total comprehensive income for the year attributable to:	應佔本年度全面收益總額：		
— equity shareholders of the Company	— 本公司權益持有人	(360,331)	(319,375)
— non-controlling interests	— 非控股權益	(195)	71
		(360,526)	(319,304)

The notes on pages 93 to 207 form part of these financial statements.

第93至207頁之附註組成本財務報表一部份。

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

		Note 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 and equipment	物業及設備	13	17,035	21,418
Goodwill and other intangible assets	商譽及無形資產	14	36,110	21,512
Available-for-sale financial assets	可供出售金融資產	18	565,507	99,853
Deferred tax assets	遞延稅項資產	28(b)	—	508
Other non-current assets	其他非流動資產	17	9,160	10,176
Total non-current assets	非流動資產總值		627,812	153,467
Current assets	流動資產			
Available-for-sale financial assets	可供出售金融資產	18	326,691	—
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	19	5,936	210,270
Accounts receivable and accrued income	應收賬款及應計收入	20	74,238	23,611
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	21	65,652	15,024
Bank balance – trust and segregated accounts	銀行結存 — 信託及獨立賬戶	22(b)	340,029	358,544
Fixed bank deposits with original maturity over 3 months	到期期限多於三個月的銀行定期存款	22(e)	1,580,313	524,187
Cash and cash equivalents	現金及現金等值項目	22(a)	2,182,374	3,640,494
Total current assets	流動資產總值		4,575,233	4,772,130
Current liabilities	流動負債			
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	26	78,063	—
Accounts payable	應付賬款	23	452,575	370,677
Accrued expenses and other payables	應計費用及其他應付款項	24	101,890	55,483
Obligation under finance lease	融資租賃款項	27	7,694	842
Current taxation	當期稅項	28(a)	44,259	53,087
Total current liabilities	流動負債總額		684,481	480,089
Net current assets	流動資產淨值		3,890,752	4,292,041

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

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current liabilities				
	非流動負債			
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	26	363,677	—
Obligation under finance lease	融資租賃款項	27	15,378	1,385
Deferred tax liabilities	遞延稅項負債	28(b)	177	—
Total non-current liabilities	非流動負債總額		379,232	1,385
NET ASSETS	資產淨值		4,139,332	4,444,123
EQUITY	權益			
Share capital	股本	29(e)	4,629,094	4,499,548
Reserves	儲備		(489,762)	(56,532)
Non-controlling interests	非控股權益		4,139,332	4,443,016
			—	1,107
TOTAL EQUITY	權益總額		4,139,332	4,444,123

Approved and authorised for issue by the Board on 29 March 2018 and are signed on its behalf by:

於二零一八年三月二十九日獲董事會批准及授權刊發並由下列代表簽署：

Li Ting
李婷

Executive Director and Chief Executive Officer
執行董事及行政總裁

Huang Xin
黃鑫

Executive Director
執行董事

The notes on pages 93 to 207 form part of these financial statements.

第93至207頁之附註組成本財務報表一部份。

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 equity shareholders of the Company 本公司權益持有人應佔										
		Share capital	Shares held by share award scheme	Share-based payment reserve	Asset revaluation reserve	Fair value reserve	Exchange reserve	Statutory Reserve	Retained profit/loss	Sub total	Non-controlling interests	Total
		股本	就股份獎勵計劃所持有之股份	以股份為基礎之付款儲備	資產重估儲備	投資重估儲備	匯兌儲備	法定儲備	保留溢利/(累計虧損)	小計	非控股權益	總計
		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
	Balance at 1 January 2016	4,499,548	(8,042)	5,931	2,650	-	(102)	-	260,322	4,760,307	1,036	4,761,343
	Changes in equity for the year ended 31 December 2016:											
	Equity settled share-based transaction	-	-	2,084	-	-	-	-	-	2,084	-	2,084
	Shares vested under share award scheme	-	7,945	(7,945)	-	-	-	-	-	-	-	-
	(Loss)/profit for the year	-	-	-	-	-	-	(316,688)	(316,688)	(316,688)	146	(316,542)
	Other comprehensive income for the year	-	-	-	-	(2,141)	(546)	-	-	(2,687)	(75)	(2,762)
	Appropriation to statutory reserves	-	-	-	-	-	-	219	(219)	-	-	-
	Balance at 31 December 2016 and 1 January 2017	4,499,548	(97)	70	2,650	(2,141)	(648)	219	(56,365)	4,443,016	1,107	4,444,123
	Changes in equity for the year ended 31 December 2017:											
	Share issued under share award scheme	129,546	(129,546)	-	-	-	-	-	-	-	-	-
	Share repurchased under share award scheme	-	(260)	-	-	-	-	-	-	(260)	-	(260)
	Equity settled share-based transaction	-	-	56,712	-	-	-	-	-	56,712	-	56,712
	Shares vested under share award scheme	-	24,363	(26,039)	-	-	-	-	1,686	-	-	-
	Loss for the year	-	-	-	-	-	-	-	(379,054)	(379,054)	(252)	(379,306)
	Other comprehensive income for the year	-	-	-	-	16,459	2,264	-	-	18,723	57	18,780
	Disposal of a subsidiary	-	-	-	-	-	195	-	-	195	(912)	(717)
	Appropriation to statutory reserves	-	-	-	-	-	-	1,227	(1,227)	-	-	-
	Balance at 31 December 2017	4,629,094	(105,550)	30,743	2,650	14,318	1,811	1,446	(435,180)	4,139,332	-	4,139,332

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

		Note 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 activities	經營活動			
Cash generated from operations	經營產生之現金	22(c)	82,202	132,169
Interest received	已收利息		3,758	27
Interest paid	支付利息		(426)	—
Tax paid:	已付稅款：			
— Hong Kong profit tax paid	— 已付香港利得稅		(9,130)	(18,255)
— Overseas tax paid	— 已付海外稅		(1,615)	(429)
Net cash generated from operating activities	經營活動產生之現金淨額		74,789	113,512
Investing activities	投資活動			
Payment for acquisition of subsidiaries, net of cash	支付購買附屬公司淨額		—	(1,165)
Proceeds from disposal of subsidiaries	出售子公司所得款項	15(c)	4,596	—
Payment for purchased of property and equipment	支付購買物業及設備		(4,985)	(13,149)
Proceeds from disposal of fixed asset	處置物業及設備所得款項		24	—
Payment for purchase of intangible asset	支付無形資產		(1,995)	(8,911)
Deposit made to other non-current asset	支付其他非流動資產按金		—	(12,154)
Proceeds from dividend and distribution income from available-for-sale financial assets	可供出售金融資產的股息及分配所得款項		14,348	—
Proceeds from disposal of available-for-sale financial assets	處置可供出售金融資產所得款項		708,841	—
Payment for acquisition of and contribution made to available-for-sale financial assets	支付可供出售金融資產		(1,468,617)	(101,994)
Increase in fixed bank deposits placed with original maturity over 3 months	原定期限超過3個月的固定銀行存款增加		(1,056,126)	(524,187)
Interest received	已收利息		70,730	26,293
Net cash used in investing activities	投資活動耗用之現金淨額		(1,733,184)	(635,267)

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
	Note 附註		
Financing activities	融資活動		
Payment made for finance lease obligation	支付融資租賃款項	(1,075)	—
Net proceeds from issuance of preference shares by a subsidiary	附屬子公司發行優先股之所得款淨額	206,194	—
Share repurchase under share award scheme	根據股份獎勵計劃回購之股份	(260)	—
Interest paid	已付利息	(5,303)	—
Net cash generated from financing activities	融資活動所產生之現金淨額	199,556	—
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(1,458,839)	(521,755)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	3,640,494	4,162,922
Effect of foreign exchange rate changes	匯率變動之影響	719	(673)
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	2,182,374	3,640,494
	22(a)		

The notes on pages 93 to 207 form part of these financial statements.

第93至207頁之附註組成本財務報表一部份。

Notes to the Financial Statements

財務報表附註

1 GENERAL INFORMATION

Yunfeng Financial Group Limited (the “Company”) is a limited liability company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is Suites 3201-3204, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

The principal activities of the Group are securities brokerage, consultancy and advisory services and investment research together with new principal activities including wealth management, employee stock ownership plan administration and principal investment. The principal activities and other particulars of its principal subsidiaries are set out in note 15 to the financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“HKD”), which is the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2 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 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

1 一般資料

雲鋒金融集團有限公司(「本公司」)乃於香港註冊成立之有限公司，其股份在香港聯合交易所有限公司上市。本公司之註冊辦事處位於香港中環康樂廣場8號交易廣場1座3201-3204室。

本集團之主要業務為證券經紀、企業融資諮詢及投資研究，以及包括財富管理、員工持股計劃管理和主要投資等新主要業務。其主要附屬公司之主要業務及其他詳情載於財務報表附註15。

綜合財務報表以港元呈列，港元亦為本公司之功能貨幣，除另有指明者外，所有數值均以最接近之千位列值。

2 主要會計政策

(a) 遵例聲明

本財務報表乃根據所有適用香港財務報告準則(「香港財務報告準則」)(此統稱包括香港會計師公會(「香港會計師公會」)所頒佈之所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則之規定而編製。本財務報表亦符合香港公司條例之適用規定。本財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露條文。本集團採納之主要會計政策概要載列如下。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Statement of compliance (Continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) 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 including the consolidated structured entities (collectively the “Group”) and the Group’s interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- Financial assets and liabilities at fair value through profit or loss (see note 2(j) and 2(q))
- Derivative financial instruments (see note 2(k))
- Available-for-sale financial assets (see note 2(m))

2 主要會計政策(續)

(a) 遵例聲明(續)

香港會計師公會已頒佈若干於本集團及本公司本會計期間首次生效或可供提前採納之新訂及經修訂香港財務報告準則。附註2(c)就與於本會計期間及過往會計期間與本集團有關並已於本財務報表內反映初步應用該等發展而產生之任何會計政策變動提供資料。

(b) 財務報表之編製基準

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」)及本集團於聯營公司之權益。

誠如以下所載之會計政策所解釋，除以下資產按其公平值列賬外，編製財務報表所採用之計量基準為歷史成本基準：

- 按公平值計入損益之金融資產及負債(見附註 2(j)及2(q))
- 衍生金融工具(見附註 2(k))
- 可供出售金融資產(見附註 2(m))

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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

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

The estimates and 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.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. However, additional disclosure has been included in note 22 (c) 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 account period.

2 主要會計政策(續)

(b) 財務報表之編製基準(續)

編製符合香港財務報告準則之財務報表時，管理層須作出判斷、估計及假設，有關判斷、估計及假設會影響政策之應用以及資產、負債、收入及開支之呈報金額。該等估計及相關假設乃建基於過往經驗及其他在有關情況下被認為合理之各種因素，從而作為判斷未能從其他來源確定之資產及負債之賬面值之基準。實際結果或會有別於該等估計。

本集團會持續檢討該等估計及相關假設。會計估計之修訂如只影響修訂估計之期間，則於該期間確認；或修訂如影響本期間及未來期間，則於修訂期間及未來期間確認。

(c) 會計政策之變動

香港會計師公會已頒佈若干對本集團於本會計期間首次生效的香港財務報告準則的修訂。這些發展對於本集團的當前或以前期間的結果和財務狀況並無構成重大影響。然而，(附註22(c))已包括額外披露資料以滿足香港會計準則第7號現金流量表披露計劃修訂引入的新披露要求，披露計劃要求各實體提供披露使財務報表使用者能夠評估變動涉及融資活動產生的負債，包括因現金流量和非現金變化而產生的變動。

本集團沒有應用任何未生效的香港財務報告準則的修訂。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

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. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

2 主要會計政策(續)

(d) 附屬公司及非控股權益

附屬公司指本集團控制之實體。當本集團因參與實體之營運而承受或享有其可變回報，並有能力透過其對實體之權力影響該等回報，則本集團對實體擁有控制權。當評估本集團是否擁有權力時，僅考慮實質權力(由本集團及其他人士持有)。

於附屬公司之投資自控制權開始之日直至控制權終止之日綜合計入綜合財務報表內。集團內公司間之結存、交易及現金流量，以及集團內公司間交易所產生之任何未變現溢利，在編製綜合財務報表時均全數對銷。集團內公司間交易所產生之未變現虧損則僅在無出現減值證據之情況下，以與對銷未變現收益相同之方法對銷。

非控股權益指非直接或間接歸屬於本公司之附屬公司權益，且本集團就此並無與該等權益持有人協定任何額外條款，致使本集團整體須就該等符合金融負債定義之權益承擔合約責任。就各業務合併而言，本集團可選擇按公平值或按佔附屬公司可識別淨資產之比例而計量任何非控股權益。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(d) Subsidiaries and non-controlling interests
(Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. 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 depending on the nature of the liability.

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, 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 (see note 2(i)(i)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益於綜合財務狀況表之權益內呈列，獨立於本公司權益持有人應佔權益。本集團業績之非控股權益乃於綜合收益表及綜合全面收益表列作本公司非控股權益及權益持有人之間本年度溢利或虧損總額及全面收益總額之分配結果。非控股權益持有人提供之貸款及向該等持有人承擔之其他合約責任乃視乎負債之性質於綜合財務狀況表列作金融負債。

倘本集團於附屬公司之權益變動不會導致喪失控制權，則作為股權交易入賬，據此，於綜合權益內之控股及非控股權益金額會作出調整，以反映相關權益轉變，惟不會確認盈虧。

當本集團喪失對附屬公司之控制權，將按出售於該附屬公司之所有權益入賬，而所產生之盈虧於損益中確認。任何在喪失控制權之日仍保留之該前附屬公司權益按公平值確認，而此金額被視為初步確認金融資產之公平值，或(如適用)初步確認於聯營公司或合營公司之投資之成本。

於本公司之財務狀況表中，於附屬公司之投資乃按成本扣除減值虧損(見附註2(i)(i))列賬，除非該投資乃分類為持作出售(或計入分類為持作出售之出售組別)。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Subsidiaries and non-controlling interests (Continued)

The Group served as the manager of funds. The funds invest mainly in equities, debt securities and monetary market instruments. The Group's percentage ownership in these structured entities can fluctuate from day to day according to the Group's and third-party participation in them. Where the Group is deemed to control such funds, with control determined based on an analysis of the guidance in HKRS 10 "Consolidated financial statements", they are consolidated, with the interests of parties other than the Group being classified as liabilities because there is a contractual obligation for the relevant group entity as an issuer to repurchase or redeem units or return of capital in such funds for cash. These are presented as "Third-party interests in consolidated funds" within financial liabilities at fair value through profit or loss in the consolidated statement of financial position.

(e) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

2 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

本集團擔任基金的管理人。此等基金主要投資於股票、債務證券和貨幣市場工具。本集團在此類結構化主體中的持股比例可能隨著本集團及第三方對該等主體的參股情況每日波動。此類集合資產管理計劃及基金若被視為由本集團控制(控制是基於對香港財務報告準則第10號「綜合財務報表」中指引的分析加以確定)，其將被納入合併範圍；由於相關集團實體(作為發行人)具有以現金回購或贖回此類集合資產管理計劃及基金份额的合同義務，因此除本集團外的其他方的權益將歸類為負債。相關金額在綜合財務狀況表中按公平值計入損益之金融負債下的「納入合併範圍的基金中的第三方權益」內列示。

(e) 聯營公司

聯營公司指本集團對該實體之管理層有重大影響力(而非控制或共同控制)，包括參與其財務及經營決策。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(e) Associates (Continued)

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(i)(i)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

2 主要會計政策(續)

(e) 聯營公司(續)

於聯營公司之投資按權益法於綜合財務報表入賬，除非該投資分類為持作出售(或計入分類為持作出售之出售組別)。根據權益法，投資初步按成本記賬，並按本集團應佔被投資公司於收購日期可識別淨資產之公平值超過投資成本之任何差額(如有)作出調整。其後，該投資乃就本集團應佔被投資公司在收購後之淨資產變動及有關該投資之任何減值虧損(見附註2(i)(i))作出調整。於收購日期超過成本之任何差額、本集團應佔被投資公司於收購後之除稅後業績及本年度任何減值虧損於綜合收益表中確認，而本集團應佔被投資公司於收購後及除稅後其他全面收益項目則於綜合全面收益表中確認。

當本集團應佔聯營公司之虧損超過其權益時，本集團之權益將減至零，而除非本集團已承擔法定或推定責任或代表該被投資公司作出付款，否則將不再確認進一步虧損。就此而言，本集團之權益為根據權益法計算之投資賬面值，連同實質上構成本集團於聯營公司淨投資一部份之本集團長期權益。

本集團與其聯營公司間之交易所產生之未變現損益乃以本集團於被投資公司之權益為限予以抵銷，除非未變現虧損提供已轉讓資產之減值證據，在此情況下，則該等未變現虧損會即時於損益中確認。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associates (Continued)

If an investment in an associate becomes an investment in a joint venture, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(i)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2 主要會計政策(續)

(e) 聯營公司(續)

倘於聯營公司之投資成為於合營公司之投資，保留權益則不予重新計量。反之，該投資繼續根據權益法入賬。

當本集團不再對聯營公司有重大影響力，其乃被視作出售於該被投資公司之所有權益，而所產生之盈虧於損益中確認。任何在喪失重大影響力之日仍保留在該前被投資公司之權益按公平值確認，而此金額被視為初步確認金融資產之公平值。

(f) 商譽

商譽指以下

- (i) 所轉讓代價之公平值、於被收購方之任何非控股權益金額，以及本集團先前持有被收購方權益之公平值之總和；大於
- (ii) 被收購方之可識別資產及負債於收購當日之公平淨值。

當(ii)較(i)大時，則此差額即時在損益中確認為議價購買收益。

商譽乃按成本減累計減值虧損列賬。來自業務合併之商譽將分配至預期可受惠於合併協同效益之各現金產生單位或現金產生單位組合，並會每年進行減值測試(見附註2(i))。

倘於年內出售現金產生單位，則任何應佔已收購商譽之金額乃計入出售事項之損益中。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property and equipment

Property and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(i)(ii)).

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

Depreciation is calculated to write off the cost of items of property and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

— Leasehold improvements	Shorter of the unexpired term of lease and 5 years
— Office equipment and furniture	5 years
— Computers equipment	3— 5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually by the Group.

(h) Leased assets

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2 主要會計政策(續)

(g) 物業及設備

物業及設備乃按成本扣除累計折舊及減值虧損(見附註2(i)(ii))於綜合財務狀況表列賬。

報廢或出售物業及設備項目所產生之盈虧按出售所得款項淨額與項目賬面值之差額釐定，並於報廢或出售當日於損益內確認。

物業及設備項目採用直線法於其估計可使用年期內計算折舊，以撇銷其成本扣除其估計剩餘價值(如有)如下：

— 租賃物業裝修	未屆滿租期與5年之較短者
— 辦公室設備及傢俬	5年
— 電腦設備	3-5年

本集團會每年檢討資產之可使用年期及其剩餘價值(如有)。

(h) 租賃資產

由集團持有的租賃資產當大部分所有權的風險和報酬轉讓給集團，均歸屬於融資租賃。不將租賃所有權的大部分風險和報酬轉讓給集團劃分為經營租賃。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leased assets (Continued)

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases and impairment losses (see note 2(i)(ii)). Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset. Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

2 主要會計政策(續)

(h) 租賃資產(續)

本集團取得融資租賃資產的情況下，將該等資產的租賃資產的公允價值，或最低租賃付款現值較低的金額確認為財產及設備及相應負債扣除融資費用，計入融資租賃和減值虧損(見附註2(i)(ii))。折舊是以相關租賃期限內的資產成本或估值的價格提供的，或者本集團有可能獲得資產所有權的資產的壽命。在租賃期間隱含的融資費用在租賃期內計入損益，以便在每個會計期間的相關租賃餘額中產生大致恆定的定期收費。或有租賃在事項發生的會計期間計入當期損益。

倘本集團有權使用根據經營租賃持有之資產，則租賃付款於租期所涵蓋之會計期間內以等額自損益扣除，惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。所得租賃獎勵金於損益內確認為租賃淨付款總額之組成部份。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(i) Impairment of assets

(i) **Impairment of investments in subsidiaries, associates, available for sale financial assets, accounts receivable and other receivables**

Investments in subsidiaries, associates, accounts receivable and other receivables that are carried at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in subsidiaries and associates, the impairment loss is measured by comparing the recoverable amount in the investment with its carrying amount in accordance with note 2(i)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(i)(ii).
- For accounts receivable and other receivables carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2 主要會計政策(續)

(i) 資產減值

(i) 於附屬公司及聯營公司之投資、可供出售金融資產、應收賬款及其他應收款項之減值：

按成本或攤銷成本列賬之於附屬公司及聯營公司之投資、應收賬款及其他應收款項乃於各報告日檢討，以釐定是否有客觀減值證據。倘存在任何有關證據，則按以下方式釐定及確認任何減值虧損：

- 就於附屬公司及聯營公司之投資而言，減值虧損乃根據附註2(i)(ii)藉比較投資之可收回金額與其賬面值計算。倘根據附註2(i)(ii)用以釐定可收回金額之估計出現有利變動，則減值虧損予以撥回。
- 按攤銷成本列賬之應收賬款及其他應收款項而言，減值虧損乃按資產賬面值與估計未來現金流量現值之差額計量。倘貼現影響重大，估計未來現金流量現值乃按金融資產原實際利率(即該等資產初步確認時計算之實際利率)貼現。倘按攤銷成本列賬之金融資產具有類似風險特徵，例如具有類似過往欠款情況及未進行個別減值評估，則進行綜合評估。進行綜合減值評估之金融資產之未來現金流量乃按具有與該組合小組類似信貸風險特徵之資產之過往虧損經驗計算。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(i) **Impairment of investments in subsidiaries, associates, available for sale financial assets, accounts receivable and other receivables** (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For an available-for-sale financial assets, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment. When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. Losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in the investment revaluation reserve. In respect of available-for-sale 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.

2 主要會計政策(續)

(i) 資產減值(續)

(i) 於附屬公司及聯營公司之投資、可供出售金融資產、應收賬款及其他應收款項之減值： (續)

倘於隨後期間減值虧損金額減少，而該減少與減值虧損確認後發生之事件有客觀關連，則減值虧損可透過損益撥回。減值虧損撥回不得導致資產賬面值超過倘過往年度並無減值虧損而原應釐定之金額。

- 對於可供出售金融資產的公平價值顯著或長期下降低於其成本被認為是減值的客觀證據。當可供出售金融資產被視為減值時，先前在其他綜合收益中確認的累計收益或損失在本期間重分類至損益。以前在損益中確認的損失不通過損益轉回。減值損失後公平價值的任何增加直接在其他綜合收益中確認，並在投資重估儲備中累計。對於可供出售債務投資，如果投資的公平價值增加可以客觀地與確認減值損失後發生的事項相關，則減值損失隨後轉回損益。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each reporting date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment;
- intangible assets; and
- goodwill

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 主要會計政策(續)

(i) 資產減值(續)

(ii) 其他資產之減值

來自內部及外部資料會於各報告日審閱，以確定是否有跡象顯示下列資產可能已減值，或先前確認之減值虧損不再存在或有所減少：

- 物業及設備；
- 無形資產；及
- 商譽

倘存在任何有關跡象，則估計資產之可收回金額。此外，對於商譽，尚未使用的無形資產和無限期使用壽命的無形資產，無論是否存在減值跡象，每年均估計其可收回金額。

— *計算可收回金額*

資產之可收回金額乃其公平值扣除出售成本及使用價值中之較高者。評估使用價值時，估計未來現金流量乃採用反映貨幣時間價值之當前市場評估及資產特有風險之稅前貼現率貼現至其現值。倘資產未能在大致獨立於其他資產之情況下產生現金流入，則可收回金額乃就獨立產生現金流入之最小資產組別(即現金產生單位)釐定。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or group of units) and then, to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 主要會計政策(續)

(i) 資產減值(續)

(ii) 其他資產之減值

— 確認減值虧損

倘資產或其所屬現金產生單位之賬面值超出其可收回金額，則減值虧損於損益內確認。就現金產生單位確認的減值虧損首先減少被分配至現金產生單位(或單位組)的任何商譽之賬面值，然後按比例減少該單位(或單位組)的資產賬面值，惟資產賬面值不會減至低於其個別公平值扣除出售成本(如可計量)或使用價值之水平(如可釐定)。

— 撥回減值虧損

關於商譽以外的資產，倘用於釐定可收回金額的估計出現有利變動，減值虧損則會撥回，商譽減值虧損不會撥回，減值虧損撥回之金額以倘過往年度並無減值虧損而原應釐定之資產賬面值為限。減值虧損撥回於撥回確認之年度計入損益。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(j) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured initially at fair value, which normally will be equal to the transaction price. Transaction costs are expensed immediately.

The Group recognises financial assets at fair value through profit or loss on the date it becomes a party to the contractual provisions of the instrument, using trade date accounting.

Financial assets at fair value through profit or loss comprise financial assets held for trading and those designated as at fair value through profit or loss upon initial recognition, but exclude those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Financial assets at fair value through profit or loss are carried at fair value. Changes in the fair value are included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the income statement.

The fair value of financial assets at fair value through profit or loss is based on their quoted market prices at the end of reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions. The inputs of the valuation techniques are based on market data.

2 主要會計政策(續)

(j) 按公平值計入損益之金融資產

按公平值計入損益之金融資產初步按公平值計量，一般將與交易價格相等。交易成本乃即時列作開支。

本集團於其成為訂立工具合約條文之訂約方當日，按交易日會計法確認按公平值計入損益之金融資產。

按公平值計入損益之金融資產包括持作買賣及於初步確認後指定按公平值計入損益之金融資產，惟不包括並無市場報價及其公平值無法可靠地計量之股權工具投資。

按公平值計入損益之金融資產乃以公平值列賬。公平值變動乃於其產生期間計入收益表。於出售或購回後，銷售所得款項淨額或付款淨額與賬面值之差額乃計入收益表。

按公平值計入損益之金融資產之公平值乃按報告期末之市場報價計量，而並無扣減任何估計未來銷售成本。金融資產乃以現時買入價定價，而金融負債則以現時賣出價定價。

倘並無公開可獲取之最新買賣價或認可證券交易所之市場報價，或自經紀／證券商之非交易所買賣之金融工具價格，或倘其市場並非活躍市場，則金融工具之公平值乃採用可自實際市場交易獲取之能提供可靠估計價格之估值方法作出估計。估值方法之輸入數據以市場數據為基準。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Financial assets at fair value through profit or loss (Continued)

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

The Group uses the weighted average method to determine realised gains and losses to be recognised in the income statement on derecognition.

(k) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(l) Accounts receivable and other receivables

Accounts receivable and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less allowance for impairment of doubtful debts (see note 2(i)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

2 主要會計政策(續)

(j) 按公平值計入損益之金融資產(續)

倘自金融資產獲取現金流量之合約權利屆滿，或倘金融資產連同擁有權之絕大部份風險及回報已轉讓，則不再確認金融資產。

於不再確認時，本集團採用加權平均法釐定將在收益表中確認之已變現盈虧。

(k) 衍生金融工具

衍生金融工具初步按公平值確認。於各報告期末，公平值乃重新計量。重新計量公平值之收益或虧損即時於損益確認。

(l) 應收賬款及其他應收款項

應收賬款及其他應收款項初步按公平值確認，其後則採用實際利率法按攤銷成本扣除呆賬減值虧損撥備(見附註2(i)(i))列賬，惟在應收款項屬給予關聯人士之免息貸款且無任何固定還款期或貼現影響輕微之情況則作別論。在該等情況下，應收款項乃按成本扣除呆賬減值虧損撥備列賬。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(m) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets as at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

(n) Intangible assets

The intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(i)(ii)). Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended.

2 主要會計政策(續)

(m) 可供出售金融資產

可供出售金融資產為非衍生金融資產，包括未指定為或並非歸類為以公平價值計量且其變動計入當期損益的金融資產、貸款及應收款項或持有至到期投資的非衍生金融資產。

可供出售金融資產在報告期末按照公平價值計量。可供出售貨幣金融資產賬面值與按實際利率法計算的利息收入及可供出售股本投資股息有關的變動於損益中確認。可供出售金融資產賬面值的其他變動在其他全面收益確認並在投資重估儲備累積，直至該金融資產被處置或確定為減值，此時先前在投資重估儲備累積的收益或損失重新歸類至損益。

當本集團收取可供出售股本工具股息的權利確立時，相關股息於損益中確認。

(n) 無形資產

本集團購買之無形資產乃按成本減累計攤銷(倘具有有限估計可使用年期)及減值虧損列賬(見附註2(i)(ii))。資產可以使用時即當其處於必要的位置和條件下以能夠以預期的方式運行時開始攤銷。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Intangible assets (Continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives as follows:

– Computers software 3 – 5 years

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(o) Accounts payable and other payables

Accounts payable and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

2 主要會計政策(續)

(n) 無形資產(續)

具有有限可使用年期之無形資產之攤銷乃於資產估計可使用年期內以直線法在損益中扣除如下：

— 電腦軟件 3 – 5年

評估為具有無限可使用年期之無形資產不會攤銷。任何確定為具有無限可使用年期之無形資產會每年檢討，以釐定事件及情況是否繼續支持該資產列為具有無限可使用年期。倘並無無限可使用年期，則資產之使用年期評估會由無限變成有限，並自變動日期起根據上文所載使用年期有限之無形資產攤銷政策於未來入賬。

(o) 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公平值確認，其後則按攤銷成本列賬，除非貼現影響輕微，則在該情況下按成本列賬。

(p) 計息借貸

計息借貸初步按公平值扣除應佔交易成本確認。於初步確認後，計息借貸乃按攤銷成本列賬，而初步確認金額與贖回價值之任何差額，連同任何應付利息及費用，均採用實際利率法在借貸期間於損益內確認。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(q) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability 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) those designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a 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 liability other than a financial liability held for trading or contingent consideration 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 liability 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

2 主要會計政策(續)

(q) 按公平值計入損益的財務負債

財務負債在(i)收購方可能支付作為業務合併一部分而香港財務報告準則第3號適用的或然代價(ii)持作買賣或(iii)指定為按公平值計入損益時被列為按公平值計入損益的財務負債。倘出現下列情況，財務負債將被分類為持作買賣：

- 其獲收購的主要目的為於短期內購回；或
- 於初步確認時，其為本集團集中管理且具有短期獲利的最近實際模式的已識別財務工具組合的一部分；或
- 其為並非指定及有效為對沖工具的衍生工具。

倘屬下列情況，持作買賣的財務負債或收購方可能支付作為業務合併一部分的或然代價以外的財務負債於初步確認時可被指定為按公平值計入損益：

- 該指定消除或顯著減少原應出現之計量或確認的不一致性；或
- 財務負債組成一組財務資產或財務負債或兩者的一部分，以公平值基準作出管理及評估，並根據本集團明文制定的風險管理或投資策略以及有關組合按該基準向內部提供資料；或

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Financial liabilities at fair value through profit or loss (Continued)

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured 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 excludes any interest paid on the financial liabilities. Fair value is determined in the manner described in note 33.

(r) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in profit or loss as incurred.
- (iii) The fair value of share awards and share options granted to employees is recognised as an employee cost with a corresponding increase in share-based payment capital reserve within equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share awards and options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

2 主要會計政策(續)

(q) 按公平值計入損益的財務負債(續)

- 其組成包含一項或多項嵌入式衍生工具的合約一部分，而香港會計準則第39號容許將整份合併合約(資產或負債)指定為按公平值計入損益。

按公平值計入損益的財務負債按公平值計量，而重新計量產生的任何收益或虧損於損益確認。於損益確認的收益或虧損淨額不包括就財務負債所支付的任何利息。公平值按附註33所述的方式釐定。

(r) 僱員福利

- (i) 薪金、年終花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本乃於僱員提供相關服務之年度累算。
- (ii) 香港強制性公積金計劃條例規定須作出之強制性公積金供款乃於產生時於損益內確認為開支。
- (iii) 授予僱員之股份獎勵及購股權之公平值確認為僱員成本，而權益內之以股份為基礎之付款儲備將相應增加。公平值於授出日期按柏力克-舒爾斯模式及考慮授出股份獎勵及購股權之條款及條件而計量。倘僱員須符合歸屬條件才可以無條件享有此等購股權，則購股權之估計總公平值會於考慮購股權歸屬之可能性後在歸屬期內攤分。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(q) Financial liabilities at fair value through profit or loss (Continued)

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

(s) Income tax

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

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

2 主要會計政策(續)

(r) 僱員福利(續)

於歸屬期內，將會檢討預期會歸屬之股份獎勵及購股權數目。任何對過往年度確認之累計公平值所作之調整會在回顧年度之損益內扣除／計入，除非原有僱員開支符合資格確認為資產，則以股份為基礎之付款儲備將作出相應調整。於歸屬日，確認為支出之金額會作出調整，以反映歸屬之股份獎勵及購股權實際數目(以股份為基礎之付款儲備將作出相應調整)，惟僅於未能達到有關本公司股份市價之歸屬條件時方會沒收其購股權。權益金額於以股份為基礎之付款儲備內確認，直至購股權獲行使(即計入就已發行股份於股本確認之金額時)或購股權屆滿(即直接撥回保留溢利時)。

(s) 所得稅

本年度所得稅包括當期稅項及遞延稅項資產與負債變動。當期稅項及遞延稅項資產與負債變動乃於損益內確認，惟倘涉及於其他全面收益內確認或直接於權益內確認之項目，則在該情況下，相關稅額乃分別於其他全面收益內確認或直接於權益內確認。

當期稅項乃本年度應課稅收入之預期應繳稅項(採用於報告日已頒佈或實質上已頒佈之稅率計算)及過往年度應繳稅項之任何調整。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

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

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

2 主要會計政策(續)

(s) 所得稅(續)

遞延稅項資產與負債乃分別來自可扣稅及應課稅暫時差額，即用作財務報告之資產與負債賬面值與其稅基之間之差額。遞延稅項資產亦可來自未動用稅項虧損及未動用稅項抵免。

除若干有限之例外情況外，所有遞延稅項負債及所有遞延稅項資產(只限於可能有未來應課稅溢利可利用該資產抵銷之部份)均予確認。可支持確認來自可扣減暫時差額之遞延稅項資產之未來應課稅溢利包括來自撥回現有應課稅暫時差額之金額，惟該等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣減暫時差額預期撥回之同一期間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉之期間內撥回。在釐定現有應課稅暫時差額是否支持確認來自未動用稅項虧損及抵免之遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在可動用稅項虧損或抵免之同一期間內撥回，則會被考慮。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(s) Income tax (Continued)

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

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

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available. Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2 主要會計政策(續)

(s) 所得稅(續)

確認遞延稅項資產與負債之有限例外情況乃來自不可扣稅商譽之暫時差額、初步確認不影響會計溢利亦不影響應課稅溢利之資產或負債(惟並非業務合併之一部份)，以及涉及於附屬公司之投資之暫時差額(只限於就應課稅差額而言，本集團可控制撥回時間且可能差額不會於可見將來撥回之部份，或就可扣稅差額而言，除非將於未來撥回之部份)。

已確認遞延稅項金額乃按資產與負債賬面值之預期變現或清償方式，採用於報告日已頒佈或實質上已頒佈之稅率計算。遞延稅項資產與負債均不貼現計算。

遞延稅項資產賬面值乃於各報告日檢討，倘不再可能有足夠應課稅溢利動用以抵銷相關稅務利益，即會調低。倘可能有足夠應課稅溢利，則任何有關減少予以撥回。分派股息所產生之額外所得稅乃於支付相關股息之責任確認時確認。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

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

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

(t) Provisions and contingent liabilities

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

2 主要會計政策(續)

(s) 所得稅(續)

當期稅項結餘與遞延稅項結餘及當中變動分開呈列，且不予抵銷。倘本集團有可合法行使之權利以當期稅項資產抵銷當期稅項負債，且符合以下額外條件，則當期稅項資產乃與當期稅項負債抵銷，遞延稅項資產亦與遞延稅項負債抵銷：

- 就當期稅項資產與負債而言，本集團擬按淨額基準清償，或同時變現資產及清償負債；或
- 就遞延稅項資產與負債而言，倘涉及同一稅務機關對以下實體徵收之所得稅：
 - 同一應課稅實體；或
 - 不同應課稅實體，此等實體擬在日後每個預期有大額遞延稅項負債或資產需要清償或可以收回之期間內，按淨額基準變現當期稅項資產及清償當期稅項負債，或同時變現該資產及清償該負債。

(t) 撥備及或然負債

倘本集團因已發生事件而承擔法律或推定責任，並可能須為履行該責任而流出經濟利益，且能夠作出可靠估計，即會就未能確定時間或金額之其他負債確認撥備。倘貨幣時間價值重大，則撥備乃按預期履行責任所需開支之現值列賬。

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Provisions and contingent liabilities

(Continued)

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

(u) Revenue recognition

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

(i) Brokerage commission income

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

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Handling and settlement fee income, subscription, management and rebate fee income and consultancy and advisory fee income

Handling and settlement fee income, subscription, management and rebate fee income and consultancy and advisory fee income are recognised when the related services are rendered.

2 主要會計政策(續)

(t) 撥備及或然負債(續)

倘不大可能需要流出經濟利益，或金額無法可靠地估計，則該責任會披露為或然負債，惟流出經濟利益之可能性極低之情況則作別論。倘可能須承擔之責任須視乎一宗或多宗未來事件是否發生才能確定是否存在，則該等責任亦會披露為或然負債，惟流出經濟利益之可能性極低之情況則作別論。

(u) 收入確認

收入乃按已收或應收代價之公平值計量。倘可能有經濟利益流入本集團，且收入及成本(如適用)能可靠地計量，則按以下方式於損益內確認收入：

(i) 經紀佣金收入

經紀佣金收入於進行相關交易時按交易日期基準確認。

(ii) 利息收入

利息收入於其產生時採用實際利率法確認。

(iii) 手續費及結算費用收入、配售及包銷佣金收入，以及顧問及諮詢費收入

手續費及結算費用收入、配售及包銷佣金收入，以及顧問及諮詢費收入於提供相關服務時確認。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Revenue recognition (Continued)

(iv) Consultancy and advisory fee settled with non-cash consideration

Consultancy and advisory fee settled with non-cash transaction is recognised at the fair value of the consideration received or receivable, which represents at the transaction price of such consideration as initially determined. When the outcome of the transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period.

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains less losses from trading securities or financial instruments designated at fair value through profit or loss.

Exchange differences relating to available for sales debt instruments are included in income statement.

2 主要會計政策(續)

(u) 收入確認(續)

(iv) 以非現金代價結算之顧問及諮詢費用

以非現金代價結付之顧問及諮詢費按初步釐定代價時已收或應收代價之公平值(即交易價)確認，倘涉及提供服務之交易之結果可予可靠估算，與交易相關之收益將按照交易完成階段，於報告期末確認。

(v) 外幣換算

年內之外幣交易按交易日期之現行外幣匯率換算。以外幣計值之貨幣資產與負債按報告期末之現行外幣匯率換算。匯兌盈虧於損益內確認。

按外幣以歷史成本計量之非貨幣資產與負債採用交易日期之現行外幣匯率換算。

有關按公平值計入損益之投資及衍生金融工具之匯兌差額乃計入交易用途證券或指定按公平值計入損益之金融工具之收益減虧損。

有關可供出售債務工具的匯兌差額計入損益表。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(v) Translation of foreign currencies
(Continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Items of statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(w) Fiduciary activities

The Group maintains segregated accounts with authorised institutions to hold clients' monies arising from its normal course of the regulated business activities. The Group has classified the "bank balances – trust and segregated accounts" within the current assets in the consolidated statement of financial position and recognised the corresponding account payables to respective clients and other institutions on the grounds that it is liable for any loss or misappropriation of clients' monies.

The Group is not allowed to use the clients' monies to settle its own obligations. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

2 主要會計政策(續)

(v) 外幣換算(續)

海外業務之業績是按照貼近交易日之匯率折算為港幣。資產負債表項目(包括二零零五年一月一日或以後購入之海外業務在綜合賬目時所產生之商譽)以結算日之匯率折算。所得匯兌差額會於其他全面收益及權益的匯兌儲備內作獨立確認。就二零零五年一月一日或以前購入之海外業務在綜合賬目時所產生之商譽，以在購入該海外業務當日的匯率作換算。

於出售海外業務時，有關該海外業務之匯兌差額累計金額乃於確認出售事項之損益時自權益重新分類至收益表。

(w) 受信活動

本集團於認可機構開立獨立賬戶，以持有其正常受規管活動業務過程中產生之客戶款項。本集團已將「銀行結存 – 信託及獨立賬戶」分類為綜合財務狀況表之流動資產項下，並因須就客戶款項之任何損失或不當挪用負責而確認相應之應付予有關各戶及其他機構之賬款。

本集團不得使用客戶款項清償其本身債務。代客戶持有之現金受證券及期貨條例下之證券及期貨(客戶款項)規則限制及規管。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
- (1) 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).
 - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) Both entities are joint ventures of the same third party.
 - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (6) The entity is controlled or jointly controlled by a person identified in (i).
 - (7) A person identified in (i)(1) 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).

2 主要會計政策(續)

(x) 關聯人士

- (i) 任何人士或其近親如屬以下情況，即視為與本集團有關聯：
- (1) 控制或共同控制本集團；
 - (2) 對本集團有重大影響力；或
 - (3) 為本集團或本集團母公司之主要管理層成員。
- (ii) 倘以下情況適用，則任何實體即視為與本集團有關聯：
- (1) 該實體與本集團為同一集團成員(即母公司、附屬公司及同系附屬公司各自互相關聯)。
 - (2) 一個實體為另一實體之聯營公司或合營公司(或為另一實體所屬集團成員公司之聯營公司或合營公司)。
 - (3) 兩個實體均為同一第三方之合營公司。
 - (4) 一個實體為第三間實體之合營公司，而另一實體為第三方之聯營公司。
 - (5) 該實體乃為本集團或與本集團有關聯實體之僱員提供福利之離職後福利計劃。
 - (6) 該實體受(i)所識別人士控制或共同控制。
 - (7) (i)(1)所識別人士對該實體有重大影響力，或為該實體(或該實體母公司)之主要管理層成員。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(x) Related parties (Continued)

(ii) (Continued)

- (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or 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.

(y) Segment reporting

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

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

2 主要會計政策(續)

(x) 關聯人士(續)

(ii) (續)

- (8) 該實體或其所屬集團的任何成員向本集團或本集團的母公司提供關鍵管理人員服務。

某人士之近親指預期在與該實體交易時可能影響該人士或受該人士影響之家族成員。

(y) 分部報告

經營分部及綜合財務報表所呈報各分部項目之金額，乃識別自定期向本集團最高行政管理層提供以向本集團各項業務及地理位置分配資源及評估有關表現之財務資料。

個別重大之經營分部不會為財務報告目的而合併計算，除非有關分部具有類似經濟特徵，並具有類似之產品及服務性質、生產工序性質、客戶類型或階層、分銷產品或提供服務方法，以及監管環境性質。個別非重大之經營分部倘符合以上大多數準則，則可合併計算。

Notes to the Financial Statements

財務報表附註

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investment that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, having been within three month of maturity at acquisition.

(aa) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Fair value of derivative and financial instruments

The Group selects appropriate valuation techniques for financial instruments which are classified as level 2 and 3 investments in accordance with the Group's significant accounting policies. Note 33 provides detailed information about the key assumptions used in the determination of the fair value of material financial instruments.

2 主要會計政策(續)

(z) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、存放於銀行之活期存款以及其他短期高流動性投資，該等投資可隨時轉換為已知金額的現金，且價值變動風險不大，並於購入後三個月內到期。

(aa) 重要會計判斷及估計不明朗因素之重要來源

於應用本集團之會計政策時，本公司董事須就有關未能從其他來源輕易獲得之資產及負債賬面值作出判斷、估計及假設。

估計及相關假設乃基於過往經驗及被認為有關之其他因素作出。實際業績可能有別於該等估計。

估計及相關假設乃按持續經營基準檢討。倘會計估計之修訂僅影響估計獲修訂之期間，則會計估計之修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計之修訂於修訂及未來期間內予以確認。

衍生工具及財務工具之公平值

本集團對根據綜合財務報表附註3披露的本集團重大會計政策分類為第2級及第3級投資的財務工具選用適當的估值技術。附註33載有釐定重大財務工具公平值之主要假設之詳細資料。

2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(aa) Critical Accounting Judgements and Key Sources of Estimation Uncertainty
(Continued)

Determination of consolidation scope

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns.

An investor's initial assessment of control or its status as a principal or an agent would not change simply because of a change in market conditions (e.g. a change in the investee's returns driven by market conditions), unless the change in market conditions changes one or more of the three elements of control listed above or changes the overall relationship between a principal and an agent.

At the end of each reporting period, the Group assesses the variable returns arising from other equities and uses plenty of judgments, in combination with historical exposure to variable returns, to determine the consolidation scope.

2 主要會計政策(續)

(aa) 重要會計判斷及估計不明朗因素之重要來源(續)

合併範圍的確定

評估本集團作為投資者是否控制投資對象時，須考慮一切事實及情況。控制原則包括三個控制權要素：(a)對投資對象的權力；(b)因參與投資對象而承擔或享有可變回報的風險或權利；及(c)運用對投資對象的權力影響投資者的回報金額的能力。

投資者控制權之初步評估或其作為主事人或代理人之身份不會僅僅因為市況的改變(例如市況帶動投資對象回報的改變)而出現變動，除非市況變動使上文列示的三項控制權要素中的一項或多項要素發生變化，或使主事人與代理人的整體關係發生變化。

本集團在各報告期末評估其他權益產生的可變回報，並運用大量判斷，同時結合過往可變回報之風險以確定合併範圍。

Notes to the Financial Statements

財務報表附註

3 REVENUE

The principal activities of the Group are wealth management, securities broking, employee stock ownership plan administration, corporate finance advisory and investment research and principal investment.

Revenue represents the gross amount recognised during the year. An analysis of the Group's revenue for the year is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Brokerage commission	經紀佣金	2,019	3,819
Subscription, management and rebate fees income	認購、管理費及回扣收入	3,791	—
Consultancy and advisory fees	顧問及諮詢費	11,110	42,274
Interest income from loan receivables	來自客戶之利息收入	3,719	—
Interest income from clients and other service income	來自應收貸款之利息收入及其他服務收入	425	27
		21,064	46,120

3 收益

本集團之主要業務為財富管理、證券經紀、員工持股計劃管理、企業融資諮詢及投資研究和主要投資。

收益指年內已確認之總額。本集團於本年度之收益額分析如下：

4 OTHER OPERATING INCOME AND GAINS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Handling and settlement fees	手續費及結算費用	2,281	458
Bank and other interest income	銀行及其他利息收入	72,476	32,926
Dividend and distribution income from available-for-sale financial assets	可供出售金融資產的股息及分配收入	14,348	—
Net gain on disposal of subsidiaries	出售附屬公司的收益	756	—
Other income	雜項收入	1,291	1,597
		91,152	34,981

4 其他經營收入及投資淨收益

Notes to the Financial Statements

財務報表附註

5 NET LOSS ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

5 按公平值計入損益之金融資產及金融負債之虧損淨額

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	按公平值計入損益之金融資產未變現收益／(虧損)淨額		
— Over the counter derivative contracts/options	— 場外交易金融衍生工具／購股權	(1,327)	(20,124)
— Equity investment listed outside Hong Kong	— 香港境外上市股權投資	(15,492)	(29,143)
— Equity investment listed in Hong Kong	— 香港上市股權投資	—	17,211
		(16,819)	(32,056)
Net realised loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產已變現虧損淨額		
— Unlisted option issued by a Hong Kong listed company	— 香港上市公司發行的非上市購股權	(5,470)	—
— Equity investment listed in Hong Kong	— 香港上市股權投資	(59,253)	(43,632)
		(64,723)	(43,632)
Fair value change of financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值變動	(7,626)	—
		(89,168)	(75,688)

Notes to the Financial Statements

財務報表附註

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(a) Staff costs	(a) 員工成本		
Commission paid	已付佣金	1,009	84
Equity-settled share-based payment expenses (note 30)	股權結算以股份為基礎之付款開支(附註30)	56,712	2,084
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	177,114	166,789
Resignation and termination benefit	離職和辭退福利	971	23,900
Social welfare	社會福利	11,328	7,237
		247,134	200,094

The Group operates the Mandatory Provident Fund Scheme for all qualified employees in Hong Kong. The Group contributes certain percentage of relevant payroll costs to the scheme, and the contribution is matched by employees but subject to a maximum amount for each employee. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

The domestic employees of the Group in the PRC participate in state-managed social welfare plans, including social pension insurance, unemployment insurance, health care insurance, housing funds and other social welfare plan operated by the relevant municipal and provincial governments. According to the relevant regulations, the premiums and welfare benefit contributions borne by the Group are calculated and paid to the relevant labour and social welfare authorities on a regular basis. The social pension insurance and unemployment insurance are defined contribution plans. The contributions to the defined contribution plans are expensed as incurred.

During the year, wealth management products and securities brokerage transaction fees approximately amounted to HK\$1,500,000 were waived as part of staff benefit scheme.

6 除稅前虧損

除稅前虧損已扣除下列各項：

本集團為香港的所有合資格僱員執行強制性公積金計劃。本集團按有關薪酬成本的若干百分比向計劃供款，僱員亦按相同比例供款，惟為各僱員設有最高金額。計劃資產與本集團資產分開處理，由受託人管理的基金持有。

本集團亦為於中國境內的僱員參加由國家管理的社會福利計劃，包括由相關的市級和省級政府負責管理的養老金保險、失業保險、醫療保險、住房公積金及其他社會福利供款。根據相關規例，本集團承擔的保費及福利供款定期計算並支付予相關的勞動及社會福利部門。養老金保險及失業保險為設定供款計劃。對設定供款計劃的繳款在發生時計入費用。

本年度年內，理財產品及證券經紀交易費約為1,500,000港元，作為員工福利計劃的一部分予以免除。

Notes to the Financial Statements

財務報表附註

6 LOSS BEFORE TAXATION (Continued)

6 除稅前虧損(續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(b) Other operating expenses	(b) 其他經營開支		
Auditors' remuneration	核數師酬金	2,220	1,850
Legal and professional costs (Note)	法律及專業費用(註)	66,241	20,553
Operating lease payments — property rentals	經營租賃 款項 — 物業租金	24,689	19,854
Information, data and communication expenses	資訊、數據及通訊開支	33,139	30,467
Net exchange (gain) loss	匯兌(收益)虧損淨額	(16,276)	3,609
Entertainment and travelling	應酬及差旅	7,220	5,457

Note: it includes HK\$47.3 million legal and professional fee related to the acquisition of 60% of the issued share capital of MassMutual Asia Limited.

註：其中包括47.3百萬港元與收購美國萬通保險亞洲有限公司已發行的60%股本有關的法律及專業費用

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(c) Finance costs	(c) 融資成本		
Finance lease obligation	融資租賃款項	823	—
Preference share liability	優先股負債	8,230	—
Other Interest expense	其他融資成本	420	97
		9,473	97

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(d) Net provision for impairment loss	(d) 淨減值虧損之撥備		
(Reversal)/provision for Goodwill	(回撥)/撥備商譽	—	1,165
Other receivables	其他應收賬款	—	6,953
Account receivables	應收賬款	(463)	93
Fixed asset	固定資產	615	—
Available for sales investment	可供出售金融資產	1,980	—
		2,132	8,211

Notes to the Financial Statements

財務報表附註

7 INCOME TAX

(a) Taxation in the consolidated income statement represents:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax	當期稅項		
Provision for the year – Hong Kong	本年度撥備 – 香港	—	11,254
Provision for the year – Overseas	本年度撥備 – 香港境外	1,270	1,298
Over-provision in respect of prior years	過往年度撥備轉回	(16)	(2,176)
Total current tax charge for the year	本年度稅項支出總額	1,254	10,376
Deferred tax	遞延稅項		
Reversal of temporary differences	轉回之暫時性差異	(116)	(18,703)
Total tax charge/(credit) for the year	本年度總所得稅項 開支／(轉回)	1,138	(8,327)

The provision for Hong Kong profits tax for 2017 is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

7 所得稅

(a) 綜合收益表之稅收變動代表：

於二零一七年香港利得稅之撥備以本年度之估計應課稅利潤16.5% (二零一六年：16.5%)計算。海外附屬公司之稅項會以相關國家之現行稅率計算。

Notes to the Financial Statements

財務報表附註

7 INCOME TAX (Continued)

7 所得稅(續)

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

(b) 稅項開支與按適用稅率計算之會計溢利之對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(378,168)	(324,869)
Notional tax on loss before taxation, calculated at the rate applicable to profit in the country concerned	按相關國家之稅率計算之除稅前虧損之名義稅項	(63,290)	(55,567)
Tax effect of non-deductible expenses	不可扣稅支出之稅務影響	30,959	47,056
Tax effect of non-taxable revenue	毋須繳稅收入之稅務影響	(15,446)	(15,052)
Tax effect of utilisation of tax losses previously not recognised	先前尚未確認已動用稅項虧損之稅務影響	(2,781)	(633)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	46,841	35,529
Over-provision in prior years	過往年度撥備／(轉回)不足	(16)	(2,176)
Taxable temporary difference reversal	轉回之暫時性差異	—	(18,171)
Others	其他	4,871	687
Actual tax expense/(credit)	實際稅項開支／(轉回)	1,138	(8,327)

Notes to the Financial Statements

財務報表附註

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and part 2 of the Company (Disclosure of Information about Benefits of Directors) Regulations are as follows:

8 董事酬金

根據新香港公司條例第383(1)條例及公司(披露董事利益資料)規則第2部披露之董事酬金如下：

		2017 二零一七年							
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonus (note i)	Contributions to Mandatory Provident Fund	Sub-total	Share-based payments (note ii)	Resignation payment	Total
		董事袍金 HK\$'000 千港元	薪金、津貼及實物利益 HK\$'000 千港元	酌情性花紅 (附註1) HK\$'000 千港元	強制性公積金供款 HK\$'000 千港元	小計 HK\$'000 千港元	以股份為基礎之付款 (附註2) HK\$'000 千港元	離職付款 HK\$'000 千港元	總數 HK\$'000 千港元
Chairman	主席								
Yu Feng	虞鋒	-	-	-	-	-	-	-	-
Executive directors	執行董事								
Huang Xin	黃鑫	-	-	-	-	-	-	-	-
Li Ting (note v)	李婷(附註5)	-	7,644	9,360	18	17,022	-	-	17,022
Non-executive directors	非執行董事								
Ko Chun Shun, Johnson	高振順	300	15	-	-	315	-	-	315
Hai Olivia Ou	海歐	-	-	-	-	-	-	-	-
Huang Youlong (note iii)	黃有龍(附註3)	-	-	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事								
Chu Chung Yue, Howard	朱宗宇	360	18	-	-	378	-	-	378
Lin Lijun	林利軍	240	12	-	-	252	-	-	252
Qi Daqing	齊大慶	240	12	-	-	252	-	-	252
Dr. Wong Yau Kar, David (note iv)	黃友嘉博士(附註4)	253	13	-	-	266	-	-	266
Total		1,393	7,714	9,360	18	18,485	-	-	18,485

Notes:

- The discretionary bonus amount represents bonus accrued and approved for the year 2017.
- All directors are not entitled to share awards or share options as set out in note 2(r)(iii).
- Resigned as non-executive director on 11 January 2018
- Resigned as independent non-executive director on 3 November 2017
- Amount of approximately HK\$699,000 transaction and management fee was waived or rebated for the year 2017.

附註：

- 酌情花紅金額代表於二零一七年度累計及核准之累計花紅。
- 所有董事無權就附註2(r)(iii)所載獲取股份獎勵或購股權。
- 於二零一八年一月十一日辭任非執行董事職務。
- 於二零一七年十一月三日辭任獨立非執行董事職務。
- 二零一七年度約699,000港元的交易及管理費用已獲豁免。

Notes to the Financial Statements

財務報表附註

8 DIRECTORS' EMOLUMENTS (Continued)

8 董事酬金(續)

		2016 二零一六年							
		Salaries, allowances and benefits in kind	Discretionary bonus	Contributions to Mandatory Provident Fund	Share-based payments with shares as basis	Resignation payment	Total		
Directors' fees	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonus	Contributions to Mandatory Provident Fund	Share-based payments with shares as basis	Resignation payment	Total	Total	
董事袍金	董事袍金	薪金、津貼及實物利益	酌情性花紅	公積金供款	以股份為基礎之付款	離職付款	總數	總數	
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	
Chairman	主席								
Yu Feng	虞鋒	-	-	-	-	-	-	-	
Executive directors	執行董事								
Huang Xin	黃鑫	-	-	-	-	-	-	-	
Li Ting	李婷	-	7,644	9,360	18	17,022	-	17,022	
Brett McGonegal	Brett McGonegal	494	-	-	3	497	16,279	16,776	
Non-executive directors	非執行董事								
Ko Chun Shun, Johnson	高振順	300	11	-	4	315	-	315	
Hai Olivia Ou	海歐	-	-	-	-	-	-	-	
Huang Youlong	黃有龍	-	-	-	-	-	-	-	
Independent non-executive directors	獨立非執行董事								
Chu Chung Yue, Howard	朱宗宇	360	18	-	-	378	-	378	
Lin Lijun	林利軍	240	12	-	-	252	-	252	
Qi Daqing	齊大慶	209	10	-	-	219	-	219	
Liu Zhengui	劉珍貴	75	4	-	-	79	-	79	
Dr. Wong Yau Kar, David	黃友嘉博士	300	15	-	-	315	-	315	
Total	總計	1,978	7,714	9,360	25	19,077	-	16,279	
								35,356	

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.

上述執行董事酬金主要為其與本公司及本集團事務管理有關的服務。

The non-executive directors and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

上述非執行董事及獨立非執行董事酬金主要為本公司董事服務。

Notes to the Financial Statements

財務報表附註

9 INDIVIDUAL WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2016: two) is a director whose emoluments is disclosed in note 8. The aggregate of the emoluments in respect of the other four (2016: three) individuals are as follows:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowances and benefits in kind	16,338	20,823
Discretionary bonus	400	3,609
Equity-settled share-based payment expenses (note 1)	17,218	—
Contributions to Mandatory Provident Fund	72	50
	34,028	24,482

Note 1: These represent the estimated value of share award granted to the individuals under the company's share award scheme. The value of these share awards are measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(r)(iii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

9 最高薪人士

五名最高薪人士當中，一名(二零一六年：二名)為董事及其酬金已披露於附註8。有關另外四名(二零一六年：三名)人士之酬金總額如下：

附註1：這些代表在公司股權獎勵計劃下授予個人股權獎勵的估計價值。該等股份獎勵之價值乃根據附註2(r)(iii)所載之本集團以股份為基礎之付款交易之會計政策計量，其中包含因在歸屬前被收回的授予權益工具而回撥往年計提金額之調整。

Notes to the Financial Statements

財務報表附註

9 INDIVIDUAL WITH HIGHEST EMOLUMENTS *(Continued)*

The emoluments of the five (2016: five) individuals with the highest emoluments are within the following bands:

		Number of individuals 僱員人數	
		2017 二零一七年	2016 二零一六年
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\$5,500,001 to HK\$6,000,000	5,500,001 港元至 6,000,000 港元	1	—
HK\$6,500,001 to HK\$7,000,000	6,500,001 港元至 7,000,000 港元	1	—
HK\$7,000,001 to HK\$7,500,000	7,000,001 港元至 7,500,000 港元	—	1
HK\$13,000,001 to HK\$13,500,000	13,000,001 港元至 13,500,000 港元	—	1
HK\$16,000,001 to HK\$16,500,000	16,000,001 港元至 16,500,000 港元	1	—
HK\$16,500,001 to HK\$17,000,000	16,500,001 港元至 17,000,000 港元	—	1
HK\$17,000,001 to HK\$17,500,000	17,000,001 港元至 17,500,000 港元	1	1

9 最高薪人士 (續)

五名最高薪人士(二零一六年: 五名)之酬金處於以下範圍:

10 LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company includes an approximate loss of HK\$423,943,000 (2016: a loss of HK\$207,430,000) which has been dealt with in the financial statements of the Company.

10 本公司權益持有人應佔虧損

本公司權益持有人應佔綜合虧損包括虧損 423,943,000 港元(二零一六年: 虧損 207,430,000 港元), 已於本公司財務報表內處理。

11 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the year ended 31 December 2017 of HK\$379,054,000 (2016: a loss of HK\$316,688,000), and the weighted average number of shares in issue during the year ended 31 December 2017 of 2,402,313,939 (2016: 2,399,336,394).

11 每股虧損

(a) 每股基本虧損

每股基本虧損乃按截至二零一七年十二月三十一日止年度之本公司權益持有人應佔虧損 379,054,000 港元(二零一六年: 虧損 316,688,000 港元)及截至二零一七年十二月三十一日止年度內已發行股份之加權平均數 2,402,313,939 股(二零一六年: 2,399,336,394 股)計算。

Notes to the Financial Statements

財務報表附註

11 LOSS PER SHARE (Continued)

(a) Basic loss per share (Continued)

Weighted average number of ordinary shares

		2017 二零一七年	2016 二零一六年
Issued ordinary shares at 1 January	於一月一日已發行之普通股	2,399,336,394	2,399,336,394
Effect of issue of shares under share award scheme	根據股權獎勵計劃發行股份之影響	2,977,835	—
Effect of repurchase of shares under share award shares	根據股權獎勵計劃回購股份之影響	(290)	—
Weighted average number of ordinary shares at 31 December	於十二月三十一日已發行股份之加權平均數	2,402,313,939	2,399,336,394

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to equity shareholders of the Company for the year ended 31 December 2017 of HK\$379,054,000 (2016: a loss of HK\$316,688,000), and the weighted average number of shares during the year ended 31 December 2017 of 2,402,313,939 (2016: 2,399,336,394).

Weighted average number of ordinary shares (diluted)

		2017 二零一七年	2016 二零一六年
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股之加權平均數	2,402,313,939	2,399,336,394
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日已發行股份之加權平均數(攤薄)	2,402,313,939	2,399,336,394

11 每股虧損(續)

(a) 每股基本虧損(續)

普通股之加權平均數

(b) 每股攤薄虧損

每股攤薄虧損乃按截至二零一七年十二月三十一日止年度之本公司權益持有人應佔虧損379,054,000港元(二零一六年：虧損316,688,000港元)及截至二零一七年十二月三十一日止年度內已發行股份之加權平均數2,402,313,939股(二零一六年：2,399,336,394股)計算。

普通股之加權平均數(攤薄)

12 SEGMENT REPORTING

The operating segments have been determined based on the reports reviewed by the executive directors of the Company that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. During the interim period ended 30 June 2017, management decided to streamline the operation flow and regrouped the securities placing and underwriting segment and combined the related relevant functions with securities brokerage and consultancy and advisory services. With the continuous growth of wealth management division, management considered it to be a separate operating segment. To monitor and measure the return of capital more effectively, management further decide to review the performance of wealth management division and the return of Group's capital including the capital invested in the products and funds managed by the wealth management segment separately going forward.

Comparative figures in prior year have been restated to conform to the current year's presentation.

The Group currently has four operating segments:

- (i) Securities brokerage — engages in securities brokerage and provision of custodian and other services;
- (ii) Wealth management — provision of fund and asset management services as well as financing and investing solution for corporate client and

12 分部報告

經營分部乃根據本公司執行董事所審閱並用於評估表現及作出策略性決定之報告而釐定。本集團之經營業務乃根據其業務性質及所提供之產品及服務個別進行組織及管理。本集團各經營分部代表一個策略性業務單位，提供之產品及服務所承擔之風險及所得之回報與其他經營分部不同。於截至2017年6月30日止中期期間，管理層決定簡化經營流程，重組集團證券投資和承銷業務部門，並將相關職能與證券經紀業務，諮詢諮詢服務相結合。隨著財富管理部門的持續發展，管理層將其視為獨立經營部門。為了更有效地監督和衡量資本回報，管理層決定進一步分別評估財富管理部門的業績和集團資本(包括投資於財富管理部門管理的產品和基金的資本)的回報。

去年的比較數據已重新分類，以符合本年報告之呈現方式。

本集團現有四個經營分部：

- (i) 證券經紀 — 從事證券經紀業務，及提供託管服務和其他服務；
- (ii) 財富管理 — 提供資金和資產管理服務，以及為企業客戶制定融資和投資解決方案；及

Notes to the Financial Statements

財務報表附註

12 SEGMENT REPORTING (Continued)

- (iii) Consultancy and advisory services — engage in provision of corporate advisory, placing and underwriting advisory services to corporate clients.
- (iv) Principal investment — utilize capital 1) to provide funding on developing financial products and the funds managed by wealth management team 2) to improve returns on the Group's capital and cash flow management based on treasury management model that may involve (but shall not be limited to) holding fixed income instruments, high grade equity instruments and other financial investments.

The accounting policies of the reportable segments are the same as those followed by the Group in the last annual financial statements.

Segment revenue represents the revenue generated by each operating segment from external customers. Inter-segment revenue represents inter-segment services which were transacted with reference to the normal commercial price made to third parties at the then prevailing market prices.

Segment results represent specific operating performance of the reported segments by allocating all specific and related operating and finance costs, excluding other corporate, general administrative, and financial expenses, taxation and non-operating costs. This is the measure reported to the chief operating decision maker, at the relevant times, for the purposes of resource allocation and performance assessment.

12 分部報告(續)

- (iii) 顧問及諮詢服務 — 為企業客戶提供企業諮詢，配售和承銷服務。
- (iv) 主要投資 — 基於資金管理模式，這可能涉及(但不限於)持有固定資產收入工具，高級別股權工具和其他金融投資提高集團資本和現金流量管理的回報。

可報告分部之會計政策與本集團於最近年度財務報表所依循者相同。

分部收入指各經營分部自外部客戶產生之收入。分部間收入指參照按當時市價向第三方作出之一般商業價格而進行交易之分部間服務。

分部業績指呈報分部透過分配所有特定及相關經營及財務成本(不包括其他公司、一般行政及財政開支、稅項及非經營成本)計算之特定經營表現，此乃於有關時間匯報予主要經營決策者作資源分配及表現評估用途之衡量基準。

Notes to the Financial Statements

財務報表附註

12 SEGMENT REPORTING (Continued)

12 分部報告(續)

(a) Segment revenue and results

(a) 分部收入及業績

		2017 二零一七年				
		Securities brokerage	Wealth Management	Consultancy and advisory services 顧問及諮詢 服務	Principal Investment	Total
		證券經紀 HK\$'000 千港元	財富管理 HK\$'000 千港元	HK\$'000 千港元	主要投資 HK\$'000 千港元	總計 HK\$'000 千港元
Revenue from external parties	來自外部人士之收益	2,019	3,791	11,110	-	16,920
Interest from client and interest from loan receivable	來自客戶之利息及 應貸款之利息收入	39	3,719	-	-	3,758
Inter-segment revenue	分部間收入	-	2,439	15,968	-	18,407
Reportable segment revenue	可報告分部收入	2,058	9,949	27,078	-	39,085
Net loss on financial assets at fair value through profit or loss	按公平值計入損益之 金融資產及金融負債之 虧損淨額	-	(1,327)	-	(87,841)	(89,168)
Allocated bank and other interest income	已分配銀行及 其他利息收入	551	1,072	-	54,506	56,129
Allocated other operating income and gains	已分配其他經營收入及 收益	2,459	187	-	46,131	48,777
Allocated operating costs	已分配經營成本	(27,295)	(71,527)	(24,633)	(6,204)	(129,659)
Allocated finance cost	已分配融資成本	(442)	(782)	-	(8,230)	(9,454)
Reportable segment (loss)/profit	可報告分部(虧損)/利潤	(22,669)	(62,428)	2,445	(1,638)	(84,290)
Elimination of inter-segment (loss)/profit	可報告分部(虧損)/利潤 對銷					(12,868)
Reportable segment loss derived from group's external customers	來自外部人士之 可報告分部虧損					(97,158)
Unallocated revenue and other operating income and gains from external parties	來自外部人士之未分配其他 經營收入及					1,593
Depreciation and amortisation	折舊和攤銷					(18,531)
Unallocated finance costs	未分配融資成本					(19)
Unallocated legal and professional expenses	未分配法律及專業費用					(52,348)
Taxation	稅項					(1,138)
Other central administrative and unallocated operating costs (Note)	其他中央行政管理成本及 未分配經營成本(附註)					(211,705)
Loss for the year	本年度虧損					(379,306)

Note: The other central administrative and unallocated operating cost includes administrative expenses, research and development costs, staff costs and data and technology related expenses related to the Group's financial technology activities.

附註：其他中央行政管理及未分配的經營成本主要包括行政管理費用及與金融技術有關的研發成本、人員成本及數據和開發技術的相關費用。

Notes to the Financial Statements

財務報表附註

12 SEGMENT REPORTING (Continued)

12 分部報告(續)

(a) Segment revenue and results (Continued)

(a) 分部收入及業績(續)

		2016 (restated) 二零一六年(重述)				
		Securities brokerage	Wealth Management	Consultancy and advisory services 顧問及諮詢 服務	Principal Investment	Total
		證券經紀 HK\$'000 千港元	財富管理 HK\$'000 千港元	HK\$'000 千港元	主要投資 HK\$'000 千港元	總計 HK\$'000 千港元
Revenue from external parties	來自外部人士之收益	3,819	—	42,274	—	46,093
Interest from client	來自客戶之利息收入	27	—	—	—	27
Reportable segment revenue	可報告分部收入	3,846	—	42,274	—	46,120
Net loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資 產及金融負債之虧損淨額	—	—	—	(75,688)	(75,688)
Allocated bank and other interest income	已分配銀行及其他利息 收入	—	—	—	32,926	32,926
Allocated other operating income and gains	已分配其他經營收入	2,056	—	—	—	2,056
Allocated operating costs	已分配經營成本	(29,689)	(18,967)	(25,515)	(9,356)	(83,527)
Reportable segment (loss)/profit	可報告分部(虧損)/利潤	(23,787)	(18,967)	16,759	(52,118)	(78,113)
Elimination of inter-segment (loss)/profit	可報告分部(虧損)利潤對銷					—
Reportable segment loss derived from group's external customer	來自外部人士之 可報告分部虧損					(78,113)
Written back for impairment loss of other receivables	其他應收賬款減值虧損之 淨回撥					1,257
Provision for impairment loss of goodwill	商譽減值虧損之撥備					(1,165)
Depreciation and amortisation	折舊和攤銷					(7,992)
Finance costs	融資成本					(97)
Unallocated legal and professional expenses	未分配法律及專業費用					(19,172)
Taxation	稅項					8,327
Other central administrative and unallocated operating costs	其他中央行政管理成本及未 分配經營成本					(219,587)
Loss for the year	本年度虧損					(316,542)

(b) Segment assets and liabilities

(b) 分部資產及負債

As the assets and liabilities are regularly reviewed by the executive directors of the Company as a whole, the measure of total assets and liabilities by operating segment is therefore not presented.

由於本集團執行董事定期整體審閱資產及負債，因此並無呈列按經營分部劃分之總資產及負債衡量基準。

Notes to the Financial Statements

財務報表附註

12 SEGMENT REPORTING (Continued)

(c) Geographical segment information

The Group's customers, operation and administration are mainly located in Hong Kong and research and development on financial technologies divisions are located in the People's Republic of China.

(d) Information about major customers

The transactions with customer did not account for more than 10% of the total revenue of the Group for the period ended 31 December 2016.

12 分部報告(續)

(c) 地區分部資料

本集團之客戶，業務及行政管理主要位於香港，而集團的金融技術研發部則設立於中國。

(d) 有關主要客戶之資料

				Revenue from major customers	
				來自主要客戶之收入	
Operating Segment				2017	2016
經營分部				二零一七年	二零一六年
				HK\$'000	HK\$'000
				千港元	千港元
Customer A	Wealth management	客戶 A	財富管理	2,824	—
Customer B	Consultancy and advisory service	客戶 B	顧問及諮詢	2,100	—

概無客戶進行之交易佔本集團截至二零一六年十二月三十一日止年度之總收益10%以上。

Notes to the Financial Statements

財務報表附註

13 PROPERTY AND EQUIPMENT

13 物業及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Office equipment and furniture 辦公設備及傢俬 HK\$'000 千港元	Computers equipment 電腦設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本					
At 1 January 2016	於二零一六年一月一日	7,067	5,410	8,697	726	21,900
Additions	添置	4,796	1,330	8,745	—	14,871
Exchange alignment	外幣報表折算差額的影響	(193)	(67)	(95)	—	(355)
At 31 December 2016	於二零一六年 十二月三十一日	11,670	6,673	17,347	726	36,416
At 1 January 2017	於二零一七年一月一日	11,670	6,673	17,347	726	36,416
Additions	添置	3,686	1,501	1,333	—	6,520
Disposal	處置	—	—	(114)	—	(114)
Disposal of a subsidiary	出售附屬公司	(308)	(10)	(23)	—	(341)
Exchange alignment	外幣報表折算差額的影響	418	146	169	—	733
At 31 December 2017	於二零一七年 十二月三十一日	15,466	8,310	18,712	726	43,214
Accumulated depreciation and impairment	累計折舊及減值					
At 1 January 2016	於二零一六年一月一日	1,533	2,974	3,423	40	7,970
Charge for the year	本年度支出	2,706	1,001	3,147	242	7,096
Exchange alignment	外幣報表折算差額的影響	(34)	(11)	(23)	—	(68)
At 31 December 2016	於二零一六年 十二月三十一日	4,205	3,964	6,547	282	14,998
At 1 January 2017	於二零一七年一月一日	4,205	3,964	6,547	282	14,998
Charge for the year	本年度支出	4,328	1,358	4,765	242	10,693
Impairment for the year	本年度減值	108	320	187	—	615
Disposal	處置	—	—	(23)	—	(23)
Disposal of a subsidiary	出售附屬公司	(308)	(9)	(22)	—	(339)
Exchange alignment	外幣報表折算差額的影響	126	29	80	—	235
At 31 December 2017	於二零一七年 十二月三十一日	8,459	5,662	11,534	524	26,179
Net carrying amount	賬面淨值					
At 31 December 2017	於二零一七年 十二月三十一日	7,007	2,648	7,178	202	17,035
At 31 December 2016	於二零一六年 十二月三十一日	7,465	2,709	10,800	444	21,418

Notes to the Financial Statements

財務報表附註

14 GOODWILL AND OTHER INTANGIBLE ASSETS

14 商譽及其他無形資產

(a) Goodwill

(a) 商譽

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost	成本		
At 1 January	於一月一日	4,649	3,484
Additions	添置	—	1,165
At 31 December	於十二月三十一日	4,649	4,649
Accumulated impairment loss	累計減值虧損		
At 1 January	於一月一日	(4,649)	(3,484)
Charge for the year	本年度變化	—	(1,165)
At 31 December	於十二月三十一日	4,649	(4,649)
Carrying amount	賬面值		
At 31 December	於十二月三十一日	—	—

The impairment loss recognised in 2016 related to the Group's acquisition of a subsidiary, Youyu Capital Markets (NZ) Limited. The recoverable amount of the subsidiary was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use. Management considered that it was uncertain for the entity to generate future cashflows. Therefore, the carrying amount was determined to be higher than its recoverable amount and an impairment loss of HK\$ 1,165,000 was made during 2016. The impairment loss was fully allocated to goodwill during the year 2016.

於2016年確認的減值損失，與本集團收購的附屬公司Youyu Capital Markets (NZ) Limited有關。附屬公司的可收回金額以其使用價值為基礎，通過貼現持續使用產生的未來現金流量確定。管理層認為，該實體產生未來現金流量是不確定的。因此，賬面金額被確定為高於其可收回金額，並於2016年度作出減值虧損1,165,000港元。減值虧損已全數分配至商譽。

Notes to the Financial Statements

財務報表附註

14 GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

14 商譽及其他無形資產(續)

(b) Other intangible assets

(b) 其他無形資產

		Trading Rights 交易權 HK\$'000 千港元	Club Membership 會員會籍 HK\$'000 千港元	Computer software 電腦軟件 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At cost	按成本				
At 1 January 2016	於二零一六年一月一日	6,550	—	—	6,550
Additions (Note)	添置(附註)	—	2,930	18,945	21,875
Exchange alignment	外幣報表折算差額的影響	—	—	(21)	(21)
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	6,550	2,930	18,924	28,404
Additions (Note)	添置(附註)	—	—	22,389	22,389
Exchange alignment	外幣報表折算差額的影響	—	—	34	34
At 31 December 2017	於二零一七年十二月三十一日	6,550	2,930	41,347	50,827
Accumulated amortisation and impairment	累計攤銷及減值				
At and 1 January 2016	於二零一六年一月一日	6,000	—	—	6,000
Charge for the year	本年度支出	—	—	896	896
Exchange alignment	外幣報表折算差額的影響	—	—	(4)	(4)
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	6,000	—	892	6,892
Charge for the year	本年度支出	—	—	7,815	7,815
Exchange alignment	外幣報表折算差額的影響	—	—	10	10
At 31 December 2017	於二零一七年十二月三十一日	6,000	—	8,717	14,717
Carrying amount	賬面值				
At 31 December 2017	於二零一七年於十二月三十一日	550	2,930	32,630	36,110
At 31 December 2016	於二零一六年於十二月三十一日	550	2,930	18,032	21,512

Notes to the Financial Statements

財務報表附註

14 GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

(b) Other intangible assets (Continued)

As at 31 December 2017, the Group had three (2016: three) trading rights in The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and one (2016: one) trading right in the Hong Kong Futures Exchange Limited (the "Futures Exchange"), of which two trading rights in the Stock Exchange and one trading right in the Futures Exchange were fully amortised as at 31 December 2010. The Group has one (2016: one) club membership with indefinite useful life similar to the trading rights.

Note: During the year, the addition of computer software amounted approximately to HK\$22,389,000 (2016: HK\$18,945,000) includes an amount of HK\$20,394,000 purchased through finance lease arrangement (note 22(c)).

14 商譽及其他無形資產(續)

(b) 其他無形資產(續)

截至二零一七年十二月三十一日，本集團持有3個聯交所之交易權(二零一六年：3個)及1個期交所之交易權(二零一六年：1個)，其中聯交所的2個交易權及期交所的1個交易權已二零一零年十二月三十一日完全攤銷。本集團持有一個俱樂部會員資格(二零一六年：1個)，其使用期限與交易權利類似。

附註：本年內，電腦軟件增加合共22,389,000港元(2016：18,945,000港元)港元，其中總額20,394,000港元通過融資租賃安排購買(附註22(c))。

15 Interests in subsidiaries

(a) Details of the subsidiaries principally affected the results and assets of the Group

Name of company 公司名稱	Place of incorporation and business 註冊成立地點	Particular of issued/ registered and fully paid-up capital (note) 已發行/註冊及繳足股本(附註)	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Yunfeng Asset Management Limited (formerly known as Cannon Investment Advisors (HK) Limited) 雲鋒資產管理有限公司(前稱 Cannon Investment Advisors (HK) Limited)	Hong Kong 香港	3,910,000 shares 3,910,000 股股份	100%	—	100%	Provision of assets management services 提供資產管理服務
Yunfeng Securities Limited 雲鋒證券有限公司	Hong Kong 香港	113,000,000 shares 113,000,000 股股份	100%	—	100%	Securities broking 證券經紀
Youyu Finance Limited (formerly known as REORIENT Finance Limited) 有魚金融有限公司(前稱瑞東金融有限公司)	Hong Kong 香港	1 share 1 股股份	100%	100%	—	Money lending 貸款
Yunfeng Financial Markets Limited (formerly known as REORIENT Financial Markets Limited) 雲鋒金融市場有限公司(前稱 瑞東金融市場有限公司)	Hong Kong 香港	125,000,000 shares 125,000,000 股股份	100%	100%	—	Securities broking, securities placing and underwriting, and provision of consultancy and advisory services 證券經紀、證券配售及包銷以及提供顧問及諮詢服務

15 於附屬公司之權益

(a) 主要影響本集團業績及資產之附屬公司詳情

Notes to the Financial Statements

財務報表附註

15 Interests in subsidiaries (Continued)

(a) Details of the subsidiaries principally affected the results and assets of the Group (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立地點	Particular of issued/ registered and fully paid-up capital (note) 已發行/註冊及繳足股本(附註)	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Youyu Global Limited (formerly known as REORIENT Global Limited) 有魚環球有限公司(前稱瑞東環球有限公司)	Hong Kong 香港	1 share 1 股股份	100%	100%	—	Provision of administrative services 提供行政服務
Youyu Holdings Limited (formerly known as REORIENT Holdings Limited) 有魚控股有限公司(前稱瑞東控股有限公司)	Hong Kong 香港	1 share 1 股股份	100%	100%	—	Investment holding 投資控股
Youyu Share Award Scheme Nominee Limited (formerly known as REORIENT Share Award Scheme Nominee Limited) 有魚股份獎勵計劃代理人有限公司(前稱瑞東股份獎勵計劃代理人有限公司)	Hong Kong 香港	1,000 shares 1,000 股股份	100%	100%	—	Administering and holding the Company's shares for the Share Award Scheme 管理及為股份獎勵計劃持有股份
REORIENT Financial Markets (USA) LLC	USA 美國	550,000 shares of US\$1 each 550,000 股每股面值1美元之股份	100%	—	100%	Securities broking 證券經紀
Reorient Strategic Limited	British Virgin Islands 英屬處女群島	1 share of US\$1 each 1 股每股面值1美元之股份	100%	—	100%	Investment holding 投資控股
Youyu Capital Management (BVI) Limited (formerly known as REORIENT Asset Management Limited)	British Virgin Islands 英屬處女群島	1 share of US\$1 each 1 股每股面值1美元之股份	100%	—	100%	Investment holding 投資控股
Yunfeng Financial Services (HK) Company Limited (formerly known as Wise Point Holdings Limited)	British Virgin Islands 英屬處女群島	1 share of US\$1 each 1 股每股面值1美元之股份	100%	100%	—	Investment holding 投資控股

15 於附屬公司之權益(續)

(a) 主要影響本集團業績及資產之附屬公司詳情(續)

Notes to the Financial Statements

財務報表附註

15 Interests in subsidiaries (Continued)

(a) Details of the subsidiaries principally affected the results and assets of the Group (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立地點	Particular of issued/ registered and fully paid-up capital (note) 已發行/註冊及繳足股本(附註)	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Beijing Yunfeng Universal Investment Consultancy Limited (formerly known as Beijing REORIENT Universal Investment Consultancy Limited) 北京雲鋒環球投資諮詢有限公司 (前稱北京瑞東環球投資諮詢有限公司)	PRC 中國	Registered capital RMB70,000,000 Paid-up capital RMB41,986,648 人民幣70,000,000 註冊資本 人民幣41,986,648 實繳資本	100%	—	100%	Provision of internet and multimedia systems and application development, marketing and promoting products and public relations services 提供互聯網和多媒體系統和應用程序開發, 營銷和推廣產品和公共關係服務
Shenzhen Youyu Smart Technologies Limited 深圳市有魚智能科技有限公司	PRC 中國	Registered capital RMB100,000,000 Paid-up capital RMB8,010,000 人民幣100,000,000 註冊資本 人民幣8,010,000 實繳資本	100%	—	100%	Technological development of computer software and hardware, technical consulting, technology services, database and computer network services 發展電腦軟件及硬件之技術、技術諮詢、技術服務、數據庫及電腦網路的服務
Majik Asset Management (Cayman) Limited	Caymans Island 開曼群島	1 share of US1 each 1股每股面值1美元之股份	—	—	100%	Fund management 基金管理
Majik Cayman GP 1 Limited	Caymans Island 開曼群島	1 share of US1 each 1股每股面值1美元之股份	—	—	100%	Fund management 基金管理
Majik Cayman GP 2 Limited	Caymans Island 開曼群島	1 share of US1 each 1股每股面值1美元之股份	—	—	100%	Fund management 基金管理
Majik Cayman GP 3 Limited	Caymans Island 開曼群島	1 share of US1 each 1股每股面值1美元之股份	—	—	100%	Fund management 基金管理
Majik Cayman SPV 1 Limited	Caymans Island 開曼群島	1 share of US1 each 1股每股面值1美元之股份	—	—	100%	Investment holdings 投資控股

15 於附屬公司之權益(續)

(a) 主要影響本集團業績及資產之附屬公司詳情(續)

Notes to the Financial Statements

財務報表附註

15 Interests in subsidiaries (Continued)

(a) Details of the subsidiaries principally affected the results and assets of the Group (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立地點	Particular of issued/ registered and fully paid-up capital (note) 已發行/註冊及繳足股本(附註)	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Majik Cayman SPV 3 Limited	Caymans Island 開曼群島	Authorised capital US\$50,000 divided into 2,500,000 preferred shares and 2,500,000 ordinary shares. Each share is at US0.01 par value each. 6,900 ordinary shares and 265,000 preferred shares issued 授權資本50,000美元分為2,500,000優先股和2,500,000普通股。每股面值均為US0.01面值。已發行6,900股普通股和265,000股優先股	—	—	100% ordinary share	Investment holdings 投資控股

Note: The class of shares held is ordinary shares unless otherwise stated.

附註：除另有說明外，所持股份之類別為普通股。

Name of fund 公司名稱	Place of incorporation and business 註冊成立地點	Particular of commitment (note) 承諾本(附註)	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Majik Access USD Fund 1 L.P.	Caymans Island 開曼群島	US114.2 million	65.7%	—	65.7%	Investment
Majik Access USD Fund 2 L.P.	Caymans Island 開曼群島	US26.4 million	75.8%	—	75.8%	Investment
Majik Access USD Fund 3 L.P.	Caymans Island 開曼群島	US29.4 million	82.5%	—	82.5%	Investment

Note: the balance represents capital commitment being made by limited partners to the partnership.

附註：承諾代表有限合夥人向合夥基金作出的資本承諾。

15 於附屬公司之權益(續)

(a) 主要影響本集團業績及資產之附屬公司詳情(續)

Notes to the Financial Statements

財務報表附註

15 Interests in subsidiaries (Continued)

(b) Information about material non-controlling interest

The following table lists out the information relating to Beijing Chengtong Reorient Investment Consultancy Limited, the only subsidiary of the Group which has material non-controlling interest (NCI). The company was disposed during the year as stated in 15(c) together with Wisdom Star Investments Limited. The summarised financial information presented below represents the amounts before any inter-company elimination.

15 於附屬公司之權益(續)

(b) 有關於重大非控股權益之資料

下表載列出有關北京誠通瑞東投資顧問有限公司(唯一一間本集團擁有重大非控股權益之附屬公司)之資料。如在附註15(c)所述，該公司於本年度內與慧星投資有限公司一起被出售。下文呈列之財務資料概述為任何公司間撇銷之金額。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NCI percentage	非控股權益百分比	—	49%
Current assets	流動資產	—	2,330
Non-current assets	非流動資產	—	2
Current liabilities	流動負債	—	(39)
Non-current liabilities	非流動負債	—	—
Net assets	資產淨值	—	2,293
Carrying amount of NCI	非控股權益之賬面值	—	1,106
Revenue	收益	—	—
(Loss)/profit for the year	本年度溢利/(虧損)	(514)	299
Total comprehensive income	全面收益總額	(431)	144
(Loss)/profit allocated to NCI	分配至非控股權益之溢利/(虧損)	(252)	146
Dividend paid to NCI	支付予非控股權益之股息	—	—
Cash flows from operating activities	來自經營活動之現金	(1,572)	166
Cash flows from investing activities	來自投資活動之現金	—	7
Cash flows from financing activities	來自融資活動之現金	—	—

Notes to the Financial Statements

財務報表附註

15 Interests in subsidiaries (Continued)

(c) Disposal of subsidiaries

- (i) On date of completion 2 June 2017, the Group disposed 100% shareholding of a subsidiary, Profit Trigger Limited which holds certain trademarks and web-domain for the Group, to a company which our non-executive director, Mr. Ko Chun Shun, Johnson (“Mr. Ko”) is the owner for a consideration of HK\$800,000. On disposal date, the subsidiary had no asset nor liabilities and the Group recorded gain on disposal HK\$800,000. From 1 January 2017 to date of disposal, the subsidiary remained dormant and did not contribute any profit or loss to the Group.
- (ii) On 24 February 2017, the Group has conditionally agreed to dispose Reorient Financial Markets (USA), LLC and Reorient USA, LLC (the “US Companies”) to a third party. The transaction was terminated by the Group in November 2017.
- (iii) On 13 July 2017, the Company has agreed to dispose 100% shareholding in Wisdom Star Investments Limited and its subsidiaries (the “Disposal Group”) to a company wholly-owned by Mr. Ko, Insula Holding Limited, for a consideration of approximately HK\$4.6 million. On the date of disposal, the consolidated net asset of Disposal Group net of non-controlling interest is approximately HK\$1.0 million. On date of completion 11 August 2017, the Group adjusted for the contingent consideration arising from the potential refund of approximately HK\$3.4 million to Mr. Ko’s wholly-owned company as per terms disclosed in the announcement and did not record any disposal gain. The following table summarises the asset and liabilities disposed and consideration received for the Disposal Group.

15 於附屬公司之權益(續)

(c) 出售附屬公司

- (i) 於二零一七年六月二日完成日，本集團以80萬港元代價向本集團的非執行董事高振順先生(「高先生」)所擁有公司出售本集團附屬公司創富有限公司的100%股權，創富有限公司為本集團持有某些商標和網域。於出售日期，該附屬公司無資產或負債，本集團錄得收入為80萬港元。自二零一七年一月一日至出售日，該附屬公司處於靜止狀態，未對本集團造成任何溢利或虧損。Youyu (NZ)自收購之日起沒有產生任何收益和收入。
- (ii) 於二零一七年二月二十四日，本集團有條件同意以Reorient Financial Markets (USA), LLC和Reorient USA, LLC(「美國公司」)向第三方出售美國公司。本集團於二零一七年十一月終止交易。
- (iii) 誠如日期為二零一七年七月十三日的公告所披露，本公司已同意將慧星投資有限公司100%股權配售予高先生全資擁有的控股有限公司，代價約為460萬港元。於出售日，慧星投資有限公司及其附屬公司(「出售集團」)之綜合資產淨值扣除非控股權益後約為100萬港元。於二零一七年八月十一日完成日，本集團按公告披露的條件潛對在向高先生全資擁有的公司退還340萬港元進行或有代價調整，並無記錄出售收益。下表概述出售集團出售的資產和負債以及收到的代價。

Notes to the Financial Statements

財務報表附註

15 Interests in subsidiaries (Continued)

15 於附屬公司之權益(續)

(c) Disposal of subsidiaries (Continued)

(c) 出售附屬公司(續)

(iii) (Continued)

(iii) (續)

HK\$'000
千港元

Consideration:	代價:	
At disposal date	在處置日	
Total consideration – cash	總代價：— 現金	4,554
Less: provision of potential refund	減：計提可能的退款	(3,451)
		1,103

Assets and liabilities disposed	被處置的資產和負債	
Property and equipment	物業及設備	2
Cash and cash equivalents	現金及現金等值項目	758
Other receivables, net of provisions, deposits and prepayments	其他應收款項(扣除撥備)、按金及預付款項	1,162
Accrued expenses and other payables	應計費用及其他應付款項	(58)
Net assets	資產淨值	1,864
Less: non-controlling interest	減：非控股權益	(912)
Net assets attributable to the Group	歸屬於本集團的淨資產	952

Gain on disposal	出售收益	151
Less: Reclassification of exchange reserve of foreign operation	減：外國業務業績產生之匯兌差額重新分類調整	(195)

Loss on disposal	出售損失	(44)
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Consideration	總代價	4,554
Less: cash and cash equivalent of the subsidiaries disposal	減：出售集團之現金及現金等值項目	(758)

Net consideration received	收到的淨代價	3,796
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(iv) During the year, the total consideration received for disposal of Profit Trigger and Disposal Group amounted to HK\$4,596,000.

(iv) 本年內，出售創富有限公司及出售集團收取的總代價為4,596,000港元。

Notes to the Financial Statements

財務報表附註

16 INTERESTS IN ASSOCIATES

16 於聯營公司之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Share of net assets	應佔資產淨值	714	714
Goodwill	商譽	—	—
		714	714
Less: provision for impairment loss of interest in an associate	減：於聯營公司權益減值虧損之撥備	(714)	(714)
		—	—

The recoverable amount of the investment in ReOil, LLC was estimated based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the investment in ReOil, LLC. The carrying amount of the investment was determined to be higher than its recoverable amount and an impairment loss of HK\$714,000 was recognised.

ReOil, LLC投資的可收回金額是根據其使用價值估算的，通過貼現由繼續使用ReOil, LLC投資產生的未來現金流量來確定。該投資的賬面金額確定為高於其可收回金額，確認減值損失714,000港元。

17 OTHER NON-CURRENT ASSETS

17 其他非流動資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Statutory deposits with exchanges and clearing house	存放於交易所及結算所之法定按金	978	934
Rental deposits	租金按金	8,038	7,984
Other deposit for acquisition of leasehold improvement and equipment	其他用於購買租賃物業裝修和設備之按金	144	1,258
Other receivables	其他應收款項	8,210	8,210
Less: provision for impairment of other receivable	減：其他應收款項減值虧損之撥備	(8,210)	(8,210)
		9,160	10,176

Notes to the Financial Statements

財務報表附註

17 OTHER NON-CURRENT ASSETS (Continued)

Impairment of non-current other receivables

Other receivable is fully impaired as the recoverability of the balance is considered uncertain after credit assessment performed by management. The full provision of impairment for the other receivable is recognised in the consolidated income statement for 2016.

The movement of the allowance for doubtful debts during the year is as follows:

17 其他非流動資產(續)

其他非流動應收賬款之減值

因為在管理層進行信用評估後，其他應收款的可回收性被認為是不確定的。其他應收款全額計提減值準備，計入2016合併利潤表。

年內之呆賬撥備變動如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	8,210	—
Provision for impairment loss recognised	已確認減值虧損之撥備	—	8,210
Amount written off	已撇銷款項	—	—
At 31 December	於十二月三十一日	8,210	8,210

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS

18 可供出售金融資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Available-for-sales financial assets	可供出售金融資產		
Current unlisted and measured at fair value	流動非上市按公平值計入		
— Investment funds (note 1)	— 投資基金(附註1)	326,691	—
Non-current unlisted and measured at fair value	非流動可供出售金融資產		
— Investment funds (note 2)	— 以公平價值計量的投資基金(附註2)	295,797	24,430
— Credit link obligation note	— 信用聯繫票據	192,721	—
— Perpetual capital	— 永續資本	76,989	75,423
		565,507	99,853

Note 1: The purchase cost of each individual investment fund investment is less than HK\$240 million.

附註1：每個投資基金投資的購買成本低於2.4億港元。

Note 2: Amount of approximately HK\$296 million of investment funds are held through fund vehicle being managed and consolidated by the Group.

附註2：296,000,000港元的投資基金由本集團管理和合併的基金持有。

Notes to the Financial Statements

財務報表附註

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Fair value of the Group's available-for-sale financial assets are determined in the manner described in note 33(f). In the opinion of the directors of the Company, non-current available-for-sale financial assets are not expected to be realised within one year from the end of the year.

18 可供出售金融資產(續)

本集團可供出售金融資產的公平價值按附註33(f)中所述方式確定。本公司董事認為，非流動可供出售金融資產預計自年底起一年內預計不會變現。

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

19 按公平值計入損益之金融資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產		
Investment designated at fair value through profit or loss	指定按公平值計入損益之投資		
– Equity investment listed in Hong Kong	– 於香港上市之股權投資	–	186,100
– Equity investment listed outside Hong Kong	– 非香港上市之股權投資	3,209	18,700
Held for trading	持作買賣		
– Over-the-counter derivatives contract	– 場外交易金融衍生工具	2,727	–
– Unlisted options issued by a Hong Kong listed company	– 香港上市公司發行的非上市購股權	–	5,470
		5,936	210,270

Notes to the Financial Statements

財務報表附註

20 ACCOUNTS RECEIVABLE AND ACCRUED INCOME

20 應收賬款及應計收入

		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:	證券經紀產生之應收賬款：		
— Cash clients	— 現金客戶	61,609	12,668
— Margin clients	— 保證金客戶	26,120	26,122
— Clearing house, brokers, fund managers and dealers	— 結算所、經紀及證券商	10,632	9,796
		98,361	48,586
Accounts receivable arising from consultancy and advisory services	顧問及諮詢服務產生之應收賬款	1,720	1,926
Other service fees receivables	其他服務費用之應收賬款	560	—
		100,641	50,512
Less: allowance for doubtful debts	減：呆賬撥備	(26,403)	(26,901)
		74,238	23,611

The balances of accounts receivable from consultancy and advisory services with accrued fees of approximately HK\$1,455,000 (2016: HK\$Nil) for on-going advisory projects which have not been billed.

來自諮詢及顧問服務的應收賬款結餘，並沒有尚未計算的持續諮詢項目的應計費用約1,455,000港元(2016年：無)。

The fair value of accounts receivable approximates its carrying amount.

應收賬款之公平值與其賬面值相若。

(a) Ageing analysis of accounts receivable

(a) 應收賬款之賬齡分析

The ageing analysis of accounts receivable net of allowance for doubtful debts as of the end of the reporting period is as follows:

於報告期末之應收賬款(扣除呆賬撥備)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
Current	即期	72,688	22,043
Less than 1 month past due	逾期少於1個月	767	863
1 to 3 months past due	逾期1至3個月	262	95
More than 3 months past due	逾期3個月以上	521	610
Amounts past due	逾期款項	1,550	1,568
		74,238	23,611

Notes to the Financial Statements

財務報表附註

20 ACCOUNTS RECEIVABLE AND ACCRUED INCOME (Continued)

(a) Ageing analysis of accounts receivable (Continued)

The Group has procedures and policies to assess the client's credit quality and defines credit limits for each client. All client acceptance and credit limit are approved by designated approvers according to the client's credit worthiness.

(b) Accounts receivable which are past due but not impaired

Included in the Group's accounts receivable balance are debtors with an aggregate carrying amount of HK\$1,550,000 (2016: HK\$1,568,000) which are past due at the end of the reporting period for which the Group has not made provision for impairment loss.

As of 31 December 2016, HK\$154,000 from cash clients which are past due but not impaired represented client trades which are unsettled beyond the settlement date. No impairment loss was provided for these balances as either the Group held securities collateral for those balances with fair values in excess of the past due amounts or the balances have been settled subsequently. Collaterals held against such accounts receivable are publicly traded securities. No such balance exists as of 31 December 2017.

Accounts receivable from corporate clients of HK\$1,550,000 (2016: HK\$1,414,000) which are past due but not impaired represent accounts receivable arising from provision of corporate finance, consultancy and advisory services which have not yet been settled and aged by their invoice date. No impairment loss was provided for these balances as these clients are trade counterparties with sound credit rating and/or reputation.

20 應收賬款及應計收入(續)

(a) 應收賬款之賬齡分析(續)

本集團設有程序及政策評估潛在客戶之信貸質素，並界定各客戶之信貸限額。所有接納客戶之事宜及信貸限額須經指定批核人依據有關客戶之信用審批。

(b) 已逾期但未減值之應收賬款

本集團之應收賬款結存包括賬面總值為1,550,000港元(二零一六年：1,568,000港元)之應收賬款，該等款項於報告期末已逾期，且本集團並無就此作出減值虧損撥備。

於二零一六年十二月三十一日，來自現金客戶之已逾期但未減值應收賬款154,000港元分別指於結算日期後仍未清償之客戶賬款。由於本集團就該等結存持有公平值高於逾期款項之證券抵押品或結餘其後已清償，故並無就該等結存作出減值虧損撥備。就該等應收賬款持有之抵押品為上市買賣證券。於二零一七年十二月三十一日，沒有這樣的餘額。

來自企業客戶之已逾期但未減值應收賬款1,550,000港元(二零一六年：1,414,000港元)指提供企業融資、顧問及諮詢服務產生之應收賬款，其於發票日期起計仍未清償及已到期。由於該等客戶為信貸評級及/或聲譽良好之交易對手，故並無就該等結存作出減值虧損撥備。

Notes to the Financial Statements

財務報表附註

20 ACCOUNTS RECEIVABLE AND ACCRUED INCOME (Continued)

20 應收賬款及應計收入(續)

(c) Impairment of accounts receivable

The Group has a policy for allowance for doubtful debts which is based on the evaluation of collectability, ageing analysis of accounts and management's judgement including the creditworthiness, collaterals and the past collection history of each client.

The movement of the allowance for doubtful debts during the year is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	26,901	28,669
Provision for impairment loss recognised	已確認減值虧損之撥備	18	94
Amount recovered during the year	年內收回之款項	(513)	—
Amount written off	已撇銷款項	(3)	(1,862)
At 31 December	於十二月三十一日	26,403	26,901

Included in the allowance for doubtful debts were individually impaired accounts receivable which have financial difficulties in making payments. Among the allowance for doubtful debts, approximately HK\$26,120,000 (2016: HK\$26,122,000) relates to individually impaired margin clients accounts receivable, HK\$285,000 (2016: HK\$267,000) relates to individually impaired accounts receivable arising from the business of dealing in securities and nil (2016: HK\$512,000) relates to impaired accounts receivable from corporate clients.

The Group ceased providing margin financing service since 2004 and the balance represented the past due amounts due from margin clients brought forward from 2004.

(d) Balance with related parties

At 31 December 2017, account receivable of HK\$60,000 (2016: HK\$519,000) are receivable from a company where Mr. Ko is a substantial shareholder.

(c) 應收賬款之減值

本集團設有計提呆賬撥備之政策，有關政策以可收回性評估、賬項之賬齡分析及管理層對各客戶之信譽、抵押品及過往收款記錄之判斷為基礎。

年內之呆賬撥備變動如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	26,901	28,669
Provision for impairment loss recognised	已確認減值虧損之撥備	18	94
Amount recovered during the year	年內收回之款項	(513)	—
Amount written off	已撇銷款項	(3)	(1,862)
At 31 December	於十二月三十一日	26,403	26,901

呆賬撥備包括有重大財務困難之個別已減值應收賬款。於呆賬撥備中，約26,120,000港元(二零一六年：26,122,000港元)與個別已減值之應收保證金客戶賬款有關，而285,000港元(二零一六年：267,000港元)與個別已減值之證券買賣業務產生之應收賬款有關，而沒有(二零一六年：512,000港元)與已減值之應收企業客戶賬款有關。

本集團自二零零四年起停止提供保證金融資服務，而有關餘額指自二零零四年起結轉之應收保證金客戶之逾期款項。

(d) 與關聯人士之結餘

於二零一七年十二月三十一日，應收一間公司之款項60,000港元(二零一六年：519,000港元)(高先生為該公司之主要股東)。

Notes to the Financial Statements

財務報表附註

21 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

21 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
Rental and other deposits	租金及公用事業按金	251	665
Prepayments	預付款項及其他按金	6,683	6,845
Other receivables, net of provisions	應收利息及其他應收款項 (扣除撥備)	58,718	7,514
		65,652	15,024

As of 31 December 2016, the other receivables amounted to HK\$8,585,000 were individually fully impaired which have financial difficulties in making payments. During the year, the related impaired other receivable is fully written off in relation to the Disposal Group transaction as disclosed in note 15(c).

截至二零一六年十二月三十一日，其他應收款項包括總額為8,585,000港元的個別應財政困難無法支付款項而全面減值。如附註15(c)，有關已減值其他應收款項已就出售集團交易悉數撇銷。

The fair values of other receivables, deposits and prepayments approximate their carrying amounts. The above balances are expected to be recovered within one year.

其他應收款項、按金及預付款項之公平值與其賬面值相若。上述結餘預期將於一年內收回。

22 CASH AND CASH EQUIVALENTS AND FIXED BANK DEPOSITS WITH ORIGINAL MATURITY OVER 3 MONTHS

22 現金及現金等值項目及到期期限多於三個月的銀行定期存款

(a) Cash and cash equivalents comprise:

(a) 現金及現金等值項目包括：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deposits with bank	銀行存款	30,000	45,600
Fixed bank deposits with original maturity less than 3 months	到期期限少於三個月的 銀行定期存款	1,739,627	3,526,079
Cash at bank and in hand	銀行及手頭現金	412,747	68,815
		2,182,374	3,640,494

As at 31 December 2017, deposits with bank amounted to HK\$30 million (2016: HK\$45.6 million) were deposits secured for banking facilities. None of these banking facilities are utilized.

於二零一七年十二月三十一日，計入銀行存款之金額30,000,000港元(二零一六年：45,600,000港元)已抵押作為銀行透支融資之擔保。這些銀行透支融資都沒有被利用。

**22 CASH AND CASH EQUIVALENTS AND
FIXED BANK DEPOSITS WITH ORIGINAL
MATURITY OVER 3 MONTHS** *(Continued)*

**(b) Bank balances – trust and segregated
account**

The Group maintains segregated accounts with authorised institutions to hold clients' monies arising from its normal course of business of the regulated activities. The Group has classified the "bank balances – trust and segregated accounts" under current assets in the consolidated statement of financial position and recognised the corresponding account payables to respective clients and other institutions on the grounds that it is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance. As at 31 December 2017, client money maintained in segregated accounts amounted to HK\$340,029,000 (2016: HK\$358,544,000).

**22 現金及現金等值項目及到期期限多
於三個月的銀行定期存款(續)**

(b) 銀行結存 – 信託及獨立賬戶

本集團於認可機構開立獨立賬戶，以持有其正常受規管活動業務過程中產生之客戶款項。本集團已將「銀行結存 – 信託及獨立賬戶」分類為綜合財務狀況表之流動資產項下，並因須就客戶款項之任何損失或不當挪用負責而確認相應之應付予有關客戶及其他機構之賬款。本集團不得使用客戶款項清償其本身債務。代客戶持有之現金受證券及期貨條例下之證券及期貨(客戶款項)規則限制及規管。於二零一七年十二月三十一日，存置於獨立賬戶之客戶款項為340,029,000港元(二零一六年：358,544,000港元)。

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財務報表附註

22 CASH AND CASH EQUIVALENTS AND FIXED BANK DEPOSITS WITH ORIGINAL MATURITY OVER 3 MONTHS (Continued)

22 現金及現金等值項目及到期期限多於三個月的銀行定期存款(續)

(c) Reconciliation of loss before taxation to cash used in operating activities:

(c) 除稅前虧損與經營業務耗用之現金之對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Note 附註		
Loss before taxation	除稅前虧損	(378,168)	(324,869)
Adjustments for:	經調整：		
Net loss on financial assets and financial liabilities at fair value through profit and loss	按公平值計入損益之金融資產及金融負債之虧損淨額	89,168	75,688
Net realised gain on available-for-sales financial assets	出售可供出售金融資產淨收益	(14,961)	—
Dividend and distribution income from available-for-sale financial assets	可供出售金融資產的股息及分配收入	(14,348)	—
Impairment loss of available-for-sales financial assets	可供出售金融資產之減值虧損	1,980	—
Net gain on disposal of subsidiaries	出售聯營公司之收益	(756)	—
Depreciation and amortisation	折舊及攤銷	18,508	7,992
Loss on disposal of property and equipment	出售物業及設備之虧損	67	—
Impairment loss of property and equipment	物業及設備之減值虧損	615	—
Finance costs	融資成本	9,473	97
Interest income	利息收入	(72,476)	(32,357)
Provision for impairment loss of goodwill	商譽減值虧損之撥備	—	1,165
(Reversal)/provision for impairment loss of accounts receivable	應收賬款之(回撥)/減值虧損	(463)	93
Provision for impairment loss of other receivable	其他應收款項減值虧損之撥備	—	8,210
Equity-settled share-based payment expenses	以權益結算並以股份支付之開支	56,713	2,084
		(304,648)	(261,897)
Changes in working capital:	營運資金變動：		
Increase in other non-current assets	其他非流動資產增加	(107)	(1,683)
Change in financial asset and financial liabilities at fair value through profit or loss	出售按公平值計入損益之金融資產之所得款	349,986	368,362
(Increase)/decrease in accounts receivable	應收賬款(增加)/減少	(50,164)	28,850
(Increase)/decrease in other receivables, deposits and prepayments	其他應收款項、按金及預付款項(增加)/減少	(52,867)	8,082
Decrease/(increase) in bank balances – trust and segregated accounts	銀行結存 – 信託及獨立賬戶減少/(增加)	18,515	(189,008)
Increase in accounts payable	應付賬款增加	81,898	172,838
Increase in accrued expenses and other payables	應計費用及其他應付款項增加	39,589	6,774
Decrease in amounts due to directors	應付董事款項減少	—	(149)
Net cash generated from operating activities	經營業務產生之現金淨額	82,202	132,169

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22 CASH AND CASH EQUIVALENTS AND FIXED BANK DEPOSITS WITH ORIGINAL MATURITY OVER 3 MONTHS (Continued)

(d) Reconciliation of liabilities arising from financing activity:

		Preference shares 優先股 HK\$'000 千港元	Finance lease 融資租賃 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	—	2,227	2,227
Change from financing cash flow:	融資活動所產生之現金流：			
Proceeds from issue of preference share by a subsidiary	附屬子公司發行優先股之所得款淨額	206,194	—	206,194
Payment made to finance lease obligation	支付融資租賃款項	—	(1,075)	(1,075)
Total change in financing cash flows	融資活動現金流之變動	206,194	(1,075)	205,119
New finance lease	新融資租賃	—	20,807	20,807
Finance charge on finance lease obligation	融資租賃融資成本	—	823	823
Fair value change	公平值計變動	877	—	877
Exchange alignment	外幣報表折算差額的影響	—	290	290
At 31 December 2017	於二零一七年十二月三十一日	207,071	23,072	230,143

22 現金及現金等值項目及到期期限多於三個月的銀行定期存款(續)

(d) 對融資活動產生的負債之對賬：

(e) Fixed bank deposits with original maturity over 3 months

As at 31 December 2017, fixed bank deposits with original maturity more than 3 months amounted to HK\$78.1 million (2016: Nil) were deposited as collateral for fund-linked note, a financial product issued by the Group, as disclosed in note 26.

(e) 到期期限多於三個月的銀行定期存款

於二零一七年十二月三十一日，到期期限多於三個月的銀行定期存款78,100,000港元(二零一六年：無)作為附註26所披露的基金掛鈎票據(本集團發行的金融產品)之抵押品。

23 ACCOUNTS PAYABLE

Accounts payable	應付賬款
— Cash clients	— 現金客戶
— Clearing house, fund managers, brokers and dealers	— 經紀及證券商

23 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
	400,247	360,474
	52,328	10,203
	452,575	370,677

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財務報表附註

23 ACCOUNTS PAYABLE (Continued)

Included in accounts payable are amounts payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of conducting regulated activities, which amount to HK\$391,043,000 (2016: HK\$358,469,000).

All of the accounts payable are aged and due within one month or on demand.

(a) Balance with related parties

- (i) At 31 December 2017, accounts payable of approximately HK\$230,000 (2016: HK\$230,000) are payable to Mr. Ko and HK\$1,746,000 (2016: HK\$524,000) are accounts payable to the related companies where Mr. Ko are substantial shareholder and director.
- (ii) At 31 December 2017, accounts payable of approximately HK\$18,667,000 (2016: nil) are payable to certain key management personnel of the Company on normal terms of brokerage and wealth management business of the Group.

24 ACCRUED EXPENSES AND OTHER PAYABLES

Accrued staff costs
Other payables and accruals

應計員工成本
其他應付款項及應計費用

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	33,245	41,777
	68,645	13,706
	101,890	55,483

All accrued expenses and other payables are expected to be settled within one year or will be settled in the Group's normal operating cycle.

23 應付賬款(續)

應付賬款包括就於進行受規管活動過程中為客戶及其他機構收取及持有之信託及獨立銀行結存而應付客戶及其他機構之款項391,043,000港元(二零一六年: 358,469,000港元)。

所有應付賬款之賬齡為於一個月內到期或按要求償還。

(a) 與關聯方的結餘

- (i) 截至二零一七年十二月三十一日，應付高先生之款項230,000港元(二零一六年: 230,000港元)及應付高先生關聯公司之款項1,746,000港元(二零一六年: 524,000港元)(高先生為該等公司之主要股東及董事)。
- (ii) 截至二零一七年十二月三十一日，按本集團一般經紀及理財業務的一般條款應付若干本公司主要管理人員之款項18,667,000港元(二零一六年: 無)。

24 應計費用及其他應付款項

所有應計費用及其他應付款項預期將於一年內清償，或將於本集團之正常經營週期內清償。

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財務報表附註

25 EMPLOYEE RETIREMENT BENEFITS – DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2016: HK\$30,000). Contributions to the plan vest immediately.

25 僱員退休福利 – 定額供款退休計劃

本集團按香港強制性公積金計劃條例為在香港僱傭條例管轄範圍內受僱及之前未受定額福利退休計劃保障之僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員有關入息5%對計劃作出供款，每月有關入息上限為30,000港元(二零一六年每月有關入息上限為30,000港元)。計劃供款即時歸屬。

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

26 按公平值計入損益之金融負債

		At 31 December 2017 於 二零一七年 十二月 三十一日 HK\$'000 千港元	At 31 December 2016 於 二零一六年 十二月 三十一日 HK\$'000 千港元
Designated at fair value through profit or loss	指定按公平值計入損益之負債		
Current	流動		
Fund-linked note (note 1)	表現掛鈎票據(附註1)	78,063	—
Non – current	非流動		
Preference share liability (note 2)	優先股負債(附註2)	207,071	—
Third-party interests in consolidated funds (note 3)	納入合併範圍的基金的 第三方權益(附註3)	156,606	—
		363,677	—

Notes to the Financial Statements

財務報表附註

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note:

- (1) The amount represents a financial product secured by bank deposit with principal amount of US\$10 million issued by the Group and the return of the product is linked to an underlying unlisted mutual fund. As the fund-linked note is due for settlement within a year from 31 December 2017, it is classified as current liability.
- (2) The amount represents US\$26.5 million proceed obtained from the issue of 265,000 preferred shares at US\$100 per share by a subsidiary of the Group with the proceed being used to fulfil capital contribution to a consolidated fund managed by the Group. The total number of preferred shares that can be issued under agreement is 500,000 shares for a total proceed of US\$50,000,000. The subsidiary is obliged to redeem all issued preferred shares after 5 years starting from the initial issuance date of the preferred shares. At liquidation, after all creditors' claim is satisfied, the asset of the subsidiary should be first distributed to preference shareholders by redeeming all issued preferred shares together with any unpaid preferred share dividends. As the preferred shares are due for settlement after more than a year from 31 December 2017, it is classified as a non-current liability.
- (3) The third party interests in consolidated fund consist of third-party unit holders' interest in the consolidated fund which is reflected as a liability as the fund is to be dissolved and return all capital to investor after 7 years starting from initial closing date. As the end of term of the consolidated fund is more than a year from 31 December 2017, it is considered as a non-current liability.

26 按公平值計入損益之金融負債(續)

附註：

- (1) 該金額代表本集團發行本金為1,000萬美元由銀行存款擔保的金融產品，而產品的回報與一個相關非上市共同基金掛鉤。由於基金掛鉤票據將於二零一七年十二月三十一日起一年內到期結算，因此分類為流動負債。
- (2) 該金額為本集團附屬公司以每股100美元的價格發行265,000股優先股，獲得2,650萬美元用於投資本集團的合併基金。根據協議可以發行的優先股總數達500,000股，總額為5,000萬美元。附屬公司有義務在初始發行日期開始的5年後贖回所有已發行優先股。在清算時，該附屬公司的資產在償還所有債權人的債權後，應首先分配給優先股股東，直至贖回已發行優先股分以及滿足未付的優先股股息。由於優先股在二零一七年十二月三十一日起超過一年後到期，因此被歸類為非流動負債。
- (3) 合併資金中的第三方權益包括第三方單位持有人在合併資金中的權益，反映為基金將被解散的負債，並按照協議中規定從初始截止日期起7年後將所有資本返還給投資者。由於合併基金期限自二零一七年十二月三十一日起超過一年，因此被視為非流動負債。

Notes to the Financial Statements

財務報表附註

27 OBLIGATION UNDER FINANCE LEASE

At 31 December 2017, the Group had obligations under finance leases repayable as follows:

		2017 二零一七年		2016 二零一六年	
		Present value of the minimum lease payment 現值的最低 租賃付款 HK\$'000 千港元	Total minimum lease payment 最低租賃 付款總額 HK\$'000 千港元	Present value of the minimum lease payment 現值的最低 租賃付款 HK\$'000 千港元	Total minimum lease payment 最低租賃 付款總額 HK\$'000 千港元
Within one year	一年以內	7,694	7,789	842	977
After one but within 2 years	一年後但兩年內	4,438	4,528	907	977
After 2 years but within 5 years	兩年後但五年內	10,940	11,951	478	489
		23,072	24,268	2,227	2,443
Less: finance cost	減：融資成本		(1,196)		(216)
Present value lease obligation	現值租賃負債		23,072		2,227

27 融資租賃負債

於二零一七年十二月三十一日，本集團於融資租賃之責任如下：

28 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the statement of financial position represents:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備	44,259	53,087

28 於財務狀況表中之所得稅

(a) 財務狀況表內之當期稅項指：

Notes to the Financial Statements

財務報表附註

28 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Accelerated tax depreciation	Tax losses	Net unrealised gain on financial assets at fair value through profit or loss 按公平值計入損益之金融資產之未變現收益	Decelerated tax on expense incurred	Net unrealised gain on available for sales financial instruments 可供出售金融資產未變現收益淨額	Total
	提前稅項折舊 HK\$'000 千港元	稅項虧損 HK\$'000 千港元	HK\$'000 千港元	減緩費用 HK\$'000 千港元	HK\$'000 千港元	總額 HK\$'000 千港元
Deferred tax liabilities/(assets) arising from:	以下各項產生之遞延稅項負債/(資產):					
At 1 January 2016	於二零一六年一月一日	1,357	(14,506)	31,320	—	18,171
Exchange alignment (Credited)/charged to profit or loss	外幣報表折算差額的影響 (計入)/扣自損益	—	—	—	24	24
		(60)	13,209	(31,320)	(532)	(18,703)
At 31 December 2016	於二零一六年十二月三十一日	1,297	(1,297)	—	(508)	(508)
At 1 January 2017	於二零一七年一月一日	1,297	(1,297)	—	(508)	(508)
Exchange alignment (Credited)/charged to profit or loss	外幣報表折算差額的影響 (計入)/扣自損益	—	—	—	(18)	(18)
Charged to other comprehensive income	扣自其他綜合收益	(470)	(173)	—	526	(117)
		—	—	—	820	820
At 31 December 2017	於二零一七年十二月三十一日	827	(1,470)	—	—	177

At 31 December 2017, no deferred tax asset has been recognised in respect of the tax losses of HK\$848 million (2016: HK\$627 million) to the extent that it is not probable that future taxable profit against which the losses can be utilised will be available subject to the approval of respective tax authorities in the relevant tax jurisdiction. The tax losses amounting to HK\$835 million (2016: HK\$598 million) do not expire under current tax legislation.

28 於財務狀況表中之所得稅(續)

(b) 遞延稅項資產及負債之確認：

本年度於綜合財務狀況表確認之遞延稅項負債/(資產)部份及變動如下：

	Accelerated tax depreciation	Tax losses	Net unrealised gain on financial assets at fair value through profit or loss 按公平值計入損益之金融資產之未變現收益	Decelerated tax on expense incurred	Net unrealised gain on available for sales financial instruments 可供出售金融資產未變現收益淨額	Total
	提前稅項折舊 HK\$'000 千港元	稅項虧損 HK\$'000 千港元	HK\$'000 千港元	減緩費用 HK\$'000 千港元	HK\$'000 千港元	總額 HK\$'000 千港元
Deferred tax liabilities/(assets) arising from:	以下各項產生之遞延稅項負債/(資產):					
At 1 January 2016	於二零一六年一月一日	1,357	(14,506)	31,320	—	18,171
Exchange alignment (Credited)/charged to profit or loss	外幣報表折算差額的影響 (計入)/扣自損益	—	—	—	24	24
		(60)	13,209	(31,320)	(532)	(18,703)
At 31 December 2016	於二零一六年十二月三十一日	1,297	(1,297)	—	(508)	(508)
At 1 January 2017	於二零一七年一月一日	1,297	(1,297)	—	(508)	(508)
Exchange alignment (Credited)/charged to profit or loss	外幣報表折算差額的影響 (計入)/扣自損益	—	—	—	(18)	(18)
Charged to other comprehensive income	扣自其他綜合收益	(470)	(173)	—	526	(117)
		—	—	—	820	820
At 31 December 2017	於二零一七年十二月三十一日	827	(1,470)	—	—	177

於二零一七年十二月三十一日，並無就稅項虧損848,000,000港元(二零一六年：627,000,000港元)確認遞延稅項資產，由於相關稅務司法權區及實體不大可能有未來應課稅溢利(須經各稅務機關批准)可利用該虧損抵銷。稅項虧損835,000,000港元(二零一六年：598,000,000港元)根據現行稅務法例不會屆滿。

Notes to the Financial Statements

財務報表附註

29 CAPITAL, RESERVES AND DIVIDENDS

29 資本、儲備及股息

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity on page 90. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

		Share capital	Shares held by share award scheme 股份獎勵計劃所持有之股份 HK\$'000 千港元	Share-based payment reserve 以股份基礎之付款儲備 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	4,499,045	(8,042)	5,931	(82,957)	4,413,977
Equity settled share-based transactions	以股份權益為結算基礎的交易	-	-	2,084	-	2,084
Shares vested under share award scheme	根據股份獎勵計劃歸屬之股份	-	7,945	(7,945)	-	-
Total comprehensive income for the year	本年度全面收益總額	-	-	-	(207,430)	(207,430)
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	4,499,045	(97)	70	(290,387)	4,208,631
Share issued under share award scheme	根據股份獎勵計劃發行之股份	129,546	(129,546)	-	-	-
Share repurchase under share award scheme	根據股份獎勵計劃回購之股份	-	(260)	-	-	(260)
Equity settled share-based transactions	以股份權益為結算基礎的交易	-	-	56,712	-	56,712
Shares vested under share award scheme	根據股份獎勵計劃歸屬之股份	-	24,353	(26,039)	1,686	-
Total comprehensive income for the year	本年度全面收益總額	-	-	-	(423,943)	(423,943)
At 31 December 2017	於二零一七年十二月三十一日	4,628,591	(105,550)	30,743	(712,644)	3,841,140

(a) 權益部份之變動

本集團綜合權益各部份之年初與年終結存之對賬載於第90頁之綜合權益變動表。本公司個別權益部份於年初及年終之變動詳情載列如下：

本公司

Notes to the Financial Statements

財務報表附註

29 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Nature and purpose of reserves

(i) *Share held by share award scheme and share-based payment reserve*

The Company's shares held by Youyu Share Award Scheme Nominee Limited, TMF Trust (HK) Limited and Bank of Communications Trustee Limited for the share award schemes are presented as a deduction in equity as shares held for share award scheme.

Share-based payment reserve represents the grant date fair value of unexercised share options granted to employees of the company that has been recognised in accordance with the accounting policy adopted for share-based payments.

(ii) *Asset revaluation reserve*

The asset revaluation reserve arose on the revaluation of the trading rights in the exchanges in Hong Kong in prior years. The carrying value of the trading rights have been fully amortised in previous years. The remaining revaluation reserve will be realised when the Group disposes of the trading rights.

(iii) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(v).

29 資本、儲備及股息(續)

(b) 儲備之性質及用途

(i) *就股份獎勵計劃持有之股份及以股份為基礎之付款儲備*

由有魚股份獎勵計劃代理人有限公司、達盟信託服務(香港)有限公司及交通銀行信託有限公司持有之本公司股份作為一個扣減項目在股本權益中呈報，列作就股份獎勵計劃而持有之股份。

以股份為基礎之付款儲備乃指向本公司僱員授出而尚未行使之購股權於授出日期之公平值，其已根據以股份為基礎之付款而採納之會計政策確認。

(ii) *資產重估儲備*

資產重估儲備於重估過往年度於香港之交易所之交易權時產生。交易權之賬面值已於過往年度悉數攤銷。餘下重估儲備將於本集團出售交易權時變現。

(iii) *匯兌儲備*

匯兌儲備包括所有換算外國業務財務報表產生之匯兌差額。該儲備根據附註2(v)所載之會計政策予以處理。

29 CAPITAL, RESERVES AND DIVIDENDS
(Continued)

(b) Nature and purpose of reserves
(Continued)

(iv) Statutory reserve

Pursuant to the Company Law of the PRC, in accordance with the relevant subsidiary's articles of association, 10% of the net profit of the relevant subsidiary, determined in accordance with the relevant accounting rules and financial regulations applicable to enterprises in the PRC ("PRC GAAP"), is required to be transferred to the statutory reserve until such time when this reserve reaches 50% of the registered capital of the subsidiary incorporated in PRC. The reserve appropriated can be used for expansion of business scale and capitalisation. If the statutory reserve is capitalised into registered capital, the remaining reserve is required to be no less than 25% of the subsidiary's registered capital before capitalisation.

(c) Distributability of reserves

As at 31 December 2017, the Company did not have any reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of the new Hong Kong Companies Ordinance (Cap. 622) (2016: nil).

(d) Dividend

No dividend was paid or proposed for the year ended 31 December 2017 (2016: nil), nor has dividend been proposed since the end of the reporting period.

(e) Share capital

Movements of the Company's ordinary shares are set out below:

	2017 二零一七年		2016 二零一六年	
	Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
Issued and fully paid				
Balance brought forward	2,399,336,394	4,499,548	2,399,336,394	4,499,548
Shares issued under share award scheme (note 29(a))	23,990,000	129,546	—	—
Balance carried forward	2,423,326,394	4,629,094	2,399,336,394	4,499,548

29 資本、儲備及股息(續)

(b) 儲備之性質及用途(續)

(iv) 法定儲備

根據中華人民共和國公司法之公司章程，按照適用於中國企業的有關會計規則和財務條例確定的有關附屬公司淨利潤的10%（「中國GAAP」），須轉入法定公積金，直至該儲備金達到在中國註冊成立的附屬公司註冊資本的50%。所佔用的儲備金可用於擴大業務規模和資本化。法定公積金轉為註冊資本時，剩餘股份在資本化前不少於附屬公司註冊資本的25%。

(c) 儲備之可分派性

於二零一七年十二月三十一日，根據新香港公司條例(第622章)第6部份的條文計算，本公司並無任何可供分派予本公司股權擁有人之儲備(二零一六年：無)。

(d) 股息

截至二零一七年十二月三十一日止年度並無派付或擬派股息(二零一六年：無)，而自報告期末起亦無建議派付任何股息。

(e) 股本

本公司普通股之變動載列如下：

Notes to the Financial Statements

財務報表附註

29 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Share capital (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(f) Capital management

Capital comprises of share capital and reserves stated on the Group's and the Company's statement of financial position. The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Company manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity analyses. Neither the Company nor its subsidiaries, except for Yunfeng Financial Markets Limited ("YFFM"), Yunfeng Securities Limited ("YFSL") and Yunfeng Asset Management Limited ("YFAM"), is subject to externally imposed capital requirements. YFFM, YFSL and YFAM are regulated by the Securities and Futures Commission (the "SFC") and are required to comply with certain minimum capital requirements according to the Securities and Futures Ordinance.

The management monitors YFFM, YFSL and YFAM's liquid capital daily to ensure they meet the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules ("FRR") adopted by the SFC. Under the FRR, YFFM and YFSL must maintain its liquid capital in excess of HK\$3 million or 5% of their total adjusted liabilities whichever is higher. For YFAM, it must maintain its liquid capital in excess of HK\$100,000 or 5% of its adjusted liabilities whichever is higher. The required information was filed with SFC on a monthly or half yearly basis. YFFM, YFSL and YFAM were in compliance with the capital requirements imposed by FRR during the current and prior year.

29 資本、儲備及股息(續)

(e) 股本(續)

普通股持有人有權收取不時宣派之股息，且於本公司大會上每股可投一票。所有普通股就本公司之剩餘資產均享有同等地位。

(f) 資本管理

資本包括於本集團及本公司之財務狀況表所列之股本及儲備。本集團管理資本之主要目標為透過訂定與風險水平相稱之服務價格以及以合理成本取得融資，保障本集團之持續經營能力，以便繼續為股東帶來回報及為其他利益相關者帶來利益。

本公司透過定期監察其現時及預期流動資金需求而並非運用債務／股權分析管理資本。本公司或其附屬公司 雲鋒金融市場有限公司(「雲鋒金融市場」)、雲鋒證券有限公司(「雲鋒證券」)及雲鋒資產管理有限公司(「雲鋒資產」)除外)毋須遵守外界制定之資本規定。雲鋒金融市場、雲鋒證券及雲鋒資產受證券及期貨事務監察委員會(「證監會」)所規管，並須根據證券及期貨條例遵守若干最低資本規定。

管理層根據證監會採納之證券及期貨(財政資源)規則(「財政資源規則」)每日監察雲鋒金融市場、雲鋒證券及雲鋒資產之流動資金以確保其符合最低流動資金需求。根據財政資源規則，雲鋒金融市場及雲鋒證券市場須維持3,000,000港元或佔其經調整負債總額5%(以較高者為準)以上之流動資金。雲鋒資產須維持100,000港元或佔其經調整負債總額5%(以較高者為準)以上之流動資金。所需資料乃每月提交或每半年予證監會備案。雲鋒金融市場、雲鋒證券及雲鋒資產於本年度及上年度遵守財政資源規則所制定之資本規定。

30 EMPLOYEE SHARE-BASED ARRANGEMENTS

Share award scheme

On 17 October 2014, the board of directors approved the adoption of the share award scheme (the “2014 Share Award Scheme”). The purpose of the 2014 Share Award Scheme is to (i) encourage or facilitate the holding of shares by the selected participants; (ii) encourage and retain such individuals to work with the Company and the Group and (iii) provide additional incentive for them to achieve performance goals, and the share award scheme took effect on 30 October 2014. The awarded shares are awarded by issuing new ordinary shares. Before vesting, the awarded shares are held in a trust set up by the scheme.

With similar purpose of 2014 Share Award Scheme, on 12 December 2016, the board of directors approved the adoption of 2016 Share Award Scheme (the “2016 Share Award Scheme”) and the Company issue of 23,990,000 new ordinary shares of the Company to TMF Trust (HK) Limited to be granted to the Group A Participant (Group A Grantees) as disclosed in the announcement of the Company dated 24 January 2017. The share was issued at value of HK\$5.4 per share. On the other hand, the Group repurchase 48,000 number of Company ordinary share through Bank of Communications Trustee Limited for share award to be granted to the Group B Participant (Group B Grantees) during the year with consideration of approximately HK\$260,000. During the year, no 2016 share award was granted to Group B Grantees.

The fair value of share award of the 2014 Share Award Scheme and 2016 Share Award Scheme at the date of the grant are charged to staff costs and related expenses over the projected vesting period being the period for which the services from the employees are rendered with a corresponding credit to employee share-based payment reserve.

Upon vesting and transfer to the awardees, the related costs of the shares are credited to share held for share award scheme, and the related fair value of the shares are debited to share-based payment reserve.

30 僱員股份安排

股份獎勵計劃

於二零一四年十月十七日，董事會批准採納股份獎勵計劃（「2014股份獎勵計劃」）。2014股份獎勵計劃旨在(i)鼓勵或促進獲選參與者持有股份；(ii)鼓勵及挽留有關個別人士於本公司及本集團工作；及(iii)提供額外激勵予彼等達成表現目標，及股份獎勵計劃已於二零一四年十月三十日生效。獎勵股份乃透過發行新普通股授出。於歸屬前，該等獎勵股份由該計劃設立之受託人持有。

與2014年股份獎勵計劃目的相似，於二零一六年十二月十二日，董事會批准通過2016年度股份獎勵計劃（「2016股份獎勵計劃」），及誠如日期為二零一七年一月二十四日的公告所披露，本公司向達盟信託服務(香港)有限公司發行23,990,000股新普通股，以授予A組參加者(A組承授人)。新普通股以每股5.4港元發行。另一方面，本集團於年內通過交通銀行信託有限公司以代價約為260,000港元回購48,000份本公司普通股股份以授予B組參與者(B組承授人)。於本年內，二零一六年股份獎勵未獲授予B組承授人。

2014股份獎勵計劃及2016股份獎勵計劃獎勵股份於授出日期之公平值在預計歸屬期(即有關僱員提供服務之期間)內攤作員工成本及相關開支，並相應記入以股份為基礎之僱員付款儲備。

於歸屬及轉讓予獲授人後，該等股份之有關成本記入就股份獎勵計劃所持之股份，而該等股份之有關公平值則自以股份為基礎之付款儲備扣除。

Notes to the Financial Statements

財務報表附註

30 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

Share award scheme (Continued)

(i) Details of the 2014 Share Award Scheme

Date of approval by Board	Date of award	Awarded Sum	Number of shares issued	Number of awarded shares awarded	Average fair value per share	Vesting period
董事會批准日期	授出日期	獎勵金額 HK\$'000 千港元	已發行 股份數目	已授出獎勵 股份數目	每股平均 公平值 HK\$ 港元	歸屬期
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	11,042	3,025,206	3,025,206	3.65	31 October 2014 – 31 December 2014 二零一四年十月三十一日至 二零一四年十二月三十一日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	904	247,660	247,660	3.65	31 October 2014 – 01 February 2015 二零一四年十月三十一日至 二零一五年二月一日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	1,298	355,667	355,667	3.65	31 October 2014 – 18 February 2015 二零一四年十月三十一日至 二零一五年二月十八日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	1,620	443,791	443,791	3.65	31 October 2014 – 26 February 2015 二零一四年十月三十一日至 二零一五年二月二十六日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	2,731	748,345	748,345	3.65	31 October 2014 – 20 March 2015 二零一四年十月三十一日至 二零一五年三月二十日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	562	153,968	153,968	3.65	31 October 2014 – 14 August 2015 二零一四年十月三十一日至 二零一五年八月十四日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	3,650	1,000,000	1,000,000	3.65	31 October 2014 – 16 September 2015 二零一四年十月三十一日至 二零一五年九月十六日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	2,835	776,666	776,666	3.65	31 October 2014 – 30 October 2015 二零一四年十月三十一日至 二零一五年十月三十日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	1,371	375,629	375,629	3.65	31 October 2014 – 14 December 2015 二零一四年十月三十一日至 二零一五年十二月十四日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	904	247,660	247,660	3.65	31 October 2014 – 02 January 2016 二零一四年十月三十一日至 二零一六年一月二日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	2,732	748,345	748,345	3.65	31 October 2014 – 20 March 2016 二零一四年十月三十一日至 二零一六年三月二十日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	562	153,968	153,968	3.65	31 October 2014 – 14 August 2016 二零一四年十月三十一日至 二零一六年八月十四日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	3,650	1,000,000	1,000,000	3.65	31 October 2014 – 16 September 2016 二零一四年十月三十一日至 二零一六年九月十六日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	97	26,667	26,667	3.65	31 October 2014 – 29 October 2016 二零一四年十月三十一日至 二零一六年十月二十九日
30 October 2014 二零一四年十月三十日	31 October 2014 二零一四年十月三十一日	97	26,667	26,667	3.65	31 October 2014 – 29 October 2017 二零一四年十月三十一日至 二零一七年十月二十九日

30 僱員股份安排(續)

股份獎勵計劃(續)

(i) 2014年股份獎勵計劃詳情

Notes to the Financial Statements

財務報表附註

30 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

30 僱員股份安排(續)

Share award scheme (Continued)

股份獎勵計劃(續)

(ii) Details of the 2016 Share Award Scheme (to Group A Grantee)

(ii) 授予A組承授人2016年股份獎勵計劃詳情

Date of approval by Board	Date of award	Awarded Sum	Number of shares issued	Number of awarded shares awarded	Average fair value per share	Vesting period
董事會批准日期	授出日期	獎勵金額 HK\$'000 千港元	已發行 股份數目	已授出獎勵 股份數目	每股平均 公平值 HK\$ 港元	歸屬期
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2017 二零一七年一月二十四日至 二零一七年五月四日
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2018 二零一七年一月二十四日至 二零一八年五月四日
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2019 二零一七年一月二十四日至 二零一九年五月四日
24 January 2017 二零一七年一月二十四日	24 January 2017 二零一七年一月二十四日	26,499	5,997,500	5,047,500	5.25	24 January 2017 – 4 May 2020 二零一七年一月二十四日至 二零二零年五月四日

(iii) Details of the 2014 Share Award Scheme vested and forfeited

(iii) 已歸屬之2014股份獎勵計劃詳情

Vesting date	歸屬日期	Average fair value per share	At 31 December 2017		At 31 December 2016	
			Number of awarded shares vested	Fair value of related awarded shares	Number of awarded shares vested	Fair value of related awarded shares
		每股平均 公平值 HK\$ 港元	已歸屬獎勵 股份數目	相關獎勵股份 之公平值 HK\$'000 千港元	已歸屬獎勵 股份數目	相關獎勵股份 之公平值 HK\$'000 千港元
02 Jan 2016	二零一六年一月二日	3.65	—	—	247,660	904
20 Mar 2016	二零一六年三月二十日	3.65	—	—	748,345	2,732
14 Aug 2016	二零一六年八月十四日	3.65	—	—	153,968	562
16 Sep 2016	二零一六年九月十六日	3.65	—	—	1,000,000	3,650
29 Oct 2016	二零一六年十月二十九日	3.65	—	—	26,667	97
			—	—	2,176,640	7,945

During the year, 26,667 awarded share of 2014 Share Award Scheme with vesting date on 29 October 2017 were forfeited with amount of approximately HK\$97,000 measured at HK\$3.65 per share.

於本年度內，以二零一七年十月二十九日為歸屬日期的26,667二零一四年股份獎勵獎勵股份已被沒收，按每股3.65港元計算，金額約為97,000港元。

Notes to the Financial Statements

財務報表附註

30 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

Share award scheme (Continued)

(iv) Details of the 2016 Share Award Scheme vested, cancelled and modification of service condition to Group A Grantee.

Vesting date	歸屬日期	Average fair value per share 每股平均公平值 HK\$ 港元	At 31 December 2017 於二零一七年十二月三十一日			Number of awarded share subject to service condition modification 已修改服務條件獎勵股份數目	Total amount of related awarded shares 相關獎勵股份之公平值 HK\$'000 千港元
			Number of awarded shares vested 已歸屬獎勵股份數目	Number of awarded shares cancelled 已取消獎勵股份數目	Number of awarded shares forfeited 已沒收獎勵股份數目		
4 May 2017	二零一七年五月四日	5.25	4,510,000	450,000	3,037,500	87,500	42,446
			4,510,000	450,000	3,037,500	87,500	42,446

(v) Movements in the number of 2014 Share Award Scheme

30 僱員股份安排(續)

股份獎勵計劃(續)

(iv) 已歸屬、取消及修改服務條件之 2016 股份獎勵計劃詳情

(v) 已授出 2014 股份獎勵計劃數目之變動

		Number of awarded shares 股份獎勵數目	
		At 31 December 2017 於二零一七年十二月三十一日	At 31 December 2016 於二零一六年十二月三十一日
Outstanding at 1 January	於一月一日尚未行使	26,667	2,203,307
Vested	已歸屬	—	(2,176,640)
Forfeited	已沒收	(26,667)	—
Outstanding at 31 December	於十二月三十一日尚未行使	—	26,667

Notes to the Financial Statements

財務報表附註

30 EMPLOYEE SHARE-BASED ARRANGEMENTS (Continued)

Share award scheme (Continued)

(vi) **Movements in the number of 2016 Share Award Scheme to Group A Grantees**

		Number of awarded shares 股份獎勵數目	
		At 31 December 2017 於 二零一七年 十二月 三十一日	At 31 December 2016 於 二零一六年 十二月 三十一日
Outstanding at 24 January	於一月二十四日尚未行使	20,190,000	—
Vested	已歸屬	(4,510,000)	—
Cancelled	已取消	(450,000)	—
Forfeited	已沒收	(3,037,500)	—
Outstanding at 31 December	於十二月三十一日尚未行使	12,192,500	—

31 COMMITMENTS

(a) **Operating lease commitments**

As lessee

As at 31 December 2017, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	18,801	21,345
After one year but within five years	一年後但五年內	5,711	23,647
		24,512	44,992

The Group leases a number of offices under operating leases. The leases run for an initial period of one to five years. None of the leases includes contingent rentals.

30 僱員股份安排(續)

股份獎勵計劃(續)

(vi) **已授出予A組承授人2016股份獎勵計劃數目之變動**

31 承擔

(a) **經營租賃承擔**

作為承租人

於二零一七年十二月三十一日，根據不可撤銷經營租約之未來最低應付租賃款項總額如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	18,801	21,345
After one year but within five years	一年後但五年內	5,711	23,647
		24,512	44,992

本集團根據經營租賃租用多個辦公室。租期初步為期一至五年。概無租賃包括或然租金。

Notes to the Financial Statements

財務報表附註

31 COMMITMENTS (Continued)

(b) Other commitments

- (i) As at 31 December 2017, the Group has a total of HK\$0.6 million intangible asset capital commitment contracted but not provided for and US\$127 million other capital commitment (31 December 2016: US\$25 million) related to third party managed funds with US\$37 million (31 December 2016: US\$3.15 million) having been contributed.
- (ii) As disclosed in the announcement of the Company dated 4 February 2016, Yunfeng Financial Market Limited (“YFM”) (formerly known as Reorient Financial Markets Limited), a wholly owned subsidiary of the Company, entered into a joint venture agreement with Giant Investment Co., Ltd., and Jiangsu YuWell Technology Development Co., Ltd. (“Jiangsu Limited”) on that day. As disclosed in the circular of the Company dated 29 April 2016, the joint venture agreement was superseded and replaced by the amended and restated joint venture agreement entered among YFM, Hangzhou Dr. Herbs Electronics Commerce Company Limited and Jiangsu Limited on 13 April 2016. Upon establishment of the joint venture company after obtaining all necessary approval as defined and disclosed in the circular, YFM is committed to contribute RMB1,290,000,000 of the registered capital of the joint venture company.
- (iii) As disclosed in the announcement of the Company dated 17 August 2017, the Company and the other investors (as the Purchasers) and MassMutual International LLC, entered into the Share Purchase Agreement pursuant to which the Company has conditionally agreed to acquire 60% of the issued share capital of MassMutual Asia Limited. The portion of the consideration payable by the Company is HK\$7,860 million of which HK\$5,200 million will be satisfied by the issue of an aggregate of 800,000,000 shares of the Company at the issue price of HK\$6.50 per share representing approximately 24.82% of the issued share capital of the Company as enlarged by the issue of the shares.

31 承擔(續)

(b) 其他資本承擔

- (i) 截至二零一七年十二月三十一日，本集團合共承擔60萬港元的已簽約但未於財務報表內備撥之無形資產資本承諾及通過合併基金向第三方管理資金提供了1億2,700萬美元(二零一六年十二月三十一日：2,500萬美元)的資金承諾，其中3,700萬美元(二零一六年十二月三十一日：315萬美元)已經出資。
- (ii) 誠如二零一六年二月四日刊發之本公司公告所披露，於當日，本公司的全資附屬公司雲鋒金融市場有限公司(「雲鋒金融市場」)(前稱瑞東金融市場有限公司)，與巨人投資有限公司及江蘇魚躍科技發展有限公司(「江蘇公司」)簽立有關成立合營公司的發起人協議。誠如二零一六年四月二十九日本公司通函所披露，於二零一六年四月十三日，雲鋒金融市場與杭州禾博士電子商務有限公司(「禾博士」)和江蘇公司簽立有關成立合營公司的經修訂及重列發起人協議取替及取代有關成立合營公司的發起人協議。誠如通函所定義及披露，雲鋒金融市場在合營公司取得所有必須的批准後為合營公司註冊資本承擔的出資金額為1,290,000,000人民幣。
- (iii) 誠如二零一七年八月十七日刊發之本公司公告所披露，本集團和美國萬通國際公司達成交易，本集團和其他幾家亞洲投資者將收購美國萬通國際位於香港的美國萬通保險亞洲有限公司。本集團有條件同意收購萬通亞洲已發行的60%股本，對價78.6億港元，當中52億港元以本集團發行8億股新股(每股6.50港元)支付，相當於本集團經擴大後發行股本約24.82%。

32 INTERESTS IN STRUCTURED ENTITIES

Interest in consolidated structure entities

The Group had consolidated certain structured entities, mainly funds related to wealth management operation. For those structured entities where the Group is involved as manager or as investor, the Group assesses the extent of controlling power according to relevant group accounting policies.

As at 31 December 2017, the net assets of consolidated fund entities as detailed in note 15 amounted to HK\$574 million with net carrying interest held by the Group being HK\$417 million.

Interests held by other investors in these consolidated structured entities, mainly fund entities were classified as financial liabilities at fair value through profit or loss of the consolidated statements of financial position with fair value change of financial liability at fair value through profit or loss presented in the consolidated income statements.

At year end, the Group reassessed the control of structured entities and decided whether the Group is still a principal.

Interest in unconsolidated structure entities

Among those structured entities held by the Group where the Group directly or indirectly involves as investment manager or in equivalent capacity, the Group regularly assesses and determines whether:

- the Group is acting as an agent or a principal in these investment funds;
- substantive removal rights held by other parties may remove the Group as an investment fund manager; and
- the investment interests held together with its remuneration from servicing and managing these structured entities create significant exposure to variability of returns in these investment funds

In the opinion of the directors, the variable returns that the Group to these structured entities is not significant and the Group is primarily acting as an agent. Therefore, the Group did not consolidate these structured entities.

32 結構化實體的權益

合併結構化實體權益

本集團擁有若干合併入賬的結構化實體，主要包括為財富管理運營的基金產品。對於本集團作為管理人或投資者的該等結構化實體。本集團會根據相關的集團會計政策評估控制權。

於二零一七年十二月三十一日，綜合基金實體淨資產為5億7,400萬港元，本集團持有淨資產為4億1,700萬港元。

合併結算單位其他投資者持有的權益，主要為基金實體，歸類為綜合收益表的按公平值計入損益之金融負債虧損，在綜合財務狀況表歸類為按公平值計入損益之金融負債。

於期末，本集團重新評估對結構性實體的控制，並決定本集團是否仍為主要責任人。

未合併結構化實體權益

就本集團所持有並由本集團(作為投資經理)直接或間接參與的投資基金，本集團定期評估及確定：

- 本集團是否作為該等投資基金的代理或主事人；
- 其他各方是否持有可免除本集團作為投資基金經理職務之實質罷免權；及
- 所持投資權益連同服務及管理該等結構性實體的酬金是否使該等投資基金的回報承受重大變化風險

董事認為，本集團於該等結構性實體的可變回報並不重大，及本集團主要擔當代理。因此，本集團並未合併這些結構化實體。

Notes to the Financial Statements

財務報表附註

32 INTERESTS IN STRUCTURED ENTITIES (Continued)

The Group classified its investment in those unconsolidated entities as available-for-sale investments with minimal loss exposure due to small investment amount involved. During the year, the amount of management fee income from the unconsolidated structured entity managed by the Group was approximately HK\$340,000.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to accounts and other receivables and bank balances (segregated and general accounts). Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of accounts and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the year, amount of HK\$493,000 (2016: nil of the total account and other receivables) accounts and other receivables was due from the five largest customers respectively.

32 結構化實體的權益(續)

本集團將其於未納入綜合實體的投資分類為可供出售投資，因涉及的投資金額較小，故虧損風險極低。本年內，本集團管理的未合併結構化主體的管理費收入約為340,000港元。

33 財務風險管理及金融工具之公平值

本集團在正常業務過程中面對信貸、流動資金、利率及外幣風險。本集團面對之有關風險，以及本集團為控制該等風險而採用之財務風險管理政策及慣例載述如下。

(a) 信貸風險

本集團之信貸風險主要來自應收賬款及其他應收款項以及銀行結存(獨立及一般賬戶)。管理層訂有信貸政策，並持續監控該等信貸風險承擔。

就應收賬款及其他應收款項而言，信貸超過某一數額之所有客戶均須通過獨立信貸評估。此等評估著重於客戶過往支付到期款項之記錄，以及現時付款能力，並計及客戶特定之賬戶資料及參考客戶經營業務所在地之經濟環境。

本集團之信貸風險承擔主要受各客戶之個別特徵而非客戶經營業務所處行業或國家影響，故信貸風險重大集中情況主要在本集團對個別客戶承擔重大風險時產生。於各報告期末，金額493,000港元(二零一六年：無)應收本集團最大客戶及五大客戶。

**33 FINANCIAL RISK MANAGEMENT
AND FAIR VALUE OF FINANCIAL
INSTRUMENT** *(Continued)*

(a) Credit risk *(Continued)*

Bank balances (segregated and general accounts) are placed with high-credit-quality institutions and management considers that the credit risk for such is minimal.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from accounts receivable are set out in note 20.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, and to ensure compliance with FRR. The Group's policy is to regularly monitor its liquidity requirement and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

33 財務風險管理及金融工具之公平值
(續)

(a) 信貸風險 *(續)*

銀行結存(獨立及一般賬戶)乃存放於信貸質素高之機構，管理層認為有關信貸風險輕微。

未計任何持有之抵押品之最高信貸風險承擔乃按綜合財務狀況表中各金融資產之賬面值扣除任何減值撥備後列賬。本集團並無提供任何會令其面對信貸風險之擔保。

有關本集團因應收賬款而面對之信貸風險之進一步定量披露資料載於附註20。

(b) 流動資金風險

本集團內個別經營實體負責本身之現金管理，包括以籌措貸款以應付預期現金需要，及確保遵守財務資源規則。本集團之政策為定期監控其流動資金需要及遵守借貸契諾之情況，以確保有足夠現金儲備及來自大型金融機構之充足承諾資金額應付其短期及長期流動資金需要。

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

(b) Liquidity risk (Continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company, as applicable, can be required to pay:

		Contractual undiscounted cash outflow 合約未貼現現金流出			Carrying amount at 31 December 於 十二月 三十一日 之賬面值 HK\$'000 千港元
		Within 1 year or on demand 一年內或 按要求 HK\$'000 千港元	More than 1 year but within 5 year 超過一年 但五年內 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
As at 31 December 2017	於二零一七年 十二月三十一日				
Accounts payable	應付賬款	452,575	—	452,575	452,575
Accrued expenses and other payables	應計費用及其他應付款項	101,890	—	101,890	101,890
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	78,063	363,677	441,740	441,740
Finance lease liability	融資租賃負債	7,789	16,479	24,268	23,072
		640,317	380,156	1,020,473	1,019,277

33 財務風險管理及金融工具之公平值 (續)

(b) 流動資金風險 (續)

下表顯示本集團及本公司金融負債於報告期末之餘下合約到期期限，乃按合約未貼現現金流量(包括採用合約利率或(倘浮動)按於報告期末之現行利率計算之利息款項)及本集團及本公司(視情況而定)可能須支付之最早日期計算得出：

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

33 財務風險管理及金融工具之公平值 (續)

(b) Liquidity risk (Continued)

(b) 流動資金風險 (續)

		Contractual undiscounted cash outflow 合約未貼現現金流出			
		Within 1 year or on demand	More than 1 year but within 5 year	Total	Carrying amount at 31 December
		一年內 或按要求 HK\$'000 千港元	超過一年 但五年內 HK\$'000 千港元	總計 HK\$'000 千港元	於 十二月 三十一日 之賬面值 HK\$'000 千港元
As at 31 December 2016	於二零一六年 十二月三十一日				
Accounts payable	應付賬款	370,677	—	370,677	370,677
Accrued expenses and other payables	應計費用及其他應付款項	55,483	—	55,483	55,483
Financial liabilities at fair value through profit or loss	按公平值計入損益 之金融負債	—	—	—	—
Finance lease liability	融資租賃負債	977	1,466	2,443	2,227
		427,137	1,466	428,603	428,387

(c) Interest rate risk

The Group's exposure to cashflow interest rate risk is mainly attributable to its bank balances (trust, segregated and general accounts). The Group's fair value interest rate risk relates primarily to fixed-rate overdue accounts receivable and fixed deposits held under bank balance – trust and segregated accounts.

The Group currently does not have any interest rate hedging policy. The management monitors the Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

As of 31 December 2017 and 2016, the Group is not exposed to cash flow interest rate risk with all the financial instruments is carried at nil or fixed interest rate. Therefore, no sensitivity analysis is performed on cash flow interest rate risk. As most of the financial instruments on nil or fixed interest rate having relatively short maturity, the Group is not exposed to material fair value interest rate risk.

(c) 利率風險

本集團之現金流量利率風險主要來自其銀行結存(信託、獨立及一般賬戶)。本集團之公平值利率風險主要涉及定息逾期應收賬款及於銀行結存一信託及獨立賬戶持有之定期存款。

本集團目前並無任何利率對沖政策。管理層持續監控本集團之風險，並將於有需要時考慮對沖利率風險。

於二零一七年及二零一六年十二月三十一日，本集團不存在現金流量利率風險，所有金融工具均以零利率或固定利率支付。因此，對現金流量利率風險不進行敏感性分析。由於大多數無金融工具或固定利率的成熟期相對較短，本集團不存在重大公允價值利率風險。

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

(d) Foreign currency risk

The Group has assets and liabilities denominated in currencies other than its functional currency and that are subject to fluctuation in foreign exchange amounts in the different currencies. The Group is exposed to currency risk arising from various currency exposures, mainly to the extent of its and bank balances in currencies such as the USD and Renminbi. Management of the Group monitors the foreign exchange exposure and will hedge significant foreign currency exposure should the need arise.

During the year ended 31 December 2017, the Group did not engage in the use of other financial instruments for hedging purposes, and there were no hedging instruments outstanding as at 31 December 2017.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the Group's functional currency of Hong Kong dollars. For presentation purposes, the amounts of the exposure are expressed in Hong Kong dollars.

		2017 二零一七年						
		United States Dollars 美元 HK\$'000 千港元	Japanese Yen 日圓 HK\$'000 千港元	China Renminbi 人民幣 HK\$'000 千港元	Australian Dollars 澳元 HK\$'000 千港元	United Kingdom Sterling 英鎊 HK\$'000 千港元	Singapore Dollars 新加坡元 HK\$'000 千港元	Canadian Dollars 加元 HK\$'000 千港元
Accounts and other receivables	應收賬款及其他應收款項	36,382	-	-	-	-	-	-
Bank balance – trust and segregated accounts	銀行結存 – 信託及獨立賬戶	168,881	-	412	140	67	14	14
Cash and cash equivalents	現金及現金等值項目	3,033,375	-	17,676	-	-	-	-
Accounts and other payables	應付賬款及其他應付款項	(186,584)	-	(388)	(109)	(67)	(14)	(14)
Net exposure to currency risk	貨幣風險承擔淨額	3,052,054	-	17,700	31	-	-	-

33 財務風險管理及金融工具之公平值 (續)

(d) 外幣風險

本集團擁有以其功能貨幣以外的貨幣計值的資產和負債，並受外幣兌換貨幣波動的影響。本集團主要在其以美元及人民幣為單位之銀行結存方面承擔不同貨幣所產生之貨幣風險。然而，管理層監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

截至二零一七年十二月三十一日止年度，本集團並無運用其他金融工具作對沖用途，於二零一七年十二月三十一日亦無任何未平倉對沖工具。

(i) 貨幣風險承擔

下表詳列本集團於報告期末對以本集團功能貨幣港元以外貨幣計值之已確認資產或負債所產生貨幣風險之承擔。就呈列而言，風險承擔額乃以港元列值。

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

33 財務風險管理及金融工具之公平值 (續)

(d) Foreign currency risk (Continued)

(d) 外幣風險 (續)

(i) Exposure to currency risk (Continued)

(i) 貨幣風險承擔 (續)

		2016 二零一六年						
		United States Dollars 美元 HK\$'000 千港元	Japanese Yen 日圓 HK\$'000 千港元	China Renminbi 人民幣 HK\$'000 千港元	Australian Dollars 澳元 HK\$'000 千港元	United Kingdom Sterling 英鎊 HK\$'000 千港元	Singapore Dollars 新加坡元 HK\$'000 千港元	Canadian Dollars 加元 HK\$'000 千港元
Accounts and other receivables	應收賬款及其他應收款項	9,792	-	-	-	1	1	1
Bank balance – trust and segregated accounts	銀行結存 – 信託及獨立賬戶	1,526	-	17	123	46	7	
Cash and cash equivalents	現金及現金等值項目	1,947,715	1	13,397	4	-	-	18
Accounts and other payables	應付賬款及其他應付款項	(1,422)	-	(17)	(99)	(46)	(7)	(18)
Net exposure to currency risk	貨幣風險承擔淨額	1,957,611	1	13,397	28	1	1	1

(ii) Sensitivity analysis

(ii) 敏感度分析

The Group's significant net exposure to Renminbi and United States Dollars at the reporting date and the estimated impact to the Group's profit/(loss) for the year had the foreign exchange rates of Renminbi and United States Dollars changed at that date are illustrated below. In this respect, it is assumed that the linked exchange rate between the HKD and the USD would remain unchanged and therefore, fluctuate between lower limit of HKD7.75 to USD1 and upper limit of HKD7.85 to USD1.

本集團於報告日面對之重大人民幣及美元風險承擔淨額及於該日之人民幣及美元匯率改變對本集團本年度溢利/(虧損)之估計影響說明如下。就此而言，假設港元與美元之聯繫匯率不變，因此，下限為7.75港幣至1美元，上限為7.85港幣至1美元。

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

(d) Foreign currency risk (Continued)

(ii) Sensitivity analysis (Continued)

		2017 二零一七年			2016 二零一六年		
		Net assets in foreign currency	Appreciation/ (depreciation) in foreign currency	Effect on profit after tax and retained profits	Net assets in foreign currency	Appreciation/ (depreciation) in foreign currency	Effect on profit after tax and retained profits
		外幣資產淨值 HK\$'000 千港元	外幣升值/ (貶值) %	對除稅後溢利 及保留溢利 之影響 HK\$'000 千港元	外幣資產淨值 HK\$'000 千港元	外幣升值/ (貶值) %	對除稅後溢利 及保留溢利 之影響 HK\$'000 千港元
Renminbi	人民幣	17,700	10 (10)	1,478 (1,478)	13,397	10 (10)	1,119 (1,119)
United States dollars	美元	3,052,054	0.5 (0.8)	11,741 (20,872)	1,957,611	1.2 (0.1)	19,896 (1,810)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments which expose the Group to foreign currency risk at the reporting period. The analysis is performed on the same basis for 2016.

敏感度分析假設匯率變動已應用於重新計量該等於報告期末令本集團面對外幣風險之金融工具。二零一六年之分析乃按相同基準進行。

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments and derivative instruments classified as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss (see note 19 and 26) held by the Group. Gains and losses arising from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are dealt with in consolidated income statement. For private credit funds, credit-linked note and distressed investment fund and perpetual capital classified as available-for-sale financial assets (see note 18), the Group relied on recent price of the investment, net asset value statement provided by the fund managers and broker quote. The performance is monitored regularly, together with an assessment of its relevance to the Group's strategic plans.

33 財務風險管理及金融工具之公平值 (續)

(d) 外幣風險 (續)

(ii) 敏感度分析 (續)

(e) 股價風險

本集團面對本集團持有分類為按公平值計入損益之金融資產之股本投資及衍生工具及金融負債(見附註19及26)所產生之股價變動風險。按公平值計入損益之金融資產及負債公平值變動產生之盈虧乃於綜合收益表中處理。對於歸類為可供出售金融資產的投資基金、信用聯繫票據和永續資本(見附註18)，本集團依賴最近的投資價格和經紀商報價。其表現乃受定期監察，並就與本集團策略性計劃之相關性作出評估。

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

33 財務風險管理及金融工具之公平值 (續)

(e) Equity price risk (Continued)

The unlisted fund option is quoted by third party fund manager and the fund-linked note is valued by our Group with reference to the unlisted fund option value. At 31 December 2017, it is estimated that an increase/decrease of 2% in the underlying fund of the unlisted fund option, 10% (2016: 10%) listed price of overseas equity share, 3% in credit-linked note quoted price, 10% in net asset value of private fund investment and 10% quoted price of mutual funds by the Group, with all other variables held constant, would have increased/decreased the Group's profit after tax (and retained earnings) and other comprehensive income after tax (and fair value reserve) as follows:

(e) 股價風險(續)

非上市基金期權由第三方基金經理報價，而基金掛鈎票據由本集團參考非上市基金期權價值進行估值。於二零一七年十二月三十一日，估計倘非上市基金期權相關基金報價增加／減少2%、股本投資股價增加／減少10%、私人基金投資資產淨值增加／減少10%、信用聯繫票據報價增加／減少3%和共同投資基金增加／減少10%，而所有其他可變因素維持不變，本集團之除稅後溢利(及保留盈利)將增加／減少如下：

Change in the relevant equity price risk variable:	相關股價風險可變因素之變動：	2017 二零一七年		2016 二零一六年	
		%	Effect on profit after tax and retained profit 對除稅後溢利及保留溢利之影響 HK\$'000 千港元	%	Effect on profit after tax and retained profit 對除稅後溢利及保留溢利之影響 HK\$'000 千港元
Unlisted fund option	非上市基金期權				
Increase	增加	2	3,765		N/A
Decrease	減少	(2)	(2,071)		N/A
Fund-linked note	基金掛鈎票據				
Increase	增加	2	(1,975)		N/A
Decrease	減少	(2)	228		N/A
Listed share	上市證券				
Increase	增加	10	321	10	1,870
Decrease	減少	(10)	(321)	(10)	(1,870)
Preference share liability	優先股負債				
Increase	增加	10	—		N/A
Decrease	減少	(10)	—		N/A
Third party interest in consolidated fund	納入合併範圍的基金的 第三方權益				
Increase	增加	Note 註	(11,138)		N/A
Decrease	減少	Note 註	11,138		N/A

Note: weighted average of price change impact of the underlying asset

註：相關資產的價格變化影響的加權平均值

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

33 財務風險管理及金融工具之公平值 (續)

(e) Equity price risk (Continued)

(e) 股價風險 (續)

		2017 二零一七年		2016 二零一六年	
Change in the relevant equity price risk variable:		Effect on other comprehensive income after tax and fair value reserve 對除稅後溢利及保留溢利之影響		Effect on other comprehensive income after tax and fair value reserve 對除稅後溢利及保留溢利之影響	
相關股價風險可變因素之變動：		%	HK\$'000 千港元	%	HK\$'000 千港元
Mutual fund	共同投資基金				
Increase	增加	10	27,259		N/A
Decrease	減少	(10)	(27,259)		N/A
Private funds	私人基金投資				
Increase	增加	10	29,580		N/A
Decrease	減少	(10)	(29,580)		N/A
Credit linked note	信用聯繫票據				
Increase	增加	3	5,782		N/A
Decrease	減少	(3)	(5,782)		N/A

**33 FINANCIAL RISK MANAGEMENT
AND FAIR VALUE OF FINANCIAL
INSTRUMENT** *(Continued)*

(f) Fair value measurement

***Financial instrument measured at fair
value***

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instrument 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.
- 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.

**33 財務風險管理及金融工具之公平值
(續)**

(f) 公平值計量

以公平值計量之金融工具

(i) 公平值架構

下表呈列以經常性準則於報告期末計量之本集團金融工具公平值，乃根據香港財務報告準則第13號，公平值計量所界定分類為三級公平值架構。公平值計量之級別參考估值方法所用之輸入數據之可觀察性及重要性而分類及釐定如下：

- 第一級估值：公平值僅使用第一級輸入數據(即於計量日期之相同資產或負債在活躍市場之未經調整報價)計算。
- 第二級估值：公平值使用第二級輸入數據(即未能達到第一級之可觀察輸入數據)，且並無使用重大不可觀察輸入數據計算。不可觀察輸入數據為並無市場數據之輸入數據。
- 第三級估值：公平值使用重大不可觀察之輸入數據計算。

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

(f) Fair value measurement (Continued)

Financial instrument measured at fair value (Continued)

(i) Fair value hierarchy (Continued)

The table below analyses financial instrument carried at fair value, by fair value hierarchy:

33 財務風險管理及金融工具之公平值 (續)

(f) 公平值計量 (續)

以公平值計量之金融工具 (續)

(i) 公平值架構 (續)

下表採用公平值架構分析以公平價值計量的金融工具

	Fair value measurements as at 31 December 2017 categorised into 於二零一七年十二月三十一日之公平值計量歸類為			Fair value measurements as at 31 December 2016 categorised into 於二零一六年十二月三十一日之公平值計量歸類為		
	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
Recurring fair value measurement						
Assets/(liability)						
Financial asset						
designated at fair value through profit or loss:						
– Listed equity	3,209	–	–	204,800	–	–
Held for trading:						
– Unlisted fund/share option	–	2,727	–	–	5,470	–
Available-for-sale financial assets						
Overseas investment funds						
– Mutual fund investments	326,691	–	–	–	–	–
– Private credit funds	–	–	293,554	–	–	24,430
– Distressed asset funds	–	–	2,243	–	–	–
Credit linked obligation note	–	–	192,721	–	–	–
Perpetual capital measured at fair value	–	76,989	–	–	75,423	–
Financial liabilities at fair value through profit or loss						
– Fund-linked note	–	(78,063)	–	–	–	–
– Preference share liability	–	–	(207,071)	–	–	–
– Third-party interests in consolidated funds	–	–	(156,606)	–	–	–
	329,900	1,653	124,841	204,800	80,893	24,430

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT *(Continued)*

(f) Fair value measurement *(Continued)*

Financial instrument measured at fair value *(Continued)*

(i) Fair value hierarchy (Continued)

There were no transfers between Level 1 and Level 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 year in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The Group determines the fair value of unlisted fund option based on broker's quote and the risk management team carries out independent assessment using option valuation model technique such as the Black-Scholes Option-Pricing model and appropriate assumptions including the underlying fund price for the option pricing reasonableness assessment. With reference to the quoted fair value of the unlisted fund option fund-linked note, the Group further determines the fair value of the fund-linked note. The Group determines the fair value of perpetual capital by making reference to the brokers' quote as there is over-the-counter markets for such financial instrument. For mutual funds, the Group determines the fair values based on the redeemable price quoted by fund manager.

33 財務風險管理及金融工具之公平值 *(續)*

(f) 公平值計量 *(續)*

以公平值計量之金融工具(續)

(i) 公平值架構(續)

第一級與第二級之間並無轉移，或第三級亦並無轉入或轉出。本集團之政策是於報告期末確認發生於公平值架構級別之間之轉移。

(ii) 第二級公平值計量所用之估值方法及輸入數據

本集團根據經紀人報價確定非上市基金期權的公允價值，風險管理團隊採用期權定價模型技術「柏力克－舒爾斯」期權定價模式等期權估值模式方法和適當假設(包括底層基金的基礎價格)進行獨立評估合理性評估。參考非上市基金期權基金掛鈎票據的公平值，本集團進一步釐定基金掛鈎票據的公平值。輸入數據以結算日之市場相關數據為基準。因為報告期末永續資本存在場外市場，本集團參考經紀報價確定永續資本的公平價值。本集團參考共同投資基金經理人提供的可贖回價格為共同投資基金的公平價值。

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT *(Continued)*

(f) Fair value measurement *(Continued)*

Financial instrument measured at fair value *(Continued)*

(iii) Valuation techniques and inputs used in Level 3 fair value measurements

The Group has determined that the fair value of private debt securities investment fund and distressed fund based on the net asset value attributable to the Group determined by the respective fund managers. If such net asset value attributable to the Group is not yet readily available, adjustments to the fair value of the funds are made based on the latest net asset value with adjustments based on subsequent contribution made and distribution received by the Group. Regarding to credit link obligation note investment, the Group has determined the fair value based on valuation model and price quote provided by the arranger of the note with ongoing monitoring of our investment committee and risk management team in conjunction with additional information compiled by portfolio manager including performance and covenant compliance information as provided by the independent trustee. For the fund-linked note, the Group determined the fair value of the note based on the principal repayment terms, underlying reference fund price and option pricing model with appropriate assumptions.

33 財務風險管理及金融工具之公平值 *(續)*

(f) 公平值計量 *(續)*

以公平值計量之金融工具 *(續)*

(iii) 第三級公平值計量所用之估值方法及輸入數據

本集團根據基金經理提供的私人債務證券投資基金及不良資產基金淨資產值而確定私人債務證券投資基金的公平值。倘本集團應占之資產淨值尚未可供使用，本集團根據最新資產淨值並根據之後作出對基金之出資及基金作出分派及相關信息時間性對基金公平值作出適當調整。關於信用聯繫票據投資，在我們的投資委員會和風險管理團隊持續監督下，本集團連同由投資組合管理人編制的額外資料，包括由獨立受託人提供的表現及契約合規資訊，根據承銷商提供的估值模型和報價確定了公平值。

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

33 財務風險管理及金融工具之公平值 (續)

(f) Fair value measurement (Continued)

(f) 公平值計量(續)

Financial instrument measured at fair value (Continued)

以公平值計量之金融工具(續)

(iii) Valuation techniques and inputs used in Level 3 fair value measurements (Continued)

(iii) 第三級公平值計量所用之估值方法及輸入數據(續)

The reconciliation of financial assets and liabilities under Level 3 fair value measurements is as follows:

在第三級公平值計量下的金融資產和負債的對賬如下：

Available-for-sales investment

可供出售金融資產

		At 31 December 2017 於 二零一七年 十二月 三十一日 HK\$'000 千港元	At 31 December 2016 於 二零一六年 十二月 三十一日 HK\$'000 千港元
At 1 January	於一月一日	24,430	—
Purchase/contribution made	購買/出資	453,533	24,430
Disposal	出售/分派	—	—
Exchange alignment	外幣報表折算差額	1,685	—
Impairment loss recognised in profit or loss	計入損益之減值虧損	(1,980)	—
Net unrealised gain recognised in other comprehensive income	計入其他綜合收益之未變現淨收益	10,850	—
At 31 December	於十二月三十一日	488,518	24,430

Financial liabilities at fair value through profit and loss

金融負債以公平值計入損益

		At 31 December 2017 於 二零一七年 十二月 三十一日 HK\$'000 千港元	At 31 December 2016 於 二零一六年 十二月 三十一日 HK\$'000 千港元
At 1 January	於一月一日	—	—
Share issued/contribution received	股票發行/收到出資	354,960	—
Settled/distribution	還款/分派	—	—
Exchange alignment	外幣報表折算差額	1,091	—
Fair value change recognised in profit or loss	計入損益之公平價值變動	7,626	—
At 31 December	於十二月三十一日	363,677	—

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

(f) Fair value measurement (Continued)

Information about level 3 investment

Unlisted available-for-sale investment

非上市可供出售投資

Valuation technique

估值方法

Significant unobservable inputs

重要的不可觀察輸入數據

Credit linked obligation note
信用聯繫票據

Price quote
報價

Price quote
報價

Private credit funds and distressed funds
私募債權基金及不良資產基金

Net asset value
資產淨值

Net asset value
資產淨值

Preference share liability

Discounted cashflow

Expected distribution from underlying fund investment per annum and net asset value of underlying fund investment
基準基金每年投資預期分配及基礎投資資產淨值

優先股負債

折現現金流量

Third-party interests in consolidated funds

Net asset value
資產淨值

Net asset value
資產淨值

納入合併範圍的基金的第三方權益

As at 31 December 2017, the fair value of level 3 unlisted available-for-sale financial assets including private credit funds and distressed funds, preference share liability and third party interest in consolidated fund are measured based on the net asset value provided by underlying fund manager. Regarding to the credit linked obligation note, management determines the fair value mainly based on the price quote provided by the arranger. The sensitivity analysis is presented in note (e).

截至二零一七年十二月三十一日，對於其他歸類為可供出售金融資產的公平值計量歸類為第三級的私募債權基金及不良資產基金、優先股負債及納入合併範圍的基金的第三方權益。對於信用連帶責任票據，管理層主要根據安排人提供的報價確定公允價值。敏感性分析見附註(e)。

33 財務風險管理及金融工具之公平值 (續)

(f) 公平值計量(續)

第三級投資信息

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

33 財務風險管理及金融工具之公平值 (續)

(g) Offsetting financial assets and financial liabilities

(g) 抵銷金融資產及金融負債

(i) Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

(i) 受限於抵銷、有約束力之主要淨額協議或類似協議之金融資產

		As at 31 December 2017 於二零一七年十二月三十一日				
		Related amounts not offset in the consolidated statement of financial position 並無於綜合財務狀況表中抵銷之相關金額				
		Gross amount of recognised financial assets	Gross amount of recognised financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Cash collateral received	Net amount
Type of financial assets	金融資產類別	已確認金融資產總額 HK\$'000 千港元	於綜合財務狀況表中抵銷之已確認金融負債總額 HK\$'000 千港元	於綜合財務狀況表中呈列之金融資產淨額 HK\$'000 千港元	已收取之現金抵押品 HK\$'000 千港元	淨額 HK\$'000 千港元
Accounts receivable due from clearing house	應收結算所之應收賬款	8,731	(8,731)	-	-	-

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

(g) Offsetting financial assets and financial liabilities (Continued)

(i) Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements (Continued)

33 財務風險管理及金融工具之公平值 (續)

(g) 抵銷金融資產及金融負債(續)

(i) 受限於抵銷、有約束力之主要淨額協議或類似協議之金融資產(續)

As at 31 December 2016
於二零一六年十二月三十一日

		Related amounts not offset in the consolidated statement of financial position 並無於綜合財務狀況表中抵銷之相關金額				
		Gross amount of recognised financial assets		Net amount of financial assets presented in the consolidated statement of financial position		
Type of financial assets	金融資產類別	已確認金融資產總額 HK\$'000 千港元	之已確認金融負債總額 HK\$'000 千港元	於綜合財務狀況表中呈列之金融資產淨額 HK\$'000 千港元	已收取之現金抵押品 HK\$'000 千港元	淨額 HK\$'000 千港元
Accounts receivable due from clearing house	應收結算所之應收賬款	2,012	(2,012)	—	—	—

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

33 財務風險管理及金融工具之公平值 (續)

(g) Offsetting financial assets and financial liabilities (Continued)

(g) 抵銷金融資產及金融負債(續)

(ii) Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

(ii) 受限於抵銷、有約束力之主要淨額協議或類似協議之金融負債

		As at 31 December 2017 於二零一七年十二月三十一日				
		Related amounts not offset in the consolidated statement of financial position 並無於綜合財務狀況表中抵銷之相關金額				
		Gross				
		amount of recognised financial assets	offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Collateral pledged	Net amount
		Gross amount of recognised financial liabilities	at consolidated statement of financial position	at consolidated statement of financial position		
		已確認金融 負債總額	於綜合財務 狀況表中抵銷 之已確認金融 資產總額	於綜合財務 狀況表中呈列 之金融負債 淨額	已質押 之抵押品	淨額
Type of financial liabilities 金融負債類別		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Accounts payable due to clearing house	應付結算所之 應付賬款	60,051	(8,731)	51,320	3,958	47,362

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

(g) Offsetting financial assets and financial liabilities (Continued)

(ii) Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements (Continued)

33 財務風險管理及金融工具之公平值 (續)

(g) 抵銷金融資產及金融負債 (續)

(ii) 受限於抵銷、有約束力之主要淨額協議或類似協議之金融負債 (續)

As at 31 December 2016
於二零一六年十二月三十一日

		Related amounts not offset in the consolidated statement of financial position 並無於綜合財務狀況表中抵銷之相關金額					
		Gross amount of recognised financial liabilities		Gross amount of recognised financial position	Net amount of financial position	Collateral pledged	Net amount
Type of financial liabilities	金融負債類別	已確認金融負債總額	之已確認金融資產總額	於綜合財務狀況表中呈列之金融負債淨額	於綜合財務狀況表中呈列之金融負債淨額	已質押之抵押品	淨額
		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
Accounts payable due to clearing house	應付結算所之應付賬款	12,215	(2,012)	10,203	—	—	10,203

Notes to the Financial Statements

財務報表附註

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENT *(Continued)*

(g) Offsetting financial assets and financial liabilities *(Continued)*

(iii) *The tables below reconcile the “net amounts of financial assets and financial liabilities presented in the consolidated statement of financial position”, as set out above, to the accounts receivable and accounts payable presented in the consolidated statement of financial position.*

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net amount of financial assets after offsetting as stated above	誠如上文所列於抵銷後之金融資產淨額	—	—
Financial assets not in scope of offsetting disclosure	並非於抵銷披露範圍內之金融資產	100,641	50,513
Impairment losses	減值虧損	(26,403)	(26,902)
		74,238	23,611
Net amount of financial liabilities after offsetting as stated above	誠如上文所列於抵銷後之金融負債淨額	51,320	10,203
Financial liabilities not in scope of offsetting disclosure	並非於抵銷披露範圍內之金融負債	401,255	360,474
		452,575	370,677

34 CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2017 and 2016.

33 財務風險管理及金融工具之公平值 (續)

(g) 抵銷金融資產及金融負債 (續)

(iii) 下表為上文所載「於綜合財務狀況表中呈列之金融資產及金融負債淨額」與於綜合財務狀況表中呈列之應收賬款及應付賬款之對賬。

34 或然負債

本集團於二零一七年及二零一六年十二月三十一日並無任何重大或然負債。

Notes to the Financial Statements

財務報表附註

35 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions.

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term benefits	短期福利	33,789	48,725
Post-employment benefits	離職後福利	—	—
Equity compensation benefits	股份獎勵福利	14,667	—
		48,456	48,725

Total remuneration is included in “staff costs” (see note 6(a)).

During the year, amount of approximately HK\$763,000 transaction and management fee related to key management personnel's securities brokerage and wealth management transaction is waived by the Group.

(b) Other transactions with related parties

35 重大關聯人士交易

除財務報表其他部份所披露之關聯人士資料外，本集團進行以下重大關聯人士交易。

(a) 主要管理人員酬金

本集團之主要管理人員酬金如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term benefits	33,789	48,725
Post-employment benefits	—	—
Equity compensation benefits	14,667	—
	48,456	48,725

酬金總額計入「員工成本」(見附註6(a))。

本年度內，本集團豁免與主要管理人員證券經紀及財富管理交易有關的約763,000港元交易及管理費用。

(b) 與關聯人士進行之其他交易

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Brokerage fee income (note (i))	經紀費收入(附註(i))	243	349
Advisory fee income (note (ii))	諮詢費收入(附註(ii))	2,750	29,984
Interest expense (note (iii))	融資成本(附註(iii))	107	—

**35 MATERIAL RELATED PARTY
TRANSACTIONS (Continued)**

**(b) Other transactions with related parties
(Continued)**

Note:

- (i) During the year ended 31 December 2017, the Group provided brokerage services to (i) a company where our independent non-executive director, Dr. Wong Yau Kar, David, GBS, JP, is an independent non-executive director; and (ii) a company where Mr. Ko is a substantial shareholder and an executive director; and (iii) a company where our chairman, Mr. Yu Feng (“Mr. Yu”) is a director and substantial shareholder.

During the year ended 31 December 2016, the Group provided brokerage services to (i) a company where our independent non-executive director, Dr. Wong Yau Kar, David, GBS, JP, is an independent non-executive director; and (ii) a company where Mr. Ko is a substantial shareholder and an executive director; and (iii) a company where Mr. Ko is a director and substantial shareholder.

- (ii) During the year ended 31 December 2017, the Group provided advisory services to (i) a company where our executive director, Mr. Huang Xin (“Mr. Huang”), is the chairman; (ii) a company where Mr. Ko is a substantial shareholder; (iii) a company where Dr. Wong Yau Kar, David, GBS, JP, is an independent non-executive director.

During the year ended 31 December 2016, the Group provided advisory services to (i) a company where our chairman, Mr. Yu Feng (“Mr. Yu”), is a substantial shareholder and our independent non-executive director, Dr. Wong Yau Kar, David, GBS, JP, is an independent non-executive director of this company; (ii) two companies where Mr. Ko is a substantial shareholder and an executive director; (iii) a company where Mr. Yu is a director; and (iv) companies where Mr. Ko is a substantial shareholder.

- (iii) During the year, the Group incurred interest expense for cash custodian transactions with key management personnel.
- (iv) As of 31 December 2017, amount of US\$1.65 million investment commitment is made by key management personnel to the funds managed by the Group.

35 重大關聯人士交易(續)

(b) 與關聯人士進行之其他交易(續)

附註：

- (i) 於二零一七年十二月三十一日止年度，本集團向(i)一間公司(本公司之獨立非執行董事黃友嘉博士，GBS，JP為該公司之獨立非執行董事)；(ii)一間公司(高先生為該公司之主要股東及執行董事)及；(iii)一間公司(本公司主席虞鋒先生(「虞先生」)為董事及主要股東)提供經紀服務。

於二零一六年十二月三十一日止年度，本集團向(i)一間公司(本公司之獨立非執行董事黃友嘉博士，GBS，JP為該公司之獨立非執行董事)；(ii)一間公司(高先生為該公司之主要股東及執行董事)及；(iii)一間公司(高先生為董事及主要股東)提供經紀服務。

- (ii) 於二零一七年十二月三十一日止年度，本集團向(i)一間公司(本公司執行董事黃鑫(「黃先生」)為該公司主席)；(ii)一間公司(高先生為該公司之主要股東)；(iii)一間公司(本公司之前獨立非執行董事黃友嘉博士，GBS，JP為該公司之獨立非執行董事)。

於二零一六年十二月三十一日止年度，本集團向(i)一間公司(本公司主席虞鋒先生(「虞先生」)為該公司主要股東及本公司之獨立非執行董事及黃友嘉博士，GBS，JP為該公司之獨立非執行董事)；(ii)兩間公司(高先生為該等公司之主要股東及執行董事)；(iii)一間公司(虞先生為該公司董事)；及(iv)數間公司(高先生為該等公司之主要股東)提供諮詢服務。

- (iii) 於二零一七年十二月三十一日止年度，本集團向重要管理人員提供證券託管服務及進行現金託管交易時產生的利息支出。
- (iv) 於二零一七年十二月三十一日，主要管理人員對本集團管理的基金作出165萬美元的投資承諾。

Notes to the Financial Statements

財務報表附註

36 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

36 公司層面之財務狀況報表

		Note 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			
Interests in subsidiaries	於附屬公司之權益		1,009,119	180,695
Total non-current assets	非流動資產總值		1,009,119	180,695
Current assets	流動資產			
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產		—	59,256
Other receivable and prepayment	其他應收款項及預付款項		46,677	6,766
Fixed bank deposits with original maturity more than 3 months	到期期限多於三個月之銀行定期存款		1,505,766	—
Cash and cash equivalents	現金及現金等值項目		1,329,331	3,961,917
Total current assets	流動資產總值		2,881,774	4,027,939
Current liabilities	流動負債			
Accrued expenses and other payables	應計費用及其他應付款項		49,753	3
Total current liabilities	流動負債總值		49,753	3
Net current assets	流動資產淨值		2,832,021	4,027,936
NET ASSETS	資產淨值		3,841,140	4,208,631
EQUITY	權益			
Share capital	股本	29(a)	4,628,591	4,499,045
Reserves	其他儲備	29(a)	(787,451)	(290,414)
TOTAL EQUITY	權益總值		3,841,140	4,208,631

Approved and authorised for issue by the Board on 29 March 2018 and are signed on its behalf by:

Li Ting
李婷

Executive Director and Chief Executive Officer
執行董事及行政總裁

Huang Xin
黃鑫

Executive Director
執行董事

於二零一八年三月二十九日獲董事會批准及授權刊發並由下列代表簽署：

37 IMMEDIATE AND ULTIMATE HOLDING COMPANY

At 31 December 2017, the directors consider the immediate parent and ultimate holding company of the Company to be Yunfeng Financial Holdings Limited which is incorporated in the Cayman Islands and beneficially owned as to 29.85% and 70.15% by Mr. Ma Yun and Mr. Yu Feng, respectively. Yunfeng Financial Holdings Limited does not produce financial statements available for public use.

38 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 few amendments/new standards which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

37 直接及最終控股公司

董事認為本公司於二零一七年十二月三十一日之直接母公司及最終控股公司為雲鋒金融控股有限公司，該公司於開曼群島註冊成立，並由馬雲先生及虞鋒先生實益擁有29.85%及70.15%股權。雲鋒金融控股有限公司並無編製財務報表以供公眾人士使用。

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響

直至此等財務報表之發布日期，香港會計師公會已頒布了多項修訂及新準則；但該等修訂和新準則於截至二零一七年十二月三十一日止會計年度尚未生效，因此尚未應用於此等財務報表。可能與本集團有關之修訂和新準則如下。

	Effective for accounting periods beginning on or after 由會計期開始或 以後起生效
HKFRS 9, Financial instruments 《香港財務報告準則》第9號「金融工具」	1 January 2018 2018年1月1日
HKFRS 15, Revenue from contracts with customers 《香港財務報告準則》第15號修訂「與客戶訂約收入」	1 January 2018 2018年1月1日
Amendments to HKFRS 2, Share-based payment: Classification and measurement of share-based payment transactions 《香港財務報告準則》第2號修訂「以股份為基礎的支付：分類及計量以股份為基礎的支付交易」	1 January 2018 2018年1月1日
Amendments to HKAS 40, Investment property: Transfers of investment property 《香港會計準則》第40號修訂「投資物業：投資物業轉讓」	1 January 2018 2018年1月1日
HK(IFRIC) 22, Foreign currency transactions and advance consideration 香港(國際財務報告詮釋委員會)第22號「外幣交易及墊付代價」	1 January 2018 2018年1月1日
HKFRS 16, Leases 《香港財務報告準則》第16號「租賃」	1 January 2019 2019年1月1日

Notes to the Financial Statements

財務報表附註

38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018.

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(續)

本集團正在評估這些修訂、新標準及詮釋對初始採用期間的影響。截至目前為止，本集團已識別新標準的某些方面會對合併財務報表造成重大影響。有關預計影響的更多詳情載列於下文。儘管針對《香港財務報告準則》第9號及《香港財務報告準則》第15號的評估已大致完成，但初始採用該等標準的實際影響可能有所不同，因為截至目前已完成的評估是基於本集團現時可取得的資料。在該等標準於本集團截至2018年6月30日止六個月中期財務報告初始採用前，本集團可能會識別更多的影響。本集團還可能在該財務報告初始採用該等標準前，改變其會計政策的選擇，包括過渡方案。

《香港財務報告準則》第9號「金融工具」

《香港財務報告準則》第9號將取代現時金融工具的會計準則《香港會計準則》第39號「金融工具：確認與計量」。《香港財務報告準則》第9號於金融資產的分類和計量、金融資產的減值計算及對沖會計法引進新的要求。另一方面，《香港財務報告準則》第9號納入了《香港會計準則》第39號裏金融工具的確認和終止及金融負債的分類的相關要求並沒有重大改變。

《香港財務報告準則》第9號於2018年1月1日或之後開始的年度期間追溯生效。

38 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)

Expected impacts of the new requirements on the Group's financial statements are as follows:

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss ("FVTPL") and (3) fair value through other comprehensive income ("FVTOCI"):

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then interest revenue, impairment and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(續)

《香港財務報告準則》第9號「金融工具」(續)

新要求對本集團的財務報表的預計影響簡述如下：

(a) 分類及計量

《香港財務報告準則》第9號規定金融資產有三大分類，計量類別分類為：(1)攤銷成本、(2)通過損益以反映公平價值及(3)通過其他全面收益以反映公平價值，簡述如下：

- 債務工具之分類取決於實體管理金融資產的商業模式及該資產的合約現金流特徵。若以通過其他全面收益以反映公平價值作分類，其有效利息、減值準備及終止確認時之損益將於收益表內確認。
- 股份證券應按通過損益以反映公平價值作分類而無需考慮實體的商業模式。唯一的例外是對於持有作非交易用途之股份工具，實體可於初始確認時作出不可撤回的選擇，將該等股份工具指定分類為通過其他全面收益以反映公平價值。通過其他全面收益以反映公平價值的股份工具之股息將於收益表內確認，而其收益或虧損及減值將確認於其他全面收益。而日後即使出售相關工具，記於其他全面收益的收益或虧損亦不可轉回收益表內。

根據初步評估，本集團預期其以攤銷成本及通過損益以反映公平價值歸類的金融資產將在採用《香港財務報告準則》第9號後，繼續按其原來類別分類和計量。

Notes to the Financial Statements

財務報表附註

38 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)

Expected impacts of the new requirements on the Group's financial statements are as follows:
(Continued)

(a) Classification and measurement (Continued)

With respect to the Group's financial assets currently classified as "available-for-sale", these are investments in funds and debt instruments which the Group is required to reclassify the investment at FVTPL. The Group will recognise any fair value changes in respect of these investments in profit or loss as they arise. This will give rise to a change in accounting policy as currently the Group recognises the fair value changes of available-for-sale equity investments in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss in accordance with the Group's policies set out in notes 2(m). This change in policy will have no impact on the Group's net assets and total comprehensive income, but will increase volatility in profit or loss. Upon the initial adoption of HKFRS 9, fair value gains of HK\$14,318,000 related to the available-for-sale investments will be transferred from the fair value reserve to retained profits at 1 January 2018.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). As the financial liabilities designated at FVTPL are either collateralised or arising from consolidated fund products with substantial asset backing, the related credit risk of those liabilities with substantial asset backing is considered not material and, therefore, management does not expect to have material financial impact to the Group.

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(續)

《香港財務報告準則》第9號「金融工具」(續)

新要求對本集團的財務報表的預計影響簡述如下：(續)

(a) 分類及計量(續)

對於目前集團歸類為「可供出售」的金融資產，這些是基金和債務工具類投資。集團必須按通過損益以反映公平價值重新分類投資。集團計畫在這些投資的公允價值產生任何變動時，將這些變動計入損益。歸類會引起會計政策變更，因為可供出售金融資產的現行會計政策是將公允價值變動確認為其他綜合收益，直至處置或減值時的收益或虧損按照附註2(m)中列出的會計政策轉回至損益。這種政策變更對集團的淨資產和全面綜合收益沒有影響，但會影響報告的業績，如利潤和每股收益。於首次採納香港財務報告準則第9號後，與可供出售投資有關的公平值收益14,318,000港元將於2018年1月1日由公平值儲備轉撥至保留溢利。

《香港財務報告準則》第9號下，對金融負債的分類及計量的要求與《香港會計準則》第39號大致維持不變，惟指定為通過損益以反映公平價值的金融負債的本身信貸風險之公平價值變動，將於其他全面收益確認（並不會重新分類至收益表內）。由於以公允價值計量且其變動計入當期損益的金融負債產生於具有重大資產支持的合併基金產品，管理層認為有重大資產支持的這些負債沒有重大信用風險，預期此要求對本集團收益表之影響並不重大。

38 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

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses. Based on a preliminary assessment, if the Group were to adopt the new impairment requirements at 31 December 2017, no material impairment loss at that date would be recognised as compared with that recognised under HKAS 39 given most of financial instrument carried at amortised cost are either placed with bank with high credit rating or counterparties with strong credit background and settlement history. As a consequence, no material adjustment is expected to be made to the opening balances of net assets and retained profits at 1 January 2018.

(c) Hedge accounting

HKFRS 9 does not fundamentally change the requirements relating to measuring and recognising ineffectiveness under HKAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting. Further, the Group has currently has no hedge relationships will qualify as continuing hedges upon the adoption of HKFRS 9 and therefore it expects there will not be significantly impacted.

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(續)

《香港財務報告準則》第9號「金融工具」(續)

(b) 減值

在《香港財務報告準則》第9號中，新的減值計量方法使用「預期信用損失」模型來替代《香港會計準則》第39號中的「已發生損失」模型。在《香港財務報告準則》第9號下，不必在信用事件發生後才確認信用損失。相反，根據資產狀況、事實情況和所屬環境，本集團需要確認和計量12個月內之預期信用損失或合約期內之預期信用損失。本集團預計，採納預期信貸虧損模式將導致提早確認信貸虧損。基於初步評估，考慮到大部分以實際利率法按攤銷成本計量的金融工具是跟信用評級較高的銀或良好的結算歷史及財務背景的交易對手簽訂合同。如果本集團在2017年12月31日採納新的減值規定，於該日的累計減值虧損將與依據《香港會計準則》第39號確認的累計減值虧損沒有重差異。

(c) 對沖會計

《香港財務報告準則》第9號並無根本性改變《香港會計準則》第39號下對沖會計的非有效性對沖的計量及確認，但對適用於對沖會計的交易種類提供了更大的彈性。本集團預計將採用《香港財務報告準則》第9號提供的會計政策選擇，於國際會計準則委員會完成宏觀對沖會計項目目前繼續採用《香港會計準則》第39號對沖會計法。

Notes to the Financial Statements

財務報表附註

38 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 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts.

Based on the assessment completed to date, the Group has identified the following areas which are expected to be affected:

(a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 2(u). Currently, revenue arising from the provision of financial services is recognised over time, whereas revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(續)

《香港財務報告準則》第15號—「與客戶訂約收入」

《香港財務報告準則》第15號建立了一個確認來自客戶合約收入的綜合框架。《香港財務報告準則》第15號將取代現有的收入準則：《香港會計準則》第18號—收入(包括銷售貨物及提供服務所產生的收入)及《香港會計準則》第11號「建築合約」(規定建造合約收入之核算)。

根據初步評估，本集團已識別了可能會受到影響的以下方面：

(a) 收入確認時間

本集團的收入確認政策披露於附註2(u)。目前，提供金融服務產生的收入在一段時間內確認，而銷售貨品產生的收入通常在所有權風險及回報轉移至客戶時確認。

根據《香港財務報告準則》第15號，收入於客戶獲得合約中承諾商品和服務的控制權時確認。《香港財務報告準則》第15號確定了對承諾商品或服務的控制被視為隨時間轉移的三種情況：

- (i) 當客戶同時取得及消耗實體履約所提供的利益時；
- (ii) 實體的履約行為創造或改良了客戶在資產被創造或改良時就控制的資產(如在建工程)；
- (iii) 實體的履約行為並未創造一項可被實體用於替代用途的資產，並且實體具有就迄今為止已完成的履約部分獲得客戶付款的可執行權利。

38 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)

(a) Timing of revenue recognition (Continued)

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs. The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from corporate consultancy service agreement and other financial service contracts.

HKFRS 16, Leases

As disclosed in note 2(h), 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 enters into some leases as the lessor and others as the lessee.

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.

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(續)

《香港財務報告準則》第15號－「與客戶訂約收入」(續)

(a) 收入確認時間(續)

如果合約條款及實體履約行為並不屬於任何該等三種情況，則根據《香港財務報告準則》第15號，實體於某一時間點(即控制權轉移時)就銷售商品或服務確認收入。所有權的風險及回報的轉移僅為釐定控制權轉移發生時將考慮的其中一項指標。本集團認為新收入標準不太可能對公司諮詢服務協議和其他金融服務合同的收入確認重大影響。

《香港財務報告準則》第16號「租賃」

如在附註2(h)中所披露，本集團現分類租賃為融資租賃和經營租賃，本集團會按租賃的分類而採納不同的會計方法來處理租賃安排。本集團會以承租人身份簽訂租賃合約。

預計《香港財務報告準則》第16號對出租人根據他們在租賃的權利和義務的會計處理方法未有重大影響。但是，當採納《香港財務報告準則》第16號，承租人將毋須分辨融資租賃及經營租賃。另外，視乎實際情況，承租人將以現行相同的融資租賃會計法處理所有租賃，即在租賃之生效日承租人將按未來最低租賃付款之現值確認及計算租賃負債，亦會同時確認另一「可使用權利」資產。在初始確認該資產及負債後，承租人將按租賃負債的結餘確認應計利息支出，以及可使用權利資產的折舊，而並不是現行會計政策按租賃期限分期確認為經營租賃的租金支出。視乎實際情況，承租人可選擇不採納此會計模式計算短期租賃(即租賃期是12個月或以下)以及低價值資產之租賃，即仍繼續按租賃期限分期確認為經營租賃的租金支出。

Notes to the Financial Statements

財務報表附註

38 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 model is 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 31, at 31 December 2017 the Group entered certain future minimum lease payments under non-cancellable operating leases, the majority of which is payable between 1 and 5 years 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.

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.

Currently the Group accounts for certain procurement contracts as lease arrangement and classified it as finance leases. The Group has not yet decided which transition approach to be taken.

38 在截至二零一七年十二月三十一日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(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租約承租人就物業、廠房及設備(現時分類為經營租約)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租期內於損益表確認開支的時間。根據附註31的披露，於2017年12月31日，本集團簽訂不可撤銷經營租約項下就物業及其他資產的未來最低租賃款項將分別於報告日期後一至五年內。因此，在採納《香港財務報告準則》第16號後，部分的這些款項需與相應的使用權資產一同確認為租賃負債。本集團將需要進行更詳細的分析，以確定在採納香港財務報告準則後經營租賃承擔產生的新資產及負債的金額，並考慮可行權宜方法適當性和因應現時與採納《香港財務報告準則》第16號期間訂立或終止的任何租賃，以及折現影響進行調整。

《香港財務報告準則》第16號於2019年1月1日或之後開始的年度生效。該準則提供不同的過渡方案和可行的權宜方法，包括沿用現有安排為租賃或包含租賃的先前評估。如果選擇可行的權宜方法，本集團將只會對在初始採納或之後訂立的合約應用《香港財務報告準則》第16號下租賃的新定義。如果沒有選擇可行的權宜方法，本集團將需要採用新的定義，重新評估其關於現有租賃合約或包含租賃合約的決定。因應本集團是否追溯採納該準則，或採用修改的追溯方法來確認初始採納日對權益期初結餘作累計調整，本集團可能就重新評估產生的會計變動無需重述任何比較資訊。

目前，集團將某些採購合同作為租賃安排入賬並將其分類為融資租賃。該集團尚未決定採取何種過渡方式。

39 COMPARATIVE FIGURES

Proceeds from interest income from client is reclassified from investing activity to operating activity in the consolidated statement of cash flows and certain disclosure in relation to impairment losses in the notes to the consolidated financial statements are adjusted to conform to current year presentation.

40 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 10 January 2018, the Company has obtained the necessary approval from shareholders to proceed with the transaction to acquire 60% of the issued share capital of MassMutual Asia.

As disclosed in the announcement of the Company dated 26 January 2018, 950,000 2016 share award shares were granted to Pool B grantee at fair value HK\$6.09 per share.

On 28 February 2018, the Group has entered a strategic fund management agreement with another well-established financial institution. By sharing the operating and financing decision making power through the agreement, the Group is considered no longer being principal of the related fund and the fund is expected to be deconsolidated.

39 比較數字

來自客戶的利息收入所得款項於投資活動中重新分類至綜合現金流量表的經營活動，而有關根據綜合財務報表附註之減值虧損之披露已作出調整以符合本年度呈列。

40 報告期後的非調整事件

如於本公司日期為二零一八年一月十日之公告所披露，本公司已取得所需股東之批准進行收購萬通亞洲已發行60%之股本交易。

誠如本公司日期為二零一八年一月二十六日之公佈所披露，950,000股二零一六年股份獎勵股份已按每公允價值6.09港元授予B組承授人。

於二零一八年二月二十八日，本集團與另一家成熟的金融機構簽署了戰略基金管理協議。通過協議分享經營和財務決策權，本集團認為不再是相關資金的主要責任人，預計該基金將被拆分。

Five Year Financial Summary

五年財務概要

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
RESULTS	業績					
Revenue	收益	21,064	46,120	193,967	133,370	77,516
(Loss)/Profit before taxation	除稅前(虧損)/溢利	(378,168)	(324,869)	(77,869)	759,327	(87,360)
Taxation	稅項	(1,138)	8,327	(79,172)	(450)	—
(Loss)/Profit for the year	本年度(虧損)/溢利	(379,306)	(316,542)	(157,041)	758,877	(87,360)
Basic (loss)/earnings per share (HK\$)	每股基本(虧損)/盈利(港元)	(0.16)	(0.13)	(0.21)	1.73	(0.22)
ASSETS AND LIABILITIES	資產及負債					
Property and equipment	物業及設備	17,035	21,418	13,930	5,289	6,247
Goodwill and intangible assets	商譽及無形資產	36,110	21,512	550	550	550
Interest in associates	於聯營公司之權益	—	—	—	27,311	33,076
Non-current financial assets at fair value through profit or loss	非流動性按公平值計入損益之金融資產	—	—	—	556,427	—
Non-current available for sale financial assets	非流動性可供出售金融資產	565,507	99,853	—	—	—
Other non-current assets	其他非流動資產	9,160	10,684	15,260	8,856	805
Net current assets	流動資產淨額	3,890,752	4,292,041	4,749,774	422,468	120,391
Non-current liabilities	非流動負債	(379,232)	(1,385)	(18,171)	—	—
		4,139,332	4,444,123	4,761,343	1,020,901	161,069
Share capital	股本	4,629,094	4,499,548	4,499,548	614,919	498,231
Reserves	儲備	(489,762)	(56,532)	260,759	400,015	(343,184)
Non-controlling interests	非控股權益	4,139,332	4,443,016	4,760,307	1,014,934	155,047
		—	1,107	1,036	5,967	6,022
Total equity	權益總額	4,139,332	4,444,123	4,761,343	1,020,901	161,069

